



City of Bellevue, Washington
**Annual Comprehensive
Financial Report**

For the fiscal year ended December 31, 2021

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Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2021

**Prepared by the Accounting Team,
Finance and Asset Management Department**

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

	<u>Page</u>
INTRODUCTORY SECTION	
GFOA Certificate of Achievement for Excellence in Financial Reporting	i
Letter of Transmittal	ii
City Officials and Administrative Staff.....	vi
City Hierarchical Organization Chart	vii
Finance and Asset Management Department Organization Chart	viii
FINANCIAL SECTION	
Independent Auditor's Report	
Management's Discussion and Analysis	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Fund Net Position – Proprietary Funds.....	24
Statement of Revenue, Expenses, and Changes in Net Position – Proprietary Funds.....	28
Statement of Cash Flows – Proprietary Funds.....	30
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	35
Notes to the Basic Financial Statements	38
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios – Firefighters' Pension Fund	92
Schedule of Contributions – Firefighters' Pension Fund.....	93
Schedule of Investment Returns – Firefighters' Pension Fund	94
Schedule of the City's Proportionate Share of Net Pension Liability	95
Schedule of City's Contributions	98
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	101
Schedule of Modified Approach for Reporting Infrastructure Assets.....	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: General Fund.....	103
Notes to the Required Supplementary Information.....	105

	<u>Page</u>
Combining Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds.....	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	112
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Human Services Fund.....	115
Land Purchase Revolving Fund.....	116
Development Services Fund.....	117
Parks Fees Fund.....	118
LEOFF I Medical Reserve Fund	119
Park Maintenance and Operations Reserve Fund.....	120
Solid Waste Fund.....	121
Hotel/Motel Tax Fund	122
Combining Statement of Fund Net Position – Internal Service Funds.....	126
Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds	130
Combining Statement of Cash Flows – Internal Service Funds.....	132
Combining Statement of Fiduciary Net Position – Pension Funds.....	139
Combining Statement of Changes of Fiduciary Net Position – Pension Funds.....	140
Combining Statement of Fiduciary Net Position – Custodial Funds	144
Combining Statement of Changes of Fiduciary Net Position – Custodial Funds	146
STATISTICAL SECTION	<u>Table</u>
Financial Trends:	
Net Position by Component–Last Ten Fiscal Years	1 151
Changes in Net Position–Last Ten Fiscal Years	2 152
Governmental Activities Tax Revenue by Source–Last Ten Fiscal Years.....	3 155
Fund Balances of Governmental Funds–Last Ten Fiscal Years.....	4 156
Changes in Fund Balances of Governmental Funds–Last Ten Fiscal Years	5 160
General Governmental Tax Revenue by Source–Last Ten Fiscal Years.....	6 162
Revenue Capacity	
Taxable Sales by Category–Last Ten Fiscal Years	7 163
Sales Tax Rates – Direct and Overlapping Governments–Last Ten Fiscal Years	8 164
Assessed and Estimated Actual Value of Taxable Property–Last Ten Fiscal Years	9 166
Property Tax Rates Direct and Overlapping Governments–Last Ten Fiscal Years	10 167
Principal Property Taxpayers–Current Year and Nine Years Ago.....	11 168
Property Tax Levies and Collections–Last Ten Fiscal Years.....	12 169
Debt Capacity:	
Ratio of Outstanding Debt by Type–Last Ten Fiscal Years	13 170
Ratio of General Bonded Debt Outstanding–Last Ten Fiscal Years.....	14 171
Computation of Direct and Overlapping Debt	15 172
Legal Debt Margin Information.....	16 173
Pledged Revenue Coverage–Last Ten Fiscal Years.....	17 175
Demographic and Economic Information:	
Demographic Statistics–Last Ten Fiscal Years.....	18 176
Principal Employers–Current Year and Nine Years Ago	19 177
Operating Information:	
Full-Time Equivalent City Government Employees by Function–Last Ten Fiscal Years	20 178
Operating Indicators by Function–Last Ten Fiscal Years.....	21 179
Capital Assets by Function–Last Ten Fiscal Years	22 182

Introductory Section



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bellevue
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Post Office Box 90012 • Bellevue, Washington • 98009-9012

June 29, 2022

Honorable Mayor, City Councilmembers, and Community Members of the City of Bellevue,

The City of Bellevue's (the city) Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021, is hereby submitted. The responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures rests with the city's management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and agencies of the city. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

The management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The letter of transmittal is a complement to the MD&A and should be read in conjunction with it.

Profile of the Government

Incorporated in 1953, the City of Bellevue is the 5th largest of 281 cities in the State of Washington. Bellevue is located on the east shore of Lake Washington. The city encompasses 33.51 square miles and is located 11 miles east of Seattle and 275 miles west of Spokane. Bellevue is 175 miles north of Portland, Oregon, and 230 miles south of Vancouver, Canada.

The City of Bellevue is a noncharter code city, operating under Section 35A of the Revised Code of Washington (RCW). The city is a Council-Manager form of government with a seven-member City Council elected by the voters of the city. City Council members are elected at large, rather than by district, and are responsible for establishing the general guidelines and policies for the city. Each member serves a four-year term. The City Council elects the Mayor and Deputy Mayor from within its ranks. The City Council appoints the City Manager as the city's chief executive officer responsible for carrying out the policies and direction set by the City Council. This includes the enforcement of laws and ordinances, the execution of contracts and agreements, and maintenance of peace and order in the city.

The City of Bellevue provides a full range of local government services. These services include police and fire protection; emergency medical services; construction and maintenance of streets and traditional municipal infrastructure; planning and zoning; park and recreational activities; and cultural events. In addition, the city operates an equipment rental fund and provides storm and surface water, water, and sewer services. Certain city services, such as public safety, utility, information technology, and equipment rental and maintenance, are provided on a fee basis to other governmental agencies and neighboring taxing districts. Conversely, other government agencies provide the city with jail and court services through interlocal agreements. Bellevue residents receive library services from the King County Library System.

Discrete Component Unit

The city is financially accountable for the Bellevue Convention Center Authority (BCCA), which is reported as a discrete component unit of the city. The BCCA accounts for revenues and expenses associated with the operation of Meydenbauer Center. Meydenbauer Center is located in downtown Bellevue and contains a 54,000-square foot convention center and trade show facility, a 410-seat theater, and 434-stall underground parking garage.

Economic Condition and Outlook

The City of Bellevue was impacted significantly by the coronavirus disease of 2019 (COVID-19) pandemic. However, during 2021, the city experienced a strong economic recovery, which was reflected in the city's finances. Major revenue sources that were negatively impacted due to COVID-19, such as sales tax and business and occupation tax (B&O) rebounded in 2021 due to high levels of construction and development activity. Several sectors of the economy experienced growth, including construction, information services, and professional services.

At the end of 2021, the construction sector was a big contributor of tax revenues. Through December, about 11 million square feet of major projects were under construction (Source: City of Bellevue Development Services Q4 2021 Snapshot).

Bellevue's population has grown to 151,854, a 2.5 percent increase over 2020 (Source: Washington State Office of Financial Management). The city currently projects a population of 160,400 by 2035, an increase of 5.6 percent from current levels.

The city contains a variety of industries, including department stores, financial institutions, technology firms, automobile dealerships, engineering firms and manufacturing. The city is home to several major businesses, including Puget Sound Energy, T-Mobile, Smartsheet, Facebook, and Google. In early 2020, Amazon announced it would significantly expand its footprint in Bellevue, building a new office tower with an estimated completion date of 2023 and leasing an existing downtown business tower.

The city's employment continued to improve from peak unemployment levels in April 2020. The unemployment rate for the city was down to 2.7 percent in December 2021, down 1.2 percentage points from September. Though the unemployment rate remains above the pre-pandemic level, it is lower compared to King County, the Greater Seattle metropolitan area, and the State of Washington (Source: U.S. Bureau of Labor Statistics, Employment Security Department of Washington State).

Employment within the city's Central Business District is expected to increase at a rapid pace with an additional 28,500 jobs by 2035. Employment within the BelRed area is expected to gain about 13,000 jobs by 2035 by adding more office, retail, hotel, and educational spaces. (Source: City of Bellevue Community Development Department).

Long Term Financial Planning

In developing the city's biennial budget, the organization follows a number of guiding principles. Foremost is the City Council's long-term policy that quality service programs will be offered by the City of Bellevue.

Other guiding principles include:

- a focus on services that deliver outcomes important to the community and are responsive and accessible to all;
- positioning Bellevue to realize opportunities and enhance the city's image;
- an examination of the entire budget, not just incremental changes from the last budget;
- a commitment to innovation, efficiency, and sound business practice;
- a long-range strategic approach to an affordable and sustainable budget; and
- if expenditure reductions are necessary, service elimination is preferable to poor or marginal quality programs.

The city prepares a six-year financial operational forecast for the General Fund, Parks Fees Fund, Development Services Fund, Storm and Surface Water Utility Fund, Water Utility Fund, and Sewer Utility Fund to ensure that the economic outlook is incorporated into the City of Bellevue's financial planning. The city uses the operational forecasts and the seven-year Capital Investment Program (CIP) Plan as long-term financial planning tools. These planning tools provide valuable information that enables city management to make decisions with greater consideration of the financial consequences.

Major Initiatives

In April 2015, the City Council approved an Amended and Restated Memorandum of Understanding (MOU) with Sound Transit defining city contributions to a downtown Bellevue light rail tunnel and design modifications to minimize impacts of the rail line on Bellevue's neighborhoods. The MOU relates to a portion of the East Link light rail line that will run

from Seattle through Bellevue to the Overlake Area of Redmond, Washington. The construction of the tunnel and rail segments was completed in 2020. The construction of systems will occur in 2021, followed by one year of startup and testing. Ridership is expected to begin in 2023.

In April 2017, the City Council adopted an ordinance authorizing a \$99.6 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to assist with the creation of the BelRed Street Network—a total of 12 multimodal roadways planned to support the new BelRed neighborhood in the heart of the city.

The BelRed Street Network projects will provide:

- Nearly ten new lane-miles of roadway.
- 25,000 linear feet of sidewalk.
- 21,000 linear feet of bike lane.
- More than 5.5 acres of water quality treatment facilities.
- Approximately 90 new and upgraded curb ramps, and approximately 90 other pedestrian access improvements, compliant with the Americans with Disabilities Act (ADA).

Financial Management and Controls

City of Bellevue management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes 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.

Budget Process Summary

The City of Bellevue budgets on a biennial basis, with each budget beginning in an odd numbered year. Appropriations for operating funds are authorized for two years but must be reviewed and reauthorized by the City Council in the middle of the biennial period.

The city continues to focus on providing priority government programs, high quality services, and capital investments. During the 2021-2022 budget process, the city employed the Budgeting for Outcomes methodology (Budget One). The Budget One process strives to deliver outcomes that are important to the community, and reflects the values and priorities recognized by the City Council and city management. The Outcomes identified by the City Council as community-wide priorities include: Safe Community, Improved Mobility and Connectivity, Quality Neighborhoods/Innovative, Vibrant, and Caring Community, Healthy and Sustainable Environment, Economic Growth and Competitiveness, and Responsive Government.

Budgetary Controls

The City of Bellevue maintains budgetary controls in accordance with RCW 35A.34. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the budget appropriations established by the City Council. The General Fund and all special revenue funds are included in the biennially appropriated operating budget as listed below, with the exception of the Operating Grants, Donations, and Special Reserves Fund and Housing Fund. These project-length financial plans are adopted for the remaining special revenue, capital, and proprietary funds.

Biennially Budgeted Governmental Funds:

- General Fund
 - Separately-appropriated funds, reported in the General Fund per the Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”:
 - Human Services Fund
 - Land Purchase Revolving Fund
 - Development Services Fund
 - Parks Fees Fund

City of Bellevue, Washington

- LEOFF I Medical Reserve Fund
- Park Maintenance & Operations Fund
- Solid Waste Fund
- Hotel/Motel Tax Fund

As demonstrated by the statements and schedules included in the financial section of this report, the city continues to meet its responsibility for sound financial management.

Other Information

Independent Audit

Washington state law requires an annual audit of the city's financial records and transactions by the Washington State Auditor, an independent elected state official. The audit of the city has now been completed and was performed in conformance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. The financial statements of all city funds and agencies have been included in this audit. The city has been given an unmodified opinion for 2021. Please see the Auditor's Opinion at the beginning of the Financial Section of this report.

Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bellevue for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The city has earned this prestigious award for 41 out of 44 Annual Report submissions. This was the 38th consecutive annual award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting the 2021 Annual Comprehensive Financial Report to the GFOA to determine its eligibility for the certificate.

The GFOA has also awarded the Distinguished Budget Presentation Award to the City of Bellevue for its 2021-2022 biennial budget document for the 25th consecutive year/biennium. The GFOA gives this award to those governments whose budget document meets the GFOA's criteria as an effective policy document, operations guide, financial plan, and communication device.

Acknowledgements

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of Finance and Asset Management Department staff and other employees throughout the city who assisted in and contributed to its preparation. Thank you to the City Council and City Management for their fiscal stewardship and policy direction in conducting the financial operations of the city in a sound and progressive manner. A special note of thanks is given to Michael Chandler, Financial Services Manager, Abigail Richardson, Assistant Accounting Manager, Nicole Mason, Senior Financial Analyst, Cheryl Harmon, Senior Financial Analyst, and Colin Miller, Financial Analyst, who served as the main Annual Comprehensive Financial Report preparers and coordinators. Finally, thank you to the Washington State Auditor's Office for their professional assistance during the year.

Respectfully submitted,



Toni Call

Finance and Asset Management Director

City Officials and Administrative Staff
As of December 31, 2021

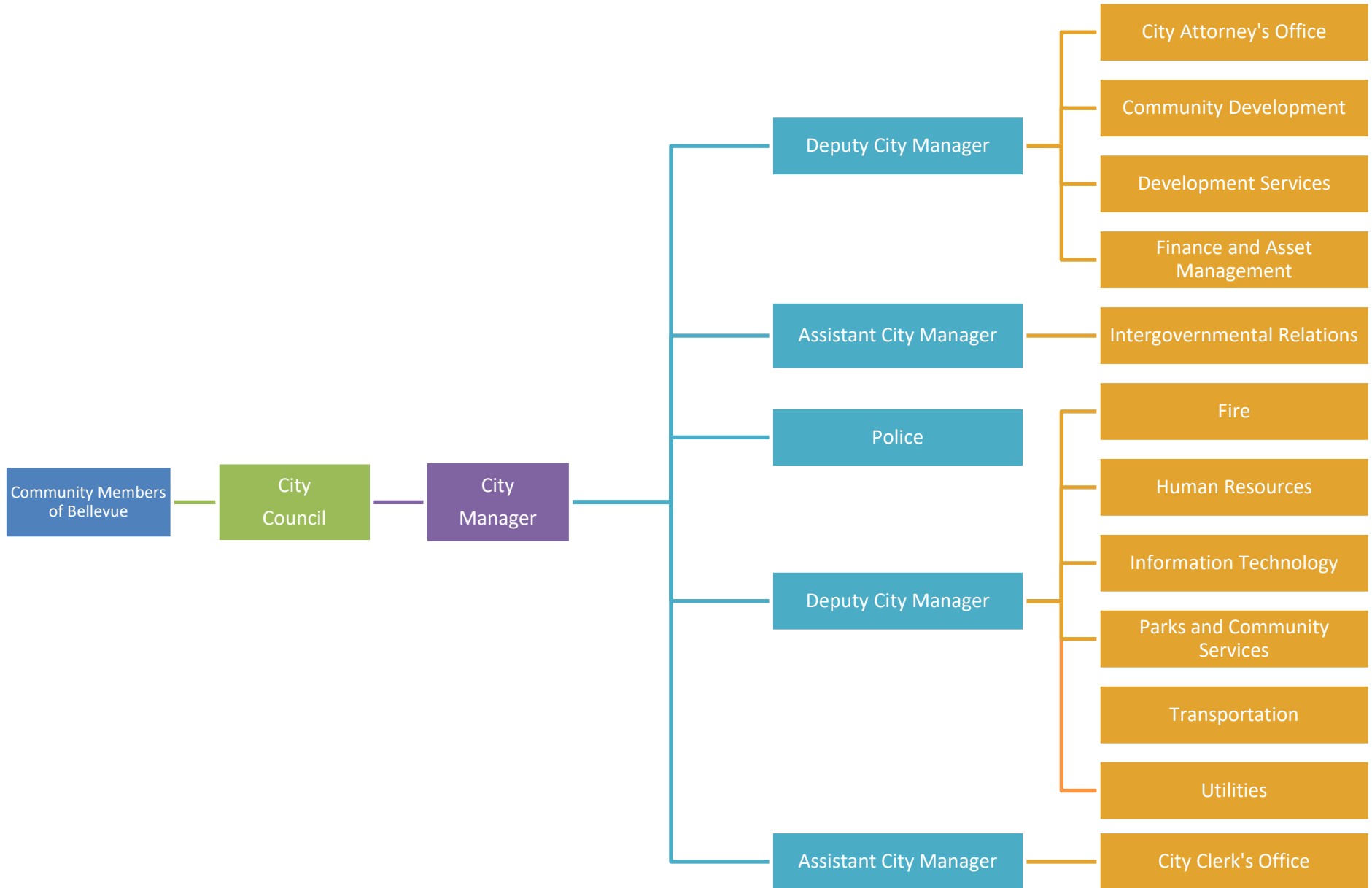
ELECTED CITY COUNCIL

Mayor	Lynne Robinson
Deputy Mayor.....	Jared Nieuwenhuis
Councilmembers.....	Jeremy Barksdale Conrad Lee Jennifer Robertson John Stokes Janice Zahn

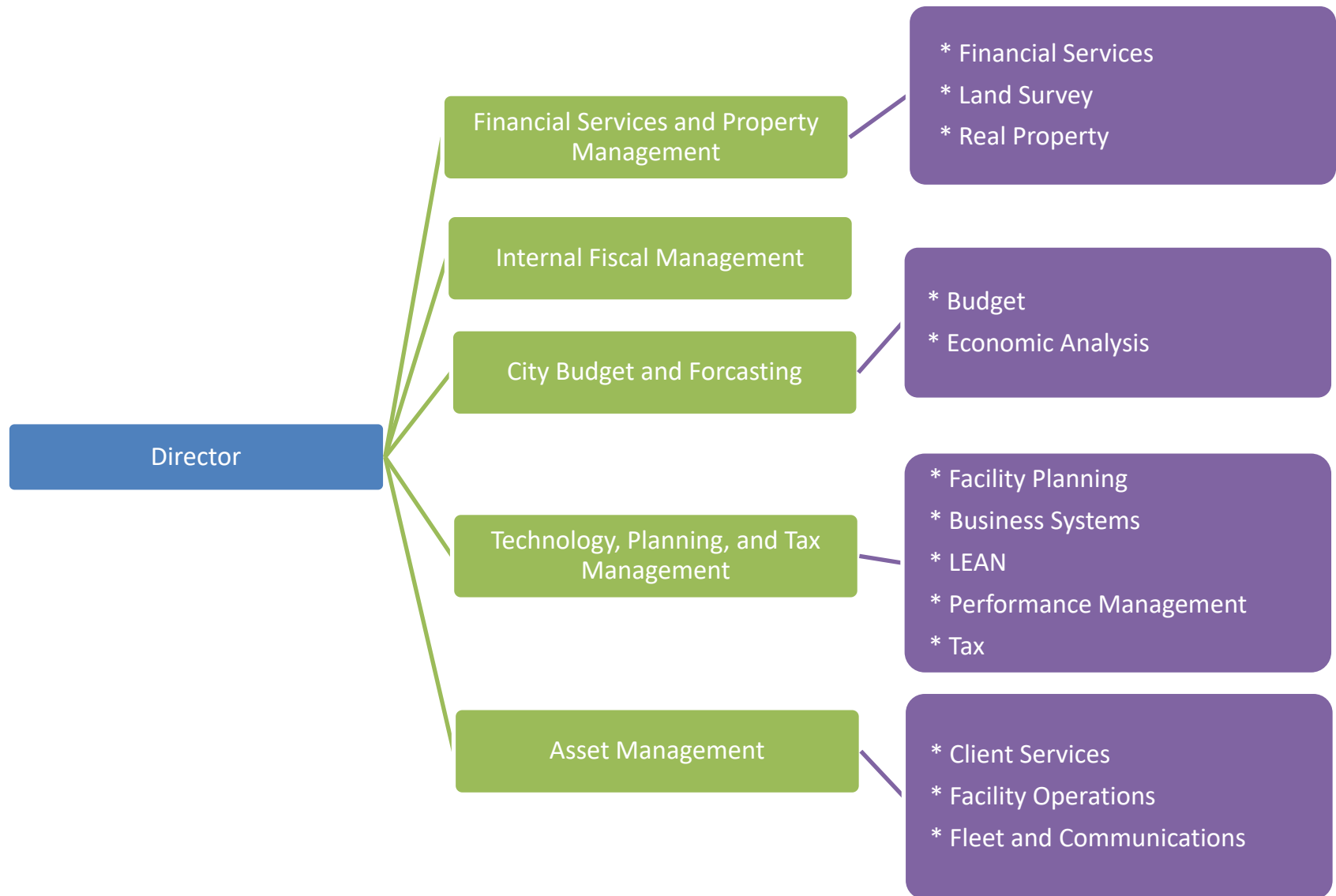
APPOINTED ADMINISTRATIVE STAFF

City Manager	Brad Miyake
Deputy City Managers	Mary Kate Berens Nathan McCommon
Director of Intergovernmental Relations	Joyce Nichols
City Attorney	Kathy Gerla
City Clerk's Office Director (interim)	Charmaine Arredondo
Community Development Director	Mac Cummins
Development Services Director	Mike Brennan
Finance & Asset Management Director	Toni Call
Fire Chief.....	Jay Hagen
Human Resources Director	Joy St. Germain
Chief Information Officer, Information Technology	Sabra Schneider
Parks & Community Services Director	Michael Shiosaki
Police Chief (interim)	Wendell Shirley
Transportation Director.....	Andrew Singelakis
Utilities Director	Nav Ota

City Hierarchical Organization Chart



Finance and Asset Management (FAM) Department Organization Chart



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Financial Section

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**Office of the Washington State Auditor
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Mayor and City Council
City of Bellevue
Bellevue, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Bellevue as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Bellevue, as of December 31, 2021, 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.

We did not audit the financial statements of the Municipal Employees' Benefit Trust fund, which represents 90 percent, 93 percent and 59 percent, respectively, of the assets, net position, and revenues of the Aggregate Remaining Funds opinion unit. Those statements were audited by the other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Municipal Employees' Benefit Trust fund, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

June 29, 2022

Management's Discussion and Analysis

This narrative provides an overview and analysis of the City of Bellevue's financial activities for the fiscal year ended December 31, 2021. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the letter of transmittal in the introductory section, the financial statements, and the accompanying notes following the narrative.

Financial Highlights

- The city's total net position increased \$240.4 million, or 8.9 percent, from 2020.
- The city's total revenues increased 11.0 percent from prior year while expenses decreased 14.6 percent.
- Tax revenues increased \$53.7 million and assessed property values increased 4.4 percent since 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The basic statements include three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and required information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the city's financial position in a manner like that of a private-sector business. These statements are reported on the full accrual basis of accounting. Under the full accrual basis, certain revenues and expenses are reported that will not affect cash flows until future periods.

The government-wide financial statements distinguish governmental activities from business-type activities. Governmental activities of the city are principally supported by taxes and revenues from other agencies. These funds include general government, public safety, physical and economic environment, transportation, mental/physical health, and culture and recreation. The city's business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. These funds include storm and surface water utility, water utility, sewer utility, and marina operations. The component unit is Bellevue Convention Center Authority (BCCA), which operates Meydenbauer Center.

The Statement of Net Position presents information on the city's assets, deferred outflow of resources, liabilities, and deferred inflows of resources. The difference between these is reported as net position. Evaluating increases or decreases over time can serve as a useful indicator of whether the financial position of the city is improving or declining.

The Statement of Activities presents information on the net cost of each governmental and business-type function during the fiscal year. The statement also identifies the amount of general revenues needed to fully fund each governmental function.

Fund Financial Statements

The fund financial statements focus on the governmental funds and proprietary funds separately. The city's major governmental funds are presented in separate columns and the remaining funds are combined into a column titled Nonmajor Governmental Funds. Statements for the city's proprietary funds and fiduciary funds follow the governmental funds.

The City of Bellevue has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to community members. Internal service funds are used to account for goods and services provided internally to city departments.

Fiduciary funds account for activities the city conducts for the benefit of others, and for certain pension and other post-employment benefit (OPEB) arrangements. They hold assets in a trustee or custodial capacity for individuals, private organizations, or other governments. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City of Bellevue's activities. The city has three types of fiduciary funds: a pension fund, a private-purpose trust fund, and custodial funds. Statements for the fiduciary funds are reported using the full accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI).

Combining Statements

The combining statements for other governmental funds, internal service funds, and fiduciary funds are presented immediately following the RSI.

Statistical Section

This section includes unaudited trend information and demographics.

Government-Wide Financial Analysis

The Government-wide Statement of Net position of the city as of December 31, 2021 and December 31, 2020 is summarized in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
			(in thousands)			
Current and other assets	\$ 570,484	\$ 344,547	\$ 397,560	\$ 358,088	\$ 968,044	\$ 702,635
Capital assets, net	2,053,463	2,023,214	467,328	435,408	2,520,791	2,458,622
Total assets	2,623,947	2,367,761	864,888	793,496	3,488,835	3,161,257
Deferred outflows	25,302	24,869	1,136	1,253	26,438	26,122
Total deferred outflows	25,302	24,869	1,136	1,253	26,438	26,122
Total assets and deferred outflows	\$ 2,649,249	\$ 2,392,630	\$ 866,024	\$ 794,749	\$ 3,515,273	\$ 3,187,379
Long-term liabilities	\$ 378,185	\$ 409,944	\$ 1,381	\$ 2,984	\$ 379,566	\$ 412,928
Other liabilities	45,093	39,182	7,877	6,456	52,970	45,638
Total liabilities	423,278	449,126	9,258	9,440	432,536	458,566
Deferred inflows	118,344	15,005	11,719	1,557	130,063	16,562
Total deferred inflows	118,344	15,005	11,719	1,557	130,063	16,562
Total liabilities & deferred inflows	\$ 541,622	\$ 464,131	\$ 20,977	\$ 10,997	\$ 562,599	\$ 475,128
Net investment in capital assets	\$ 1,809,539	\$ 1,761,119	\$ 462,545	\$ 431,961	\$ 2,272,084	\$ 2,193,080
Restricted	203,861	120,961	2,520	520	206,381	121,481
Unrestricted	94,227	46,419	379,982	351,271	474,209	397,690
Total net position	\$ 2,107,627	\$ 1,928,499	\$ 845,047	\$ 783,752	\$ 2,952,674	\$ 2,712,251

Governmental Activities

Governmental activities net position increased \$179.1 million, or 9.3 percent. The restricted net position consists of \$108.9 million for CIP projects, \$63.8 million for net pension asset, \$1.5 million for police fines and forfeitures, and the remaining \$29.6 million covers a variety of municipal purposes.

Factors contributing to the changes in net position include:

- Due from other governments decreased \$9.6 million. The decrease relates primarily to large deferrals at the end of 2020 for transportation grants, TIFIA revenue, and a large parks reimbursement that have been cleared.
- Capital assets increased \$30.2 million due to major construction development and investments in infrastructure throughout the City of Bellevue.
- The City of Bellevue's net pension assets increased \$123.3 million. The net pension liability decreased \$23.8 million. This is mainly a result of the Public Employees Retirement Systems Plan 2 and 3 resulting in a net pension asset in 2021, which has historically been a pension liability. The associated deferred outflow of resources increased \$1.4 million. In addition, the deferred inflow of resources increased \$103.4 million.

Business-Type Activities

Business-type activities net position increased by \$61.3 million in 2021. Restricted net position of \$0.5 million is restricted for utility capital projects and customer deposits. Contributing factors of the increase in net position were:

- Total cash increased \$110.1 million as a result of the city's effort to build reserves for future utility infrastructure replacement according to the utility's 75-year plan.
- Capital assets increased \$31.9 million due to investments in infrastructure.

Changes in Net Position

The table below provides condensed information on revenues, expenses, and changes in net position with governmental and business-type activities shown separately.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Revenues:						
Program revenues:						
Charges for services	\$ 97,788	\$ 84,587	\$ 173,811	\$ 157,783	\$ 271,599	\$ 242,370
Operating grants & contributions	30,117	21,845	74	66	30,191	21,911
Capital grants & contributions	18,998	38,193	9,799	12,649	28,797	50,842
General revenues:						
Property taxes	62,581	61,172	-	-	62,581	61,172
Sales taxes	100,443	74,150	-	-	100,443	74,150
Other taxes	125,273	99,285	-	-	125,273	99,285
Investment interest	1,230	2,159	874	1,937	2,104	4,096
Miscellaneous	9,766	14,234	966	866	10,732	15,100
Total revenues	<u>446,196</u>	<u>395,625</u>	<u>185,524</u>	<u>173,301</u>	<u>631,720</u>	<u>568,926</u>
Expenses:						
General government	11,811	82,024	-	-	11,811	82,024
Public safety	98,731	104,615	-	-	98,731	104,615
Physical environment	1,455	1,284	-	-	1,455	1,284
Transportation	46,400	47,976	-	-	46,400	47,976
Economic environment	46,043	44,271	-	-	46,043	44,271
Health and human services	7,455	6,393	-	-	7,455	6,393
Culture and recreation	44,730	41,637	-	-	44,730	41,637
Unallocated interest on long-term debt	10,443	10,960	-	-	10,443	10,960
Water utility	-	-	55,899	51,027	55,899	51,027
Sewer utility	-	-	53,511	53,215	53,511	53,215
Storm & surface water utility	-	-	14,466	14,710	14,466	14,710
Marina	-	-	353	318	353	318
Total expenses	<u>267,068</u>	<u>339,160</u>	<u>124,229</u>	<u>119,270</u>	<u>391,297</u>	<u>458,430</u>
Excess (deficiency) before transfers	179,128	56,465	61,295	54,031	240,423	110,496
Transfers	-	400	-	(400)	-	-
Change in net position	179,128	56,865	61,295	53,631	240,423	110,496
Net position - beginning	1,928,499	1,870,412	783,752	730,121	2,712,251	2,600,533
Change in accounting principle	-	2,763	-	-	-	2,763
Prior period adjustment	-	(1,541)	-	-	-	(1,541)
Net position - ending	<u>\$ 2,107,627</u>	<u>\$ 1,928,499</u>	<u>\$ 845,047</u>	<u>\$ 783,752</u>	<u>\$ 2,952,674</u>	<u>\$ 2,712,251</u>

Governmental Activities

Net position of governmental activities increased \$179.1 million.

Total revenues increased \$50.6 million, contributing to the net position increase for governmental activities. The highlights of which are:

Program revenues – charges for services

- Transportation increased \$6.9 million. This is mainly due to an increase in right of way lease fees, franchise fees, and impact fees collected in 2021.
- Economic environment increased \$2.9 million due to an increase in permit fee collections for inspections.
- Culture and recreation increased \$2.0 million due to the reopening of facilities after COVID-19 shutdowns.

Program revenues – Operating grants and contributions

- General government decreased \$1.8 million due to the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding received in 2020.
- Economic environment increased \$1.7 million due to developer contributions for affordable housing and American Recovery Plan Act funds for small business relief.
- Health and human services increased \$11.1 million due to a large private donation to support small and/or minority-led community organization and American Recovery Plan Act funds for human services and eviction/rent relief.
- Culture and recreation decreased \$2.1 million due to the CARES Act Funding received in 2020.

Program revenues – capital grants and contributions

- Transportation capital grants and contributions decreased \$23.3 million due to the exhaustion of large 2020 capital grants, including the Mountains to Sound Greenway trail project.
- Culture and recreation increased \$4.0 million due to an increase in developer contributions for the development of a future park in the Bel Red area and a state grant supporting the Downtown Park NE Entry construction.

General revenues

- Retail sales and use tax increased \$26.3 million from 2020.
- Business and occupations taxes increased \$11.3 million from 2020.
- Excise taxes increased \$11.4 million from 2020.
- The above taxes increased driven by the unprecedented high levels of construction in the downtown and BelRed areas.

Total expenses decreased \$72.1 million. Highlights of programmatic changes are:

- General government expenses decreased \$70.2 million due to the refunding of \$40.7 million offset by cost saving measures implemented in 2021 to respond to the economic impacts of COVID-19.
- Public safety expenses decreased \$5.9 million mainly due to reduced OPEB costs in 2021 and vacancies of both firefighters and police officers.
- Economic environment increased \$1.8 million due to contractual payments due to affordable housing.
- Culture and recreation increased \$3.1 million due to the purchase of land for future park development and the costs of the Downtown Park NE Entry Way.

Business-Type Activities

Business-type activities net position increased by \$61.3 million for utilities and marina activities in 2021.

The revenues for business-type activities increased \$12.2 million and expenses increased \$5.0 million. The highlights of this activity are:

Storm and Surface Water Utility

- Charges for services decreased \$0.3 million for storm and surface water utility services due reduced fees from development activities offset by a rate increase.
- Capital grants and contributions decreased \$4.1 million due to the timing of grants received from other agencies and reduced fees from development activities.

Water Utility

- Charges for services increased \$9.0 million for water utility services due mainly to rate increases offset by lower usage year-over-year.
- Capital grants and contributions decreased \$0.2 million due to a rate increase coupled with increased consumption due to warmer weather and better than anticipated recover from COVID-19 impacts

Sewer Utility

- Charges for services increased \$5.3 million for sewer utility services due to a rate increase, increased wastewater volumes and better than anticipated recovery from COVID-19 impacts
- Capital grants and contributions increased \$1.4 million due to increased fees from development activities.

Marina

- Fluctuations in the Marina fund from 2020 to 2021 were insignificant.

Financial Analysis of the Government's Funds

Governmental Funds

The governmental fund statements report on a near-term financial resource basis. This information helps determine the city's financial requirements in the near future. In particular, unassigned fund balance is a good indicator of the city's resources available for spending at the end of the year. Restrictions on fund balance do not significantly affect the availability of fund resources for future use.

The General Fund ending fund balance of \$109.1 million is an increase of \$29.1 million from the fund balance of 2020. Revenues increased \$35.8 million and expenditures increased \$19.8 million.

The Housing Fund has an ending fund balance of \$18.2 million, a \$8.4 million increase from 2020. Revenues increased \$6.9 million while expenditures increased \$1.2 million.

The Interest and Debt (I&D) Redemption Regular Levy Fund ending fund balance of \$4.3 million is no change from 2020. Revenues decreased \$3.8 million while expenditures of the fund increased \$4.7 million from 2020.

The General Capital Investment Program Fund has an ending fund balance of \$173.1 million, a \$55.2 million increase from 2020. Revenues increased \$125.7 million while expenditures decreased \$29.6 million.

Significant changes in these governmental funds follow the same fluctuations noted above in the governmental activities.

Business-Type Funds

The Storm and Surface Water Utility net position increased \$17.0 million to \$234.1 million. Unrestricted net position increased \$14.7 million due to the increase in reserves for future infrastructure replacement.

The Water Utility net position increased \$24.1 million to \$325.7 million. Unrestricted net position decreased \$2.7 million due to the increase in reserves for future infrastructure replacement.

City of Bellevue, Washington

The Sewer Utility net position increased \$19.8 million to \$274.9 million. Unrestricted net position increased \$16.4 million due to the increase in reserves for future infrastructure replacement.

Capital Asset Activity

The City of Bellevue's investment in capital assets for the end of 2021 was \$2.5 billion, net of depreciation, which was an increase of \$62.2 million from the previous year. The following table shows the balances by category for governmental activities, business activities, and the city as a whole.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Land	\$ 902,020	\$ 905,888	\$ 25,039	\$ 25,007	\$ 927,059	\$ 930,895
Buildings	125,137	132,921	8,174	9,982	133,311	142,903
Improvements other than buildings	59,802	53,793	-	-	59,802	53,793
Machinery and equipment	23,226	25,116	4,601	4,863	27,827	29,979
Leasehold improvements	1,239	1,652	-	-	1,239	1,652
Infrastructure	873,439	853,543	399,722	376,016	1,273,161	1,229,559
Intangible assets	(961)	(657)	40	44	(921)	(613)
Construction in progress	69,561	50,958	29,752	19,496	99,313	70,454
Total	<u>\$ 2,053,463</u>	<u>\$ 2,023,214</u>	<u>\$ 467,328</u>	<u>\$ 435,408</u>	<u>\$ 2,520,791</u>	<u>\$ 2,458,622</u>

Governmental Activities

Capital assets from governmental activities increased \$30.2 million. Some of the projects completed in 2021:

- Purchase of the Ollis Property for development of a future park for \$1.4 million.
- Completion of the Downtown Park NE Entry Way totaling \$7.6 million, including a formal garden, water feature, and pedestrian promenade.
- A retaining wall at NE 124th totaling \$2.4 million.
- Completion of assets in CIP Project PW-R-185 Newport Way Improvements from Somerset Blvd to 150th Avenue totaling \$9.6 million, including an arterial roadway, a traffic control system, and multiple retaining walls.
- A traffic control system and sidewalk at 112th Ave NE and NE 24th totaling \$2.3 million.
- A traffic control system and sidewalk at 124th Ave for \$1.1 million.
- A multipurpose pathway at NE 12th Street, from 108th to 112th totaling \$1.6 million.
- A road development, including traffic control systems, on BelRed Road, totaling \$4.7 million.
- Phase 2 of Downtown Bike Lanes development, specifically at NE 108th Street, totaling \$1.4 million.
- Charges to accumulated depreciation totaled \$24.0 million.

The city has elected to report its transportation infrastructure capital assets using the modified approach. The modified approach is an alternative to the standard depreciation model normally used to report the usage of capital assets as an expense. The modified approach requires that the city have an up-to-date inventory of eligible infrastructure assets; perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale; and estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the city. The city performs a biennial condition assessment of its transportation infrastructure. In the off years, the assessment computation is provided by the city's Pavement Management System.

The city has classified its transportation infrastructure capital assets into two systems: arterial roadways and residential roadways. The standard performance rating for the two systems is noted below:

	<u>Satisfactory</u>	<u>Unsatisfactory</u>
Arterial:	50 - 100	0 - 49
Residential:	30 - 100	0 - 29

The average condition and satisfaction ratings have not changed significantly over the previous year. The city's minimum acceptable condition levels have been defined as having at least 60 percent of arterial roadways, and 75 percent of residential roadways at or above satisfactory condition.

Business-type Activities

The Utilities Department is in the process of the annual replacement of a portion of the city's aging infrastructure which is expected to stabilize costs for the future. The net increase of \$31.9 million in capital assets was related to completed infrastructure projects and construction projects currently underway, tempered by depreciation for existing assets. Highlights of some of the major projects underway or completed are:

- Construction of the multiple asbestos cement replacement phases totaling \$14.7 million.
- Construction of Pikes Peak 550 Street Retrofit project for \$2.8 million
- Repairs to Vasa Creek Culvert project for \$1.3 million.
- Charges to accumulated depreciation totaled \$12.3 million.

For more detailed information about the City of Bellevue's capital assets please refer to Note 6: Capital Assets.

Debt Outstanding

At year-end, the city had \$309.3 million in debt outstanding, which is a decrease of \$6.8 million. All debt outstanding is for governmental activities. The proceeds of debt were used to fund capital projects and refunding of debt.

	2021	2020
	(in thousands)	
General obligation bonds	\$ 309,145	\$ 315,942
Other long-term debt	199	239
Total	<u>\$ 309,344</u>	<u>\$ 316,181</u>

Governmental Activities

Over the past five years, the city issued general obligation (GO) debt of \$100.6 million, which included \$47.3 million for refunding debt in 2021. Of the bonded debt outstanding at December 31, 2021, \$13.5 million is due within one year.

Business-type Activities

The utilities funds are building reserves to pay for repair and replacement of infrastructure assets, in lieu of issuing new debt.

Debt Capacity

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

The city's assessed valuation for 2021 was \$71.3 billion and the total amount of additional debt the city may issue is \$5.4 billion. This debt capacity is categorized as follows, in thousands:

General debt	\$ 1,477,446
Open space/Parks facilities	1,782,328
Utilities	1,782,328
Total	<u>\$ 5,042,102</u>

Bond Rating

The City of Bellevue has favorable bond ratings which will provide for lower borrowing costs in the future. The bond ratings for 2021 are:

<u>Bond Type:</u>	<u>Standard and Poor's</u>	<u>Moody's</u>
Unlimited Tax General Obligation	AAA	Aaa
Limited Tax General Obligation	AAA	Aa1
Revenue	N/A	Aa1

In 2021, Standard and Poor's and Moody's both affirmed the AAA/Aaa rating for the Unlimited Tax General Obligation. For more detailed information about the City of Bellevue's long-term debt please refer to Note 13: Long-Term Debt.

General Fund Budgetary Highlights

The City of Bellevue budgets on a biennial basis. The mid-biennium adjustment for 2022 accounted for technical adjustments and corrections that reflect updated assumptions for consumer price index (CPI), revenue projections, and personnel benefits. A notable adjustment during the 2021-2022 mid-biennium was an increase to the sales tax and business and occupation tax budgets.

In 2021, revenue collections were significantly above budget by \$13.6 million due to high levels of construction and development activities in the city. Generally, construction sales tax is one-time revenue that lasts as long as the development cycle continues.

General Fund expenditures in 2021 were \$0.3 million under budget. The city's savings were offset by negative impacts from winter storms in January, February, and December 2021. In addition, the city incurred several one-time costs related to the payment of settlements and experienced increased costs for goods and services due to rising price levels. As the impacts and response to COVID-19 persist, the city is continually monitoring and taking appropriate action as needed to ensure the fiscal sustainability of the city.

Request for Information

The city's financial statements are designed to present users (community members, taxpayers, customers, investors, and creditors) with a general overview of the city's finances and to demonstrate the city's accountability. If you have questions about the report or need additional financial information, please contact the city's Finance and Asset Management Director at P.O. Box 90012, Bellevue, WA 98009.

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Basic Financial Statements

Statement of Net Position
As of December 31, 2021
(in thousands)

Page 1 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Assets:				
Cash & equity in pooled investments	\$ 241,273	\$ 356,764	\$ 598,037	\$ 9,189
Receivables (net of allowances):				
Taxes	38,109	-	38,109	-
Accounts	6,948	26,646	33,594	38
Due from other governments	4,540	-	4,540	-
Other	357	50	407	458
Internal balances	23	(23)	-	-
Inventory	906	972	1,878	91
Prepays	1,165	-	1,165	201
Restricted cash & equity in pooled investments:				
For debt service	4,263	-	4,263	-
For capital projects	108,920	231	109,151	-
For customer deposits	-	223	223	314
Noncurrent assets:				
Net pension asset	160,480	12,591	173,071	-
Noncurrent receivables	3,500	106	3,606	-
Capital assets:				
Land	902,020	25,039	927,059	-
Depreciable capital assets (net)	208,443	12,815	221,258	29,443
Depreciable infrastructure (net)	55,846	399,722	455,568	-
Nondepreciable infrastructure	817,593	-	817,593	-
Works of art	-	-	-	156
Construction in progress	69,561	29,752	99,313	872
Total assets	<u>2,623,947</u>	<u>864,888</u>	<u>3,488,835</u>	<u>40,762</u>
Deferred outflows of resources:				
Loss on debt refunding	10,480	-	10,480	-
For pensions	13,775	1,136	14,911	-
For asset retirement obligation	1,047	-	1,047	-
Total deferred outflows	<u>25,302</u>	<u>1,136</u>	<u>26,438</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 2,649,249</u>	<u>\$ 866,024</u>	<u>\$ 3,515,273</u>	<u>\$ 40,762</u>

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

Statement of Net Position
As of December 31, 2021
(in thousands)

Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Liabilities:				
Accounts payable	\$ 11,155	\$ 6,564	\$ 17,719	\$ 377
Accrued payroll	8,279	924	9,203	163
Other accrued liabilities	2,168	26	2,194	47
Deposits payable	8,123	-	8,123	1,050
Unearned revenue	8,898	-	8,898	-
Other current liabilities	8	-	8	-
Accrued bond interest payable	1,043	-	1,043	-
Liabilities payable from restricted assets:				
Customer deposits	702	223	925	-
Accounts payable	4,550	-	4,550	-
Retainage payable	167	140	307	-
Noncurrent liabilities:				
Due within one year	22,839	414	23,253	10
Due in more than one year	318,767	967	319,734	169
Net pension liability	7,680	-	7,680	-
Total OPEB liabilities	28,899	-	28,899	-
Total liabilities	<u>423,278</u>	<u>9,258</u>	<u>432,536</u>	<u>1,816</u>
Deferred inflows of resources:				
For grant revenue	818	-	818	-
For debt	360	-	360	-
For pensions	117,166	11,719	128,885	-
Total deferred inflows	<u>118,344</u>	<u>11,719</u>	<u>130,063</u>	<u>-</u>
Total liabilities and deferred inflows	<u>\$ 541,622</u>	<u>\$ 20,977</u>	<u>\$ 562,599</u>	<u>\$ 1,816</u>
Net position:				
Net investment in capital assets	\$ 1,809,539	\$ 462,545	\$ 2,272,084	\$ 30,472
Restricted for:				
Debt service	4,247	-	4,247	-
Capital projects	108,920	230	109,150	-
General government	7,230	-	7,230	-
Public safety	1,491	-	1,491	-
Physical environment	530	-	530	-
Economic environment	579	-	579	-
Health and human services	11,617	-	11,617	-
Culture and recreation	5,429	-	5,429	-
Net pension asset	63,818	2,067	65,885	-
Customer deposits	-	223	223	-
Unrestricted	94,227	379,982	474,209	8,474
Total net position	<u>\$ 2,107,627</u>	<u>\$ 845,047</u>	<u>\$ 2,952,674</u>	<u>\$ 38,946</u>

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

Statement of Activities
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 2

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,811	\$ 4,791	\$ 37	\$ 124
Public safety	98,731	25,868	8,482	191
Physical environment	1,455	810	363	-
Transportation	46,400	25,812	2,419	11,344
Economic environment	46,043	31,384	5,520	40
Health and human services	7,455	30	12,957	-
Culture and recreation	44,730	9,093	339	7,299
Interest on long-term debt	10,443	-	-	-
Total governmental activities	<u>267,068</u>	<u>97,788</u>	<u>30,117</u>	<u>18,998</u>
Business-type activities:				
Water utility	55,899	75,020	-	4,217
Sewer utility	53,511	69,524	-	3,008
Storm and surface water utility	14,466	28,567	74	2,574
Marina	353	700	-	-
Total business-type activities	<u>124,229</u>	<u>173,811</u>	<u>74</u>	<u>9,799</u>
Total primary government	<u>\$ 391,297</u>	<u>\$ 271,599</u>	<u>\$ 30,191</u>	<u>\$ 28,797</u>
Component unit:				
Bellevue Convention Center Authority	\$ 6,955	\$ 6,951	\$ -	\$ -
Total component unit	<u>\$ 6,955</u>	<u>\$ 6,951</u>	<u>\$ -</u>	<u>\$ -</u>

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

Statement of Activities
For the Year Ended December 31, 2021
(in thousands)

Page 2 of 2

Functions/Programs	Net Expense, Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Primary government:				
Governmental activities:				
General government	\$ (6,859)	\$ -	\$ (6,859)	\$ -
Public safety	(64,190)	-	(64,190)	-
Physical environment	(282)	-	(282)	-
Transportation	(6,825)	-	(6,825)	-
Economic environment	(9,099)	-	(9,099)	-
Health and human services	5,532	-	5,532	-
Culture and recreation	(27,999)	-	(27,999)	-
Interest on long-term debt	(10,443)	-	(10,443)	-
Total governmental activities	(120,165)	-	(120,165)	-
Business-type activities:				
Water utility	-	23,338	23,338	-
Sewer utility	-	19,021	19,021	-
Storm and surface water utility	-	16,749	16,749	-
Marina	-	347	347	-
Total business-type activities	-	59,455	59,455	-
Total primary government	<u>\$ (120,165)</u>	<u>\$ 59,455</u>	<u>\$ (60,710)</u>	<u>\$ -</u>
Component unit:				
Bellevue Convention Center Authority	\$ -	\$ -	\$ -	\$ (4)
Total component unit	-	-	-	(4)
General revenues:				
Property tax	62,581	-	62,581	-
Retail sales and use tax	100,443	-	100,443	-
Utility tax	28,140	-	28,140	-
Business and occupation tax	52,796	-	52,796	-
Excise taxes	39,377	-	39,377	-
Hotel/Motel tax	4,543	-	4,543	-
Other taxes	417	-	417	-
Payments from component unit	11	-	11	-
Grants & contributions - unrestricted	1,170	-	1,170	-
Unrestricted investment interest	1,230	874	2,104	8
Gain (loss) in change of fair value	(145)	(146)	(291)	-
Miscellaneous	2,401	1,112	3,513	-
Gain on sale of capital assets	6,329	-	6,329	-
Total general revenues	299,293	1,840	301,133	8
Change in net position	179,128	61,295	240,423	4
Net position at beginning of year	1,928,499	783,752	2,712,251	38,942
Net position at end of year	<u>\$ 2,107,627</u>	<u>\$ 845,047</u>	<u>\$ 2,952,674</u>	<u>\$ 38,946</u>

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

Balance Sheet
Governmental Funds
As of December 31, 2021
(in thousands)

Page 1 of 2

	General Fund	Housing Fund	I&D Redemption Regular Levy
Assets:			
Cash & equity in pooled investments	\$ 115,000	\$ 16,210	\$ 4,263
Receivables (net of allowances):			
Taxes	24,304	2,024	-
Accounts	4,784	-	-
Due from other governments	127	-	-
Prepays	1,165	-	-
Housing rehabilitation loans receivable	-	-	-
Total assets	\$ 145,380	\$ 18,234	\$ 4,263
Liabilities:			
Accounts payable	\$ 8,739	\$ 14	\$ -
Retainage payable	42	-	-
Due to other funds	239	-	-
Due to component unit	-	-	-
Due to other governments	981	-	-
Accrued payroll	7,565	33	-
Accrued taxes	284	-	-
Deposits payable	8,102	-	-
Other current liabilities	28	-	-
Unearned revenue	8,878	-	-
Total liabilities	34,858	47	-
Deferred inflows:			
For grants	-	-	-
For taxes	1,421	-	-
For other	5	-	-
Total deferred inflows	1,426	-	-
Total liabilities and deferred inflows	36,284	47	-
Fund balance:			
Nonspendable	1,165	-	-
Restricted	646	10,367	4,247
Committed	-	7,188	-
Assigned	56,267	632	16
Unassigned	51,018	-	-
Total fund balance	109,096	18,187	4,263
Total liabilities, deferred inflows, and fund balance	\$ 145,380	\$ 18,234	\$ 4,263

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

Balance Sheet
Governmental Funds
As of December 31, 2021
(in thousands)

Page 2 of 2

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash & equity in pooled investments	\$ 163,208	\$ 21,916	\$ 320,597
Receivables (net of allowances):			
Taxes	10,788	992	38,108
Accounts	1,635	502	6,921
Due from other governments	2,624	1,788	4,539
Prepays	-	-	1,165
Housing rehabilitation loans receivable	-	3,500	3,500
Total assets	\$ 178,255	\$ 28,698	\$ 374,830
Liabilities:			
Accounts payable	\$ 4,550	\$ 492	\$ 13,795
Retainage payable	120	-	162
Due to other funds	-	-	239
Due to component unit	-	668	668
Due to other governments	189	34	1,204
Accrued payroll	-	11	7,609
Accrued taxes	6	-	290
Deposits payable	-	1	8,103
Other current liabilities	-	-	28
Unearned revenue	-	-	8,878
Total liabilities	4,865	1,206	40,976
Deferred inflows:			
For grants	4	1,263	1,267
For taxes	271	-	1,692
For other	-	-	5
Total deferred inflows	275	1,263	2,964
Total liabilities and deferred inflows	5,140	2,469	43,940
Fund balance:			
Nonspendable	-	-	1,165
Restricted	108,920	15,863	140,043
Committed	34	2,578	9,800
Assigned	64,161	7,788	128,864
Unassigned	-	-	51,018
Total fund balance	173,115	26,229	330,890
Total liabilities, deferred inflows, and fund balance	\$ 178,255	\$ 28,698	\$ 374,830

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

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**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
As of December 31, 2021
(in thousands)**

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

Total governmental fund balances	\$	330,890
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Capital assets used in governmental activities are not financial resources and these assets consist of:

Land	\$	902,020	
Depreciable capital assets		374,219	
Depreciable infrastructure		236,958	
Construction in progress		69,561	
Non-depreciable infrastructure		817,593	
Accumulated depreciation		(368,166)	
Total capital assets			2,032,185

Material inventory			254
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Net pension assets (NPA) are reported as an asset in the governmental activities and is not considered to represent a financial asset, therefore is not reported in the governmental fund balance sheet:

			150,851
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Deferred outflows of resources

For debt		10,480	
For pensions		11,131	
Total deferred outflows of resources			21,611

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These long-term liabilities consists of:

Bonds payable		(310,540)	
Notes payable		(199)	
Accrued bond interest payable		(1,043)	
Net pension liabilities		(40)	
Compensated absences		(12,829)	
OPEB obligation payable		(28,899)	
Total long-term liabilities			(353,550)

Deferred inflow of resources:

For grants		449	
For taxes		973	
For debt		(360)	
For pensions		(99,728)	
For other		5	
Total deferred inflows of resources			(98,661)

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 governmental activities in the statement of net position:

		24,047
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Net position of governmental activities	\$	2,107,627
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Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 2

	General Fund	Housing Fund	I&D Redemption Regular Levy
Revenues:			
Taxes and special assessments	\$ 177,644	\$ 10,535	\$ 500
Licenses and permits	21,875	-	-
Intergovernmental	27,795	829	-
Service charges and fees	37,181	-	-
Fines and forfeitures	1,480	-	-
Interest and penalties	258	513	9
Net change in fair value of investments	(47)	(7)	(2)
Rent	7,513	-	-
Judgments and settlements	4	-	-
Premiums/contributions	16	1,769	-
Other	247	347	-
Total revenues	<u>273,966</u>	<u>13,986</u>	<u>507</u>
Expenditures:			
Current:			
General government	27,934	-	-
Public safety	111,552	-	-
Physical environment	185	-	-
Transportation	31,924	-	-
Economic environment	38,568	6,203	-
Health and human services	6,453	-	-
Culture and recreation	34,171	-	-
Debt service:			
Principal	-	-	10,758
Interest and fiscal charges	-	-	11,271
Capital outlay:			
General government	-	-	-
Public safety	179	-	-
Transportation	-	-	-
Economic environment	7	-	-
Culture and recreation	71	-	-
Total expenditures	<u>251,044</u>	<u>6,203</u>	<u>22,029</u>
Excess (deficiency) of revenues over (under) expenditures	22,922	7,783	(21,522)
Other financing sources (uses):			
Transfers in	7,674	2,235	21,302
Transfers out	(7,548)	(1,660)	-
Sale of capital assets	6,047	-	-
Issuance of long-term debt	-	-	47,315
Refunding bonds issued	-	-	(47,083)
Total other financing sources and uses	<u>6,173</u>	<u>575</u>	<u>21,534</u>
Net change in fund balance	29,095	8,358	12
Fund balance at beginning of year	80,001	9,829	4,251
Fund balance at end of year	<u>\$ 109,096</u>	<u>\$ 18,187</u>	<u>\$ 4,263</u>

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

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

Page 2 of 2

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes and special assessments	\$ 95,072	\$ 4,543	\$ 288,294
Licenses and permits	-	-	21,875
Intergovernmental	21,847	14,336	64,807
Service charges and fees	16,243	873	54,297
Fines and forfeitures	-	-	1,480
Interest and penalties	327	51	1,158
Net change in fair value of investments	(67)	(8)	(131)
Rent	110	-	7,623
Judgments and settlements	-	-	4
Premiums/contributions	4,490	2,012	8,287
Other	10	591	1,195
Total revenues	<u>138,032</u>	<u>22,398</u>	<u>448,889</u>
Expenditures:			
Current:			
General government	853	2,710	31,497
Public safety	327	1,736	113,615
Physical environment	9	1,270	1,464
Transportation	10,433	336	42,693
Economic environment	1,237	3,741	49,749
Health and human services	-	1,001	7,454
Culture and recreation	4,199	265	38,635
Debt service:			
Principal	40	-	10,798
Interest and fiscal charges	26	-	11,297
Capital outlay:			
General government	571	-	571
Public safety	3,319	19	3,517
Transportation	37,512	-	37,512
Economic environment	5	-	12
Culture and recreation	8,810	-	8,881
Total expenditures	<u>67,341</u>	<u>11,078</u>	<u>357,695</u>
Excess (deficiency) of revenues over (under) expenditures	70,691	11,320	91,194
Other financing sources (uses):			
Transfers in	2,884	450	34,545
Transfers out	(21,219)	(2,790)	(33,217)
Sale of capital assets	-	-	6,047
Issuance of long-term debt	2,881	-	50,196
Refunding bonds issued	-	-	(47,083)
Total other financing sources and uses	<u>(15,454)</u>	<u>(2,340)</u>	<u>10,488</u>
Net change in fund balance	55,237	8,980	101,682
Fund balance at beginning of year	117,878	17,249	229,208
Fund balance at end of year	<u>\$ 173,115</u>	<u>\$ 26,229</u>	<u>\$ 330,890</u>

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

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

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

Net change in fund balances - total government	\$	101,682
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the difference between capital outlays and adjustments in the current period. This is comprised of:

Capital outlay	\$	52,728	
Depreciation		(20,159)	
Total capital outlay			32,569

Change in net pension asset		33,170
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount is comprised of:

Tax and assessment revenue	4	
Grant revenues	(7,278)	
Other intergovernmental agreements	(69)	
Total revenues		(7,343)

Bond proceeds provide current financial resources to governmental funds.

Issuing debt increases long-term liabilities in the statement of net assets while repayment of long-term debt is an expenditure in the governmental funds the repayment reduces long-term liabilities in the statement of net assets:

Proceeds from issuance of long term debt	(47,315)	
Long-term debt repayments	57,841	
Amortization of bond premium	1,770	
Gain/loss on bond refunding	(688)	
Total debt proceeds and repayments		11,608

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

Accrued interest on long term debt	(1,007)	
Notes payable	40	
TIFIA	(2,103)	
Changes in pension liabilities	13,956	
Change in OPEB liabilities	827	
Compensated absences	305	
Inventory	20	
Total expenses		12,038

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 net revenue (expense) of these internal service funds is reported with governmental activities:

(4,596)

Change in net position of governmental activities	\$	179,128
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Statement of Fund Net Position
Proprietary Funds
As of December 31, 2021
(in thousands)

Page 1 of 4

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 121,332	\$ 98,752	\$ 135,942
Receivables (net of allowances):			
Accounts	4,652	9,910	12,080
Other	-	50	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	141	707	123
Restricted cash & equity in pooled investments:			
Capital projects	130	65	35
Customer deposits	1	202	20
Total current assets	<u>126,256</u>	<u>109,686</u>	<u>148,200</u>
Noncurrent assets:			
Notes/contracts receivable	-	53	53
Net pension asset	3,320	5,210	4,061
Capital Assets:			
Capital assets (net)	109,832	220,974	126,877
Total noncurrent assets	<u>113,152</u>	<u>226,237</u>	<u>130,991</u>
Total assets	<u>239,408</u>	<u>335,923</u>	<u>279,191</u>
Deferred outflow of resources:			
For pensions	303	463	370
For asset retirement obligation	-	-	-
Total deferred outflows	<u>303</u>	<u>463</u>	<u>370</u>
Total assets and deferred outflows	<u>\$ 239,711</u>	<u>\$ 336,386</u>	<u>\$ 279,561</u>

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2021
(in thousands)

Page 2 of 4

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 739	\$ 356,765	\$ 33,858
Receivables (net of allowances):			
Accounts	4	26,646	27
Other	-	50	357
Due from other funds	-	-	262
Due from other governments	-	-	1
Inventory	-	971	651
Restricted cash & equity in pooled investments:			
Capital projects	-	230	-
Customer deposits	-	223	-
Total current assets	<u>743</u>	<u>384,885</u>	<u>35,156</u>
Noncurrent assets:			
Notes/contracts receivable	-	106	-
Net pension asset	-	12,591	9,628
Capital Assets:			
Capital assets (net)	<u>9,646</u>	<u>467,329</u>	<u>21,538</u>
Total noncurrent assets	<u>9,646</u>	<u>480,026</u>	<u>31,166</u>
Total assets	<u>10,389</u>	<u>864,911</u>	<u>66,322</u>
Deferred outflow of resources:			
For pensions	-	1,136	2,644
For asset retirement obligation	-	-	1,047
Total deferred outflows	<u>-</u>	<u>1,136</u>	<u>3,691</u>
Total assets and deferred outflows	<u>\$ 10,389</u>	<u>\$ 866,047</u>	<u>\$ 70,013</u>

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2021
(in thousands)

Page 3 of 4

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Liabilities:			
Current liabilities:			
Accounts payable	\$ 1,892	\$ 4,570	\$ 87
Estimated claims	-	-	-
Retainage payable	-	-	-
Due to other funds	6	11	6
Due to other governments	-	-	-
Accrued payroll	262	385	277
Accrued compensated absences	109	166	139
Customer deposits	1	202	20
Retainage payable	30	65	35
Total current liabilities	<u>2,300</u>	<u>5,399</u>	<u>564</u>
Noncurrent liabilities:			
Accrued compensated absences	253	388	326
Estimated claims	-	-	-
Asset retirement obligation	-	-	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>253</u>	<u>388</u>	<u>326</u>
Total liabilities	<u>2,553</u>	<u>5,787</u>	<u>890</u>
Deferred Inflows			
For pensions	3,026	4,865	3,769
Total deferred inflows	<u>3,026</u>	<u>4,865</u>	<u>3,769</u>
Total liabilities and deferred inflows	<u>\$ 5,579</u>	<u>\$ 10,652</u>	<u>\$ 4,659</u>
Net position:			
Net investment in capital assets	\$ 108,441	\$ 217,645	\$ 126,814
Customer deposits	1	202	20
Net pension asset	597	808	662
Capital projects	130	65	35
Unrestricted	124,963	107,014	147,371
Total net position	<u>\$ 234,132</u>	<u>\$ 325,734</u>	<u>\$ 274,902</u>

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2021
(in thousands)

Page 4 of 4

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Liabilities:			
Current liabilities:			
Accounts payable	\$ 15	\$ 6,564	\$ 2,166
Estimated claims	-	-	4,996
Retainage payable	9	9	-
Due to other funds	-	23	-
Due to other governments	26	26	5
Accrued payroll	-	924	670
Accrued compensated absences	-	414	467
Customer deposits	-	223	3
Retainage payable	-	130	5
Total current liabilities	<u>50</u>	<u>8,313</u>	<u>8,312</u>
Noncurrent liabilities:			
Accrued compensated absences	-	967	1,089
Estimated claims	-	-	3,441
Asset retirement obligation	-	-	8,046
Net pension liability	-	-	7,640
Total noncurrent liabilities	<u>-</u>	<u>967</u>	<u>20,216</u>
Total liabilities	<u>50</u>	<u>9,280</u>	<u>28,528</u>
Deferred Inflows			
For pensions	59	11,719	17,438
Total deferred inflows	<u>59</u>	<u>11,719</u>	<u>17,438</u>
Total liabilities and deferred inflows	<u>\$ 109</u>	<u>\$ 20,999</u>	<u>\$ 45,966</u>
Net position:			
Net investment in capital assets	\$ 9,645	\$ 462,545	\$ 21,269
Customer deposits	-	223	3
Net pension asset	-	2,067	1,260
Capital projects	-	230	5
Unrestricted	635	379,983	1,510
Total net position	<u>\$ 10,280</u>	<u>\$ 845,048</u>	<u>\$ 24,047</u>

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

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 2

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Operating revenues:			
Intergovernmental	\$ 1,773	\$ -	\$ -
Service charges and fees	28,498	74,991	69,524
Rent	-	-	-
Insurance recovery	-	-	-
Premiums/contributions	-	-	-
Other	-	-	24
Total operating revenues	<u>30,271</u>	<u>74,991</u>	<u>69,548</u>
Operating expenses:			
Administrative and general	3,786	18,576	7,419
Maintenance and operations	7,709	31,491	41,871
Depreciation	2,969	5,833	4,221
Insurance costs	-	-	-
Benefits and claims payments	-	-	-
Total operating expenses	<u>14,464</u>	<u>55,900</u>	<u>53,511</u>
Operating income (loss)	15,807	19,091	16,037
Nonoperating revenues (expenses):			
Interest income	291	250	332
Net change in fair value of investments	(50)	(40)	(55)
Rental income	20	468	445
Gain on disposal of capital assets	69	29	-
Other nonoperating revenues	30	116	9
Total nonoperating revenue (expenses)	<u>360</u>	<u>823</u>	<u>731</u>
Income before contributions and transfers	16,167	19,914	16,768
Special items, contributions and transfers:			
Transfers in	-	-	-
Transfers out	-	-	-
Capital contributed from external sources	875	4,147	3,077
Total special items, contributions and transfers	<u>875</u>	<u>4,147</u>	<u>3,077</u>
Change in net position	17,042	24,061	19,845
Net position beginning of year	217,090	301,673	255,057
Net position end of year	<u>\$ 234,132</u>	<u>\$ 325,734</u>	<u>\$ 274,902</u>

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

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 2 of 2

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Operating revenues:			
Intergovernmental	\$ -	\$ 1,773	\$ 99
Service charges and fees	-	173,013	37,496
Rent	700	700	675
Insurance recovery	-	-	293
Premiums/contributions	-	-	36,656
Other	-	24	266
Total operating revenues	<u>700</u>	<u>175,510</u>	<u>75,485</u>
Operating expenses:			
Administrative and general	3	29,784	12,061
Maintenance and operations	336	81,407	24,514
Depreciation	14	13,037	6,090
Insurance costs	-	-	9,583
Benefits and claims payments	-	-	28,176
Total operating expenses	<u>353</u>	<u>124,228</u>	<u>80,424</u>
Operating income (loss)	347	51,282	(4,939)
Nonoperating revenues (expenses):			
Interest income	1	874	71
Net change in fair value of investments	-	(145)	(13)
Rental income	-	933	-
Gain on disposal of capital assets	-	98	328
Other nonoperating revenues	-	155	1,260
Total nonoperating revenue (expenses)	<u>1</u>	<u>1,915</u>	<u>1,646</u>
Income before contributions and transfers	348	53,197	(3,293)
Special items, contributions and transfers:			
Transfers in	-	-	1,605
Transfers out	-	-	(2,933)
Capital contributed from external sources	-	8,099	25
Total special items, contributions and transfers	<u>-</u>	<u>8,099</u>	<u>(1,303)</u>
Change in net position	348	61,296	(4,596)
Net position beginning of year	9,932	783,752	28,643
Net position end of year	<u>\$ 10,280</u>	<u>\$ 845,048</u>	<u>\$ 24,047</u>

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 4

	Business-Type Activities - Enterprise Funds		
	Storm & Surface Water Utility	Water Utility	Sewer Utility
Cash flows from operating activities:			
Cash received from customers and users	\$ 32,103	\$ 72,926	\$ 71,689
Contributions received - employer/employees	-	-	-
Cash received from insurance proceeds	-	-	-
Cash payments to suppliers for goods and services	(9,043)	(42,994)	(48,281)
Cash payments to employees for services	(5,109)	(8,072)	(5,941)
Cash payments to claimants	-	-	-
Cash received from contracts/rent	-	-	-
Cash payments for insurance	-	-	-
Other receipts	50	584	454
Net cash provided by operating activities	<u>18,001</u>	<u>22,444</u>	<u>17,921</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Transfers out	-	-	-
Cash received from non-operating revenues	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital & related financing activities:			
Acquisition and construction of capital assets	(4,774)	(32,051)	(6,045)
Proceeds from sale of assets	70	29	-
Cash contributions in aid of construction	124	3,421	1,060
Contributed connection contracts	-	213	1,194
Net cash used by capital financing activities	<u>(4,580)</u>	<u>(28,388)</u>	<u>(3,791)</u>
Cash flows from investing activities:			
Interest on investments	241	210	277
Net cash provided (used) by investing activities	<u>241</u>	<u>210</u>	<u>277</u>
Net increase (decrease) in cash balance	13,662	(5,734)	14,407
Cash & equity in pooled investments - beginning of year	107,801	104,753	121,590
Cash & equity in pooled investments - end of year	<u>\$ 121,463</u>	<u>\$ 99,019</u>	<u>\$ 135,997</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 121,332	\$ 98,752	\$ 135,942
Restricted	131	267	55
Total cash & equity in pooled investments	<u>\$ 121,463</u>	<u>\$ 99,019</u>	<u>\$ 135,997</u>

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 2 of 4

	Business-Type Activities -		Governmental
	Enterprise Funds		Activities -
	Nonmajor		Internal
	Enterprise Fund -		Service Funds
	Marina	Total	
Cash flows from operating activities:			
Cash received from customers and users	\$ 700	\$ 177,418	\$ 37,406
Contributions received - employer/employee	-	-	36,640
Cash received from insurance proceeds	-	-	292
Cash payments to suppliers for goods and services	(323)	(100,641)	(11,821)
Cash payments to employees for services	(10)	(19,132)	(19,094)
Cash payments to claimants	-	-	(28,078)
Cash received from contracts/rent	-	-	675
Cash payments for insurance	-	-	(9,580)
Other receipts	-	1,088	1,533
Net cash provided by operating activities	367	58,733	7,973
Cash flows from noncapital financing activities:			
Transfers in	-	-	1,605
Transfers out	-	-	(2,933)
Cash received from non-operating revenues	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	(1,328)
Cash flows from capital & related financing activities:			
Acquisition and construction of capital assets	-	(42,870)	(4,317)
Proceeds from sale of assets	-	99	-
Cash contributions in aid of construction	-	4,605	-
Contributed connection contracts	-	1,407	-
Net cash used by capital financing activities	-	(36,759)	(4,317)
Cash flows from investing activities:			
Interest on investments	1	729	56
Net cash provided (used) by investing activities	1	729	56
Net increase (decrease) in cash balance	368	22,703	2,384
Cash & equity in pooled investments - beginning of year	371	334,515	31,474
Cash & equity in pooled investments - end of year	<u>\$ 739</u>	<u>\$ 357,218</u>	<u>\$ 33,858</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 739	\$ 356,765	\$ 33,858
Restricted	-	453	-
Total cash & equity in pooled investments	<u>\$ 739</u>	<u>\$ 357,218</u>	<u>\$ 33,858</u>

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 3 of 4

	Business-Type Activities - Enterprise Funds		
	Storm & Surface Water Utility	Water Utility	Sewer Utility
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 15,807	\$ 19,091	\$ 16,037
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	2,969	5,833	4,221
Other receipts	50	584	454
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(840)	(1,997)	(1,137)
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in other receivables	-	(50)	-
(Increase) decrease in contracts receivable	-	(31)	37
(Increase) decrease in inventory	(26)	(156)	12
(Increase) decrease in pension asset	(3,320)	(5,210)	(4,061)
(Increase) decrease in asset retirement obligation	-	-	-
(Increase) decrease in deferred outflow	37	44	36
Increase (decrease) in accounts payable	1,062	776	(358)
Increase (decrease) in retainage payable	(28)	(25)	(31)
Increase (decrease) in wages & benefits payable	18	21	2
Increase (decrease) in compensated absences	48	24	4
Increase (decrease) in due to other funds	4	5	3
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in customer deposits	-	14	(38)
Increase (decrease) in estimated claims payable	-	-	-
Increase (decrease) in deferred inflows	-	4,210	-
Increase (decrease) in pension liability	(452)	(689)	(540)
Increase (decrease) in unearned revenue	2,672	-	3,280
Total adjustments	2,194	3,353	1,884
Net cash provided by operating activities	<u>\$ 18,001</u>	<u>\$ 22,444</u>	<u>\$ 17,921</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 752	\$ 758	\$ 822
Increase (decrease) in fair value of investments	\$ (50)	\$ (40)	\$ (55)

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(in thousands)

Page 4 of 4

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Fund - Marina	Total	
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 347	\$ 51,282	\$ (4,939)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	14	13,037	6,090
Other receipts	-	1,088	1,260
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(3,974)	39
(Increase) decrease in due from other funds	-	-	(190)
(Increase) decrease in other receivables	-	(50)	(48)
(Increase) decrease in contracts receivable	-	6	-
(Increase) decrease in inventory	-	(170)	(22)
(Increase) decrease in pension asset	-	(12,591)	(9,629)
(Increase) decrease in asset retirement obligation	-	-	89
(Increase) decrease in deferred outflow	-	117	(808)
Increase (decrease) in accounts payable	(2)	1,478	434
Increase (decrease) in retainage payable	9	(75)	-
Increase (decrease) in wages & benefits payable	-	41	5
Increase (decrease) in compensated absences	-	76	216
Increase (decrease) in due to other funds	-	12	-
Increase (decrease) in due to other governments	(1)	(1)	4
Increase (decrease) in customer deposits	-	(24)	-
Increase (decrease) in estimated claims payable	-	-	180
Increase (decrease) in deferred inflows	-	4,210	16,214
Increase (decrease) in pension liability	-	(1,681)	(922)
Increase (decrease) in unearned revenue	-	5,952	-
Total adjustments	20	7,451	12,912
Net cash provided by operating activities	<u>\$ 367</u>	<u>\$ 58,733</u>	<u>\$ 7,973</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 2,332	\$ (25)
Increase (decrease) in fair value of investments	\$ -	\$ (145)	\$ (13)

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

Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2021
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	ARCH Housing Private-Purpose Trust Fund	Custodial Funds
Assets:			
Cash & equity in pooled investments:			
Mutual funds	\$ 686,553	\$ -	\$ -
Common and preferred stocks	121,013	-	-
Collective trust fund	240,635	-	-
State investment pool	3,907	\$ 4,554	\$ 1,263
Interest-bearing bank deposits	2,163	2,521	699
Supernationals	13,548	488	135
U.S. government and agency obligations	420	488	135
State and local obligations	70	81	23
Accounts	-	-	396
Interest receivable	945	-	-
Notes receivable from participants	8,363	-	-
Due from other governments/employers	-	521	102
Capital assets (net)	-	-	115
Total assets	<u>\$ 1,077,617</u>	<u>\$ 8,653</u>	<u>\$ 2,868</u>
Liabilities:			
Accounts payable	\$ 517	\$ 8	\$ 172
Deposits payable	-	-	66
Total liabilities	<u>517</u>	<u>8</u>	<u>238</u>
Net Position:			
Net position restricted for pensions	1,077,100	-	-
Net position restricted for affordable housing	-	8,645	-
Net position restricted for individuals, organizations, and other governments	-	-	2,630
Total net position	<u>\$ 1,077,100</u>	<u>\$ 8,645</u>	<u>\$ 2,630</u>

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	ARCH Housing Private-Purpose Trust Fund	Custodial Funds
Additions:			
Investment income:			
Interest	\$ 450	\$ 378	\$ 5
Net change in fair value of investments	79,059	(3)	-
Dividends	27,802	-	-
Contributions from employers and nonemployer premiums	22,164	-	-
Contributions from participants and members	25,747	2,895	4,882
Rollovers	411	-	-
Tax collections for other governments	-	-	1,250
Other	-	389	-
Total additions	<u>155,633</u>	<u>3,659</u>	<u>6,137</u>
Deductions:			
Benefit payments	74,290	-	-
Insurance premiums	2,288	-	-
Administrative expense	2,156	890	1,419
Distributions to developers	-	3,241	-
Distributions to human services agencies	-	-	3,299
Payments to other governments	-	-	1,105
Deposits released	-	-	15
Total deductions	<u>78,734</u>	<u>4,131</u>	<u>5,838</u>
Net increase (decrease) in net position	76,899	(472)	299
Net position beginning of year	1,000,201	9,117	2,331
Net position end of year	<u>\$ 1,077,100</u>	<u>\$ 8,645</u>	<u>\$ 2,630</u>

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

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Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

The City of Bellevue was incorporated on April 1, 1953 and operates under the laws of the state of Washington applicable to the Council-Manager form of government.

As required by GAAP, the financial statements present the City of Bellevue, the primary government, and its component unit. There are no instances in which factors other than financial accountability are so significant in the relationship between an organization and the city that the exclusion of such organization would be misleading.

Discretely Presented Component Unit

The Bellevue Convention Center Authority (BCCA) is a public corporation formed on December 4, 1989, by the City of Bellevue, for the purpose of developing, constructing, and operating Meydenbauer Center.

The BCCA is governed by a seven-member board that are appointed by the Bellevue City Manager and serve at the pleasure of the City Manager and City Council. The BCCA's revenue bonds are secured by hotel/motel tax revenues and other revenues of the city available without a vote of the city's electors. The city is fiscally accountable for the debt service payments on the BCCA's revenue bonds. The BCCA is an enterprise fund and is presented in a separate column in the government-wide financial statements.

Audited financial statements for the BCCA can be obtained from Meydenbauer Center, Finance Department, 11100 NE 6th Street, Bellevue, WA 98004.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. To the extent possible, the effect of interfund overhead activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities. Business-type activities rely significantly on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods and services provided by a given function or segment. Grants and contributions are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are not included in the government-wide financial statements. Major individual governmental funds and all individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when both measurable and available. Revenues are considered available when they are collectible during the current period or soon enough thereafter to pay current liabilities. For the City of Bellevue, this period is considered to be the first 60 days after the end of the fiscal period. Property tax, sales tax, business and occupation tax, utility tax, franchise tax, grant reimbursements, and interest are associated with the current fiscal period and are considered susceptible to accrual. These have been recognized as revenues of the current period. Expenditures are recognized when a liability is incurred, as under accrual accounting, with the exception of principal and interest on long-term debt and compensated absences, which are recorded when paid.

Major Governmental Funds

The General Fund is the general operating fund of the city and accounts for all activities not accounted for in another fund. There are four legally adopted funds which do not meet the criteria for separate financial reporting and are reported in the General Fund. Those funds are as follows: Human Services Fund, Land Purchase Revolving Fund, Parks Fees Fund, and Development Services Fund.

The Housing Fund accounts for general revenue from a variety of sources. The expenditures include those necessary for the creation and preservation of affordable housing for low- and moderate-income households.

The Interest and Debt Redemption - Regular Levy Fund accounts for debt service on the City Council-approved general obligation bond. Primary revenues for the fund consist of general property tax and local sales tax.

The General Capital Investment Program (CIP) Fund administers governmental capital improvement projects. These projects are supported by a designated portion of the city's sales taxes, business and occupation taxes, bonds, grants, special levies, TIFIA, real estate excise tax, contributions, transportation impact fees, and other revenue sources authorized by the City Council.

Major Proprietary Funds

The proprietary fund statements distinguish operating revenues and expenses from non-operating items within the city's enterprise and internal service funds. Operating revenues and expenses in the proprietary funds result from providing services, and producing and delivering goods in connection with the funds' principal ongoing operations. Operating expenses for proprietary funds include operating and maintenance costs, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources.

Enterprise Funds

The city maintains three major enterprise funds: the Storm and Surface Water Utility Fund, the Water Utility Fund, and the Sewer Utility Fund. These funds account for the operations, capital improvement, and debt service activities of the respective utilities. The city also recognizes utility connection fees as operating revenue when connecting new customers to the water and sewer systems.

Internal Service Funds

The city uses internal service funds to account for equipment and fleet operations; general government facilities management; operations of information systems; self-insurance for workers' compensation; unemployment compensation; health benefits; and, general property and casualty losses. City departments are charged as internal customers for sales and service, rentals, vehicle replacement, and insurance related to the funds' operating activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting.

Pension (and other employee benefit) Trust Funds

The pension funds account for assets held or controlled by the city for the benefit of individuals participating in the pension plans. Activities reported in the pension funds include the Firefighters' Pension Fund and the Municipal Employees' Benefit Trust Fund (MEBT). Additional information can be found in Note 7: Pension Plans.

Private-Purpose Trust Fund

A Regional Coalition for Housing (ARCH) Trust Fund accounts for contributions from members of an interlocal agreement to provide affordable housing for low- and moderate-income households on the Eastside.

Custodial Funds

The custodial funds account for fiduciary activities not required to be reported in pension (and other employee benefit) trust, investment, or private-purpose trust funds. Activities reported in the custodial funds include e-CityGov Alliance Fund, Community Connectivity Consortium Fund, Eastside Narcotics Task Force Fund, Hazardous Materials Fund, and Custodial Fund. Reported in the Custodial Fund are: taxes collected for other governments, deposits held as evidence in police investigations, and pooled funding for contracts with human services agencies.

New Accounting Standards

The city complies with all applicable GASB pronouncements and GAAP hierarchy as prescribed by GASB.

In October 2021, GASB issued Statement No. 98, "The Annual Comprehensive Financial Report." This statement establishes the term *annual comprehensive financial* report and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. This city implemented this standard as of December 31, 2021.

Budget and Basis of Accounting

In accordance with RCW 35A.34, the city adopts budgets for all operating funds. These budgets are prepared in accordance with GAAP. Appropriations for operating funds are authorized for two years but must be reviewed and reauthorized by the City Council in the middle of the biennial period. The operating funds include the General Fund; all special revenue funds, except the Housing Fund and the Operating Grants, Donations, and Special Reserves Fund; all internal service funds; and all utility operating funds.

The City Council adopts appropriation ordinances for all other funds, including the Operating Grants, Donations, and Special Reserves Fund and the Housing Fund, on a project-length basis as needed. Appropriation ordinances are adopted for debt service funds only when debt is authorized for issue. These appropriations do not lapse and are adjusted as part of the budget process. Because these non-operating budgets primarily serve a management control function and related appropriations are continuing in nature, no comparison between budgeted and actual amounts is provided in the statements and note disclosures.

Legal budgetary control is established at the fund level, where expenditures may not exceed the total appropriation amount. Fund balance at the beginning of the year is considered an available resource and included in the expenditure appropriation authority, but not necessarily appropriated at the program level and identifiable in the Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual presented in the Required Supplementary Information. The City Manager may authorize transfers of appropriations within a fund, but the City Council must approve by ordinance any increase or decrease in total fund appropriations.

Assets, Liabilities and Net Position or Fund Balance

Cash and Equity in Pooled Investments

Under the city's investment policy, all temporary cash surpluses are invested. Monies from all city funds are internally pooled for investment purposes. These pooled investments are reported on the financial statements as cash and equity in pooled investments. Interest earned on the pooled investments is prorated to individual funds on the basis of an average cash balance.

Since all of the city's investments are internally pooled and the participating funds use the pool as if it were a demand deposit account, the proprietary funds' equity in pooled investments is considered cash for cash flow reporting purposes.

The city is authorized by Washington State law to purchase certificates of deposit issued by Washington State depositories that participate in a state insurance pool managed by the Washington Public Deposit Protection Commission; investment deposits (Municipal Investor Account) in a qualified public depository located in the State of Washington; U.S. Treasury and Agency securities; banker's acceptances trading in the secondary market; Washington State Treasurer's Local Government Investment Pool; and repurchase agreements with dealers that use authorized securities as collateral. Administrative costs of the Local Government Investment Pool are included in investment interest earnings and allocated to all funds of the city. The amount applicable to a single fund is not significant, nor readily identifiable.

Although Washington State law also allows pension trust funds to be invested in certain public corporation debt instruments and equities, the city has taken a conservative approach in this area and invests related funds under the more restrictive policies, which govern its general investment operations. As further discussed in Note 4: Cash and Equity in Pooled Investments, city policy requires all investments, including repurchase agreements, to be in the lowest risk category, which is defined as insured investments in the city's name held by the city or the trust department of the city's depository bank.

In accordance with GASB Statement No. 72 "Fair Value Measurement and Application", money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. The fair value of the investment is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments in the Washington State Treasurer's Investment Pool are available on demand in the amount of the original investment plus interest earnings and are treated as a money-market investment on the city's records. Accordingly, the fair value of the city's position in the Washington State Treasurer's Investment Pool is the same as the value of the city's shares in the investment pool.

Restricted Assets

Restricted assets shown in the government-wide Statement of Net Position and the proprietary Statement of Net Position include revenue bond proceeds reserved for future capital construction, monies reserved for payment of debt, and deposits held for utility customer accounts. Monies reserved by the BCCA are for rent, operations, and ground lease rental payments.

Receivables

The city records as receivables all material applicable exchange and non-exchange transactions as defined by GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 36 "Recipient Reporting for Certain Shared Nonexchange Revenues—an amendment of GASB Statement No. 33."

Property Taxes

The city's annual property tax levy is billed and collected by King County. Taxes are levied and become a lien on the first day of the calendar year. They may be paid in two installments. The first installment is due April 30, and if unpaid, the balance becomes delinquent May 1. The second installment is due October 31 and becomes delinquent November 1. Interest is charged on delinquent taxes at the rate of 1 percent per month and additional penalties are assessed on the total delinquent balance on May 1 and November 30. Under state statute, the county is required to foreclose on properties when property taxes are three years delinquent.

Uncollected property taxes through December 31 are recorded as receivables at year-end. Historically, the city collects 99 percent of taxes levied in the levy year and the remaining delinquent amounts are collected within the next several years. Due to the property foreclosure provision in the Washington State law, no allowance for uncollectible taxes is made.

Other Receivables

Other receivables in the governmental funds include investment interest, locally levied taxes, and other miscellaneous revenues accrued at year-end. The governmental funds financial statements are reported on a modified accrual basis of accounting and revenues must be both measurable and available at year-end to be susceptible to accrual. Business and occupation taxes receivable are offset by a deferred inflow of resources and are further reported net of anticipated uncollectible amounts.

Proprietary fund receivables include the water utility customers' billings outstanding at year-end, which include estimated revenues for services provided between the last billing date and year-end. Due to the water utility's ability to discontinue service when water accounts become delinquent and to record property liens for unpaid sewer service billings, losses from uncollectible accounts are minimal and are only recorded when incurred.

Due from Other Funds and Other Governments

Amounts due from other funds are reported in the financial statements and are listed in detail in Note 12: Interfund Receivables, Payables, and Transfers. These represent outstanding billings to other funds for services provided in the current year. These amounts are typically paid within 30 days following year-end. Amounts due from other governments represent outstanding balances due from granting agencies for cost-reimbursement grants and billings to other jurisdictions for intergovernmental services provided in the current year.

Amounts due from other funds are not reported in the entity-wide Statement of Net Position. However, any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide Statement of Net Position as internal balances.

Interfund Loans Receivable

The Director of Finance and Asset Management may authorize loans between funds for periods not exceeding three months. Longer term loans must be specifically authorized by City Council resolution. Interfund loan activity is presented in Note 12: Interfund Receivables, Payables, and Transfers. In the fund financial statements, the year-end balance of long-term loans to other funds is offset by a corresponding reservation of fund balance to indicate that the outstanding loan amounts do not constitute available spendable resources and are, therefore, not available for appropriation.

Housing Rehabilitation Loans Receivable

These loans are issued to individuals meeting designated income criteria and are supported by the city's annual Community Development Block Grant Program. The non-interest-bearing loans are secured by property liens and are not required to be repaid until the property is sold or otherwise changes ownership. Repayments are considered program income for the Community Development Block Grant Program and monies received are restricted to fund current grant eligible expenditures. The outstanding loans are offset by restricted fund balance in the governmental funds balance sheet.

Notes and Contracts Receivable

Contracts receivable in the proprietary funds consist of water and sewer connection fees due from customers to the Utilities.

Inventories and Prepaid Expenses

Inventories in the governmental funds are recorded as expenditures at the time of purchase. Amounts remaining at year end are immaterial and, therefore, are not reflected in the financial statements for those funds. The city's proprietary funds use a perpetual inventory method in which expense is recorded when related items are consumed. Physical inventories are taken at year-end and the value of items remaining in inventory is calculated for financial reporting purposes, using the weighted-average cost valuation method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded using the purchases method as prepaid expenses in both government-wide and fund financial statements.

Net Position and Fund Balances

Net position is segregated into three categories on the government-wide statement of net position: net investment in capital assets; restricted; and unrestricted. The flow assumption of the city is to use restricted assets before unrestricted assets. Restricted assets are usually set aside in a separate fund, specifically used for the purpose of debt service or capital replacement.

Fund balances, with the implementation of GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, are segregated under the categories listed below and presented on the face of the financial statements in the aggregate. Note 17: Governmental Fund Balances provides greater detail on the purposes for which revenue sources may be spent. When an expenditure is incurred for which restricted and unrestricted amounts are available, the city considers restricted amounts to be used first, followed by committed, then assigned, and lastly unassigned amounts.

Nonspendable fund balance results from resources that cannot be spent because they are not in a spendable form or are in a spendable form but cannot be spent because they are legally or contractually required to be intact.

Restricted fund balance results from resources that are constrained by an external party. This can include grants, contribution restrictions, laws, or regulations.

Committed fund balance results from a decision made by the City Council, the highest level of authority. These decisions create self-imposed legally bound resources. Funds can only be released from the constraints with the same action.

Assigned fund balance results from an earmarking of resources for a particular purpose through City Council’s adoption of the budget. Other than the general fund, the fund balance that is not considered restricted, committed, or nonspendable is assigned by the fund’s definition.

Unassigned fund balance is the residual classification for the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. The city only reports unassigned fund balance in the General Fund.

Capital Assets

Capital assets are reported on a full accrual basis. The capital assets purchased or constructed by a governmental fund are recorded as expenditures in the fund at the time the related purchases occur and are not reported on the balance sheet of the governmental funds’ balance sheet. However, the associated capital assets are reported in the governmental activities column of the government-wide statement of net position.

Capital assets include buildings and improvements with an original cost of \$100,000 or more; machinery, equipment, hardware and other improvements with an original cost of \$5,000 or more each; and, all land, transportation and utilities infrastructure, regardless of their initial cost.

All purchased capital assets are valued at original cost. If no records exist, assets are valued at an estimated historical cost. Capital assets acquired or constructed are capitalized in the respective funds at historical cost. Donated assets are recorded at their estimated fair values as of the date acquired.

The city capitalized retroactive infrastructure assets owned prior to 2002, such as roads, bridges, curbs and gutters, streets and sidewalks, bridges, and lighting systems. The city compiled an inventory of the retroactive infrastructure and recorded these capital assets in the 2004 financial statements. The city elected to capitalize all infrastructure assets, including pre-1980 infrastructure to more accurately reflect capital assets. Costs of normal maintenance and repair for general capital assets are also not capitalized. However, material improvements that increase an asset’s value, capacity, or useful life are added to that asset’s original capitalized cost.

Equipment items acquired through capital lease agreements and land purchased through conditional sales contracts are reported as general capital assets in the government-wide statement of net position. In the governmental fund financial statements, lease and contract payments are reported as expenditures.

All current and incomplete project costs are included in construction in progress in the government-wide statement of net position. At project completion, capital costs are reclassified to property, plant and equipment while non-capital

costs are charged to operating expense. In the governmental fund financial statements, project costs are reported as expenditures.

Land, construction in progress, and transportation infrastructure are not depreciated. Property, plant and equipment, buildings, and street lighting infrastructure are depreciated using the straight-line method, using varying estimated service lives for individual assets and asset classifications depending on characteristics of an asset and factors surrounding its anticipated use.

The average service lives used to calculate depreciation for specific categories of assets are summarized below:

Asset Class	Estimated Service Life (Years)
<i>General Capital Assets</i>	
Equipment	7-15
Buildings	39
Other Improvements	20
<i>Equipment Rental Fund</i>	
Transportation Equipment	2-7
Communication Equipment	7
Traffic Control Equipment	15
Heavy-Duty Work Equipment	5-20
Shop/Miscellaneous Equipment	8-15
<i>Waterworks Utility</i>	
Structures and Building Improvements	40
Other Improvements	50
Water Treatment Plant and Equipment	50
Pumping Equipment	14
Tools, Shop Equipment, and Office Equipment	10
Transportation Equipment	5
Other Equipment	14
<i>Infrastructure Assets</i>	
Roadway	Indefinite Life
Sidewalks	25
Bike/walking path	15
Parking Lot	15
Tunnels	20
Bridges	25
Road Signage	10
Traffic Lights	20
Street Lighting	20
Sewer Lines	40
Storm Drains	40
Water Lines	40
Marina	40
<i>Intangibles</i>	
Software	15
<i>Bellevue Convention Center Authority</i>	
Building Shell	50
Building Mechanical System and Roof	25
Office Furniture and Equipment	7
Communication Equipment	7

The city has elected to use the modified approach to manage its transportation roadway infrastructure. The modified approach requires that the city have a current inventory of infrastructure; perform condition assessments on infrastructure and summarize the results using a measurement scale; and estimate the annual amount to maintain and preserve the infrastructure at a condition level established and disclosed by the city. The city has an inventory of transportation roadway infrastructure placed in service for the current year, performed a condition assessment, established the standard performance rating levels, and estimated the annual amount necessary to maintain and preserve the infrastructure. Further detail is provided in the Schedule of Modified Approach for Reporting Infrastructure Assets under Required Supplementary Information.

Additional information on capital assets is provided in Note 6: Capital Assets.

Deferred Outflow of Resources

Deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred outflow of resources involved no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. It also represents access to present service capability that is under the government's controls. Deferred outflows of resources presented in this manner on the accompanying financial statements are related to outstanding debt.

Long-Term Liabilities

Liabilities for long-term debt are recorded in the government-wide Statement of Net Position and in the proprietary Statement of Net Position. The liabilities include bond premiums and discounts which are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Long-term debt outstanding at year-end is presented in Note 13: Long-term Debt.

For governmental funds financial statements, bond issuance costs are expended at the time of issuance. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond proceeds are reported as an other financing source, net of the applicable premium or discount. The nature of debt in the governmental activity is specific to a program; therefore, debt service costs are not an allocated expenditure.

Net pension liability. For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plans, and additional to/deductions from the pension plans' net position have been determined on the same basis as they were reported by the respective pension plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported as fair value.

Compensated Absences. Employee vacation leave is accumulated at monthly rates ranging from 12 to 25 days per year depending on tenure and governing union agreements. The maximum number of vacation hours an employee may carry forward from one calendar year to the next is 240 hours. All outstanding vacation leave is payable upon resignation, retirement, or death to employees who have completed six months of service.

Accrued vacation pay is recorded in the government-wide financial statements, as well as the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

A long-term liability for accumulated sick leave expected to be paid at retirement or separation from the city after 20 years of service has been recorded in the government-wide financial statements and the proprietary funds financial statements using the vesting method.

Depending on contract and retirement plans, generally employees can accumulate sick leave up to a maximum of 1,440 hours. The accrual rate for most city employees is eight hours per month. Fire and police employees who entered the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) prior to October 1, 1977, receive unlimited sick leave and are not subject to this monthly accrual. Firefighters who entered LEOFF after October 1, 1977, and who work a 24-hour shift receive 12 hours sick leave per month. Ten percent of unused sick leave hours is payable upon retirement at the employee's hourly rate as of their retirement date. Upon resignation, any accrued sick leave balance is lost.

Deferred Inflow of Resources

Deferred inflow of resources is the acquisition of net position that is applicable to a future reporting period. A deferred inflow of resources involved no acquisition of resources resulting in either a net increase in assets or a new decrease in liabilities. It represents a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred inflow of resources presented in this manner on the accompanying financial statements are related to the gain on refunded debt, taxes receivable, grant reimbursements, special assessments receivable, and pensions not available under the current financial resources measurement focus.

Interfund Transactions

Interfund services provided and used are accounted for by the related funds as revenues, expenditures, or expenses. Reimbursements to a fund for expenditures previously paid that are more properly applicable to another fund are recorded as an expenditure in the reimbursing fund and a reduction of expenditure/expense in the fund receiving reimbursement.

All other interfund transactions are reported as transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses of the functional categories are included in the government-wide statement of activities while indirect expense allocations are eliminated. Indirect expenses are primarily charged to the various functions through the use of internal service funds for fleet maintenance, information technology, self-insurance, and facilities management. Elimination of payments to internal service funds are treated as expense reductions. No other indirect expenses are allocated to the various governmental functions. Exceptions to this rule are charges between the government's utilities functions and various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note

Financial statements, notes, and tables may have a discrepancy due to rounding to the nearest thousand dollars.

Note 2: Stewardship, Compliance and Accountability

Deficits

The City of Bellevue had no funds with a material deficit as of December 31, 2021.

Total net position for the BCCA reflects an unrestricted net position balance of \$8.5 million and a total net position of \$38.9 million. Cash flows, as projected in the annual Finance Plan of BCCA, are expected to meet all obligations as they come due.

Legal Budgetary Compliance

During 2021, no city funds exceeded total authorized appropriations at the fund level. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level.

Annually budgeted major fund Budget and Actual schedules are provided as Required Supplementary Information.

Note 3: Supplemental Appropriations

Operating Budget Funds

During 2021, the City Council amended the 2021 appropriations by an additional \$16.1 million to reflect previously unanticipated needs in the 2021 portion of the 2021-2022 biennial budget. Amendments included \$1.4 million in the General Fund and \$9.4 million in the Operating Grants and Donations Fund. As explained in Note 1: Summary of Significant Accounting Policies, both original and supplemental appropriations are adopted by City Council ordinance.

Note 4: Deposits and Investments

Primary Government

Cash and equity in pooled investments are comprised of government and business-type activities. The balances as of December 31, 2021, are as follows, in thousands:

Cash on hand and in bank	\$ 17,175
Equity in pooled investments	694,349
Total	<u>\$ 711,524</u>

In addition, the city holds \$17.4 million in cash and equity in pooled investments in trust for fiduciary funds.

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the city will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2021, the city had a bank balance of \$0.7 million (carrying book balance amount of \$16.2 million). The city's bank balance is insured by the FDIC up to \$0.3 million and fully collateralized by the Washington Public Deposit Protection Commission (WPDPC) for amounts over \$0.3 million. The WPDPC constitutes a multiple financial institution collateral pool. Under RCW 39.58, public depositories are required to segregate and maintain eligible collateral for their unsecured public deposits in the form of securities having a value at least equal to their maximum liability.

The city does not have a formal policy for custodial risk beyond the requirements of state statute. Washington State law restricts deposit of city funds to financial institutions physically located in Washington unless otherwise expressly permitted by statute and authorized by the WPDPC.

Investments

The city's investment policy was developed by the Finance and Asset Management Department in consultation with the Investment Advisory Committee. The policy is adopted by the City Council every two years as part of the biennial budget. Authority to manage the investment program is derived from Bellevue City Code (BCC) Section 3.32.060. This section gives the Director of Finance and Asset Management, or designee, the authority to invest in any of the securities identified as eligible as defined by state statute with primary emphasis on safety on principal and liquidity.

The city's investment policy does not allow investment in variable rate securities or securities whose value depends on the value of an underlying asset.

The city operates two investment portfolios: a short-term pool of investments (Working Capital) to meet immediate operating needs and a longer-term portfolio (Core) to fund large expenditures, as well as hold reserves. The Core portfolio is managed by the Office of the State Treasurer (OST) as a Separately Managed Account (SMA). The city's investment policy guides the Working Capital portfolio. The SMA is managed under the OST Separately Managed Portfolio Investment Policy. The OST Investment Policy is governed by the same state laws, statutes, and regulatory requirements as the city's Working Capital portfolio.

The primary objective of the Working Capital portfolio is to meet the city's short-term cash requirements on an ongoing and operational level. Short-term is defined as a period up to three years. The portfolio is intended to have low duration and high liquidity. All daily cash requirements are to be met by assets in this portfolio. Investments in this portfolio include any investment type authorized by city policy. The benchmark for this portfolio will be the net earnings rate of the State of Washington's Local Government Investment Pool (LGIP). The pool's portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set by GASB Statement No. 79 "Certain External Investment Pools and Pool Participants" for external investment pools that elect to measured investments at amortized costs for financial reporting purposes.

Investments in the LGIP are available on demand in the amount of the original investment, plus interest earnings, and are treated as a money-market investment. Accordingly, the fair value of the city's position in the LGIP is the same as the value of the city's LGIP shares. Regulatory oversight for these investments is provided as prescribed by Washington

State law. The State Auditor audits the accounts of the State Treasurer to determine the compliance of investment activities with state statutes and the investment policy. Also, an independent audit of the LGIP's financial statements is performed annually. The State Treasurer has created an Advisory Committee consisting of eight members appointed by participant associations and six members appointed by the State Treasurer. The committee meets at least quarterly to provide advice on the operation of the LGIP.

The table below identifies the investment types that are authorized for the City of Bellevue by the State of Washington (or the city's investment policy where more restrictive):

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Debt Obligations	5 years	100%	100%
U.S. Agency Coupon Securities	5 years	90%	30%
U.S. Agency Discount Notes	1 year	90%	30%
Repurchase Agreements	60 days	50%	10%
Municipal Bonds	5 years	15%	5%
Certificates of Deposit	1 year	50%	10%
Treasury Liquidity Guaranty Program	5 years	30%	10%
Bankers Acceptances	6 months	15%	5%
Commercial Paper	90 days	15%	5%
Supernational	5 years	10%	10%
Corporate Notes	5 years	10%	3%
State of Washington Local Governmental Investment Pool (LGIP)	N/A	100%	N/A

Per OST's Investment Policy, the core portfolio is comprised of cash that is not reasonable expected to be necessary to meet the short- or intermediate-term liquidity needs. Accordingly, cash may be invested further out the yield curve where, over a market cycle, it is expected to provide a higher return the other state managed portfolios. The core portfolio may have a maximum modified duration of no longer than 3.5 years.

Interest Rate Risk. As a means of minimizing risk of loss arising from interest rate fluctuations, the city's investment policy requires the weighted average modified duration of the portfolio not to exceed three years. One of the other ways that the city manages the exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing to provide the cash flow and liquidity needed for operations.

The LGIP is a qualified external investment pool, as defined by GASB Statement No. 79 "Certain External Investment Pools and Pool Participants". Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days.

Information about the sensitivity of the fair values of the city's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the city's investments by maturity, in thousands:

Investment Type	Fair Value	Remaining Maturity in Months					Credit Rating
		3 Months or Less	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	
U.S. Agency Coupon Securities	\$ 23,067	\$ -	\$ 3,057	\$ -	\$ 10,000	\$ 10,010	
U.S Treasury Debt Obligations	195,981	-	39,947	60,259	40,190	55,585	
Interest Bearing Bank Deposits	45,140	45,140	-	-	-	-	Unrated
Municipal Bonds	6,530	2,056	4,474	-	-	-	AAA/Aa
LGIP	399,519	351,990	47,529	-	-	-	Unrated
Supernationals	39,519	-	-	-	29,777	9,742	AAA/Aaa
Total	\$709,756	\$399,186	\$ 95,007	\$ 60,259	\$ 79,967	\$ 75,337	

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The city's investment policy limits the type of securities available for investment to obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, interest bearing bank deposits, commercial papers, municipal bonds, repurchase agreements, and LGIP. According to Washington State law and the city's investment policy, commercial papers must be rated with the highest short-term credit rating, of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. The city currently does not have any commercial paper in its portfolio. The city's investments in the obligations of U.S. agencies were rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service.

The credit risk of the LGIP is limited to obligations of the US government, government sponsored enterprises, insured demand deposit accounts and certificates of deposit.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The city's investment policy limits the amount that may be invested in any one issuer. As of December 31, 2021, there was no concentration of credit risk exceeding the policy guidelines described above.

The following table displays the city's investment in any one issuer (other than the LGIP) that represents 5 percent or more of the total portfolio, in thousands:

Issuer	Investment Type	Reported Amount
Opus Bank	Certificate of Deposit	\$ 40,000

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The city's investment policy requires that all investments be held by the city's third-party safekeeping agent in the city's name. As of December 31, 2021, all the \$225.6 million investments in U.S. agency debt obligations and municipal bonds were registered and held by its safekeeping agent in the city's name. Therefore, the city has no outstanding investments that were exposed to custodial credit risk.

Fair Value Measurements. Effective December 31, 2018, the City of Bellevue implemented GASB Statement No. 72 "Fair Value Measurement and Application", which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy, which requires

an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

Securities classified as Level 1 in the fair value hierarchy are valued using prices quoted in active markets for identical securities. Level 2 securities are valued using observable inputs. Level 3 securities are valued using unobservable inputs. U.S. Agency Securities and municipal bonds classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 3 security classifications to report.

The following table presents recurring fair value measurements as of December 31, 2021:

		Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	December 31, 2021		
<u>Investments by fair value level</u>			
Debt securities			
US Agency Coupon Securities	\$ 23,067	\$ -	\$ 23,067
US Treasury Debt Obligations	195,981	195,981	-
Municipal Bonds	6,530	-	6,530
Supernationals	39,518	-	39,518
Total debt securities	265,096	195,981	69,115
Total investments by fair value	265,096	\$ 195,981	\$ 69,115
<u>Investments measured at amortized cost</u>			
State of Washington Local Governmental			
Investment Pool	399,519		
General Bank account	5,140		
Opus DD account	40,000		
Total investment measured at amortized cost	444,659		
Total investment measured at fair value	\$ 709,755		

Discretely Presented Component Unit

Cash and equity in pooled investments of the Bellevue Convention Center Authority are comprised of business-type activities only. The balances as of December 31, 2021, are as follows, in thousands:

Cash on hand and in bank	\$ 1,255
Equity in pooled investments	8,248
Total	<u>\$ 9,503</u>

Note 5: Property Taxes

King County is responsible for collecting all property taxes levied within the county. Amounts collected by King County on the city's behalf are remitted daily.

As described in Note 1: Summary of Significant Accounting Policies, taxes are levied and become an enforceable lien against properties as of January. Annual tax billings may be paid in two equal installments due April 30 and October 31.

The following is a breakdown of the city's direct property tax rate, per \$1,000 of assessed valuation, and its collection of property taxes for the year ended December 31, 2021, in thousands:

	Rate	Property Taxes Collected
Regular Property Taxes	\$ 0.616	\$ 43,571
Parks Levy 2008	0.057	4,049
Fire Facilities Levy 2016	0.097	8,073
Transportation Safety, Connectivity, Congestion Levy 2016	0.117	6,725
Total Levy	<u>\$ 0.887</u>	<u>\$ 62,418</u>

Under Washington State law, the city may levy up to \$3.53 per \$1,000 of assessed valuation, subject to the following limitations:

1. The total dollar amount of regular property taxes levied by the city to the amount of such taxes levied in the three most recent years multiplied by a limit factor, plus an adjustment to account for taxes on new construction, improvements, and state-assessed property at the previous year's rate. RCW 84.55 sets the limit factor as the lesser of 101 percent or 100 percent plus the percent change in the implicit price deflator, unless a greater amount is approved by a simple majority of the voters; and
2. The state constitution limits total regular property taxes to 1 percent of assessed valuation, or \$10 for each \$1,000 of assessed value. If the combined taxes of all districts exceed this amount, each levy is proportionately reduced until the total is at or below the 1 percent limit.

The city has banked its remaining levy capacity for potential future use. As of December 31, 2021, the city has \$8.9 million in unused levy capacity.

The following voter-approved tax levies are not subject to the limitations discussed above:

In November 2008, voters approved a levy lid lift for parks and natural area programs to protect water quality of the city's lakes and stream; preserve natural areas throughout the city; enhance existing parks; invest in sport fields, trails, community parks, and neighbor parks; and maintain improvements.

In November 2016, voters approved a levy for fire facilities improvements to seismically retrofit fire stations, build a new downtown fire station, realign and upgrade existing fire facilities to better serve the community, and obtain logistics center warehouse space.

Additionally, in November 2016, voters passed a transportation levy to improve neighborhood safety; reduce neighborhood congestion; install sidewalk, trail and bicycle facilities; provide safe routes to connect people to schools, parks, transit and other services; and enhance maintenance and traffic management technology.

Note 6: Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2021, was as follows, in thousands:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 905,888	\$ 4,077	\$ (7,945)	\$ 902,020
Construction in progress	50,958	47,686	(29,083)	69,561
Infrastructure	804,231	13,362		817,593
Total capital assets, not being depreciated	<u>1,761,077</u>	<u>65,125</u>	<u>(37,028)</u>	<u>1,789,174</u>
Capital assets, being depreciated:				
Buildings	257,132	171	-	257,303
Improvements other than buildings	72,201	9,706	-	81,907
Intangible assets	21,003	220	-	21,223
Machinery and equipment	77,403	10,561	(8,462)	79,502
Leasehold improvements	4,129	-		4,129
Infrastructure	231,717	13,980	(9)	245,688
Total capital assets being depreciated	<u>663,585</u>	<u>34,638</u>	<u>(8,471)</u>	<u>689,752</u>
Less accumulated depreciation for:				
Buildings	(124,211)	(7,955)	-	(132,166)
Improvements other than buildings	(18,408)	(3,697)	-	(22,105)
Intangible assets	(21,660)	(524)	-	(22,184)
Machinery and equipment	(52,287)	(6,214)	2,225	(56,276)
Leasehold improvements	(2,477)	(413)	-	(2,890)
Infrastructure	(182,405)	(7,445)	8	(189,842)
Total accumulated depreciation	<u>(401,448)</u>	<u>(26,248)</u>	<u>2,233</u>	<u>(425,463)</u>
Total capital assets, being depreciated, net	<u>262,137</u>	<u>8,390</u>	<u>(6,238)</u>	<u>264,289</u>
Governmental activities capital assets, net	<u>\$ 2,023,214</u>	<u>\$ 73,515</u>	<u>\$ (43,266)</u>	<u>\$ 2,053,463</u>

Depreciation expense was charged to governmental activity functions/programs as follows, in thousands:

Governmental activities:	
General government	\$ 7,368
Public safety	623
Transportation	5,746
Economic environment	101
Culture and recreation	6,322
Total	<u>20,160</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	6,088
Total depreciation expense - governmental activities	<u>\$ 26,248</u>

Capital asset activity for the city's proprietary funds for the year ended December 31, 2021 was as follows, in thousands:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 25,007	\$ 32	\$ -	\$ 25,039
Construction in progress	19,496	41,688	(31,432)	29,752
Total capital assets, not being depreciated	44,503	41,720	(31,432)	54,791
Capital assets, being depreciated:				
Buildings	38,858	-	-	38,858
Machinery and equipment	16,234	1,086	(780)	16,540
Infrastructure	556,421	33,915	(319)	590,017
Intangible assets	287	-	-	287
Total capital assets being depreciated	611,800	35,001	(1,099)	645,702
Less accumulated depreciation for:				
Buildings	(28,876)	(1,808)	-	(30,684)
Machinery and equipment	(11,371)	(1,335)	767	(11,939)
Infrastructure	(180,405)	(9,890)	-	(190,295)
Intangible assets	(243)	(4)	-	(247)
Total accumulated depreciation	(220,895)	(13,037)	767	(233,165)
Total capital assets, being depreciated, net	390,905	21,964	(332)	412,537
Business activities capital assets, net	\$ 435,407	\$ 63,684	\$ (31,764)	\$ 467,328

Depreciation expense was charged to business-type activity functions/programs as follows, in thousands:

Business-type activities:	
Marina	\$ 14
Water utility	5,833
Storm and surface water utility	2,969
Sewer utility	4,221
Total depreciation expense - business-type activities	<u>\$ 13,037</u>

Capital asset activity for the city's discretely presented component unit, BCCA, for the year ended December 31, 2021 were as follows, in thousands:

	Beginning Balance	Increases	Decreases	Ending Balance
Bellevue Convention Center Authority:				
Capital assets, not being depreciated:				
Works of art	\$ 156	\$ -	\$ -	\$ 156
Construction in Progress	644	633	(405)	872
Total capital assets, not being depreciated	800	633	(405)	1,028
Capital assets, being depreciated:				
Building	62,433	240	-	62,673
Machinery and Equipment	5,508	-	(71)	5,437
Total capital assets being depreciated	67,941	240	(71)	68,110
Less accumulated depreciation for:				
Building	(32,121)	(1,662)	-	(33,783)
Machinery and Equipment	(4,643)	(301)	60	(4,884)
Total accumulated depreciation	(36,764)	(1,963)	60	(38,667)
Total capital assets, being depreciated, net	31,177	(1,723)	(11)	29,443
Component unit activities capital assets, net	\$ 31,977	\$ (1,090)	\$ (416)	\$ 30,471

Note 7: Pension Plans

Below is a summary of the City of Bellevue's pension plans, in thousands:

	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2	Firefighters' Pension	Total
Pension liabilities	\$ (7,680)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,680)
Pension assets	-	79,164	347	10,911	80,400	2,249	173,071
Deferred outflows of resources	1,792	7,158	67	-	5,894	-	14,911
Deferred inflows of resources	(8,522)	(73,511)	(299)	(3,334)	(43,219)	-	(128,885)
Pension expense	(1,948)	(18,142)	(15)	(1,627)	(9,905)	895	(30,742)

Public Employees' Retirement System (PERS)

General Information about PERS

Plan Description. PERS was established by the Washington State Legislature in 1947 under RCW 41.34 and 41.40. PERS is a multiple-employer, cost-sharing defined benefit pension plan. Membership in the system includes elected officials, state employees, and employees of local government.

PERS consists of three plans. Participants who joined the system by September 30, 1977 are Plan 1 members. PERS 1 is closed to new entrants. The vesting period for members was upon completion of five years of eligible service. Those joining the system after September 30, 1977 are enrolled in Plan 2. Existing Plan 2 members were given the option to transfer their membership to Plan 3 by May 31, 2003. Employees hired after May 31, 2003 have the option of choosing either PERS Plan 2 or PERS Plan 3. Retirement benefits are financed by employee contributions, employer contributions, and investment earnings. Retirement benefits in the PERS 2 plan are vested after completion of five years of eligible service. For PERS 3, employees are vested after the completion of ten years of eligible service or five years with at least 12 months being earned after the age of 44 years old.

Participants in the plan are listed below:

	PERS 1	PERS 2	PERS 3
Participants	1	813	221

Benefits Provided. All plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The annual cost of living allowances are linked to the Seattle Consumer Price Index to a maximum of 3 percent annually.

Contributions. Each biennium of the Department of Retirement Systems, the Washington State Legislature establishes Plan 1 employer contribution rates and Plan 2/3 employer and employee contribution rates. Employee contribution rates for Plan 1 are established by statute and do not vary from year to year. Employer rates for Plan 1 are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan 2/3 are developed by the Office of the State Actuary to fully fund the system. All employers are required to contribute at the level established by the Washington State Legislature.

Both the city and employees made 100 percent of the required contributions for all years.

The contribution rates and actual contributions to PERS for the year ending December 31, 2021 were as follows, with contributions in thousands:

	Employer		Employee
	1/1-6/30	7/1-12/31	1/1-12/31
PERS Plan 1	7.92%	10.07%	6.00%
PERS Plan 1 UAAL	4.87%	0.00%	
Administration Fee	0.18%	0.18%	
Total	12.97%	10.25%	6.00%

	Employer		Employee	
	1/1-6/30	7/1-12/31	1/1-6/30	7/1-12/31
PERS Plan 2	7.92%	6.36%	7.90%	6.36%
PERS Plan 1 UAAL	4.87%	3.71%		
Administration Fee	0.18%	0.18%		
Total	12.97%	10.25%	7.90%	6.36%

	Employer		Employee
	1/1-6/30	7/1-12/31	1/1-12/31
PERS Plan 3	7.92%	6.36%	5-15%
PERS Plan 1 UAAL	4.87%	3.71%	
Administration Fee	0.18%	0.18%	
Total	12.97%	10.25%	5-15%

2021 Employee contributions	
PERS 1	\$ 4,169
PERS 2	5,389
PERS 3	1,451

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to PERS

At December 31, 2021, the city reported a liability of \$7.7 million for its proportionate share of the net pension liability for PERS 1 and an asset of \$79.2 million for its proportionate share of the net pension asset for PERS2/3. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The city's proportion of the net pension liability was based on a projection of the city's long-term share of contributions to the pension plan relative to the projected contributions of all participating local governments, actuarially determined. At June 30, 2021, the city's proportion for PERS 1 was 0.63 percent, which was a decrease of 0.1 percent from its proportionate share measured as of June 30, 2020. The city's proportion for PERS 2/3 was 0.79 percent, which was an decrease of 0.2 percent from its proportionate share measured as of June 30, 2020.

For the year ended December 31, 2021, the city recognized total pension expense of \$20.0 million for the PERS pension plans (\$1.9 million for PERS 1 and \$18.1 million for PERS 2/3). As of December 31, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

	PERS 1	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(8,522)
Changes in assumptions	-	-
Change in proportion and differences between city contributions and proportionate share contributions	-	-
City contributions subsequent to the measurement date	1,792	-
Total	\$ 1,792	\$ (8,522)

	PERS 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,845	\$ (970)
Net difference between projected and actual earnings on pension plan investments	-	(66,162)
Changes in assumptions	116	(5,622)
Change in proportion and differences between city contributions and proportionate share contributions	165	(757)
City contributions subsequent to the measurement date	3,032	-
Total	\$ 7,158	\$ (73,511)

The city reported \$4.8 million (PERS 1: \$1.8 million, and PERS 2/3: \$3.0 million) as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date and these will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported

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

Year ended June 30	PERS 1	PERS 2/3
2022	\$ (2,257)	\$ (18,284)
2023	(2,069)	(17,095)
2024	(1,956)	(16,256)
2025	(2,240)	(17,502)
2026	-	(253)
Thereafter	-	4
Total	<u>\$ (8,522)</u>	<u>\$ (69,386)</u>

Sensitivity of the city's proportionate share of net pension liability to changes in the discount rate. The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate, in thousands:

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 13,082	\$ 7,680	\$ 2,968
PERS 2/3	(22,552)	(79,164)	(125,783)

Pension plan fiduciary net position. Detail information about the pension plan's fiduciary net position is available in a separately issued DRS financial report on their website at <http://www.drs.wa.gov/administration/annual-report/default.htm>. The report was developed with the assumptions listed below under PERS, PSERS, and LEOFF Actuarial Assumptions. The financial statements were developed in conformity with GAAP.

Public Safety Employees' Retirement System (PSERS)

General Information about PSERS

Plan Description. PSERS is a multiple-employer, cost-sharing defined benefit pension plan. PSERS was created by the Washington State Legislature in 2004 and became effective July 1, 2006. PSERS retirement benefit provisions are established in RCW 41.37. Membership includes all full-time public safety employees.

PSERS Plan 2 membership includes: 1) full-time public safety employees on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and 2) full-time public safety employees, hired on or after July 1, 2006, that meet at least one of the PSERS eligibility criteria. Retirement benefits are financed by employee contributions, employer contributions, and investment earnings. Members are vested after completing five years of eligible service. PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment and leaving that employment as a result of the disability.

Participants in the plan are listed below:

	PSERS
Participants	10

Benefits Provided. All plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Under PSERS Plan 2, annual cost of living allowances are linked to the Seattle Consumer Price Index to a maximum of 3 percent annually.

Contribution. Each biennium of the Department of Retirement Systems, the Washington State's 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. All employers are required to contribute at

the level established by the Washington State Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with RCW 41.37 and 41.45.

Both the city and employees made 100 percent of the required contributions for all years.

The contribution rates and actual contributions to PSERS for the year ending December 31, 2021 were as follows, with contributions in thousands:

	Employer		Employee	
	1/1-6/30	7/1-12/31	1/1-6/30	7/1-12/31
PSERS Plan 2	7.20%	6.50%	7.20%	6.50%
PERS Plan 1 UAAL	4.87%	3.71%		
Administration Fee	0.18%	0.18%		
Total	12.25%	10.39%	7.20%	6.50%

2021 Employee contributions	
PSERS \$	70

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to PSERS

At December 31, 2021, the city reported an asset of \$0.3 million for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The city's proportion of the net pension asset was based on a projection of the city's long-term share of contributions to the pension plan relative to the projected contributions of all participating local governments, actuarially determined. At June 30, 2021, the city's proportion was 0.15 percent, which was an increase of 0.2 percent from its proportionate share measured as of June 30, 2020.

For the year ended December 31, 2021, the city recognized a total pension expense of \$15 thousand for the PSERS pension plans. As of December 31, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

	PSERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35	\$ (1)
Net difference between projected and actual earnings on pension plan investments	-	(249)
Changes in assumptions	-	(35)
Change in proportion and differences between city contributions and proportionate share contributions	-	(14)
City contributions subsequent to the measurement date	32	-
Total	\$ 67	\$ (299)

The city reported \$32 thousand as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date and these will be recognized as a reduction of the net pension asset in the year

ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows, in thousands:

Year ended June 30	PSERS
2022	\$ (67)
2023	(63)
2024	(60)
2025	(66)
2026	(2)
Thereafter	(5)
Total	<u>\$ (263)</u>

Sensitivity of the city's proportionate share of net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.4 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate, in thousands:

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PSERS	\$ (54)	\$ (347)	\$ (578)

Pension plan fiduciary net position. Detail information about the pension plan's fiduciary net position is available in a separately issued DRS financial report on their website at <http://www.drs.wa.gov/administration/annual-report/default.htm>. The report was developed with the assumptions listed below under PERS, PSERS, and LEOFF Actuarial Assumptions. The financial statements were developed in conformity with GAAP.

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

General Information about LEOFF

Plan Description. LEOFF is a multiple-employer, cost-sharing defined benefit pension plan established by Washington State Legislature in 1970 under RCW 41.26. Membership includes all full-time local law enforcement officers and firefighters. Retirement benefits are financed by employee contributions, employer contributions, investment earnings, and legislative appropriations.

The LEOFF system contains two plans. Participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined thereafter are enrolled in Plan 2. Retirement benefits are vested after completion of five years of eligible service. LEOFF 1 is closed to new entrants.

Participants in the plan are listed below:

	LEOFF 1	LEOFF 2
Participants	-	400

Benefits Provided. All plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Annual cost of living allowances is linked to the Seattle Consumer Price Index to a maximum of 3 percent annually.

Contribution. Plan 1 employers are required to contribute at the administrative rate of 0.18 percent and the state is responsible for the balance of the funding. Plan 2 employers and employees are required to pay at levels established by the Washington State Legislature. Employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fund the system.

Both the city and employees made 100 percent of the required contributions for all years.

The contribution rates and actual contributions to LEOFF for the year ending December 31, 2021 were as follows, with contributions in thousands:

	Employer		Employee	
	1/1-6/30	7/1-12/31	1/1-6/30	7/1-12/31
LEOFF 2 Plan	5.15%	5.12%	8.59%	8.53%
Administration Fee	0.18%	0.18%		
Total	5.33%	5.30%	8.59%	8.53%

2021 Employee contributions	
LEOFF 1	\$ -
LEOFF 2	2,791

The Washington State Legislature, by means of a special funding arrangement, appropriates money from the State General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and can be changed by statute. For the fiscal year ended June 30, 2020, the state contributed \$78.2 million to the LEOFF 2 Plan.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LEOFF

On December 31, 2021, the city reported a total pension asset of \$91.3 million for its proportionate share of the net pension asset (LEOFF 1 was \$10.9 million and LEOFF 2 was \$80.4 million). The amount of the asset reported for LEOFF reflects a reduction for state pension support provided to the city as its proportional share of the net pension asset, the related state support, and the total portion of the net pension asset that was associated with the city were as follows, in thousands:

	LEOFF 1	LEOFF 2
City's proportionate share	\$ (10,911)	\$ (80,400)
State's proportionate share of the net pension asset associated with the employer	(73,803)	(51,867)
Total	\$ (84,714)	\$ (132,267)

At June 30, 2021, the city's proportion for LEOFF 1 was 0.32 percent, which did not change from its proportionate share measured as of June 30, 2020. The city's proportion for LEOFF 2 was 1.38 percent, which was an increase of 0.01 percent from its proportionate share measured as of June 30, 2020.

For the year ended December 31, 2021, the city recognized a total pension expense of \$11.5 million for the LEOFF pension plans (LEOFF 1 of \$1.6 million and LEOFF 2 of \$9.9 million). As December 31, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

LEOFF 1	
	Deferred Outflows of Resources Deferred Inflows of Resources
Differences between expected and actual experience	\$ - \$ -
Net difference between projected and actual earnings on pension plan investments	- (3,334)
Changes in assumptions	- -
Change in proportion and differences between city contributions and proportionate share contributions	- -
City contributions subsequent to the measurement date	- -
Total	\$ - \$ (3,334)

LEOFF 2	
	Deferred Outflows of Resources Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,647 \$ (425)
Net difference between projected and actual earnings on pension plan investments	- (38,335)
Changes in assumptions	35 (3,824)
Change in proportion and differences between city contributions and proportionate share contributions	812 (635)
City contributions subsequent to the measurement date	1,400 -
Total	\$ 5,894 \$ (43,219)

The city reported \$1.4 million as deferred outflows of resources for LEOFF 2 related to pensions resulting from city contributions subsequent to the measurement date and these will be recognized as a reduction of the net pension asset

in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows, in thousands:

Year ended June 30	LEOFF 1	LEOFF 2
2022	\$ (886)	\$ (10,232)
2023	(810)	(9,535)
2024	(764)	(9,008)
2025	(874)	(10,142)
2026	-	(145)
Thereafter	-	337
Total	<u>\$ (3,334)</u>	<u>\$ (38,725)</u>

Sensitivity of the city's proportionate share of net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.4 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate, in thousands:

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
LEOFF 1	\$ (9,822)	\$ (10,911)	\$ (11,853)
LEOFF 2	(50,701)	(80,400)	(104,719)

Pension plan fiduciary net position. Detail information about the pension plan's fiduciary net position is available in a separately issued DRS financial report on their website at <http://www.drs.wa.gov/administration/annual-report/default.htm>. The report was developed with the assumptions listed below under PERS, PSERS, and LEOFF Actuarial Assumptions. The financial statements were developed in conformity with GAAP.

PERS, PSERS, and LEOFF Actuarial Assumptions

Actuarial assumptions. The total pension liability for each of the plans was determined using the more recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases (including inflation)	3.50%
Investment rate of return	7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates. Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for each year after the 2010 base table.

The actuarial assumptions used in the June 30, 2020 valuation reflect the results of the 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The total pension liability was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020 to June 30, 2021, reflecting each plan's normal cost (using Entry Age Cost Method), assumed interest and actual benefit payments.

The long-term expected rate of return of 7.4 percent on pension plan investment was determined using a building-block method. The Washington State Investment Board used a best estimate of expected future rate of returns (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Percent Long-Term Expected Real Rate of
		Return Arithmetic
Fixed Income	20%	2.2%
Tangible Assets	7%	5.1%
Real Estate	18%	5.8%
Global Equity	32%	6.3%
Private Equity	23%	9.3%
	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.4 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the city will be made at centrally required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. 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.

Changes in assumptions. For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. OSA will revert back to the methods outlined in their 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019, AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the Fiscal Year (FY)-end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to our projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation.

Firefighters' Pension Plan

Plan Description

Plan administration. The city administers the Firefighters' Pension Plan (the Plan) as a single-employer, defined benefit pension plan that provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit terms were established by RCW 41.16 and amended by RCW 41.18. The state retains the authority to amend benefit terms.

Management of the Firefighters' Pension Fund is vested in the Pension Board, which consists of five members: city councilmember who serves as the chairperson of the board, City Clerk, Director of Finance and Asset Management, one retired firefighter, and one regularly employed firefighter.

The Plan does not issue a separate stand-alone financial report.

Benefits. RCW 41.16.080 through 41.16.180 establish the benefits of the plan. Plan members shall be paid a pension based upon the average monthly salary drawn for the five calendar years before retirement, the number of years in service, and a percentage factor based on age upon entering service. In addition, the state requires benefits to include payment on death of a retired firefighter, payment on death of eligible pensioner before retirement, payment on death

in the line of duty, payment upon disablement in the line of duty, payment upon disablement not in the line of duty, payment on separation from service, and funeral expenses.

Employees covered by benefit terms. Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established. The Plan is closed to new entrants. At December 31, 2021, pension membership consisted of the following:

Retirees after March 1, 1970, currently receiving full retirement benefits through LEOFF 1 and also receiving an adjustment from the Firefighters' Pension Plan	24
Retirees after March 1, 1970, receiving LEOFF 1 pensions exceeding the Firefighters' Pension Fund and, therefore, not qualifying for excess benefit payment from the Firefighters' Pension Plan	5
Active plan members	-
Total	<u>29</u>

Contributions. RCW 41.16.050 through 41.16.070 established the contribution rates. The state is required to contribute 25 percent of all monies received from taxes on fire insurance premiums and eligible active firefighters are required to contribute based on age. The city is required to contribute a tax of \$0.225 cents per \$1,000 of assessed value against all taxable property, unless a qualified actuary establishes that the whole or any part of said dollar rate is not necessary to maintain the actuarial soundness of the Plan. For the year ended December 31, 2021, the state contributed \$260 thousand and neither member nor employer made contributions to the Plan. As of the last actuarial study dated January 1, 2022, the actuary determined that current Plan assets and future contributions from state fire insurance taxes and interest earnings will be sufficient to pay all future Plan benefits.

Investments

Investment policy. Plan investments are invested with the city's funds, and therefore, follow city investment policy. The city's policy regarding the allocation of invested assets is established and may be amended by the Director of Finance and Asset Management, or their designee as authorized by City Council. The primary objective of the investment policy is to protect the city's principal sums and enable the city to generate a market rate of return from its investment activities while assuring adequate liquidity to meet its cash flow needs. All investment activities are in compliance with Washington State law. The following was the city's adopted asset allocation policy as of December 31, 2021:

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Debt Obligations	5 years	100%	100%
U.S. Agency Coupon Securities	5 years	90%	30%
U.S. Agency Discount Notes	1 year	90%	30%
Repurchase Agreements	60 days	50%	10%
Municipal Bonds	5 years	15%	5%
Certificates of Deposit	1 year	50%	10%
Treasury Liquidity Guaranty Program	5 years	30%	10%
Bankers Acceptances	6 months	15%	5%
Commercial Paper	90 days	15%	5%
Supernational	5 years	10%	10%
Corporate Notes	5 years	10%	3%
State of Washington Local Governmental Investment Pool (LGIP)	N/A	100%	N/A

Concentrations. The Plan held the following investments in organizations that represent 5 percent or more of the Plan's fiduciary net position and are not issued by the US Government at December 31, 2021:

Investment Type	% of Net Position
State Pool	56%
US Treasury Debt	28%
Supernationals	6%
Interest Bearing Activity	6%

Rate of return. For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments was 0.2 percent. The money-weighted rate of return expresses investment performance adjusted for the changing amounts invested.

Net Pension Asset

The city's net pension asset was measured as of January 1, 2022 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. An actuarial report was issued for the city by Northwest Plan Services, Inc.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0%
Investment rate of return	3.5%

Mortality rates for active and service-retired members were from the PRI-2012 Blue Collar Retiree Amount-Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale. Mortality rates for disabled members were from the PRI-2012 Total Dataset Disabled Retiree Amount-Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale. Mortality rates for spouses were from the PRI-2012 Blue Collar Contingent Survivor Amount-Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale.

The actuarial assumptions used in the January 1, 2021 valuation were based on the 2001-2006 Experience Study for the Law Enforcement Officers' and Fire Relief and Retirement System prepared by the Office of the State Actuary using the Entry Age Normal Cost Method and attributing liability as a level percentage of compensation.

Discount rate. The discount rate is the single rate that reflects (1) the long-term expected rate of return on pension plan investments that are expected to be used to finance payment of benefits, to the extent that the Plan's fiduciary net position is expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. Since the fiduciary net position is projected to be positive in all future years, the discount rate is equal to the investment earnings assumption of 3.5 percent.

Change in assumptions. The mortality and spouse age assumptions have been updated since the prior year based on our reasonable expectation of plan experience. In addition, the actuary used a new software application for valuing the plan liabilities for the first time. Results were within a 5 percent threshold that is considered reasonable.

Changes in the Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2020	\$ 3,868	\$ 7,012	\$ (3,144)
Changes for the year:			
Service cost	-	-	-
Interest	130	-	130
Differences between expected and actual experience	680	-	680
Change of assumptions	346		346
Contribution - employer	-	260	(260)
Contributions - employee	-	-	-
Net investment income	-	15	(15)
Benefit payments, including refunds of employee contributions	(301)	(302)	1
Administrative expenses	-	(13)	13
Other charges	-	-	-
Net changes	855	(40)	895
Balance at December 31, 2021	<u>\$ 4,723</u>	<u>\$ 6,972</u>	<u>\$ (2,249)</u>

Sensitivity of the net pension asset to changes in the discount rate. The following presents the net pension asset of the city, calculated using the discount rate of 3.5 percent, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.5 percent) or 1 percentage point higher (4.5 percent) than the current rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
City's net pension asset	\$ (1,817)	\$ (2,249)	\$ (2,624)

Pension Asset, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Firefighter's Pension

For the year ended December 31, 2021, the city recognized a pension expense of \$0.9 million. There were no deferrals of resources as the actuarial report made the assumptions and valuations as of the end of the city's fiscal year

Municipal Employees' Benefit Trust

Plan Description

MEBT is a multiple-employer, defined-contribution pension plan. MEBT is an alternative to the federal Social Security system created by the City of Bellevue on October 1, 1972. The participating entities include Bellevue, Edmonds, Federal Way, Kirkland, Mill Creek, Redmond, Woodinville and NORCOM with a total of 5,800 participants (Bellevue has 1,604 MEBT 1 participants and 15 MEBT 2 participants).

MEBT is governed by a five-member leadership body that is appointed by the City of Bellevue's City Manager. The plan provisions may be established and amended by a majority vote of the committee. The investments are management by the board and are held by the Broadridge Matrix Trust Company. Each city is responsible for created their own Plan Document for the specifics regarding participation, contributions, and disbursements.

A separate financial report is issued by MEBT. For more information, please contact the City of Bellevue's Senior Retirement Analyst at P.O. Box 90012, Bellevue, WA 98009.

Eligibility. To participate in MEBT, an employee must be hired into one of the following classifications: regular status employee of the City of Bellevue (as defined by Human Resources Code Section 3.79); city councilmember; or employee designated as eligible for MEBT. The eligible employees are currently defined as limited term, training, and transitional employees. Participation in MEBT 1 is voluntary and begins on the date of hire. Hourly employees, who do not participate in PERS, participate in MEBT 2. Participation in MEBT 2 is mandatory for these employees and begins on the date of hire.

Contributions. Regular employees who elect to participate in MEBT may contribute on a pre-tax and/or after-tax basis. The aggregate amount of basic contributions for any participant is limited to 100 percent of the Social Security tax rate (6.2 percent) on compensation up to the Social Security wage base plus 100 percent of the Medicare tax rate (1.45 percent).

Hourly employees who do not participate in PERS are required to make mandatory contributions equal to 100 percent of the Social Security tax rate, currently 6.2 percent of compensation.

Employees may elect to contribute additional compensation on a pre-tax and/or after-tax basis. Basic contributions plus salary deferral contributions plus extra contributions are limited only by federal rules.

The city contributes to the Bellevue Contribution Account each pay period 100 percent of the Social Security tax rate on all eligible employee compensation up to the Social Security wage base. The city contributes an additional 100 percent of the Medicare tax rate on all compensation for eligible employees who were hired prior to April 1, 1986.

As of the last day of each month, the employer contributions, net of forfeitures, administrative fees, and insurance premiums paid during the month are allocated to eligible employees participating in MEBT. The allocations are made in the same proportion as each participant's basic pre-tax and after-tax contributions share to the total basic pre-tax and after-tax contributions.

The city incurred a total expense of \$8.7 million for MEBT for the year ending December 31, 2021. Employees may contribute up to federal deferral limits, annual addition limits, and any other tax rules that may apply. Actual employee contributions to the plan for 2021 were as follows, in thousands:

	MEBT 1	MEBT 2
Participants	\$ 11,356	\$ 50

Vesting. MEBT 1 participants become fully vested after three years. MEBT 2 participants are fully vested immediately. Employees are 100 percent vested in their own contributions to MEBT.

Meydenbauer Center Retirement Plan and Trust

Plan Description

The BCCA Meydenbauer Center Retirement Plan and Trust (Plan) is a defined contribution plan qualified for public employers under IRS Section 401(a). The Plan, approved by resolution of the BCCA Board of Directors, became effective July 1, 1995. Wells Fargo Bank serves as the Plan Administrator, Plan Trustee and Investment Manager. As of December 31, 2021, there were 49 active participants in the Plan. The Plan is established as a retirement plan and contains no provision for withdrawing money prior to the termination of employment. Upon termination of employment or retirement, employees receive the account balance of employee contributions and the vested portion of the employer account credited with investment earnings. In the event of employee death or disability, the employee account becomes immediately vested and the full value of the account may be paid out. The plan document defines disability according to specific Federal guidelines. Each regular employee having completed one year of employment and 1,000 hours of service is eligible to participate in the plan. Participation in the Plan is mandatory for all regular employees hired after May 1, 1995.

Contributions

The BCCA and employees each contribute 5 percent of compensation to the Plan. Additionally, each participant may contribute on his or her own behalf at least 1 percent but not more than 10 percent of his or her compensation on a post-tax basis. The BCCA's contributions to the Plan were based on percent of covered payroll. Actual contributions to the plan for 2021 were as follows, in thousands:

Participants	\$	116
BCCA	\$	102

Note 8: Other Personnel Benefits**Plan Description**

The City of Bellevue's LEOFF 1 Other Postemployment Benefits Plan (the Health Plan) is a single-employer, defined benefits healthcare plan administered by the city. In accordance with RCW 41.26, the city provides lifetime medical care for law enforcement officers and firefighters employed prior to October 1, 1977. Under this requirement, most coverage for eligible retirees is provided in one of the city's employee medical insurance programs. However, under authorization of the Disability Board, direct payment is also made for some retiree medical expenses not covered by standard benefit plan provisions. The retiree does not contribute towards the cost of medical care.

Benefits provided

The Health Plan provides medical benefits, prescription drugs, Medicare premiums, long-term care, and other medical expenses for LEOFF 1 retirees. Dependent spouses and children are not covered. The city does not require retiree contributions. All benefits are paid in full by the city. The Health Plan's actuary is Gabriel, Roeder, Smith, and Company. The Health Plan does not issue a separate standalone financial report.

Employees covered by benefit terms

At December 31, 2021, the following employees were covered by the benefits terms:

Inactive employees currently receiving benefit payments	107
Inactive employees entitled but not yet receiving benefit payments	-
Active employees	-
	<u>107</u>

This plan is closed to new entrants.

Total OPEB liability

The city's total OPEB liability of \$28.9 million was measured as of December 31, 2021 and was determined by an actuarial valuation date of December 31, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.25%
Salary increases	3.0%
Discount rate	1.8%
Healthcare cost trend rate	5.5%

The discount rate was based on the Fidelity "20 Year Municipal GO AA index" as of December 30, 2021.

Mortality rates were based on RP-2014 generational table back project to the year 2006 and scaled using MP-18. The tables are applied on gender-specific basis.

The key demographic assumptions are based on the same demographic assumption used in the Washington LEOFF 1 defined benefit retirement plan.

Changes in the Total OPEB liability

	Total OPEB Liability (In thousands)
Balance at January 1, 2021	\$ 29,726
Changes for the year:	
Service costs	3
Interest costs	576
Changes of benefit terms	-
Differences between expected and actual experience	-
Change in assumption or other inputs	434
Contributions from employer	-
Net investment income	-
Benefit payments	(1,840)
Administration expenses	-
Net change in total OPEB liability	(827)
Total OPEB liability at December 31, 2021	<u>\$ 28,899</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.0 percent in 2020 to 1.84 percent in 2021.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (.08 percent) or 1 percentage point higher (2.8 percent) than the current discount rate, in thousands:

1% Decrease (0.8%)	Discount Rate (1.8%)	1% Increase (2.8%)
\$ 31,873	\$ 28,899	\$ 26,351

Sensitivity of the total OPEB liability changes in the health care cost trend rates

The following present the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using health cost trend rates that are 1 percentage point lower (4.5 percent) or 1 percentage point higher (6.5 percent) than the current health cost trend rate:

1% Decrease (4.5%)	Healthcare Cost Trend Rates (5.5%)	1% Increase (6.5%)
\$ 26,264	\$ 28,899	\$ 31,910

OPEB expenses and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended December 31, 2021, the city recognized an OPEB expense of \$0.9 million. At December 31, 2021, the city did not have any reportable deferred outflows of resources or deferred inflows of resources related to OPEB.

No amounts are to be reported as deferred inflows of resources and deferred inflows of resources related to OPEB over time.

Note 9: Compensated Absences

The city's liability for accrued compensated absences is recorded in the schedule below, in thousands. The funds that incur a liability for compensated absences are responsible for liquidating them in future periods.

Governmental activities:	
General fund	\$ 12,567
Housing Fund	61
Nonmajor governmental funds	<u>201</u>
Total governmental activities	12,829
Business-type activities:	
Storm & surface water utility	362
Water utility	554
Sewer utility	<u>465</u>
Total business-type activities	1,381
Internal service activities	<u>1,556</u>
Total compensated absences	<u>\$ 15,766</u>

Note 10: Risk Management

The City of Bellevue is exposed to financial loss resulting from city-caused damage to property or persons, bodily injuries or illness of employees, unemployment compensation benefits paid to former employees, and employee health care benefits. Except as described below, the city is self-insured for these loss exposures. Individual internal service funds are used to account for self-insurance activities. These include workers' compensation, unemployment compensation, general liability, and employee health care benefits. Premiums paid to these funds by other governmental funds are used to pay for administrative costs, claims, risk transfer and insurance, and risk margin factors to cover future unknown loss contingencies.

In accordance with GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", estimated liabilities are accrued in all self-insurance funds for the value of current outstanding claims and claims incurred but not reported (IBNR). Annual actuarial studies are performed for the Workers' Compensation Fund, General Self-Insurance Fund, and Health Benefits Fund to determine recommended funding levels for related risk areas. The city has not purchased annuity contracts for any of its outstanding claims.

At December 31, 2021, the city had available cash and equity in pooled investments in the self-insurance funds of \$12.1 million to provide against risk of catastrophic losses. The claims liability reported in the self-insurance funds is based on the requirements of GASB Statement No. 10. Prior to the issuance of the financial statements, the standard requires that a liability for claim be reported if it is probable that a liability has been incurred at the date of the financial statements and can be reasonably estimated. This estimated liability is not discounted to present value.

Changes in the Internal Service Funds' claims liability amount from fiscal year ended December 31, 2020 to December 31, 2021, in thousands:

	Workers' Compensation	Unemployment Compensation	General Self-Insurance	Health Benefits
December 31, 2020:				
Unpaid claims, beginning of fiscal year	\$ 2,709	\$ 19	\$ 1,987	\$ 1,418
Incurred claims (including IBNR)	1,989	361	3,453	19,251
Claim payments	(1,894)	(278)	(1,551)	(19,207)
Unpaid claims, December 31, 2020	<u>\$ 2,804</u>	<u>\$ 102</u>	<u>\$ 3,889</u>	<u>\$ 1,462</u>
December 31, 2021:				
Unpaid claims, beginning of fiscal year	\$ 2,804	\$ 102	\$ 3,889	\$ 1,462
Incurred claims (including IBNR)	3,227	39	3,981	20,356
Claim payments	(2,136)	(125)	(5,046)	(20,116)
Unpaid claims, December 31, 2021	<u>\$ 3,895</u>	<u>\$ 16</u>	<u>\$ 2,824</u>	<u>\$ 1,702</u>
Due within one year	\$ 1,851	\$ 16	\$ 1,427	\$ 1,702
Due in more than one year	\$ 2,044	\$ -	\$ 1,397	\$ -

Under the city's self-insurance program, the following commercial insurance policies are purchased to protect the city from claims which exceed anticipated funding levels. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Policy Type	Deductible	Coverage	Description
Excess Workers' Compensation Employer's Liability - All Employees	\$ 1,000,000	\$ 2,000,000	Protects the City from unanticipated levels of workers' compensation claims.
Boiler & Machinery	100,000	475,000,000 ^(A)	Protects the City from loss due to damage to buildings and contents from boilers and machinery.
Real & Personal Property	100,000	475,000,000 ^(A)	Protects the City from loss by fire and other extended coverages.
Earth Movement	100,000 or 3% of value	25,000,000 ^(A)	Protects the City from loss by earth movement.
Flood	100,000	40,000,000 ^(A)	Protects the City from loss by flood.
Medical Stop Loss	300,000	Unlimited ^(B)	Stop-loss coverage protects the City from excessive individual claims.
Excess Liability Coverage	5,000,000	30,000,000 ^(A)	Protects the City from excessive individual liability losses.
Fiduciary Liability	15,000	7,000,000	Protects the City's retirement plans from wrong doing by board members.
Fine Arts	None	1,320,000	Protects the City from loss due to damage to its art work.
Crime & Fidelity, Employee Theft, Forgery or Alteration, Funds Transfer Fraud	10,000	1,000,000 ^(A)	Protects the City from loss due to employee dishonesty and other extended coverages.
Privacy & Network Liability	250,000	10,000,000	Protects the City from loss due to a data breach and other extended coverages.
Garage Keepers Liability	1,000	1,000,000 ^(A)	Protects the City from loss due to its non-City owned vehicle repair operations.
Storage Tank Liability	10,000	4,000,000	Protects the City from loss due to any third party liability claims resulting from underground storage tank incidents.
Terrorism or Sabotage	25,000	200,000,000	Protects the City from loss due to an act of terrorism or sabotage.
Auto & Equipment Physical Damage	25,000	10,000,000 ^(A)	Protects the City from loss due to damage to vehicles and equipment.
International Advantage	None	4,000,000	Protects all City employees while traveling abroad on
Active Shooter	None	1,000,000	Protects the City from loss due to an active shooter event.
		^(A) per occurrence	
		^(B) per individual	

Discretely Presented Component Unit

BCCA utilizes Parker, Smith and Feek, Inc. for marketing and placement of its commercial policies. BCCA maintains insurance against most common hazards, including damage to the building, theft, natural disasters, and illness or injuries to clients, guests, and employees.

Note 11: Leases and Other Contractual Commitments

Operating Leases

Terranomics Crossroads Associates

Effective November 10, 1994, the city entered into a one-year non-cancelable lease agreement with Terranomics Crossroads Associates to provide a Mini City Hall in the Crossroads area. Since 1994, the lease has been extended via mutual agreement between both parties. The current lease extension ends November 30, 2023. Total lease payments for 2021 were \$15 thousand. Future minimum lease payments to Terranomics Crossroads Associates are \$33 thousand for January 1, 2022 to November 30, 2023.

Effective September 25, 2000, the city entered into a five-year non-cancelable lease agreement with Terranomics Crossroads Associates to provide a community police substation in the Crossroads area. Since 2000, the lease has been extended via mutual agreement between both parties. The lease extension ended September 2020 and the city paid month to month through September 2021. The lease was renewed in October 2021, and the new lease ends September 30, 2026. Total lease payments for 2021 were \$31 thousand. Future minimum lease payments to Terranomics Crossroads Associates are \$110 thousand.

Factoria Square Police Substation

Effective August 1, 2016, the city entered into a five-year lease agreement with Kimschott Factoria Mall, LLC to provide space designated for a police substation within Factoria Mall. The lease was renewed in 2021, and the new lease ends July 31, 2023. Total lease payments for 2021 were \$17 thousand. Future minimum lease payments to Kimschott Factoria Mall, LLC are \$27 thousand.

Delta Business Park

Effective January 1, 2005, the city entered into a five-year lease agreement with Delta Business Park for a storage facility for use by the Bellevue Police Department. Since 2005, the lease has been extended via mutual agreement between both parties. The current lease ends December 31, 2024. Total lease payments for 2021 were \$52 thousand. Future minimum lease payments to Delta Business Park are \$164 thousand.

Regency Bellefield Holdings, LLC

Effective July 1, 2014, the city entered into an 11-year lease agreement with Regency Bellefield Holdings, LLC for District Court office space. The current lease ends on June 30, 2025. There are three options for extensions in 5-year increments for a total of 15 additional years. Payments began on July 1, 2016. Total lease payments for 2021 were \$1.0 million.

Minimum future rental payments are summarized as follows, in thousands:

Future Minimum Lease Payments	
2022	707
2023	729
2024	751
Thereafter	380
Total future minimum lease payments	<u>\$ 2,567</u>

North East King County Regional Public Safety Communications Agency (NORCOM)

Effective July 1, 2009, the city entered into a seven-year non-cancelable lease agreement with NORCOM to lease office space on the seventh floor of Bellevue City Hall during which time it will operate its public safety communications services. The lease automatically renewed on July 1, 2016 for an additional seven years ending on June 30, 2023, with another automatic seven-year renewal. Total lease receipts for 2021 were \$0.6 million.

The office space leased by NORCOM has a cost of \$4.6 million with accumulated depreciation of \$1.4 million and a carrying value of \$3.1 million.

Construction/Other Contractual Commitments

The city's outstanding contractual commitments by fund type as of December 31, 2021 are summarized below, in thousands:

Governmental activities:	
General Fund	\$ 441,707
General CIP	94,909
Housing Fund	412
Nonmajor governmental funds	6,287
Total governmental activities	543,315
Business-type activities:	
Storm & surface water utility	39,585
Water utility	84,937
Sewer utility	9,864
Nonmajor business-type funds	13,570
Total business-type activities	147,956
Total outstanding contractual commitments	\$ 691,271

Note 12: Interfund Receivables, Payables, and Transfers

Interfund balances as of December 31, 2021 were as follows, in thousands:

Due To/From Other Funds	Receivable	Payable
Governmental funds:		
General Fund	\$ -	\$ 239
Proprietary funds:		
Storm Drainage Utility	-	6
Water Utility	-	11
Sewer Utility	-	6
Internal Service Funds	262	-
Total due other funds	\$ 262	\$ 262

The receivable and payable balances between city funds consist of fuel services provided by internal service funds.

Interfund transfers as of December 31, 2021 were as follows, in thousands:

Interfund Transfers	In	Out
Governmental funds:		
General Fund	\$ 7,674	\$ 7,548
Housing Fund	2,235	1,660
I&D Redemption Regular Levy	21,302	-
General Capital Investment Program	2,884	21,219
Nonmajor governmental funds	450	2,790
Proprietary funds:		
Internal Service Funds	1,605	2,933
Total Transfers	\$ 36,150	\$ 36,150

The city incurs transfers for subsidies, indirect overhead, capital improvements, capital purchases, and debt service.

Note 13: Long-Term Debt

The various categories of long-term debt reflected on the city's financial statements are briefly described in the following paragraphs.

Long-Term Debt

General obligation bonds are backed by the city's full faith and credit. Proceeds are typically used for the acquisition or construction of major capital facilities, or to refund debt previously issued for those purposes. Councilmanic Bonds are general obligation bonds issued by the City Council without voter approval. Under Washington State law, repayment of these bonds must be paid from general city revenues. General obligation bonds approved by the voters are typically repaid through an annual voted property tax levy authorized for this purpose. Predominantly, general obligation bonds of the city have been issued for general governmental activity purposes.

The general obligation bond issues are recorded under governmental activities in the statement of net position. These bonds are subject to federal arbitrage rules.

On April 28, 2015, the city issued \$97.9 million in LTGO bonds with an average interest rate of 4.4 percent to finance, reimburse, or refinance a portion of the city's capital investment program, acquire certain real property, finance improvements to Meydenbauer Center, and refund a portion of the city's outstanding LTGO bonds to obtain the benefit of debt service savings. Maturity dates range from 2026 through 2034.

On June 9, 2017, the city entered a Transportation Infrastructure Finance and Innovation Act (TIFIA) limited tax general obligation bond with a principal amount of \$99.6 million and up to \$20.4 million in capitalized interest. At a closing interest rate of 2.9 percent, the closing terms provided the city with a full deferral to pay debt service until 2024, two years post project substantial completion. Interest that accrues prior to the first debt service payment will be capitalized. In addition, the terms allow for a phased disbursement, with no change in interest rate. The city will draw loan disbursement in conjunction with spending. The bond will mature in either December 2056 or 35 years post substantial completion, whichever is earlier. This bond will aid the construction of additional mobility projects to support projected growth in the BelRed, downtown, and Wilburton areas. In 2021, the city refunded the outstanding TIFIA loan to obtain a more favorable interest rate of 1.9 percent.

The city has pledged 100 percent of future transient occupancy tax (also called hotel/motel tax) revenue to repay bonds issued by the city and by BCCA for the building, expansion, and capital improvements related to Meydenbauer Center. The repayments from hotel/motel tax included LTGO bonds issued by the city of \$7.6 million in 2015 and \$42.7 million in 2020. The bonds were payable solely from the hotel/motel tax revenue through 2034 or when all debt payments would have been made, whichever would have been earlier. Any remaining hotel/motel tax revenue after satisfying debt service payments was to be remitted to BCCA to fund operations.

The total principal and interest remaining to be paid on hotel/motel tax related bonds is \$48.4 million. Principal and interest paid for the current year and total pledged revenue were \$1.2 million and \$4.5 million, respectively.

Refunded Debt

On September 28, 2010, the city issued \$12.9 million in LTGO refunding bonds with an average interest rate of 3.62 percent to advance refund. This debt was made up for \$3.4 million of 1998 LTGO Marina bonds with an average interest rate of 4.57 percent that has been paid off and \$9.6 million of outstanding 2002 LTGO Meydenbauer Center bonds with an average interest rate of 5.21 percent.

The net proceeds of \$13.2 million were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 and 2002 LTGO bonds. As a result, the 1998 and the 2002 LTGO bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

On April 17, 2012, the city issued \$55.9 million in LTGO refunding bonds with an average interest rate of 4.67 percent to advance refund a portion, \$55.3 million, of the total outstanding \$100.2 million 2004 LTGO Bonds (New City Building) with an average interest rate of 5.35 percent.

The net proceeds of \$63.2 million, after payment of \$0.3 million in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2004 LTGO Bonds. As a result, the advance refunded portion of the 2004 LTGO Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city advance refunded a portion, \$55.3 million, of the 2004 LTGO Bonds to reduce its total combined debt service payments through 2029 by \$5.9 million and to obtain an economic gain of \$3.8 million. The advance refunding also resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$6.8 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2039 using the effective interest method.

On July 18, 2012, the city issued \$43.2 million in LTGO refunding bonds, (2012B) with an average interest rate of 4.33 percent to advance refund the remaining callable portion, \$40.8 million, of the total outstanding \$44.9 million 2004 LTGO Bonds with an average interest rate of 5.08 percent.

The net proceeds of \$45.5 million, after payment of \$0.2 million in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the remaining advance refunded portion of the 2004 LTGO Bonds. As a result, the remaining callable portion of the 2004 LTGO Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city advance refunded the remaining callable portion of the 2004 LTGO bonds to reduce its total combined debt service payments through 2043 by \$3.7 million and to obtain an economic gain of \$2.2 million. The advance refunding also resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$4.5 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2043 using the effective interest method.

On April 28, 2015, part of the \$97.9 million LTGO bond issuance was refunding bond. The city issued \$11.2 million in LTGO refunding bonds, with an average interest rate of 4.40 percent, to advance refund a portion of: 2006 LTGO debt, \$3.3 million, of the total debt outstanding \$4.2 million with an average interest rate of 4.62 percent and 2008 LTGO debt, \$7.9 million, of the total debt outstanding \$10.3 million with an average interest rate of 4.32 percent.

The net proceeds of \$13.1 million, after payment of \$40 thousand in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2006 and 2008 LTGO bonds. The refunded portion of the 2006 and 2008 bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city advance refunded a portion of the 2006 and 2008 LTGO bonds to reduce its total combined debt service payments over the next 10 years by \$0.9 million and to obtain an economic gain of \$0.8 million. The advance refunding resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$1.1 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2027 using the effective interest method.

On December 17, 2020, the city issued, \$10.9 million in LTGO refunding bonds, with an average interest rate of 4.0 percent, to advance refund \$7.0 million outstanding balance of 2010 LTGO Refunding Series 2002 (Meydenbauer Center) and the total outstanding \$6.2 million of the 2010 LTGO bonds to reduce its total combined debt service payments by \$2.6 million through 2023 and to obtain an economic gain of \$0.1 million.

The net proceeds of \$13.3 million, after payment of \$0.1 million in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2010 LTGO bonds. This refunding resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$0.3 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2032 using the effective interest method. The refunded portion of the 2010 bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city took full ownership of the BCCA issued bonds and recorded the bond liability on its balance sheet and removed further debt obligations from the BCCA. The BCCA contributed funds from their Trustee accounts for the 1994 bonds and their debt service fund to accomplish the debt refinancing. The city will retain the hotel/motel tax revenue to cover the related debt up to the point that the annual bond payments related to the BCCA are fully paid and then the city will transfer the excess funds to the BCCA to cover operations, destination marketing, and capital.

On December 1, 2021, the city issued \$47.3 million in LTGO refunding bonds, with an average interest rate of 2.0 percent. This advance refund the \$47.3 million outstanding debt of 2013 LTGO debt with an average interest rate of 4.4. This original \$70.4 LTGO debt was made up of a \$44.7 million Sound Transit portion and a \$6.1 million Local Revitalization portion

The net proceeds of \$47.3 million, after payment of \$0.1 million in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2013 LTGO bonds. The refunded portion of the 2013 bonds will have a principal payment made in 2022. After the last payment, the debt will be considered defeased and the liability for those bonds will be removed from the government-wide statement of net position.

Other Long-Term Liabilities

Other long-term debt incurred by the enterprise and governmental funds includes State Department of Community Development Public Works Trust Fund loans, which were made to finance designated capital project construction costs.

City of Bellevue, Washington

LONG- TERM DEBT GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2021

(in thousands)

Description	Interest Rate	Fund Responsible to Pay Debt	Issue Date	Maturity Date	Original Debt Issued	Debt Outstanding 1/1/21	Debt Issued	Debt Redeemed	Debt Outstanding 12/31/21
General Obligation Bonds-Councilmanic:									
1995 Limited G.O.	5.15-5.80%	Hotel/ Motel Tax	12/27/95	12/01/25	\$ 5,139	\$ 773	\$ -	\$ 173	\$ 600
2012 Limited G.O. Refunding Series 2012	2.00-5.00%	General CIP	04/17/12	12/01/39	55,875	45,105	-	2,020	43,085
2012 Limited G.O. Refunding Series 2012B	2.00-5.00%	General CIP	07/18/12	12/01/43	43,185	42,710	-	65	42,645
2013 Limited Tax G.O. Sound Transit Portion	2.00-5.00%	General CIP	04/30/13	12/01/32	62,605	44,745	-	41,750	2,995
2013 Limited G.O. Local Revitalization	2.00-5.00%	Debt Service	04/30/13	12/01/37	7,800	6,065	-	5,810	255
2015 Limited G.O. Refunding Series 2006	3.00-5.00%	General CIP	04/28/15	12/01/26	3,295	2,170	-	320	1,850
2015 Limited G.O. Refunding Series 2008	3.00-5.00%	General CIP	04/28/15	12/01/27	7,855	5,875	-	725	5,150
2015 Limited G.O. Metro & CIP	3.00-5.00%	General CIP	04/28/15	12/01/34	79,140	65,810	-	3,515	62,295
2015 Limited G.O. BCCA	3.00-5.00%	Hotel/ Motel Tax	04/28/15	12/01/34	7,645	6,350	-	340	6,010
Transportation Infrastructure Finance and Innovation Act	2.86%	General CIP	06/09/17	12/01/56	99,600	19,011	2,881	-	21,892
2020 A Limited Tax G.O. Refunding Series 2010	4.00%	Debt Service	12/17/20	12/01/32	10,915	10,915	-	505	10,410
2020 B Limited Tax G.O. Taxable BCCA Refunding Series 2010	0.3-1.7%	Hotel/ Motel Tax	12/17/20	12/01/32	42,730	42,370	-	-	42,370
2021 Limited Tax G.O. Taxable Refunding Series 2013	0.4-2.76%	General CIP	12/01/21	12/01/37	47,315	-	47,315	-	47,315
Other Long- Term Debt:									
Public Works Trust Fund Loan #06-962	0.50%	General CIP	02/01/07	02/01/28	750	239	-	40	199
Total					<u>\$ 473,849</u>	<u>\$ 292,138</u>	<u>\$ 50,196</u>	<u>\$ 55,263</u>	<u>\$ 287,071</u>

City of Bellevue, Washington

At December 31, 2021, the city's annual debt service requirements for general obligation and other debt were:

ANNUAL DEBT SERVICE REQUIREMENT TO MATURITY
(in thousands)

Year	General Obligation		Governmental Activities		Total Annual Requirements
	Bonds		Other Debt		
	Principal	Interest	Principal	Interest	
2022	\$ 13,488	\$ 12,614	\$ 40	\$ 1	\$ 26,143
2023	15,290	10,056	40	1	25,387
2024	19,311	10,093	40	1	29,445
2025	21,370	9,480	40	-	30,890
2026	22,622	8,182	39	-	30,843
2027-2031	109,129	31,260	-	-	140,389
2032-2036	61,628	17,526	-	-	79,154
2037-2041	44,183	7,768	-	-	51,951
2042-2046	22,136	2,053	-	-	24,189
2046-2051	3,819	936	-	-	4,755
2052-2056	4,401	353	-	-	4,754
Total	\$ 337,377	\$110,321	\$ 199	\$ 3	\$ 447,900

CHANGES IN LONG-TERM LIABILITIES
(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 291,899	\$ 50,196	\$ (55,223)	\$ 286,872	\$ 13,488
Add: for issuance premium	24,043	-	(1,770)	22,273	-
Compensated absences	14,472	14,384	(14,471)	14,385	4,315
Estimated claims payable	8,907	27,603	(28,073)	8,437	4,996
Net pension liability	31,489	7,680	(31,489)	7,680	-
Other post employment benefits	29,726	-	(827)	28,899	-
Asset Retirement Obligation	7,957	89	-	8,046	-
Other long-term debt	239	-	(40)	199	40
Total	\$ 408,732	\$ 99,952	\$ (131,893)	\$ 376,792	\$ 22,839
Business-type Activities:					
Compensated absences	\$ 1,304	\$ 1,381	\$ (1,304)	\$ 1,381	\$ 414
Net pension liability	1,680	-	(1,680)	-	-
Total	\$ 2,984	\$ 1,381	\$ (2,984)	\$ 1,381	\$ 414
Bellevue Convention Center Authority:					
Compensated absences	\$ 49	\$ 54	\$ -	\$ 103	\$ 10
Deposits payable	953	278	(105)	1,126	1,050
Total	\$ 1,002	\$ 332	\$ (105)	\$ 1,229	\$ 1,060

Compensated absences are liquidated in the General Fund, Solid Waste Fund, and Park Enterprise Fund. Estimated claims expenses are liquidated in internal service funds. Other post-employment benefits are liquidated in the LEOFF I Medical Reserve Fund. The pension liabilities for PERS 1 and PERS 2/3 are liquidated by the general government, internal service funds, and business type funds, based on the contribution allocation.

Note 14: Related Party Transactions

The city acts as a conduit for hotel/motel taxes, which are collected by the city and transmitted to the BCCA for operations. A total of \$2.6 million was remitted for the year ended December 31, 2021.

Note 15: Contingencies and Litigation

As of December 31, 2021, there were various claims for damages and lawsuits pending against the city. In the opinion of the City Attorney, the potential liability arising from all actions currently pending cannot be estimated at this time, and therefore, no current or long-term liability has been recorded.

Note 16: Joint Ventures

Eastside Public Safety Communications Agency (EPSCA)

The city is a participant (Principal) with the cities of Redmond, Kirkland, Mercer Island, and Issaquah in a joint venture to operate a public safety radio communication system. The Eastside Public Safety Communications Agency (EPSCA), a not-for-profit corporation, was created to provide system management services. The EPSCA is governed by an Executive Board composed of one representative from each Principal.

A Principal may withdraw its membership and terminate its participation by providing written notice and serving that notice on the EPSCA Executive Board on or before December 31 in any year. After providing appropriate notice, that Principal's membership withdrawal will be effective on the last day of the calendar year.

Upon dissolution of the corporation, the net position of the EPSCA will be shared proportionally by participating agencies at the time of dissolution. The Principals are each obligated by interlocal agreement to remit costs related to the public safety radio communication system based upon the number of radios each participating agency has contracted for in order to supplement the EPSCA's operating revenues. The city paid \$0.3 million in services fees in 2021.

Complete financial statements for the EPSCA can be obtained from EPSCA, MS PSEPS, PO Box 97010, Redmond, WA 98073-9710.

Cascade Water Alliance

The city is a participant (Member) in a joint venture to operate a water supply system with the following entities: Issaquah, Kirkland, Redmond, Tukwila, Sammamish Plateau Water and Sewer District, and Skyway Water and Sewer District. Cascade Water Alliance (Alliance). This is a joint municipal utility service corporation created to provide water supply to meet current and future needs in a cost-effective and environmentally responsible manner. The Alliance is governed by a Board of Directors consisting of one individual representative from each Member, appointed by resolution of the Member's legislative authority.

A Member may withdraw from the Alliance with a resolution of its legislative authority expressing such intent. The Board will then determine the withdrawing Member's obligations to the Alliance, as well as the withdrawing Member's allocable share of the Alliance's existing obligations. The Member's withdrawal shall be effective upon payment of obligations and shall have no right to, or interest, in any water supply assets owned by the Alliance.

Upon dissolution of the corporation, the net position of the Alliance will be shared by current Members at the time of dissolution based on demand shares. The Members are each obligated by interlocal agreement to remit costs related to the Alliance based on the number of Cascade Equivalent Residential Units served by its water system, regardless of water usage or capacity, to defray part of the Alliance's administrative costs. In addition, to allocate growth costs to those Members that require capacity increases, each Member shall pay a Regional Capital Facilities Charge (RCFC) determined by the Board. The city paid \$1.3 million in annual dues and \$4.7 million in RCFC in 2021.

Complete financial statements for the Alliance can be obtained from Cascade Water Alliance, c/o Chris Paulucci, Manager of Finance and Administration, 520 112th Ave NE Suite 400, Bellevue, WA 98004.

A Regional Coalition for Housing (ARCH)

The city is a participant (Party) in a joint venture with the cities of Bothell, Clyde Hill, Hunts Point, Issaquah, Kenmore, Kirkland, Medina, Mercer Island, Newcastle, Redmond, Sammamish, Woodinville and Yarrow Point called A Regional Coalition for Housing (ARCH). ARCH was created by an interlocal agreement to cooperatively formulate affordable housing goals and policies. ARCH fosters efforts to provide affordable housing on the Eastside by combining public funding with private-sector resources.

ARCH is governed by an Executive Board composed of the chief executive officer from each Party. The Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by a program manager, an administrative staff, and a Citizen Advisory Board. The City of Bellevue serves as the administering agency for ARCH for the purposes of recording financial data and issuing contracts on behalf of the Parties.

Each Party provides annual funding for ARCH operations and contributes to a reserve held in the city's ARCH Housing Trust Fund for affordable housing development projects. The Parties' operating contribution is determined by the ARCH annual budget, which is approved by the Executive Board. The Executive Board identifies and prioritizes housing development projects to be funded by grants and loans from the ARCH Housing Trust Fund, as well as from Community Development Block Grants.

Parties may withdraw from the ARCH agreement by providing one year's written notice. Parties remain legally and financially responsible for any obligation incurred while a Party to the ARCH agreement. Upon dissolution, all property and assets are to be distributed among the Parties based on each Party's pro rata contribution to the overall budget at the time the agreement is terminated.

In 2021, the city contributed \$0.3 million for ARCH operations, and \$6.8 million to fund affordable housing projects.

Budget monitoring information can be obtained from ARCH, c/o Lindsay Masters, 16307 NE 83rd St. Suite 201, Redmond, WA 98052

eCityGov Alliance

The city is a participant (Principle Partner) with the cities of Issaquah, Kenmore, Kirkland, Sammamish and Snoqualmie in a joint venture called eCityGov Alliance (eCityGov). eCityGov was created to develop, own, operate, manage, and maintain online public service programs and services. Prior to 2014, eCityGov was a joint operation under an interlocal agreement. As of March 1, 2014, eCityGov formed a legally separate nonprofit corporation. It remains a custodial fund of the city. eCityGov is governed by an Executive Board composed of the Chief Executive Officer, Chief Administrative Officer, or designee of each Principle Partner.

A Principle Partner may withdraw by written notice to the Executive Board. Any portion of annual fees for the current calendar year shall be forfeited upon such withdrawal. The withdrawing Principle Partner also forfeits the Principle Partner proportionate interest, including but not limited to: ownership rights to hardware, software intellectual property owned by eCityGov, and any future revenues associated with eCityGov products and services.

Upon dissolution of the corporation, all property acquired shall be disposed of as follows: (1) property contributed without charge by any member shall revert to the contributor or in the event the contributor had previously resigned, the Executive Board shall determine the disposition of the contributed asset(s); (2) all other real and personal property purchased after the effective date of the interlocal agreement shall be distributed to the Principle Partner based upon proportional ownership interest at the time of the sale of the property; (3) ownership of intellectual property, including but not limited to, copyrighted and trademarked materials, software code, web designs and templates, web content, data and interfaces shall be transferred fully and equally to each Principle Partner; and (4) Principle Partner owned data shall be returned to the owner.

The city paid \$0.3 million in annual fees in 2021. The city reports the activity of eCityGov in the city's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

City of Bellevue, Washington

All Principle Partners, Subscribers, and Basic Members remit annual fees. Expenditures in 2021 were \$1.2 million, revenues were \$1.3 million. The Principle Partners each have a proportional ownership interest in property based on the city's population as a percentage of total population of all Principle Partner cities. The Principle Partners proportionally share in obligations and benefits, financial or otherwise, from such ownership interest. Principle Partner fees and voting are based on relative population, equity balances are as follows, with dollars in thousands:

	Population *	Percentage	Equity
Bellevue	151,854	39.00%	\$ 461
Kirkland	92,175	23.70%	280
Sammamish	67,455	17.30%	205
Issaquah	40,051	10.30%	122
Kenmore	23,914	6.10%	73
Snoqualmie	14,121	3.60%	43
Total	389,570	100.00%	\$ 1,184

*2020 Population figures were provided by the State of Washington Office of Financial Management which were used to update population and cost allocation for Principle Partner.

Complete financial statements for eCityGov Alliance can be obtained from Chelo Picardal, City of Bellevue, Information Technology Department, P.O. Box 90012, Bellevue, WA 98009-9012.

North East King County Regional Public Safety Communications Agency (NORCOM)

The city is a participant in a joint venture with Bothell, Clyde Hill, Kirkland, Medina, Mercer Island, Normandy Park, Snoqualmie, Eastside Fire and Rescue, King County Fire Protection District 27, King County Fire Protection District 45, King and Kittitas County Fire Protection District 51, Northshore Fire Department, Shoreline Fire Department, and Woodinville Fire and Life Safety District ("Principal agencies"). The Principal agencies operate the North East King County Regional Public Safety Communications Agency (NORCOM), a consolidated emergency service communications center. NORCOM, a nonprofit corporation, was created to provide highly efficient emergency service communications and all related incidental functions for communicating and dispatching services between the public and the Principal agencies. NORCOM is governed by an executive board composed of one representative from each Principal agency.

A Principal agent may withdraw its membership and terminate its participation by proving written notice and serving that notice to the NORCOM Governing Board on or before December 31 in any year. After providing appropriate notice, that Principal agent's membership withdrawal shall become effective on the last day of the calendar year, following delivery and service of appropriate notice to all other Principals.

Upon dissolution of the corporation, the net position of NORCOM will be shared by the Principals at the time of dissolution based on the average of the prior five years of user fees contributed. The Principal agencies are each obligated by interlocal agreement to remit costs related to NORCOM based upon a functional distribution model that considers the allocated Telecommunicator Full Time Employees by function (fire, police, call receiving) and the number of service calls for fire and police operations to supplement NORCOM's operating revenues.

The city paid \$4.9 million in user fees in 2021.

Complete financial statements for NORCOM can be obtained from NORCOM, c/o Marianne Ryerson, PO Box 50911, Bellevue, WA 98015-0911.

Community Connectivity Consortium

The city is a participant (Member) in a joint venture with Kirkland, Federal Way, Renton, Seattle, Algona, Auburn, Kent, Pacific, Puyallup, Tukwila, Lake Washington School District, University of Washington, Bellevue College, Bellevue School District, King County Public Hospital District No. 2 (Evergreen Healthcare and Valley Communications Center) to operate a regional communications network. The Community Connectivity Consortium (the Consortium),

a public corporation, was created to provide low-cost, stable, robust, and efficient connectivity services to members and their communities. The Consortium is governed by the Consortium Board comprised of representatives appointed by member agencies, initially made up of four core and five at-large seats. The Consortium may change the composition and number of board positions, including the number of core members and at-large members, as the needs of the Consortium may dictate.

Upon dissolution of the corporation, assets of the Consortium shall be distributed by the Consortium Board to Members after paying or making provisions for the payment of all debts, obligations, liabilities, costs, and expenses. The distribution of the Consortium will be based on the following: (1) non-cash assets contributed without charge by a Consortium member shall revert to the contributor. If the contributor is no longer a member, the asset shall be treated as if it were acquired with Consortium funds. (2) The Consortium Board shall conduct a valuation of all remaining assets. Assets acquired with Consortium funds shall be sold by the Consortium Board, if appropriate, and the money or asset value distributed to those members still participating in the Consortium on the day prior to the termination date. The distribution shall be apportioned by taking the percentage that a member has contributed to the total Consortium budget over the existence of the agreement and applying that percentage to the remainder of the assets.

The city reports the activity of the Consortium in the city's Statement of Fiduciary Net Position and Statement of Changes in Assets and Liabilities. For the year ended December 31, 2021, total assets and liabilities decreased to \$44 thousand. Ending balances for total assets and total liabilities are \$0.2 million.

The Consortium Board decided to not charge jurisdictions dues in 2021 to assist with financial challenges resulting from the pandemic. Dues are to resume in 2022.

Compiled financial statements for the Consortium can be obtained from Chelo Picardal, City of Bellevue, Information Technology Department, P.O. Box 90012, Bellevue, WA 98009-9012.

Note 17: Governmental Fund Balances

Fund balances, with the implementation of GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", are segregated under the following categories and presented on the face of the financial statements in the aggregate.

Nonspendable

This fund balance category includes amounts not available to be spent because they are not in spendable form or are legally required to be maintained intact. The city has a nonspendable fund balance for prepayment.

Restricted

Fund balance constrained externally, such as those resulting from federal and state legislation, grant awards, bond covenants, and inter-local service agreements.

Committed

Fund balance constrained by city code, or ordinance as adopted by City Council, requires similar action to remove the constraint.

Assigned

Fund balances that are constrained by the government's intent to be used for a specific purpose but are not restricted or committed are considered assigned. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, or debt services, the government has assigned those amounts to the purpose of the respective fund. Assignments are adopted by City Council through a budget ordinance.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. The city only reports unassigned fund balance in the General Fund.

Fund Balance Policy

Annually, the city will target 15 percent of General Fund revenues as a General Fund ending fund balance. This balance is to protect the city's essential programs during periods of economic downturn, which may temporarily reduce actual resources or cut the growth rate of city resources below that necessary to maintain pre-existing service levels. Additionally, the ending fund balance, commonly known as a reserve, can be used in the event of a natural catastrophe, counter cyclical basic revenue growth (property, sales, and business and occupation taxes combined) below 5 percent for the biennium, or because of unfunded federal or state mandates.

Fund balance reserves in the LEOFF I Medical Reserve Fund are maintained at an amount decided by City Council based on the most current actuarial study with reserves set aside to account for each contracting city's contribution separately.

The Park Maintenance and Operations Reserve Fund reserve balances, which consist of proceeds from the 1988 property tax lid lift, are restricted for payment of maintenance and operating costs of specified city park facilities and may only be expended with City Council authorization.

All other governmental funds ending fund balances are determined by City Council and adopted with the budget ordinance.

City of Bellevue, Washington

The following schedule presents governmental fund balances in accordance with the purposes for which those balances are constrained for the year ending December 31, 2021, in thousands:

	General Fund	Housing Fund	I&D Redemption Regular Levy	General CIP	Other Governmental Funds	Total Governmental Funds
Fund balance						
Nonspendable for:						
Prepays	\$ 1,165	\$ -	\$ -	\$ -	\$ -	\$ 1,165
Total Nonspendable fund balance	1,165	-	-	-	-	1,165
Assigned for:						
General government	4,708	-	-	62,369	5,930	73,007
Public safety	25	-	-	-	297	322
Physical environment	-	-	-	-	36	36
Transportation	3,751	-	-	830	-	4,581
Economic environment	43,996	-	-	-	-	43,996
Health and human services	1,496	632	-	-	-	2,128
Culture and recreation	2,291	-	-	962	736	3,989
Debt service	-	-	16	-	789	805
Total assigned fund balance	56,267	632	16	64,161	7,788	128,864
Committed for:						
Physical environment	-	-	-	-	2,578	2,578
Health and human services	-	7,188	-	-	-	7,188
Culture and recreation	-	-	-	34	-	34
Total committed fund balance	-	7,188	-	34	2,578	9,800
Restricted for:						
General government	8	-	-	-	7,222	7,230
Public safety	638	-	-	26,978	853	28,469
Physical environment	-	-	-	-	530	530
Transportation	-	-	-	29,008	-	29,008
Economic environment	-	-	-	-	579	579
Health and human services	-	10,367	-	-	1,250	11,617
Culture and recreation	-	-	-	52,934	5,429	58,363
Debt service	-	-	4,247	-	-	4,247
Total restricted fund balance	646	10,367	4,247	108,920	15,863	140,043
Unassigned	51,018	-	-	-	-	51,018
Total unassigned fund balance	51,018	-	-	-	-	51,018
Fund Balance	\$ 109,096	\$ 18,187	\$ 4,263	\$ 173,115	\$ 26,229	\$ 330,890

Note 18: Tax Abatement

The city's revenues are reduced by tax relief programs employed by the City of Bellevue, King County, and the State of Washington. The following table summarizes the estimated total revenue reduction for the year ended December 31, 2021, in thousands:

	City of Bellevue	Other Governments				
			King County Single-family Dwelling Improvement	State of Washington High-Technology Sales and Use Tax Deferral		Total Revenue Reduction
Property Tax	\$ 110	\$ 27	\$ 4	\$ -		\$ 141
Sales and Use Tax	-	-	-	542		542
Total Revenue Reduction						<u>\$ 683</u>

The city's Multifamily Tax Exemption (MFTE) is an affordable housing incentive for new apartment development in targeted areas, pursuant to RCW 84.14 and BCC 4.52. The MFTE provides a 12-year exemption from property taxes paid on the housing portion of qualifying projects in exchange for setting aside 20 percent of the units for income-eligible households. To qualify, the property owner must submit an application to the city. This exemption may be canceled by the city for failure to comply with the terms of the MFTE contract or city code. Upon cancellation, property owners will become immediately liable for all taxes, interest, and penalties.

The King County Current Use tax relief programs provide property tax abatements to landowners who voluntarily preserve open space, farmland, or forestland pursuant to RCW 84.33.130, and RCW 84.34.010. To qualify, landowners must submit an application to the County Assessor. Once approved, participating properties are assessed according to their "current use," a value lower than the "highest and best use" assessment that would otherwise apply. When the land no longer meets the program requirements, landowners will be liable for abated taxes, interest, and penalties.

The King County Single-Family Dwelling Improvement program provides property tax relief to encourage home improvements under RCW 84.36.400. Additions or remodels of single-family dwellings may be exempted from taxation for the three years following completion of the improvement. Abatements are obtained through application by the property owner to the county Assessor prior to the start of the proposed construction. Once improvements are completed and approved, the property owner may receive an exemption of up to 30 percent of the pre-improvement value of the structure.

The Washington State Department of Revenue (DOR) High-Technology Sales and Use Tax Deferral is a sale and use tax abatement program pursuant to RCW 82.63. This deferral applies to sales and use tax arising from the construction or expansion of a qualified research and development facility, or a pilot scale manufacturing facility to be used in the technology categories of advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology. Under this incentive program, the DOR grants participants an exemption on sales and use tax for expenditures related to qualified buildings, qualified machinery and equipment, and labor and services rendered in the planning, installation, and construction of the project. To qualify, a business must submit an application to the DOR.

Note 19: Asset Retirement Obligation

The city has a system of underground fuel storage tanks that have a legally enforceable liability associated with retirement due to environmental impacts. An underground storage tanks system is an underground storage tank with unconnected underground piping, underground ancillary equipment, and containment systems. According to

RCW 90.76 and WAC 173-360A, retirement of these assets creates a threat of releasing hazardous materials, mainly petroleum, requiring financial assurance.

The city utilizes the straight-line depreciation method over a 30-year life. In 2021, the liability was reassessed to include inflation using CPI. The city utilized the State of Washington State Department of Ecology Tanks database system for the service date.

The liability for the fuel storage tank at Bellevue Service Center has been fully recognized.

Underground Storage Site	Asset Remaining Useful Life in Years	Liability (in thousands)
Fire Station 1	2	\$ 26
Fire Station 2	2	38
Fire Station 3	4	72
Fire Station 4	6	122
Fire Station 5	1	16
Fire Station 6	2	36
Fire Station 7	4	62
Fire Station 8	3	55
Fire Station 9	9	168
City Hall	13	305
Bellevue Golf Course	2	38
		<u>\$ 938</u>

Note 20: COVID-19 Pandemic

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

COVID-19 has had impacts on both sales and business and occupation taxes. In response, the city adopted the 2021-2022 Biennial Budget which adjusted for the anticipated revenue shortfall with financial strategies that include cost containment for discretionary expenses, one-time deferral of expenditures, and additional ongoing revenues over the biennium totaling \$32.0 million (\$16.0 million annually). While the outlook for 2021 and 2022 has substantially improved relative to forecasted assumptions in 2020, the outlook remains highly uncertain as increased levels of economic activity are dependent on continued vaccine distribution and successful public health interventions. The recovery of the local economy will be largely driven by the overall national and regional economic recovery. The city continues to monitor the economic and fiscal impacts of the pandemic and will explore all avenues to ensure the long-term fiscal sustainability and health of the city.

The length of time these measures will continue to be in place, and the full extent of the direct or indirect financial impact on the city is unknown at this time.

Note 21: Subsequent Event

On March 3, 2022, the city issued \$72.7 million in LTGO refunding bonds, with an average interest rate of 4.1 percent, to advance refund the 2012 LTGO debt. This amount is made up for the 2012 LTGO Refunding Series 2012 with \$43.1 million outstanding with an average interest rate of 4.6 percent and the 2012 LTGO Refunding Series 2012B with \$42.6 million outstanding with an average interest rate of 4.3 percent.

The net proceeds of \$88.1 million, after payment of \$0.3 million in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded 2012 LTGO bonds. The refunded portion of the 2012 bonds are considered to be defeased and the liability for those bonds by March 3, 2022 and will be removed from the government-wide statement of net position for the Annual Comprehensive Financial Report for the year ending December 31, 2022.

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Required Supplementary Information

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FIREFIIGHTERS' PENSION FUND
Last Ten Fiscal Years
(Dollar amounts in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability ¹										
Service cost (Entry Age Normal Cost)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	175	176	143	141	137	145	143	156	130	130
Changes of benefit terms		-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	84	(889)	16	(39)	290	90	539	(616)	168	680
Changes of assumptions	-	-	-	-	-	-	-	-	-	346
Benefit payments, including refunds of member contributions	(259)	(221)	(201)	(228)	(219)	(198)	(356)	(256)	(312)	(301)
Net change in total pension liability	-	(934)	(42)	(125)	208	37	327	(716)	(14)	855
Total pension liability--beginning	5,127	5,127	4,192	4,150	4,025	4,233	4,271	4,598	3,882	3,868
Total pension liability--ending (a)	<u>\$ 5,127</u>	<u>\$ 4,192</u>	<u>\$ 4,150</u>	<u>\$ 4,025</u>	<u>\$ 4,233</u>	<u>\$ 4,271</u>	<u>\$ 4,598</u>	<u>\$ 3,882</u>	<u>\$ 3,868</u>	<u>\$ 4,723</u>
Plan fiduciary net position										
Contributions - employer	\$ 181	\$ 196	\$ 208	\$ 207	\$ 214	\$ 216	\$ 217	\$ 227	\$ 277	\$ 260
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	7	-	67	55	69	67	132	199	42	15
Benefit payments	(259)	(221)	(201)	(228)	(219)	(198)	(356)	(256)	(313)	(302)
Administrative expense	-	(13)	(11)	(12)	(3)	(14)	(15)	(22)	(7)	(13)
Other	17	-	-	-	(13)	-	-	-	-	-
Net change in plan fiduciary net position	(54)	(38)	63	22	48	71	(21)	148	(1)	(40)
Plan fiduciary net position--beginning	6,773	6,719	6,682	6,745	6,767	6,815	6,886	6,865	7,013	7,012
Plan fiduciary net position--ending (b)	<u>\$ 6,719</u>	<u>\$ 6,681</u>	<u>\$ 6,745</u>	<u>\$ 6,767</u>	<u>\$ 6,815</u>	<u>\$ 6,886</u>	<u>\$ 6,865</u>	<u>\$ 7,013</u>	<u>\$ 7,012</u>	<u>\$ 6,972</u>
City's net pension liability (asset)--ending (a) - (b)	<u>\$ (1,592)</u>	<u>\$ (2,490)</u>	<u>\$ (2,594)</u>	<u>\$ (2,742)</u>	<u>\$ (2,581)</u>	<u>\$ (2,615)</u>	<u>\$ (2,267)</u>	<u>\$ (3,131)</u>	<u>\$ (3,144)</u>	<u>\$ (2,249)</u>
Plan fiduciary net position as a percentage of the total pension liability	131.06%	159.39%	162.51%	168.11%	160.98%	161.23%	149.30%	180.62%	181.30%	147.61%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's net pension liability (asset) 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

¹ Prior to 2014, the change in total pension liability was not broken out to show the impact of "changes of benefit terms" and "changes of assumptions" in prior reports and is left blank in the table above. Changes due to these factors included in differences between expected and actual experience.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIIGHTERS' PENSION FUND

Last Ten Fiscal Years
(Dollar amounts in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions in relation to the actuarially determined contribution	196	181	188	180	214	215	217	227	277	260
Contribution deficiency (excess)	<u>\$ 208</u>	<u>\$ 196</u>	<u>\$ 181</u>	<u>\$ 188</u>	<u>\$ 180</u>	<u>\$ 214</u>	<u>\$ 215</u>	<u>\$ 217</u>	<u>\$ 227</u>	<u>\$ 260</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions 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:

Valuation date: Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost
Amortization method	Level amortization of net pension liability as level dollar amount over five-year period
Asset valuation method	Market value
Salary increases	3.0%, including inflation
Investment rate of return	3.5%
Retirement age	All members who attain, or who have attained, age 65 in active service are assumed to retire immediately.
Mortality	Active and service-retired members: The mortality rates are based on the PRI-2012 Blue Collar Retiree Amount Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale. Disabled members: The mortality rates are based on the PRI-2012 Total Dataset Disabled Retiree Amount Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale. Spouses: The mortality rates are based on the PRI-2012 Blue Collar Contingent Survivor Amount- Weighted Mortality Table, projected to 2021 using the MP-2021 projection scale.

¹ Prior to 2014, the "actuarially determined contribution" was calculated using a different method and is left blank in the table above.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

(Dollar amounts in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	0.36%	0.01%	1.01%	0.82%	0.82%	0.98%	1.94%	2.91%	0.61%	0.21%

City of Bellevue, Washington

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY- PERS

As of June 30, 2021

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	PERS 1						
	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	0.69%	0.68%	0.64%	0.65%	0.64%	0.64%	0.63%
City's proportionate share of the net pension liability (asset)	\$ 36,327	\$ 36,620	\$ 30,206	\$ 29,195	\$ 24,714	\$ 22,710	\$ 7,680
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-	-	-
Total	\$ 36,327	\$ 36,620	\$ 30,206	\$ 29,195	\$ 24,714	\$ 22,710	\$ 7,680
City's covered payroll	\$ 77,199	\$ 79,404	\$ 80,430	\$ 85,306	\$ 88,956	\$ 96,434	\$ 95,493
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	47.1%	46.1%	37.6%	34.2%	27.8%	23.5%	8.0%
Plan fiduciary net position as a percentage of the total pension liability	59.0%	57.0%	61.2%	63.2%	67.1%	68.6%	88.7%
	PERS 2/3						
	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	0.85%	0.84%	0.81%	0.81%	0.81%	0.82%	0.79%
City's proportionate share of the net pension liability (asset)	\$ 30,425	\$ 42,134	\$ 28,183	\$ 13,880	\$ 7,877	\$ 10,459	\$ (79,164)
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-	-	-
Total	\$ 30,425	\$ 42,134	\$ 28,183	\$ 13,880	\$ 7,877	\$ 10,459	\$ (79,164)
City's covered payroll	\$ 75,724	\$ 78,251	\$ 79,679	\$ 84,506	\$ 88,407	\$ 95,958	\$ 95,308
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	40.2%	53.8%	35.4%	16.4%	8.9%	10.9%	(83.1%)
Plan fiduciary net position as a percentage of the total pension liability	89.0%	86.0%	91.0%	96.0%	98.0%	97.2%	120.3%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

² The amounts presented for each fiscal year were presented as of June 30.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY- PSERS**

As of June 30, 2021

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	PSERS 2						
	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	0.25%	0.23%	0.21%	0.18%	0.15%	0.13%	0.15%
City's proportionate share of the net pension liability (asset)	\$ 45	\$ 99	\$ 42	\$ 2	\$ (19)	\$ (18)	\$ (347)
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-	-	-
Total	\$ 45	\$ 99	\$ 42	\$ 2	\$ (19)	\$ (18)	\$ (347)
City's covered payroll	\$ 724	\$ 762	\$ 750	\$ 717	\$ 661	\$ 825	\$ 1,022
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	6.2%	13.0%	5.6%	0.3%	(2.9%)	(2.2%)	(34.0%)
Plan fiduciary net position as a percentage of the total pension liability	95.1%	95.1%	96.3%	96.3%	101.9%	101.7%	123.7%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

² The amounts presented for each fiscal year were presented as of June 30.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY- LEOFF

As of June 30, 2021

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	LEOFF 1						
	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	0.29%	0.30%	0.31%	0.31%	0.31%	0.32%	0.32%
City's proportionate share of the net pension liability (asset)	\$ (3,472)	\$ (3,051)	\$ (4,639)	\$ (5,643)	\$ (6,215)	\$ (6,012)	\$ (10,911)
State proportionate share of the net pension liability (asset) associated with the city	(23,483)	(20,638)	(31,381)	(38,171)	(42,034)	(40,671)	(73,803)
Total	\$ (26,955)	\$ (23,689)	\$ (36,020)	\$ (43,814)	\$ (48,429)	\$ (46,683)	\$ (84,714)
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	127.4%	123.7%	135.9%	144.4%	148.8%	146.9%	187.5%
LEOFF 2							
	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	1.39%	1.37%	1.38%	1.44%	1.41%	1.37%	1.38%
City's proportionate share of the net pension liability (asset)	\$ (14,240)	\$ (7,987)	\$ (19,186)	\$ (29,159)	\$ (32,676)	\$ (27,968)	\$ (80,400)
State proportionate share of the net pension liability (asset) associated with the city	(8,191)	(5,207)	(12,445)	(18,880)	(21,399)	(17,883)	(51,867)
Total	\$ (22,431)	\$ (13,194)	\$ (31,631)	\$ (48,038)	\$ (54,075)	\$ (45,851)	\$ (132,267)
City's covered payroll	\$ 40,277	\$ 41,682	\$ 43,213	\$ 47,425	\$ 49,311	\$ 51,907	\$ 53,555
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	(35.4%)	(19.2%)	(44.4%)	(61.5%)	(66.3%)	(53.9%)	(150.1%)
Plan fiduciary net position as a percentage of the total pension liability	111.7%	106.0%	113.4%	118.5%	119.4%	115.8%	142.0%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

² The amounts presented for each fiscal year were presented as of June 30.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- PERS

As of December 31, 2021

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	PERS 1						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributions	\$ 8,031	\$ 8,867	\$ 9,965	\$ 11,089	\$ 11,800	\$ 12,509	\$ 11,167
Contributions in relation to the contractually required contribution	(8,025)	(8,867)	(9,930)	(11,035)	(11,799)	(12,445)	(11,138)
Contribution deficiency (excess)	\$ 6	\$ -	\$ (35)	\$ 54	\$ 1	\$ 64	\$ 29
City's covered payroll	\$ 78,685	\$ 79,314	\$ 83,075	\$ 86,598	\$ 91,864	\$ 97,000	\$ 96,107
Contributions as a percentage of covered payroll	10.2%	11.2%	12.0%	12.7%	12.8%	12.8%	11.6%
	PERS 2/3						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributions	\$ 7,889	\$ 8,749	\$ 9,835	\$ 10,970	\$ 11,733	\$ 12,466	\$ 11,155
Contributions in relation to the contractually required contribution	(7,884)	(8,770)	(9,834)	(10,951)	(11,732)	(12,402)	(11,126)
Contribution deficiency (excess)	\$ 5	\$ (21)	\$ 1	\$ 19	\$ 1	\$ 64	\$ 29
City's covered payroll	\$ 77,293	\$ 78,251	\$ 82,274	\$ 85,937	\$ 91,338	\$ 96,666	\$ 95,999
Contributions as a percentage of covered payroll	10.2%	11.2%	12.0%	12.7%	12.8%	12.8%	11.6%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- PSERS

As of December 31, 2021

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	PSERS 2						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributions	\$ 83	\$ 89	\$ 84	\$ 85	\$ 84	\$ 117	\$ 108
Contributions in relation to the contractually required contribution	(83)	(89)	(84)	(84)	(84)	(117)	(115)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ (7)
City's covered payroll	\$ 753	\$ 774	\$ 715	\$ 697	\$ 690	\$ 959	\$ 959
Contributions as a percentage of covered payroll	11.0%	11.5%	11.7%	12.1%	12.3%	12.2%	12.0%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- LEOFF

As of December 31, 2021

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	LEOFF 2						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributions	\$ 2,182	\$ 2,204	\$ 2,332	\$ 2,646	\$ 2,753	\$ 2,840	\$ 2,832
Contributions in relation to the							
contractually required contribution	(2,182)	(2,204)	(2,332)	(2,658)	(2,786)	(2,840)	(2,888)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (12)	\$ (33)	\$ -	\$ (56)
City's covered payroll	\$ 41,721	\$ 42,143	\$ 43,741	\$ 48,728	\$ 51,159	\$ 53,287	\$ 53,287
Contributions as a percentage of covered payroll	5.2%	5.2%	5.3%	5.5%	5.4%	5.3%	5.4%

¹ GASB Statement 68 was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

As of December 31, 2021

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	2018	2019	2020	2021
Total OPEB liability:				
Service Cost	\$ 4	\$ 4	\$ 3	\$ 3
Interest	1,045	1,134	851	576
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	-	(1,414)	-
Changes of assumption or other inputs	(1,988)	4,093	144	434
Benefit Payments	(1,774)	(1,808)	(1,828)	(1,840)
Net change in total OPEB liability	(2,713)	3,423	(2,244)	(827)
Total OPEB liability- beginning	31,260	28,547	31,970	29,726
Total OPEB liability- ending	\$ 28,547	\$ 31,970	\$ 29,726	\$ 28,899
Covered employee payroll	114	76	103	3
Total OPEB liability as a percentage of covered employee payroll	25041.0%	42066.0%	28860.2%	963300.0%

¹ GASB Statement 75 was implemented in 2018. Prior to 2018, these items were not utilized for the OPEB calculation.

SCHEDULE OF MODIFIED APPROACH FOR REPORTING INFRASTRUCTURE ASSETS

For the Fiscal Year Ended December 31, 2021

The city's minimum acceptable condition levels have been defined as having at least 60 percent of Arterial roadways and 75 percent of Residential roadways at or above satisfactory condition.

The following disclosures compare roadway conditions for the last three years, and the related estimated and actual expenditures involved in maintaining arterial and residential roadways for the last five years.

CONDITION RATING OF THE CITY'S STREET SYSTEM

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Arterial:			
Percent above satisfactory	85%	89%	92%
Overall performance rating:	69	76	79
Residential:			
Percent above satisfactory	100%	100%	100%
Overall performance rating:	80	82	80

COMPARISON OF NEEDED-TO-ACTUAL EXPENDITURES

(in thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Arterial:					
Needed:	\$4,104	\$2,925	\$5,706	\$4,150	\$5,884
Actual:	1,473	3,618	1,973	4,300	7,370
Residential:					
Needed:	\$2,744	\$2,943	\$4,345	\$2,675	\$147
Actual:	2,838	2,179	3,182	875	137

Following GASB Statement 34, the city is reporting major historic infrastructure acquired in fiscal years ending after June 30, 1980.

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund**

For the Fiscal Year Ended December 31, 2021
(in thousands)

Page 1 of 2

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes and special assessments	\$ 158,417	\$ 158,872	\$ 173,859	\$ (14,987)
Licenses and permits	304	304	440	(136)
Intergovernmental	26,500	26,500	27,773	(1,273)
Service charges and fees	19,839	19,839	18,376	1,463
Fines and forfeitures	1,530	1,530	1,473	57
Interest and assessment interest	758	758	107	651
Net change in fair value of investments	-	-	(17)	17
Rent	1,588	1,588	3,366	(1,778)
Judgements and Settlements	-	-	4	(4)
Premiums/contributions	300	300	6	294
Other	1,752	1,752	222	1,530
Total revenues	<u>210,988</u>	<u>211,443</u>	<u>225,609</u>	<u>(14,166)</u>
Expenditures				
Current:				
General government	27,891	28,899	27,537	1,362
Public safety	110,802	110,802	111,553	(751)
Physical environment	200	200	185	15
Transportation	30,428	30,122	31,905	(1,783)
Economic environment	10,492	10,389	9,055	1,334
Health and human services	1,825	1,825	1,574	251
Culture and recreation	28,608	28,508	26,994	1,514
Public safety	-	-	179	(179)
Economic environment	-	-	7	(7)
Culture and recreation	-	-	71	(71)
Total expenditures	<u>210,246</u>	<u>210,745</u>	<u>209,060</u>	<u>1,685</u>
Excess (deficiency) of revenues over (under) expenditures	742	698	16,549	(15,851)
Other financing sources(uses)				
Transfers in	559	603	559	44
Transfers out	(6,106)	(6,106)	(7,514)	1,408
Total other financing sources(uses)	<u>(5,547)</u>	<u>(5,503)</u>	<u>(6,955)</u>	<u>1,452</u>
Net change in fund balance	(4,805)	(4,805)	9,594	(14,399)
Fund balance beginning of year	38,738	38,738	44,186	(5,448)
Fund balance end of year	<u>\$ 33,933</u>	<u>\$ 33,933</u>	<u>\$ 53,780</u>	<u>\$ (19,847)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund**

For the Fiscal Year Ended December 31, 2021
(in thousands)

Page 2 of 2

Perspective Difference Reconciliation:

Actual fund balance - General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 53,780
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The following funds were budgeted as special
revenue funds but do not meet the
definition under GASB Statement 54;
therefore, these are accounted for within
the General Fund:

Human Service Fund	1,495
Land Purchase Revolving Fund	8,534
Development Services Fund	43,999
Parks Fees Fund	<u>1,288</u>

Total Fund Balance - General Fund Balance for Governmental Funds	<u>\$ 109,096</u>
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Notes to the Required Supplementary Information

Pensions

Changes of benefit terms. There were no material benefit term changes in 2021 for the City of Bellevue's pension plans.

Changes in assumptions for Firefighters' Pension. The mortality and spouse age assumptions have been updated since the prior year based on our reasonable expectation of plan experience. In addition, the actuary used a new software application for valuing the plan liabilities for the first time. Results were within a 5 percent threshold that is considered reasonable.

Changes in assumptions for Department of Retirement Pension Programs. For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. OSA will revert back to the methods outlined in their 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019, AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the Fiscal Year (FY)-end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to our projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation.

OPEB

Changes in assumptions. Changes in assumptions and other inputs reflect the effect of changes in the discount rate for each period.

Year	Discount Rate
2018	4.1%
2019	2.7%
2020	2.0%
2021	1.8%

Assets. There are no assets in a trust compliant with GASB codification P22.101 or P52.101.

Modified Approach

The roadways in the city are made up of two systems: Arterial roadways and Residential roadways. The condition of these systems is assessed every two years. This assessment measures the condition of the pavement surface to classify the roads into two performance rating levels illustrated in the table below. During years when the roadways are not physically assessed, calculated updates are made by the Transportation Pavement Management System.

STANDARD PERFORMANCE RATING LEVELS

	<u>Satisfactory</u>	<u>Unsatisfactory</u>
Arterial:	50 - 100	0 - 49
Residential:	30 - 100	0 - 29

Budget and Actual Schedules

The City's budget is adopted on a GAAP basis. Expenditure appropriations include ending fund balance as reserves.

The General Fund, for financial reporting purposes, includes the Human Services Fund, Land Purchase Revolving Fund, Development Services Fund, and Parks Fees Fund. Budgets for these funds are adopted separately within the city's budget adoption ordinance.

Nonmajor Governmental Funds

Descriptions of the non-major Special Revenue funds included in the city's Annual Comprehensive Financial Report are provided below:

The **LEOFF I Medical Reserve Fund** accounts for the accumulation of assets necessary to fund the city's liability for lifetime medical benefits for all retired LEOFF 1 members.

The **Park Maintenance and Operations (M&O) Reserve Fund** accounts for proceeds of a property tax lid lift approved by the voters in 1988 and 2008 to support park maintenance and operation expenditures. Tax monies received from the lid lift are initially receipted to the General Fund. Any proceeds in excess of current maintenance and operation needs are subsequently transferred to this special revenue fund to be held for future authorization.

The **Solid Waste Fund** accounts for multi-family recycling fees and administration fees. Revenues collected by the fund are used to pay contractors performing hauling services for those services.

The **Hotel/Motel Tax Fund** operates as a conduit for the collection of hotel/motel taxes used for debt service payments on general obligation bonds of the Bellevue Convention Center Authority.

The **Operating Grants, Donations and Special Reserves Fund** accounts for receipt and disbursement of revenue from private donations, special reserves, and grants from federal, state, and local agencies.

The **Local Improvement District (LID) Control Fund** accounts for payment of principal and interest for special assessment bond issues and for collection of special assessments levied against benefited properties to support those debt service obligations.

The **Local Improvement District (LID) Guaranty Fund** accounts for monies set aside in accordance with Washington State law to provide for payment of principal and interest due on special assessment bond issues in the event of default by LID property owners and a resulting insufficiency of funds in the LID Control Fund to make related payments.

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2021
(in thousands)

Page 1 of 3

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Assets:			
Cash & equity in pooled investments	\$ 512	\$ 5,193	\$ 2,900
Receivables (net of allowances):			
Taxes	-	-	-
Accounts	22	-	85
Due from other governments	-	-	176
Housing rehabilitation loans receivable	-	-	-
Total assets	<u>\$ 534</u>	<u>\$ 5,193</u>	<u>\$ 3,161</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 47
Due to component unit	-	-	-
Due to other governments	-	-	-
Accrued payroll	-	-	6
Deposits payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>53</u>
Deferred Inflows			
For grants	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>53</u>
Fund balance:			
Restricted	534	5,193	530
Committed	-	-	2,578
Assigned	-	-	-
Total fund balance	<u>534</u>	<u>5,193</u>	<u>3,108</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 534</u>	<u>\$ 5,193</u>	<u>\$ 3,161</u>

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2021
(in thousands)

Page 2 of 3

	Special Revenue		
		Operating Grants	
	Hotel/ Motel Tax	Donations & Special	Total Special Revenue Funds
Assets:			
Cash & equity in pooled investments	\$ 261	\$ 12,261	\$ 21,127
Receivables (net of allowances):			
Taxes	986	6	992
Accounts	-	395	502
Due from other governments	-	1,612	1,788
Housing rehabilitation loans receivable	-	3,500	3,500
Total assets	\$ 1,247	\$ 17,774	\$ 27,909
Liabilities:			
Accounts payable	\$ -	\$ 445	\$ 492
Due to component unit	668	-	668
Due to other governments	-	34	34
Accrued payroll	-	5	11
Deposits payable	-	1	1
Total liabilities	668	485	1,206
Deferred Inflows			
For grants	-	1,263	1,263
Total deferred inflows	-	1,263	1,263
Total liabilities and deferred inflows	668	1,748	2,469
Fund balance:			
Restricted	579	9,027	15,863
Committed	-	-	2,578
Assigned	-	6,999	6,999
Total fund balance	579	16,026	25,440
Total liabilities, deferred inflows, and fund balance	\$ 1,247	\$ 17,774	\$ 27,909

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2021
(in thousands)

Page 3 of 3

	<u>Debt Service</u>		<u>Total Nonmajor</u>	
	<u>LID</u>	<u>LID</u>	<u>Total Debt</u>	<u>Governmental</u>
	<u>Control</u>	<u>Guaranty</u>	<u>Service</u>	<u>Funds</u>
Assets:				
Cash & equity in pooled investments	\$ 141	\$ 648	\$ 789	\$ 21,916
Receivables (net of allowances):				
Taxes	-	-	-	992
Accounts	-	-	-	502
Due from other governments	-	-	-	1,788
Housing rehabilitation loans receivable	-	-	-	3,500
Total assets	<u>\$ 141</u>	<u>\$ 648</u>	<u>\$ 789</u>	<u>\$ 28,698</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 492
Due to component unit	-	-	-	668
Due to other governments	-	-	-	34
Accrued payroll	-	-	-	11
Deposits payable	-	-	-	1
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,206</u>
Deferred Inflows				
For grants	-	-	-	1,263
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,469</u>
Fund balance:				
Restricted	-	-	-	15,863
Committed	-	-	-	2,578
Assigned	141	648	789	7,788
Total fund balance	<u>141</u>	<u>648</u>	<u>789</u>	<u>26,229</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 141</u>	<u>\$ 648</u>	<u>\$ 789</u>	<u>\$ 28,698</u>

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

Page 1 of 3

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Revenues:			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	74	-	265
Service charges and fees	-	-	810
Interest and penalties	1	14	7
Net change in fair value of investment	-	(2)	(1)
Premiums/contributions	-	-	-
Other	-	-	271
Total revenues	<u>75</u>	<u>12</u>	<u>1,352</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	54	-	-
Physical environment	-	-	1,074
Transportation	-	-	-
Economic environment	-	-	-
Health and human services	-	-	-
Culture and recreation	-	-	-
Capital outlay:			
Public safety	-	-	-
Total expenditures	<u>54</u>	<u>-</u>	<u>1,074</u>
Excess (deficiency) of revenues over (under) expenditures	21	12	278
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(588)	-
Total other financing sources (uses)	<u>-</u>	<u>(588)</u>	<u>-</u>
Net change in fund balance	21	(576)	278
Fund balance at beginning of year	<u>513</u>	<u>5,769</u>	<u>2,830</u>
Fund balance at end of year	<u>\$ 534</u>	<u>\$ 5,193</u>	<u>\$ 3,108</u>

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

Page 2 of 3

	Special Revenue		
	Hotel/ Motel Tax	Operating Grants Donations & Special	Total Special Revenue Funds
Revenues:			
Taxes and special assessments	\$ 4,543	\$ -	\$ 4,543
Intergovernmental	-	13,997	14,336
Service charges and fees	-	63	873
Interest and penalties	2	25	49
Net change in fair value of investments	-	(5)	(8)
Premiums/contributions	-	2,012	2,012
Other	-	320	591
Total revenues	<u>4,545</u>	<u>16,412</u>	<u>22,396</u>
Expenditures:			
Current:			
General government	2,577	133	2,710
Public safety	-	1,682	1,736
Physical environment	-	196	1,270
Transportation	-	336	336
Economic environment	-	3,741	3,741
Health and human services	-	1,001	1,001
Culture and recreation	-	265	265
Capital outlay:			
Public safety	-	19	19
Total expenditures	<u>2,577</u>	<u>7,373</u>	<u>11,078</u>
Excess (deficiency) of revenues over (under) expenditures	1,968	9,039	11,318
Other financing sources (uses):			
Transfers in	-	450	450
Transfers out	(2,007)	(195)	(2,790)
Total other financing sources (uses)	<u>(2,007)</u>	<u>255</u>	<u>(2,340)</u>
Net change in fund balance	(39)	9,294	8,978
Fund balance at beginning of year	<u>618</u>	<u>6,732</u>	<u>16,462</u>
Fund balance at end of year	<u>\$ 579</u>	<u>\$ 16,026</u>	<u>\$ 25,440</u>

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

Page 3 of 3

	Debt Service		Total Debt	Total Nonmajor
	LID	LID	Service	Governmental
	Control	Guaranty	Funds	Funds
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 4,543
Intergovernmental	-	-	-	14,336
Service charges and fees	-	-	-	873
Interest and penalties	-	2	2	51
Net change in fair value of investments	-	-	-	(8)
Premiums/contributions	-	-	-	2,012
Other	-	-	-	591
Total revenues	-	2	2	22,398
Expenditures:				
Current:				
General government	-	-	-	2,710
Public safety	-	-	-	1,736
Physical environment	-	-	-	1,270
Transportation	-	-	-	336
Economic environment	-	-	-	3,741
Health and human services	-	-	-	1,001
Culture and recreation	-	-	-	265
Capital outlay:				
Public safety	-	-	-	19
Total expenditures	-	-	-	11,078
Excess (deficiency) of revenues over (under) expenditures	-	2	2	11,320
Other financing sources (uses):				
Transfers in	-	-	-	450
Transfers out	-	-	-	(2,790)
Total other financing sources (uses)	-	-	-	(2,340)
Net change in fund balance	-	2	2	8,980
Fund balance at beginning of year	141	646	787	17,249
Fund balance at end of year	\$ 141	\$ 648	\$ 789	\$ 26,229

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes and special assessments	\$ 3,909	\$ 3,909	\$ 3,783	\$ 126
Intergovernmental	3,530	3,530	22	3,508
Interest and assessment interest	-	-	6	(6)
Net change in fair value of investments	-	-	(2)	2
Premiums/contributions	256	256	10	246
Other	-	-	25	(25)
Total revenues	<u>7,695</u>	<u>7,695</u>	<u>3,844</u>	<u>3,851</u>
Expenditures:				
Economic environment	-	-	49	(49)
Health and human services	7,694	9,354	4,879	4,475
Total expenditures	<u>7,694</u>	<u>9,354</u>	<u>4,928</u>	<u>4,426</u>
Excess (deficiency) of revenues over (under) expenditures	1	(1,659)	(1,084)	(575)
Other financing sources (uses):				
Transfers in	-	1,659	1,659	-
Total other financing sources(uses)	<u>-</u>	<u>1,659</u>	<u>1,659</u>	<u>-</u>
Net change in fund balance	1	-	575	(575)
Fund balance beginning of year	200	200	920	(720)
Fund balance end of year	<u>\$ 201</u>	<u>\$ 200</u>	<u>\$ 1,495</u>	<u>\$ (1,295)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Land Purchase Revolving Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Interest and assessment interest	\$ -	\$ -	\$ 8	\$ (8)
Net change in fair value of investments	-	-	(3)	3
Rent	1,164	1,164	1,150	14
Total revenues	<u>1,164</u>	<u>1,164</u>	<u>1,155</u>	<u>9</u>
Expenditures:				
General government	382	382	396	(14)
Transportation	15	15	19	(4)
Culture and recreation	680	680	597	83
Total expenditures	<u>1,077</u>	<u>1,077</u>	<u>1,012</u>	<u>65</u>
Excess (deficiency) of revenues over (under) expenditures	87	87	143	(56)
Other financing sources (uses):				
Transfers out	(100)	(100)	-	(100)
Sale of capital assets	-	-	6,047	(6,047)
Total other financing sources(uses)	<u>(100)</u>	<u>(100)</u>	<u>6,047</u>	<u>(6,147)</u>
Net change in fund balance	(13)	(13)	6,190	(6,203)
Fund balance beginning of year	1,996	1,996	2,344	(348)
Fund balance end of year	<u>\$ 1,983</u>	<u>\$ 1,983</u>	<u>\$ 8,534</u>	<u>\$ (6,551)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Services Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Licenses and permits	\$ 9,700	\$ 9,700	\$ 21,435	\$ (11,735)
Service charges and fees	11,253	11,253	15,132	(3,879)
Fines and forfeitures	5	5	6	(1)
Interest and assessment interest	350	350	134	216
Net change in fair value of investments	-	-	(24)	24
Total revenues	<u>21,308</u>	<u>21,308</u>	<u>36,685</u>	<u>(15,375)</u>
Expenditures:				
General government	1	1	1	-
Economic environment	<u>30,937</u>	<u>30,937</u>	<u>29,462</u>	<u>1,475</u>
Total expenditures	<u>30,938</u>	<u>30,938</u>	<u>29,462</u>	<u>1,475</u>
Excess (deficiency) of revenues over (under) expenditures	(9,630)	(9,630)	7,223	(16,850)
Other financing sources (uses):				
Transfers in	5,141	5,141	5,141	-
Transfers out	-	-	(34)	34
Total other financing sources(uses)	<u>5,141</u>	<u>5,141</u>	<u>5,107</u>	<u>34</u>
Net change in fund balance	(4,489)	(4,489)	12,330	(16,816)
Fund balance beginning of year	<u>31,282</u>	<u>31,282</u>	<u>31,669</u>	<u>(387)</u>
Fund balance end of year	<u>\$ 26,793</u>	<u>\$ 26,793</u>	<u>\$ 43,999</u>	<u>\$ (17,203)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**Parks Fees Fund****For the Year Ended December 31, 2021**

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Service charges and fees	\$ 3,871	\$ 3,871	\$ 3,673	\$ 198
Interest and assessment interest	50	50	3	47
Net change in fair value of investments	-	-	(1)	1
Rent	1,890	1,890	2,997	(1,107)
Other	13	13	-	13
Total revenues	<u>5,824</u>	<u>5,824</u>	<u>6,672</u>	<u>(848)</u>
Expenditures:				
Economic environment	-	-	2	(2)
Culture and recreation	<u>6,243</u>	<u>6,243</u>	<u>6,580</u>	<u>(337)</u>
Total expenditures	<u>6,243</u>	<u>6,243</u>	<u>6,582</u>	<u>(339)</u>
Excess (deficiency) of revenues over (under) expenditures	(419)	(419)	90	(509)
Other financing sources (uses):				
Transfers in	<u>35</u>	<u>35</u>	<u>315</u>	<u>(280)</u>
Total other financing sources(uses)	<u>35</u>	<u>35</u>	<u>315</u>	<u>(280)</u>
Net change in fund balance	(384)	(384)	405	(789)
Fund balance beginning of year	<u>807</u>	<u>807</u>	<u>883</u>	<u>(76)</u>
Fund balance end of year	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 1,288</u>	<u>\$ (865)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
LEOFF I Medical Reserve Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Intergovernmental	\$ 44	\$ 44	\$ 74	\$ (30)
Interest and assessment interest	10	10	1	9
Total revenues	<u>54</u>	<u>54</u>	<u>75</u>	<u>(21)</u>
Expenditures:				
Public safety	<u>63</u>	<u>63</u>	<u>54</u>	<u>9</u>
Total expenditures	<u>63</u>	<u>63</u>	<u>54</u>	<u>9</u>
Excess (deficiency) of revenues over (under) expenditures	(9)	(9)	21	(30)
Fund balance beginning of year	<u>548</u>	<u>548</u>	<u>513</u>	<u>35</u>
Fund balance end of year	<u>\$ 539</u>	<u>\$ 539</u>	<u>\$ 534</u>	<u>\$ 5</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Maintenance and Operations Reserve Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Interest and assessment interest	\$ 35	\$ 35	\$ 14	\$ 21
Net change in fair value of investments	-	-	(2)	2
Total revenues	<u>35</u>	<u>35</u>	<u>12</u>	<u>23</u>
Expenditures				
Current:				
Excess (deficiency) of revenues over (under) expenditures	35	35	12	23
Other financing sources (uses):				
Transfers out	(588)	(588)	(588)	-
Total other financing sources(uses)	<u>(588)</u>	<u>(588)</u>	<u>(588)</u>	<u>-</u>
Net change in fund balance	(553)	(553)	(576)	23
Fund balance beginning of year	<u>5,846</u>	<u>5,846</u>	<u>5,769</u>	<u>77</u>
Fund balance end of year	<u>\$ 5,293</u>	<u>\$ 5,293</u>	<u>\$ 5,193</u>	<u>\$ 100</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Solid Waste Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Intergovernmental	\$ 297	\$ 297	\$ 265	\$ 32
Service charges and fees	811	811	810	1
Interest and assessment interest	42	42	7	35
Net change in fair value of investments	-	-	(1)	1
Other	17	17	271	(254)
Total revenues	<u>1,167</u>	<u>1,167</u>	<u>1,352</u>	<u>(185)</u>
Expenditures:				
Physical environment	<u>1,316</u>	<u>1,316</u>	<u>1,074</u>	<u>242</u>
Total expenditures	<u>1,316</u>	<u>1,316</u>	<u>1,074</u>	<u>242</u>
Excess (deficiency) of revenues over (under) expenditures	(149)	(149)	278	(427)
Fund balance beginning of year	<u>2,321</u>	<u>2,321</u>	<u>2,830</u>	<u>(509)</u>
Fund balance end of year	<u>\$ 2,172</u>	<u>\$ 2,172</u>	<u>\$ 3,108</u>	<u>\$ (936)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2021
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes and special assessments	\$ 4,628	\$ 4,628	\$ 4,543	\$ 85
Interest and assessment interest	-	-	2	(2)
Total revenues	<u>4,628</u>	<u>4,628</u>	<u>4,545</u>	<u>83</u>
Expenditures:				
General government	<u>1,618</u>	<u>3,494</u>	<u>2,577</u>	<u>917</u>
Total expenditures	<u>1,618</u>	<u>3,494</u>	<u>2,577</u>	<u>917</u>
Excess (deficiency) of revenues over (under) expenditures	3,010	1,134	1,968	(834)
Other financing sources (uses):				
Transfers out	<u>(3,010)</u>	<u>(2,007)</u>	<u>(2,007)</u>	<u>-</u>
Total other financing sources(uses)	<u>(3,010)</u>	<u>(2,007)</u>	<u>(2,007)</u>	<u>-</u>
Net change in fund balance	-	(873)	(39)	(834)
Fund balance beginning of year	<u>-</u>	<u>873</u>	<u>618</u>	<u>255</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 579</u>	<u>\$ (579)</u>

Internal Service Funds

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Descriptions of the Internal Service funds included in the city's Annual Comprehensive Financial Report are provided below:

The **Equipment Rental Fund** accounts for the operation of the electronic equipment shop, maintenance of city vehicles and other motorized equipment, and reserves for replacement of designated equipment. Rates charged to user departments are based on the full cost of operations and maintenance, including the recovery of related depreciation expense.

The **Workers' Compensation Fund** accounts for the city's workers' compensation self-insurance program. Premiums received by the fund are used to pay benefits to injured workers' and to maintain reserves for the payment of future claims based on actuarial estimates.

The **Unemployment Compensation Fund** accounts for the city's unemployment compensation self-insurance program. Premiums received by the fund are used to reimburse the State's Employment Security Department for unemployment benefits paid to eligible individuals and to maintain reserves for the payment of future claims based on actuarial estimates.

The **General Self-Insurance Fund** accounts for the city's self-insurance program for property and casualty losses and general loss control activities. Premiums received by the fund are used to pay liability claims, purchase fire and property damage coverage, and to maintain reserves for the payment of estimated future claims liability based on actuarial estimates.

The **Health Benefits Fund** accounts for programs established to provide employee medical and dental health care coverage. Medical premiums received by the fund are used to pay claims for employees participating in the city's self-insured health care program, purchase stop-loss coverage for individual and aggregate claims in excess of self-insured limits and maintain reserves for the payment of future claims based on actuarial estimates. Employee dental coverage is purchased from an outside carrier.

The **Information Technology Fund** accounts for information services operations and replacement reserves for the desktop computers, workstations, and major software applications.

The **Facilities Services Fund** provides coordinated, cost-effective planning, development, maintenance, and management services required to support city operations in general government buildings. This Fund includes operating costs, capital costs, and building reserves for future facility projects.

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2021
(in thousands)

Page 1 of 4

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self- Insurance
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 10,149	\$ 4,768	\$ 267	\$ 3,484
Receivables (net of allowances):				
Accounts	12	-	-	-
Other	57	-	-	-
Due from other funds	262	-	-	-
Due from other governments	1	-	-	-
Inventory	651	-	-	-
Total current assets	<u>11,132</u>	<u>4,768</u>	<u>267</u>	<u>3,484</u>
Noncurrent assets:				
Other deferred charges	1,683	-	-	500
Capital assets:				
Capital assets (net)	19,914	-	-	48
Total noncurrent assets	<u>21,597</u>	<u>-</u>	<u>-</u>	<u>548</u>
Total assets	<u>32,729</u>	<u>4,768</u>	<u>267</u>	<u>4,032</u>
Deferred Outflows				
For pensions	150	-	-	44
For asset retirement obligation	1,047	-	-	-
Total deferred outflows	<u>1,197</u>	<u>-</u>	<u>-</u>	<u>44</u>
Total assets and deferred outflows	<u>\$ 33,926</u>	<u>\$ 4,768</u>	<u>\$ 267</u>	<u>\$ 4,076</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2021
(in thousands)

Page 2 of 4

	<u>Health Benefits</u>	<u>Information Technology</u>	<u>Facilities Services</u>	<u>Total</u>
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 3,532	\$ 9,430	\$ 2,228	\$ 33,858
Receivables (net of allowances):				
Accounts	-	11	4	27
Other	300	-	-	357
Due from other funds	-	-	-	262
Due from other governments	-	-	-	1
Inventory	-	-	-	651
Total current assets	<u>3,832</u>	<u>9,441</u>	<u>2,232</u>	<u>35,156</u>
Noncurrent assets:				
Other deferred charges	163	5,704	1,578	9,628
Capital assets:				
Capital assets (net)	-	699	877	21,538
Total noncurrent assets	<u>163</u>	<u>6,403</u>	<u>2,455</u>	<u>31,166</u>
Total assets	<u>3,995</u>	<u>15,844</u>	<u>4,687</u>	<u>66,322</u>
Deferred Outflows				
For pensions	15	2,294	141	2,644
For asset retirement obligation	-	-	-	1,047
Total deferred outflows	<u>15</u>	<u>2,294</u>	<u>141</u>	<u>3,691</u>
Total assets and deferred outflows	<u>\$ 4,010</u>	<u>\$ 18,138</u>	<u>\$ 4,828</u>	<u>\$ 70,013</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2021
(in thousands)

Page 3 of 4

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self- Insurance</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 559	\$ 3	\$ -	\$ 58
Estimated claims	-	1,851	16	1,427
Due to other governments	-	-	-	-
Accrued payroll	138	-	-	34
Accrued compensated absences	58	-	-	29
Liabilities payable from restricted assets:				
Customer deposits	-	-	-	-
Retainage payable	-	-	-	-
Total current liabilities	<u>755</u>	<u>1,854</u>	<u>16</u>	<u>1,548</u>
Noncurrent liabilities:				
Accrued compensated absences	135	-	-	67
Estimated claims	-	2,044	-	1,397
Asset retirement obligation	8,046	-	-	-
Pension liability	-	-	-	-
Total noncurrent liabilities	<u>8,181</u>	<u>2,044</u>	<u>-</u>	<u>1,464</u>
Total liabilities	<u>8,936</u>	<u>3,898</u>	<u>16</u>	<u>3,012</u>
Deferred Inflows				
For pensions	<u>1,573</u>	<u>-</u>	<u>-</u>	<u>466</u>
Total deferred inflows	<u>1,573</u>	<u>-</u>	<u>-</u>	<u>466</u>
Total liabilities and deferred inflows	<u>10,509</u>	<u>3,898</u>	<u>16</u>	<u>3,478</u>
Net position:				
Net investment in capital assets	19,650	-	-	48
Restricted for:				
Customer deposits	-	-	-	-
Net pension asset	260	-	-	78
Capital projects	-	-	-	-
Unrestricted	<u>3,507</u>	<u>870</u>	<u>251</u>	<u>472</u>
Total net position	<u>\$ 23,417</u>	<u>\$ 870</u>	<u>\$ 251</u>	<u>\$ 598</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2021
(in thousands)

Page 4 of 4

	Health Benefits	Information Technology	Facilities Services	Total
Liabilities:				
Current liabilities:				
Accounts payable	\$ 830	\$ 462	\$ 254	\$ 2,166
Estimated claims	1,702	-	-	4,996
Due to other governments	-	-	5	5
Accrued payroll	11	381	106	670
Accrued compensated absences	11	307	62	467
Liabilities payable from restricted assets:				
Customer deposits	-	-	3	3
Retainage payable	-	5	-	5
Total current liabilities	<u>2,554</u>	<u>1,155</u>	<u>430</u>	<u>8,312</u>
Noncurrent liabilities:				
Accrued compensated absences	27	716	144	1,089
Estimated claims	-	-	-	3,441
Asset retirement obligation	-	-	-	8,046
Pension liability	-	7,640	-	7,640
Total noncurrent liabilities	<u>27</u>	<u>8,356</u>	<u>144</u>	<u>20,216</u>
Total liabilities	<u>2,581</u>	<u>9,511</u>	<u>574</u>	<u>28,528</u>
Deferred Inflows				
For pensions	152	13,798	1,449	17,438
Total deferred inflows	<u>152</u>	<u>13,798</u>	<u>1,449</u>	<u>17,438</u>
Total liabilities and deferred inflows	<u>2,733</u>	<u>23,309</u>	<u>2,023</u>	<u>45,966</u>
Net position:				
Net investment in capital assets	-	694	877	21,269
Restricted for:				
Customer deposits	-	-	3	3
Net pension asset	26	896		1,260
Capital projects	-	5	-	5
Unrestricted	1,251	(6,766)	1,925	1,510
Total net position	<u>\$ 1,277</u>	<u>\$ (5,171)</u>	<u>\$ 2,805</u>	<u>\$ 24,047</u>

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

Page 1 of 2

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self-Insurance
Operating revenues:				
Intergovernmental	\$ 58	\$ -	\$ -	\$ -
Service charges and fees	12,241	-	-	-
Rent	-	-	-	-
Insurance recovery	-	-	-	293
Premiums/contributions	-	4,190	159	6,931
Other	4	257	-	-
Total operating revenues	<u>12,303</u>	<u>4,447</u>	<u>159</u>	<u>7,224</u>
Operating expenses:				
Administrative and general	435	167	-	1,945
Maintenance and operations	6,691	34	-	-
Depreciation	5,629	-	-	3
Insurance costs	-	541	-	1,849
Benefits and claims payments	-	3,060	92	3,728
Total operating expenses	<u>12,755</u>	<u>3,802</u>	<u>92</u>	<u>7,525</u>
Operating income (loss)	(452)	645	67	(301)
Nonoperating revenues (expenses):				
Interest income	22	8	1	6
Net change in fair value of investments	(4)	(2)	-	(1)
Gain on disposal of capital assets	328	-	-	-
Other nonoperating revenues	-	-	-	-
Total nonoperating revenue (expenses)	<u>346</u>	<u>6</u>	<u>1</u>	<u>5</u>
Income before contributions and transfers	(106)	651	68	(296)
Special items, contributions and transfers:				
Transfers in	1,367	-	-	203
Transfers out	-	(203)	(6)	-
Capital contributed from external sources	25	-	-	-
Total special items, contributions and transfers	<u>1,392</u>	<u>(203)</u>	<u>(6)</u>	<u>203</u>
Change in net position	1,286	448	62	(93)
Net position beginning of year	22,131	422	189	691
Net position end of year	<u>\$ 23,417</u>	<u>\$ 870</u>	<u>\$ 251</u>	<u>\$ 598</u>

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

Page 2 of 2

	Health Benefits	Information Technology	Facilities Services	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 41	\$ 99
Service charges and fees	2,470	15,339	7,446	37,496
Rent	-	-	675	675
Insurance recovery	-	-	-	293
Premiums/contributions	25,360	-	16	36,656
Other	-	5	-	266
Total operating revenues	<u>27,830</u>	<u>15,344</u>	<u>8,178</u>	<u>75,485</u>
Operating expenses:				
Administrative and general	618	8,616	280	12,061
Maintenance and operations	-	12,012	5,777	24,514
Depreciation	-	340	118	6,090
Insurance costs	7,193	-	-	9,583
Benefits and claims payments	21,296	-	-	28,176
Total operating expenses	<u>29,107</u>	<u>20,968</u>	<u>6,175</u>	<u>80,424</u>
Operating income (loss)	(1,277)	(5,624)	2,003	(4,939)
Nonoperating revenues (expenses):				
Interest income	6	23	5	71
Net change in fair value of investments	(1)	(4)	(1)	(13)
Gain on disposal of capital assets	-	-	-	328
Other nonoperating revenues	1,260	-	-	1,260
Total nonoperating revenue (expenses)	<u>1,265</u>	<u>19</u>	<u>4</u>	<u>1,646</u>
Income before contributions and transfers	(12)	(5,605)	2,007	(3,293)
Special items, contributions and transfers:				
Transfers in	-	-	35	1,605
Transfers out	(10)	(25)	(2,689)	(2,933)
Capital contributed from external sources	-	-	-	25
Total special items, contributions and transfers	<u>(10)</u>	<u>(25)</u>	<u>(2,654)</u>	<u>(1,303)</u>
Change in net position	(22)	(5,630)	(647)	(4,596)
Net position beginning of year	1,299	459	3,452	28,643
Net position end of year	<u>\$ 1,277</u>	<u>\$ (5,171)</u>	<u>\$ 2,805</u>	<u>\$ 24,047</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 4

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self-Insurance
Cash flows from operating activities:				
Cash received from customers and users	\$ 12,055	\$ -	\$ -	\$ 15
Contributions received - employer/employee	-	4,190	159	6,931
Cash received from insurance proceeds	-	-	-	292
Cash payments to suppliers for goods & services	(4,732)	(211)	-	(1,583)
Cash payments to employees for services	(2,453)	-	-	(473)
Cash payments to claimants	-	(1,970)	(260)	(4,792)
Cash received from contracts/rent	-	-	-	-
Cash payments for insurance	-	(540)	-	(1,847)
Other receipts	-	257	-	-
Net cash provided (used) by operating activities	<u>4,870</u>	<u>1,726</u>	<u>(101)</u>	<u>(1,457)</u>
Cash flows from noncapital financing activities:				
Transfers in	1,367	-	-	203
Transfers out	-	(203)	(6)	-
Net cash provided (used) by noncapital financing activities:	<u>1,367</u>	<u>(203)</u>	<u>(6)</u>	<u>203</u>
Cash flows from capital & related financing activities:				
Acquisition and construction of capital assets	(3,657)	-	-	-
Net cash provided (used) by capital financing activities	<u>(3,657)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	18	6	-	4
Net cash provided (used) by investing activities	<u>18</u>	<u>6</u>	<u>-</u>	<u>4</u>
Net increase (decrease) in cash balance	2,598	1,529	(107)	(1,250)
Cash and equity in pooled investments balance beginning of year	<u>7,551</u>	<u>3,239</u>	<u>374</u>	<u>4,734</u>
Cash and equity in pooled investments balance end of year	<u>\$ 10,149</u>	<u>\$ 4,768</u>	<u>\$ 267</u>	<u>\$ 3,484</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021
(in thousands)

Page 2 of 4

	Health Benefits	Information Technology	Facilities Services	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 2,477	\$ 15,375	\$ 7,484	\$ 37,406
Contributions received - employer/employees	25,360	-	-	36,640
Cash received from insurance proceeds	-	-	-	292
Cash payments to suppliers for goods & services	3,816	(5,232)	(3,879)	(11,821)
Cash payments to employees for services	(4,259)	(9,258)	(2,651)	(19,094)
Cash payments to claimants	(21,056)	-	-	(28,078)
Cash received from contracts/rent	-	-	675	675
Cash payments for insurance	(7,193)	-	-	(9,580)
Other receipts	1,260	-	16	1,533
Net cash provided (used) by operating activities	<u>405</u>	<u>885</u>	<u>1,645</u>	<u>7,973</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	35	1,605
Transfers out	(10)	(25)	(2,689)	(2,933)
Net cash provided (used) by noncapital financing activities:	<u>(10)</u>	<u>(25)</u>	<u>(2,654)</u>	<u>(1,328)</u>
Cash flows from capital & related financing activities:				
Acquisition and construction of capital assets	<u>-</u>	<u>(648)</u>	<u>(12)</u>	<u>(4,317)</u>
Net cash provided (used) by capital financing activities	<u>-</u>	<u>(648)</u>	<u>(12)</u>	<u>(4,317)</u>
Cash flows from investing activities:				
Interest on investments	<u>4</u>	<u>20</u>	<u>4</u>	<u>56</u>
Net cash provided (used) by investing activities	<u>4</u>	<u>20</u>	<u>4</u>	<u>56</u>
Net increase (decrease) in cash balance	399	232	(1,017)	2,384
Cash and equity in pooled investments balance beginning of year	<u>3,133</u>	<u>9,198</u>	<u>3,245</u>	<u>31,474</u>
Cash and equity in pooled investments balance end of year	<u>\$ 3,532</u>	<u>\$ 9,430</u>	<u>\$ 2,228</u>	<u>\$ 33,858</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021
(in thousands)

Page 3 of 4

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self-Insurance</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (452)	\$ 645	\$ 67	\$ (301)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	5,629	-	-	3
Other receipts	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4)	-	-	15
(Increase) decrease in due from other funds	(190)	-	-	-
(Increase) decrease in other receivables	(55)	-	-	-
(Increase) decrease in inventory	(22)	-	-	-
(Increase) decrease in asset retirement obligation	89	-	-	-
(Increase) decrease in deferred outflow	170	-	-	4
(Increase) decrease in pension asset	(1,684)			(500)
Increase (decrease) in accounts payable	266	(10)	(82)	40
Increase (decrease) in wages & benefits payable	14	-	-	1
Increase (decrease) in compensated absences	(10)	-	-	5
Increase (decrease) in due to other governments	1	-	-	-
Increase (decrease) in estimated claims payable	-	1,091	(86)	(1,065)
Increase (decrease) in pension liability	(233)	-	-	(65)
Increase (decrease) in deferred inflows	1,351	-	-	406
Total adjustments	5,322	1,081	(168)	(1,156)
Net cash provided (used) by operating activities	<u>\$ 4,870</u>	<u>\$ 1,726</u>	<u>\$ (101)</u>	<u>\$ (1,457)</u>
Non-cash investing, capital and financing activities:				
Donated capital assets	\$ (25)	\$ -	\$ -	\$ -
Increase (decrease) in fair value of investments	\$ (4)	\$ (2)	\$ -	\$ (1)

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021
(in thousands)

Page 4 of 4

	<u>Health Benefits</u>	<u>Information Technology</u>	<u>Facilities Services</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,277)	\$ (5,624)	\$ 2,003	\$ (4,939)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	340	118	6,090
Other receipts	1,260	-	-	1,260
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	30	(2)	39
(Increase) decrease in due from other funds	-	-	-	(190)
(Increase) decrease in other receivables	7	-	-	(48)
(Increase) decrease in inventory	-	-	-	(22)
(Increase) decrease in asset retirement obligation	-	-	-	89
(Increase) decrease in deferred outflow		(996)	14	(808)
(Increase) decrease in pension asset	(163)	(5,704)	(1,578)	(9,629)
Increase (decrease) in accounts payable	224	28	(32)	434
Increase (decrease) in wages & benefits payable	-	(10)		5
Increase (decrease) in compensated absences	2	166	53	216
Increase (decrease) in due to other governments	-	-	3	4
Increase (decrease) in estimated claims payable	240	-	-	180
Increase (decrease) in pension liability	(21)	(394)	(209)	(922)
Increase (decrease) in deferred inflows	133	13,049	1,275	16,214
Total adjustments	1,682	6,509	(358)	12,912
Net cash provided (used) by operating activities	<u>\$ 405</u>	<u>\$ 885</u>	<u>\$ 1,645</u>	<u>\$ 7,973</u>
Non-cash investing, capital and financing activities:				
Donated capital assets	\$ -	\$ -	\$ -	\$ (25)
Increase (decrease) in fair value of investments	\$ (1)	\$ (4)	\$ (1)	\$ (13)

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**Pension
(and Other Employee Benefit)
Trust Funds**

Descriptions of the pension trust funds included as supplementary information in the city's Annual Comprehensive Financial Report are provided below:

Pension Funds

The **Firefighters' Pension Fund** accounts for a single-employer, defined benefit system established under Washington State law to provide pension benefits for eligible firefighters.

The **Municipal Employees' Benefit Trust (MEBT) Fund** accounts for a multiple-employer, defined contribution pension plan comprised of contributions from participating employees and employers which currently includes the cities of Bellevue, Edmonds, Federal Way, Kirkland, Mill Creek, Redmond, Woodinville and the North East King County Regional Public Safety Communication Agency (NORCOM).

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Pension Funds
As of December 31, 2021
(in thousands)

	<u>Firefighters' Pension Fund</u>	<u>Municipal Employees' Benefit Trust</u>	<u>Total</u>
Assets:			
Cash & equity in pooled investments:			
Mutual funds	\$ -	\$ 686,553	\$ 686,553
Common and preferred stocks	-	121,013	121,013
Collective trust fund	-	240,635	240,635
State investment pool	3,907	-	\$ 3,907
U.S. government and agency obligations	2,163	-	2,163
Interest-bearing bank deposits	419	13,129	13,548
Supernationals	420	-	420
State and local obligations	70	-	70
Interest receivable	-	945	945
Notes receivable from participants	-	8,363	8,363
Total assets	<u>\$ 6,979</u>	<u>\$ 1,070,638</u>	<u>\$ 1,077,617</u>
Liabilities:			
Accounts payable	\$ 7	\$ 510	\$ 517
Total liabilities	<u>7</u>	<u>510</u>	<u>517</u>
Total net position	<u>\$ 6,972</u>	<u>\$ 1,070,128</u>	<u>\$ 1,077,100</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Funds
For the Year ended December 31, 2021
(in thousands)

	Firefighters' Pension Fund	Municipal Employees' Benefit Trust	Total
Additions:			
Investment income:			
Interest	\$ 17	\$ 433	\$ 450
Net change in fair value of investments	(3)	79,062	79,059
Dividends	-	27,802	27,802
Contributions:			
Contributions from employers and nonemployer	260	21,904	22,164
Contributions from participants and members	-	25,747	25,747
Rollovers	-	411	411
Total additions	<u>274</u>	<u>155,359</u>	<u>155,633</u>
Deductions:			
Benefit payments	301	73,989	74,290
Insurance premiums	-	2,288	2,288
Administrative expense	13	2,143	2,156
Total deductions	<u>314</u>	<u>78,420</u>	<u>78,734</u>
Net increase (decrease) in net position	(40)	76,939	76,899
Net position beginning of year	<u>7,012</u>	<u>993,189</u>	<u>1,000,201</u>
Net position end of year	<u><u>\$ 6,972</u></u>	<u><u>\$ 1,070,128</u></u>	<u><u>\$ 1,077,100</u></u>

Custodial Funds

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Descriptions of the custodial (fiduciary) funds included as supplementary information in the city's Annual Comprehensive Financial Report are provided below:

Custodial Funds

The **e-CityGov Alliance Fund** accounts for a multi-jurisdictional site created to provide a regionally-coordinated portal for the delivery of municipal services via the Internet, providing community members with internet access to a variety of services, and offers a forum for the sharing of resources in the development and deployment of future online municipal services.

The **Community Connectivity Consortium Fund** accounts for contributions from members of an interlocal agreement which provides for connectivity services to meet the needs of community institutions.

The **Eastside Narcotics Task Force (ENTF) Fund** accounts for revenues generated by an interlocal task force of law enforcement agencies to support drug enforcement activities.

The **Hazardous Materials Fund** accounts for contributions from members of an interlocal agreement which provides for the development and operation of the Hazardous Materials Unit and Team.

The **Custodial Fund** records activities conducted in a fiduciary capacity for other governments or external entities. The city of Bellevue has no legal right to ownership of these balances. This fund includes balances for sales, use, and leasehold taxes collected for other governments; funding from other cities for contracts with human services providers; and amounts held as evidence for police investigations.

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
As of December 31, 2021
(in thousands)

Page 1 of 2

	eCityGov Alliance	Community Connectivity Consortium	Eastside Narcotics Task Force	Hazardous Materials
Assets:				
Cash & equity in pooled investments	\$ 1,054	\$ 212	\$ 76	\$ 338
Receivables (net of allowances)				
Accounts	-	-	-	-
Due from other governments	37	-	-	65
Capital assets (net)	-	-	8	107
Total assets	\$ 1,091	\$ 212	\$ 84	\$ 510
Liabilities:				
Accounts payable	\$ 9	\$ 1	\$ -	\$ 45
Deposits payable	-	-	66	-
Total liabilities	9	1	66	45
Total net position	\$ 1,082	\$ 211	\$ 18	\$ 465

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
As of December 31, 2021
(in thousands)

Page 2 of 2

	Custodial Fund	Total
Assets:		
Cash & equity in pooled investments	\$ 575	\$ 2,255
Receivables (net of allowances):		
Accounts	396	396
Due from other governments	-	102
Capital assets (net)	-	115
Total assets	<u>\$ 971</u>	<u>\$ 2,868</u>
Liabilities:		
Accounts payable	\$ 117	\$ 172
Deposits payable	-	66
Total liabilities	<u>117</u>	<u>238</u>
Total net position	<u>\$ 854</u>	<u>\$ 2,630</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2021
(in thousands)

Page 1 of 2

	eCityGov Alliance	Community Connectivity Consortium	Eastside Narcotics Task Force	Hazardous Materials
Additions:				
Investment income:				
Interest	\$ 3	\$ 1	\$ -	\$ 1
Other contributions:				
Contributions from members	1,315	21	-	124
Tax collections for other governments	-	-	-	-
Total additions	<u>1,318</u>	<u>22</u>	<u>-</u>	<u>125</u>
Deductions:				
Administrative expense	1,286	66	-	67
Distributions to human services agencies	-	-	-	-
Payments to other governments	-	-	-	-
Deposits released	-	-	-	-
Total deductions	<u>1,286</u>	<u>66</u>	<u>-</u>	<u>67</u>
Net increase (decrease) in net position	32	(44)	-	58
Net position beginning of year	1,050	255	18	407
Net position end of year	<u>\$ 1,082</u>	<u>\$ 211</u>	<u>\$ 18</u>	<u>\$ 465</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2021
(in thousands)

Page 2 of 2

	Custodial Fund	Total
Additions:		
Investment income:		
Interest	\$ -	\$ 5
Other contributions:		
Contributions from members	3,422	4,882
Tax collections for other governments	1,250	1,250
Total additions	<u>4,672</u>	<u>6,137</u>
Deductions:		
Administrative expense	-	1,419
Distributions to human services agencies	3,299	3,299
Payments to other governments	1,105	1,105
Deposits released	15	15
Total deductions	<u>4,419</u>	<u>5,838</u>
Net increase (decrease) in net position	253	299
Net position beginning of year	601	2,331
Net position end of year	<u>\$ 854</u>	<u>\$ 2,630</u>

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Statistical Section

The **Statistical Section** is an important source of information regarding a government's economic condition. There are five categories of statistical tables. Those sections, and related tables, are:

The **Financial Trends** provides selected information from previous years' financial statement to show trends of the city. This section includes the following tables:

- Net Position by Component
- Changes in Net Position
- Governmental Activities Tax Revenue by Source
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- General Governmental Tax Revenue by Source

The **Revenue Capacity** provides information useful in assessing the city's ability to raise own source revenue. This section includes the following tables:

- Taxable Sales by Category
- Sales Tax Rates – Direct and Overlapping Governments
- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

The **Debt Capacity** section offers information useful in assessing a government's ability to issue new debt. This section includes the following tables:

- Ratio of Outstanding Debt by Type
- Ratio of General Bonded Debt Outstanding
- Computation of Direct and Overlapping Debt
- Legal Debt Margin Information
- Pledged Revenue Coverage

The **Demographic and Economic Information** offers information designed to help users better understand the socio-economic environment. This section includes the following tables:

- Demographic Statistics
- Principal Employers

The **Operating Information** provides information on the size of the city's workforce, the level of services provided, and the city's capital assets. This section includes the following tables:

- Full-Time Equivalent City Government Employees by Function
- Operating Indicators by Function
- Capital Assets by Function

Table 1

NET POSITION BY COMPONENT^(A)
 Last Ten Fiscal Years
 (in thousands)

Governmental Activities					Business-type Activities				Total - Primary Government			
Year	Net investment in capital assets	Restricted	Unrestricted	Total	Net investment in capital assets	Restricted	Unrestricted	Total	Net investment in capital assets	Restricted	Unrestricted	Total
2012	\$ 1,513,235	\$ 25,690	\$ 58,636	\$ 1,597,561	\$ 265,524	\$ 123,837	\$ 30,977	\$ 420,338	\$ 1,778,759	\$ 149,527	\$ 89,613	\$ 2,017,900
2013	1,563,631	18,054	25,227	1,606,912	277,669	138,021	34,103	449,793	1,841,300	156,075	59,330	2,056,705
2014	1,546,380	47,503	44,716	1,638,599	289,506	529	222,653	512,688	1,835,886	48,032	267,369	2,151,287
2015	1,566,471	91,987	(31,050)	1,627,408	312,700	537	235,263	548,500	1,879,171	92,524	204,213	2,175,908
2016	1,605,104	101,621	(37,081)	1,669,644	336,121	800	215,615	552,536	1,941,225	102,421	178,534	2,222,180
2017	1,626,502	112,522	5,774	1,744,798	353,414	804	249,089	603,307	1,979,916	113,326	254,863	2,348,105
2018	1,661,776	117,031	27,875	1,806,682	375,075	378	282,087	657,540	2,036,851	117,409	309,962	2,464,222
2019	1,707,871	105,692	56,849	1,870,412	403,636	578	325,907	730,121	2,111,507	106,270	382,756	2,600,533
2020	1,761,119	120,961	46,419	1,928,499	431,961	520	351,271	783,752	2,193,080	121,481	397,690	2,712,251
2021	1,809,539	203,861	94,227	2,107,627	462,545	2,520	379,982	845,047	2,272,084	206,381	474,209	2,952,674

^(A) All amounts are reported on the accrual basis.

Table 2
Page 1 of 3

CHANGES IN NET POSITION ^(A)
Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 36,392	\$ 28,354	\$ 31,948	\$ 33,611	\$ 39,840	\$ 27,174	\$ 34,751	\$ 38,187	\$ 82,024	\$ 11,811
Public safety	82,822	84,074	85,734	90,269	90,827	94,620	98,732	107,391	104,615	98,731
Physical environment	1,642	2,892	2,249	2,446	1,509	1,361	1,194	1,452	1,284	1,455
Transportation	27,761	29,147	30,925	36,384	36,729	43,071	40,929	62,788	47,976	46,400
Economic environment	19,037	20,768	23,336	34,571	32,573	31,821	31,259	43,764	44,271	46,043
Health and human services	11,511	7,414	7,596	8,457	6,766	7,492	6,548	6,897	6,393	7,455
Culture and recreation	38,452	39,448	39,776	43,116	39,356	47,522	43,080	42,243	41,637	44,730
Interest on long-term debt	7,910	8,691	8,978	11,148	12,010	11,686	11,097	10,990	10,960	10,443
Total governmental activities	225,527	220,788	230,542	260,002	259,610	264,747	267,590	313,712	339,160	267,068
Business-type activities										
Water	38,708	41,218	46,886	44,529	48,299	45,722	49,899	50,474	51,027	55,899
Sewer	41,089	44,099	44,780	48,683	49,470	47,913	50,623	53,173	53,215	53,511
Storm & surface water	10,950	11,208	11,764	12,699	14,413	15,020	11,973	13,622	14,710	14,466
Marina	277	232	273	219	216	349	154	318	318	353
Total business-type activities	91,024	96,757	103,703	106,130	112,398	109,004	112,649	117,587	119,270	124,229
Total primary government expenses	\$ 316,551	\$ 317,545	\$ 334,245	\$ 366,132	\$ 372,008	\$ 373,751	\$ 380,239	\$ 431,299	\$ 458,430	\$ 391,297
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 3,904	\$ 3,764	\$ 3,686	\$ 5,518	\$ 3,519	\$ 3,449	\$ 3,295	\$ 3,801	\$ 4,601	\$ 4,791
Public safety	18,569	16,874	16,553	19,549	22,274	22,668	23,994	23,713	24,395	25,868
Physical environment	813	588	735	692	705	708	742	641	800	810
Transportation	1,930	1,940	6,391	10,098	8,518	11,361	15,224	7,626	18,876	25,812
Economic environment	11,311	12,545	17,296	18,797	19,334	17,444	17,873	24,502	28,513	31,384
Health and human services	496	530	545	555	2,150	3,015	3,048	412	283	30
Culture and recreation	8,873	9,186	9,183	10,220	11,569	11,258	11,488	11,992	7,119	9,093
Operating grants and contributions	8,188	7,851	7,585	11,427	8,043	7,542	7,542	18,168	21,845	30,117
Capital grants and contributions	3,919	5,136	13,373	17,239	9,811	20,027	10,969	28,532	38,193	18,998
Total governmental activities program revenues	58,003	58,414	75,347	94,095	85,923	97,472	94,175	119,387	144,625	146,903

CHANGES IN NET POSITION ^(A)
 Last Ten Fiscal Years
 (in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities										
Charges for Services										
Water	\$ 41,686	\$ 48,417	\$ 52,181	\$ 57,666	\$ 57,215	\$ 61,622	\$ 64,373	\$ 67,555	\$ 65,993	\$ 75,020
Sewer	47,202	51,270	53,359	56,628	59,678	61,758	63,479	66,384	64,244	69,524
Storm & surface water	16,730	18,872	20,446	21,333	22,593	23,376	24,490	26,178	26,866	28,567
Marina	564	575	585	625	624	606	653	715	680	700
Operating grants and contributions	-	-	-	-	-	-	104	75	66	74
Capital grants and contributions	4,693	5,141	7,619	5,611	6,068	6,617	7,644	20,341	12,649	9,799
Total business-type activities program revenues	110,875	124,275	134,190	141,863	146,178	153,979	160,743	181,248	170,498	183,684
Total primary government program revenues	\$ 168,878	\$ 182,689	\$ 209,537	\$ 235,958	\$ 232,101	\$ 251,451	\$ 254,918	\$ 300,635	\$ 315,123	\$ 330,587
Net (Expense)/Revenue										
Governmental activities	\$ (167,524)	\$ (162,374)	\$ (155,195)	\$ (165,907)	\$ (173,687)	\$ (167,275)	\$ (173,415)	\$ (194,325)	\$ (194,535)	\$ (120,165)
Business-type activities	19,851	27,518	30,487	35,733	33,780	44,975	48,094	63,661	51,228	59,455
Total primary government net expense	\$ (147,673)	\$ (134,856)	\$ (124,708)	\$ (130,174)	\$ (139,907)	\$ (122,300)	\$ (125,321)	\$ (130,664)	\$ (143,307)	\$ (60,710)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property tax	\$ 37,538	\$ 38,302	\$ 38,379	\$ 40,222	\$ 41,304	\$ 55,907	\$ 57,754	\$ 59,210	\$ 61,172	\$ 62,581
Retail sales and use tax	48,596	53,072	59,278	66,173	69,686	72,981	78,251	83,781	74,150	100,443
Utility tax	25,813	28,103	26,790	27,219	27,169	29,386	29,036	27,092	26,398	28,140
Business and occupation tax	27,492	28,783	34,856	36,551	38,380	43,530	47,811	43,012	41,515	52,796
Excise tax	13,646	12,090	14,665	19,515	22,815	21,350	20,951	28,310	27,969	39,377
Hotel/motel tax	7,469	9,176	8,975	10,191	11,214	11,780	12,645	12,531	3,139	4,543
Other tax	476	446	590	474	1,837	1,969	2,065	2,115	264	417
Payments from component unit	20	10	10	9	11	9	11	10	8,906	11
Grants and contributions - unrestricted	1,700	1,258	1,424	1,721	1,202	2,746	1,398	1,525	1,166	1,170
Unrestricted investment interest	630	884	962	1,349	1,622	2,098	3,459	5,214	2,159	1,230
Gain (loss) in change of fair value of investments	(83)	(801)	417	(131)	(304)	(490)	341	1,124	2	(145)
Miscellaneous	357	484	721	269	823	572	750	1,513	3,856	2,401
Gain (loss) on sale of capital assets	328	285	61	(685)	221	991	2,682	283	304	6,329
Transfers	(561)	(366)	(246)	(141)	(60)	48	(171)	382	400	-
Total governmental activities	\$ 163,421	\$ 171,726	\$ 186,882	\$ 202,736	\$ 215,920	\$ 242,877	\$ 256,983	\$ 266,102	\$ 251,400	\$ 299,293

Table 2
Page 3 of 3

CHANGES IN NET POSITION ^(A)
Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities										
Unrestricted investment interest	\$ 757	\$ 924	\$ 1,213	\$ 1,581	\$ 2,099	\$ 2,857	\$ 4,496	\$ 6,830	\$ 1,937	\$ 874
Gain (loss) in change of fair value of investments	167	(911)	11,947	7,425	(432)	(707)	432	1,613	2	(146)
Miscellaneous	1,519	1,556	979	1,054	1,747	3,658	1,041	861	864	1,112
Gain (loss) on sale of capital assets	-	3	236	201	46	44	(1)	-	-	-
Transfers	561	366	246	141	60	(48)	171	(382)	(400)	-
Total business-type activities	3,004	1,938	14,621	10,402	3,520	5,804	6,139	8,922	2,403	1,840
Total primary government	\$ 166,425	\$ 173,664	\$ 201,503	\$ 213,138	\$ 219,440	\$ 248,681	\$ 263,122	\$ 275,024	\$ 253,803	\$ 301,133
Change in Net Position										
Governmental activities	\$ (4,103)	\$ 9,352	\$ 31,687	\$ 36,829	\$ 42,233	\$ 75,602	\$ 83,568	\$ 71,777	\$ 56,865	\$ 179,128
Business-type activities	22,855	29,456	45,108	46,135	37,300	50,779	54,233	72,583	53,631	61,295
Total primary government	\$ 18,752	\$ 38,808	\$ 76,795	\$ 82,964	\$ 79,533	\$ 126,381	\$ 137,801	\$ 144,360	\$ 110,496	\$ 240,423

^(A) All amounts are reported on the accrual basis.

Table 3

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Taxes	General Property Taxes	General Sales Taxes	Utility Taxes	Business and Occupation Taxes	LFR Local Option Sales and Use Tax	Excise Taxes	Other Taxes and Assessments^(A)	Memo Only Hotel/Motel Tax^(B)
2012	\$ 153,562	\$ 37,539	\$ 48,596	\$ 25,813	\$ 27,492	\$ -	\$ 13,646	\$ 476	\$ 7,469
2013	160,796	38,302	52,757	28,103	28,783	315	12,090	446	9,176
2014	174,558	38,379	58,717	26,790	34,856	561	14,665	590	8,975
2015	190,154	40,222	65,551	27,219	36,551	622	19,515	474	10,191
2016	201,190	41,303	69,184	27,169	38,380	502	22,815	1,837	11,214
2017	225,124	55,908	72,481	29,386	43,530	500	21,350	1,969	11,780
2018	235,868	57,754	77,751	29,036	47,811	500	20,951	2,065	12,645
2019	243,520	59,210	83,281	27,092	43,012	500	28,310	2,115	12,531
2020	231,468	61,172	73,650	26,398	41,515	500	27,969	264	3,139
2021	283,754	62,581	99,943	28,140	52,796	500	39,377	417	4,543

^(A) Includes miscellaneous tax revenue and special assessments

^(B) Source: Bellevue Convention Center Authority. Hotel/Motel tax receipts are reported in BCCA Financial Statements and included here as a memo item. City of Bellevue collects the tax on behalf of the BCCA. A portion of the receipts are passed directly through to the BCCA and a portion of funds are used towards BCCA bond repayment.

Table 4
Page 1 of 4

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable for:										
Prepays	\$ 406	\$ 408	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165
Total nonspendable fund balance	406	408	391	732	491	522	2	488	644	1,165
Assigned for:										
General government	1,454	701	980	1,333	1,640	1,086	1,050	1,125	1,045	4,708
Public safety	-	-	-	-	-	57	60	-	-	25
Transportation	-	-	-	-	-	716	3,591	863	847	3,751
Economic environment	-	-	-	-	-	-	16,056	23,368	31,669	43,996
Health & human services	-	-	-	98	58	-	-	772	975	1,496
Culture & recreation	-	873	705	912	1,132	914	1,253	2,126	1,603	2,291
Debt services	-	-	-	-	-	-	-	-	-	-
Total assigned fund balance	1,454	1,574	1,685	2,343	2,830	2,773	22,010	28,254	36,139	56,267
Restricted for:										
General government	114	-	-	-	-	-	3	-	-	8
Public safety	-	-	-	-	245	341	287	647	561	638
Debt Service	-	-	-	-	-	-	-	-	-	-
Health & human services	-	-	-	-	38	225	2,472	13	-	-
Total restricted fund balance	114	-	-	-	283	566	2,762	660	561	646
Unassigned	20,873	23,051	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018
Total unassigned fund balance	20,873	23,051	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018
Fund Balance - General fund	\$ 22,847	\$ 25,033	\$ 28,054	\$ 34,384	\$ 40,511	\$ 48,597	\$ 68,967	\$ 77,186	\$ 80,001	\$ 109,096

Table 4
Page 2 of 4

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Governmental Funds										
Assigned for:										
General government	\$ 7,718	\$ 1,255	\$ 1,275	\$ 3,043	\$ 492	\$ 10,648	\$ 30,119	\$ 36,486	\$ 50,752	\$ 68,299
Public safety	10,429	8,383	6,719	5,272	3,900	1,981	537	-	-	297
Physical environment	835	1,100	960	1,299	1,420	1,306	1,386	407	421	36
Transportation	864	-	-	-	6,204	-	-	2,973	2,210	830
Economic environment	1,687	4,367	6,160	-	-	1,627	-	1,256	-	-
Health & human services	3,308	3,725	4,130	5,093	398	1,698	3,651	-	1,802	632
Culture & recreation	580	966	-	-	466	707	-	1,148	1,206	1,698
Debt services	2,177	-	-	-	-	1,012	1,049	559	141	805
Total assigned fund balance	27,598	19,796	19,244	14,707	12,880	18,979	36,742	42,829	56,532	72,597
Committed for:										
General government	-	-	-	-	-	189	2,201	-	-	-
Physical Environment	-	-	-	-	-	-	-	2,065	2,409	2,578
Transportation	-	-	-	-	-	2,078	-	-	-	-
Health and human services	-	-	-	-	-	-	-	2,687	7,535	7,188
Culture and recreation	-	-	-	-	-	-	-	-	34	34
Total committed fund balance	-	-	-	-	-	2,267	2,201	4,752	9,978	9,800
Restricted for:										
General government	681	50,095	16,006	51,842	38,975	19,018	571	-	-	7,222
Public safety	702	1,300	1,581	1,005	825	6,323	12,780	18,855	23,286	27,831
Physical environment	823	109	538	94	394	595	1,413	13	-	530
Transportation	-	1,159	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008
Economic environment	6,401	4,082	755	8,708	12,386	12,210	281	241	618	579
Health & human services	3,102	3,203	3,202	3,090	8,387	5,083	5,372	10	492	11,617
Culture & recreation	13,971	10,697	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363
Debt services	10	1,879	2,479	1,459	1,867	110	103	642	4,897	4,247
Total restricted fund balance	25,690	72,524	42,279	91,987	93,114	85,515	77,199	71,023	82,697	139,397
Fund Balance - Other Governmental Funds	\$ 53,288	\$ 92,320	\$ 61,523	\$ 106,694	\$ 105,994	\$ 106,761	\$ 116,142	\$ 118,604	\$ 149,207	\$ 221,794

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Funds										
Nonspendable for:										
Prepays	\$ 406	\$ 408	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165
Total nonspendable fund balance	406	408	391	732	491	522	2	488	644	1,165
Assigned for:										
General government	9,172	1,956	2,255	4,377	2,132	11,734	31,169	37,611	51,797	73,007
Public safety	10,429	8,383	6,719	5,272	3,900	2,038	597	-	-	322
Physical environment	835	1,100	960	1,299	1,420	2,022	4,977	1,270	421	36
Transportation	864	-	-	-	6,204	-	16,056	26,341	3,057	4,581
Economic environment	1,687	4,367	6,160	98	58	1,627	-	2,028	31,669	43,996
Health & human services	3,308	4,598	4,835	6,005	1,530	2,612	4,904	2,126	2,777	2,128
Culture & recreation	580	966	-	-	466	707	-	1,148	2,809	3,989
Debt services	2,177	-	-	-	-	1,012	1,049	559	141	805
Total assigned fund balance	29,052	21,370	20,929	17,051	15,710	21,752	58,752	71,083	92,671	128,864
Committed for:										
General government	-	-	-	-	-	189	2,201	-	-	-
Physical Environment	-	-	-	-	-	-	-	2,065	2,409	2,578
Transportation	-	-	-	-	-	2,078	-	-	-	-
Health and human services	-	-	-	-	-	-	-	2,687	7,535	7,188
Culture and recreation	-	-	-	-	-	-	-	-	34	34
Total committed fund balance	-	-	-	-	-	2,267	2,201	4,752	9,978	9,800

Table 4
Page 4 of 4

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Restricted for:										
General government	\$ 795	\$ 50,095	\$ 16,006	\$ 51,842	\$ 38,975	\$ 19,019	\$ 574	\$ -	\$ -	\$ 7,230
Public safety	702	1,300	1,581	1,005	1,070	6,664	13,067	19,502	23,847	28,469
Physical environment	823	109	538	94	394	595	1,413	13	-	530
Transportation	-	1,159	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008
Economic environment	6,401	4,082	755	8,708	12,386	12,210	281	241	618	579
Health & human services	3,102	3,203	3,202	3,090	8,425	5,308	7,844	23	492	11,617
Culture & recreation	13,971	10,697	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363
Debt services	10	1,879	2,479	1,459	1,867	110	103	642	4,897	4,247
Total restricted fund balance	25,804	72,524	42,279	91,987	93,397	86,082	79,961	71,683	83,258	140,043
Unassigned	20,873	23,051	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018
Total unassigned fund balance	20,873	23,051	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018
Fund balance - governmental funds	\$ 76,135	\$ 117,353	\$ 89,577	\$ 141,080	\$ 146,505	\$ 155,358	\$ 185,109	\$ 195,790	\$ 229,208	\$ 330,890

^(A) All amounts are reported on the modified accrual basis

Table 5
Page 1 of 2

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and special assessments	\$163,104	\$169,498	\$184,381	\$200,358	\$211,295	\$236,956	\$244,132	\$259,732	\$234,659	\$288,294
Licenses and permits	5,478	4,718	9,246	9,308	11,516	9,969	10,948	14,536	16,416	21,875
Intergovernmental	29,912	26,462	31,196	33,826	44,920	48,611	34,847	42,423	80,458	64,807
Service charges and fees	28,708	33,263	37,392	44,799	31,400	29,393	38,492	38,614	47,737	54,297
Fines and forfeitures	1,865	1,168	1,073	2,176	2,880	2,014	2,261	2,156	1,198	1,480
Interest and penalties	455	715	755	1,076	1,303	1,701	2,894	4,453	1,951	1,158
Net change in fair value of investments	(146)	(639)	354	(133)	(244)	(390)	287	944	2	(131)
Rent	4,820	4,829	5,249	6,624	6,419	4,896	5,184	7,100	5,664	7,623
Judgements and settlements	-	-	-	-	8	-	11	3,631	8	4
Premiums and contributions	434	2,691	3,332	4,081	1,721	4,189	2,378	4,366	1,435	8,287
Other	306	876	843	709	1,435	954	1,321	1,107	2,663	1,195
Total revenues	234,936	243,581	273,821	302,824	312,653	338,293	342,755	379,062	392,191	448,889
Expenditures										
General government	25,023	27,231	32,376	31,432	30,167	28,273	30,325	38,280	74,881	31,497
Public safety	83,044	86,634	87,717	91,040	90,928	95,476	102,063	105,768	108,067	113,615
Physical environment	1,544	2,666	2,191	2,382	1,330	1,391	1,207	1,462	1,299	1,464
Transportation	32,258	31,461	34,678	40,235	29,432	34,332	35,961	51,649	40,544	42,693
Economic environment	18,882	21,065	23,283	34,643	35,645	36,836	39,417	44,415	44,133	49,749
Health and human services	8,328	7,609	7,864	8,596	6,786	7,442	6,586	6,898	6,393	7,454
Culture and recreation	35,446	37,927	37,762	40,466	38,524	36,558	37,896	40,373	37,373	38,635
Capital outlay	14,552	44,971	60,613	83,794	51,010	66,346	40,426	60,954	79,695	50,493
Debt service										
Principal	4,208	20,612	6,387	6,050	7,192	9,542	9,875	10,333	10,793	10,798
Interest and fiscal charges	7,150	8,987	9,532	9,250	15,485	12,804	12,136	11,680	11,563	11,297
Total expenditures	230,435	289,163	302,403	347,888	306,499	329,000	315,892	371,812	414,741	357,695

Table 5
Page 2 of 2

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Transfers in	\$ 19,481	\$ 37,243	\$ 21,022	\$ 22,433	\$ 27,193	\$ 26,861	\$ 30,770	\$ 35,977	\$ 29,940	\$ 34,545
Transfers out	(16,901)	(35,965)	(20,241)	(22,897)	(27,920)	(28,032)	(31,669)	(36,975)	(29,674)	(33,217)
Proceeds from long-term debt	-	-	-	91	-	-	908	6,133	65,255	50,196
Refunding bonds issued	(107,854)	70,405	-	97,935	-	-	-	-	-	(47,083)
Payment to refunded bond escrow agent	107,854	-	-	(13,072)	-	-	-	-	(13,185)	-
Sale of capital assets	-	-	26	118	-	731	2,879	39	42	6,047
Premium on issuance of long-term debt	-	11,930	-	11,958	-	-	-	-	2,368	-
Total other financing sources (uses)	2,580	83,613	807	96,566	(727)	(440)	2,888	5,174	54,746	10,488
Net change in fund balance	\$7,081	\$38,031	(\$27,775)	\$51,503	\$5,427	\$8,853	\$29,751	\$12,424	\$32,196	\$101,682
Debt service as a percentage of noncapital expenditures	5.26%	12.12%	6.58%	5.79%	8.88%	8.51%	7.99%	7.12%	6.66%	7.19%

^(A) All amounts are reported on the modified accrual basis

Table 6

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE^(A)

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Taxes	General Property Taxes	General Sales Taxes	Utility Taxes	Business and Occupation Taxes	LRF Local Option Sales and Use Tax	Other Taxes and Assessments ^(B)	Memo Only Hotel/Motel Tax ^(C)
2012	155,634	37,821	48,596	26,476	28,690	-	14,051	7,469
2013	160,322	37,939	52,757	28,103	28,673	315	12,535	9,176
2014	175,404	38,440	58,717	26,790	35,880	561	15,016	8,975
2015	190,166	40,187	65,551	27,219	37,025	622	19,562	10,191
2016	200,081	41,256	69,183	27,169	38,987	502	22,984	11,214
2017	225,200	55,974	72,481	29,386	43,530	500	23,329	11,780
2018	231,488	57,667	77,751	29,060	43,506	500	23,002	12,645
2019	247,201	59,231	83,281	27,118	46,662	500	30,409	12,531
2020	231,520	60,924	73,650	26,421	41,817	500	28,209	3,139
2021	283,749	62,417	99,942	28,172	52,955	500	39,763	4,543

^(A) All amounts are reported on the modified accrual basis^(B) Includes miscellaneous tax revenues and special assessments.^(C) Hotel/Motel receipts are reported in BCCA Financial Statements and included here as a memo item. City of Bellevue collects the tax on behalf of the BCCA. A portion of the receipts are passed directly through to the BCCA and a portion of funds are used towards BCCA bond repayment.

Table 7

TAXABLE SALES BY CATEGORY^(A)Last Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^(B)
Contracting	\$537,336	\$695,970	\$981,629	\$1,363,843	\$1,439,618	\$1,579,775	\$1,538,415	\$1,735,586	\$1,821,117	\$1,708,140
Manufacturing	62,910	66,172	74,024	76,751	82,192	94,236	126,221	128,936	94,989	72,218
Transportation, communications, and utilities	237,651	261,264	281,680	322,087	313,202	345,163	413,748	417,965	418,568	306,824
Finance, insurance, and real estate	141,318	148,445	145,878	187,217	261,724	202,781	192,955	206,034	198,650	168,302
Wholesale trade	317,937	336,048	345,609	393,174	340,796	357,548	479,677	437,027	386,034	323,898
Retail - building materials	103,783	114,651	122,930	132,481	134,739	133,530	128,599	149,580	147,959	130,867
Retail - general merchandise	201,437	217,414	216,008	202,926	176,441	188,332	203,095	203,158	183,652	135,374
Retail - food	91,170	96,819	98,556	100,303	95,884	99,667	104,032	101,696	97,088	76,802
Retail - automotive	865,344	937,893	1,002,045	1,059,875	1,147,166	1,252,278	1,446,424	1,362,354	1,245,120	1,157,969
Retail - apparel	486,211	496,795	482,848	502,078	507,741	511,368	531,937	541,700	314,074	346,052
Retail - furniture and accessories	380,545	312,593	336,678	349,400	392,609	409,314	442,617	455,356	432,135	373,010
Retail - restaurants	410,862	427,739	449,249	481,320	515,601	552,794	607,142	649,253	354,194	354,990
Retail - miscellaneous	447,389	463,937	497,860	530,147	561,930	584,338	641,498	701,579	687,068	592,153
Services - hotels	186,571	199,665	218,118	247,476	270,072	286,425	306,679	305,583	77,378	71,159
Services - business	339,930	395,436	479,356	480,886	611,070	682,897	744,410	883,585	880,489	757,090
Services - other	262,115	267,384	270,096	282,981	301,751	308,410	327,476	339,633	221,783	175,897
All other categories	1,414	1,170	1,162	1,084	1,220	988	1,327	1,366	654	1,035
Total sales	<u>\$5,073,923</u>	<u>\$5,439,394</u>	<u>\$6,003,725</u>	<u>\$6,714,030</u>	<u>\$7,153,756</u>	<u>\$7,589,845</u>	<u>\$8,236,252</u>	<u>\$8,620,390</u>	<u>\$7,560,952</u>	<u>\$6,751,780</u>

^(A) The city is prohibited by law from reporting individual taxpayers.^(B) 4th Quarter 2021 data not available at the time of printing.

Source: Washington State Department of Revenue Quarterly Business Review reports

Table 8
Page 1 of 2

SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Local Rate:										
City of Bellevue	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%
Optional tax - City of Bellevue ^(A)	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
King County	0.075%	0.075%	0.075%	0.075%	0.075%	0.075%	0.075%	0.075%	0.650%	0.065%
Transit - King County (METRO)	0.900%	0.900%	0.900%	0.900%	0.900%	0.900%	0.900%	0.900%	0.900%	0.900%
King County Mental Health	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%
Criminal Justice tax (0.10% total) ^(B)										
City of Bellevue (estimate based on population)	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%
King County (estimate based on population)	0.094%	0.094%	0.094%	0.094%	0.094%	0.094%	0.094%	0.094%	0.094%	0.094%
Sound Transit (RTA) ^(C)	0.900%	0.900%	0.900%	0.900%	0.900%	1.400%	1.400%	1.400%	1.400%	1.400%
Total Local Rate	3.000%	3.000%	3.000%	3.000%	3.000%	3.500%	3.500%	3.500%	3.500%	3.600%
City of Bellevue portion of Local Rate:										
Regular rate	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%
Optional rate	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Criminal justice (estimate)	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%
Total City of Bellevue portion of Local Rate	0.931%	0.931%	0.931%	0.931%	0.931%	0.931%	0.931%	0.931%	0.931%	0.931%
King County portion of Local Rate	2.069%	2.069%	2.069%	2.069%	2.069%	2.569%	2.569%	2.569%	3.144%	2.559%
State of Washington	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Total Sales Tax Rate	9.500%	9.500%	9.500%	9.500%	9.500%	10.000%	10.000%	10.000%	10.000%	10.100%

SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

- (A) Under Bellevue City Code 4.12.025 and RCW 82.14.030, the city may, at the discretion of the City Council, impose an additional sales tax up to 0.5 percent. The city collects the maximum amount allowed of this tax.
- (B) Criminal Justice tax is 0.01 percent of the gross sale. Ten percent of this is paid directly to King County, and the remaining 90 percent is shared between cities within the county. King County retains the portion for unincorporated areas within the county. In 2021, the city's estimated population was 152,600 and the County's population was 2,287,050. Bellevue represented 6.67 percent of the total population of King County and as such would receive 0.006 percent of this tax
- (C) Effective April 1, 2017, the regional transit authority (RTA) portion of the combined retail sales tax rate in King, Pierce, and Snohomish Counties in Washington increased five-tenths of one percent (0.5%) for a total RTA rate of one and four-tenths of one percent (1.4%). This tax increase was approved by voters with the passage of Proposition 1 which will expand and coordinate light-rail, commute-rail, and express bus service, and improve access to transit facilities in King, Pierce, and Snohomish Counties.

Sources:

- 1) King County/Bellevue Population Data - Washington State Office of Financial Management
- 2) Tax rates - Washington State Department of Revenue and Bellevue City Code

Table 9

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(in thousands, except tax rate)

Fiscal Year	Assessed and Estimated Actual Value ^(A)					Grand Total	Total Direct Tax Rate
	Real Property	Personal Property	State Public Service Property	Exemptions	Omits ^(B)		
2012	\$29,171,374	\$ 1,193,494	\$ 659,024	\$ 113,809	\$ -	\$30,910,083	1.20
2013	30,866,059	1,324,322	609,300	122,721	-	32,676,960	1.18
2014	34,292,361	1,275,456	579,835	116,663	-	36,030,989	1.07
2015	39,536,877	1,165,860	734,283	110,666	5,452	41,320,902	0.98
2016	42,830,040	1,095,002	621,096	111,493	-	44,434,645	0.94
2017	47,695,767	1,219,490	583,806	128,759	-	49,370,305	1.14
2018	54,621,525	1,241,081	624,729	138,047	-	56,349,288	1.03
2019	63,060,612	1,264,406	661,148	140,984	-	64,845,181	0.92
2020	66,388,028	1,310,043	620,331	214,840	-	68,318,403	0.90
2021	69,172,311	1,348,251	678,201	227,048	-	71,293,126	0.89

^(A) Real, personal, and state public service property have been assessed at 100% of the estimated value.

^(B) Value of originally omitted taxes owed, found within three years, and placed on the tax roll for the particular tax year.

NOTE: These figures represent Bellevue's total assessed valuations as of December 31 for the last ten years. Included in these figures are all final tax adjustments, omits, and senior citizen exempted property. Breakout of residential/commercial real property and motor vehicle/other personal property valuations are not available

Source: King County Assessor

Table 10

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
PER ONE THOUSAND DOLLARS OF ASSESSED VALUATION
 Last Ten Fiscal Years

Fiscal Year	City of Bellevue	School District	King County	Washington State	Port of Seattle	Other	Total
2012	\$ 1.20	\$ 3.00	\$ 1.42	\$ 2.42	\$ 0.23	\$ 0.98	\$ 9.24
2013	1.18	3.25	1.54	2.57	0.23	1.01	9.77
2014	1.07	3.19	1.52	2.47	0.22	1.05	9.52
2015	0.98	3.13	1.35	2.29	0.19	0.93	8.87
2016	0.94	3.14	1.48	2.17	0.17	0.88	8.78
2017	1.14	2.93	1.38	2.03	0.15	1.09	8.72
2018	1.03	2.80	1.33	2.92	0.14	0.97	9.19
2019	0.92	2.43	1.22	2.63	0.12	0.90	8.22
2020	0.90	2.50	1.24	3.03	0.12	0.92	8.71
2021	0.89	2.60	1.25	1.09	0.12	0.91	6.85

Note: These figures represent property tax levies and rates for Bellevue District 1 (levy code 330), which is considered to be an average Bellevue taxing district. Some areas within the city may have a different tax rate depending on the boundaries of other taxing jurisdictions.

Source: King County Assessor

Table 11

PRINCIPAL PROPERTY TAXPAYERS

Current year and ten years ago

			2021					2012	
			Assessed Valuation (in millions)	Percentage of Total Assessed Valuation ^(A)				Assessed Valuation (in millions)	Percentage of Total Assessed Valuation ^(A)
Rank	Taxpayer	Type of Business				Rank			
1	Kemper Development (Bellevue Square)	Land Management	\$ 846	1.19%	3	\$ 322		1.04%	
2	Essex Property Trust (formerly Essex Portfolio LP)	Property management	651	0.91%	9	112		0.36%	
3	Kilroy Realty (formerly Three Bellevue Center LLC)	Property management	560	0.79%	8	149		0.48%	
4	LS2 Office LLC	Real Estate Investment	507	0.71%	(B)	-		-	
5	Preylock Bellevue LLC (formerly Newport Corp. Center)	Real Estate Investment	389	0.55%	(B)	-		-	
6	FSP-City Center Plaza LLC	Property management	387	0.54%	7	205		0.66%	
7	Bravern Office Owner LLC	Property management	364	0.51%	(B)	-		-	
8	KRE Summit 12 LLC	Property management	361	0.51%	(B)	-		-	
9	AAT CC Bellevue	Property management	323	0.45%	(B)	-		-	
10	Bellevue 108 Avenue Owner L	Property management	316	0.44%	(B)	-		-	
(B)	The Boeing Company	Aerospace	(B)	-	1	381		1.23%	
(B)	W2007 (formerly Archon Group LP)	Property management	(B)	-	2	377		-	
(B)	Puget Sound Energy-Elec/Gas	Utility Services	(B)	-	4	269		0.87%	
(B)	Bellevue Place	Property management	(B)	-	5	237		0.77%	
(B)	T-Mobile	Telecommunications	(B)	-	6	212		0.69%	
(B)	Sterling Realty Org	Property management	(B)	-	10	112		0.36%	
			\$ 4,704	6.60%				\$ 2,376	7.69%

(A) Total 2021 assessed valuation, in millions, is \$71,293. Total 2012 assessed valuation, in millions, was \$30,910.

(B) Taxpayer was not a principal taxpayer in this period.

Source: King County Assessor

Table 12

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Tax Levy ^(A)	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount ^(B)	Percentage
2012	\$ 36,921	\$ 36,530	98.9%	\$ 393	\$ 36,923	100.0%
2013	38,339	37,888	98.8%	458	38,346	100.0%
2014	38,591	38,183	98.9%	409	38,592	100.0%
2015	39,832	39,393	98.9%	446	39,838	100.0%
2016	41,425	40,958	98.9%	468	41,426	100.0%
2017	56,024	55,647	99.3%	400	56,044	100.0%
2018	57,885	57,400	99.2%	490	57,870	100.0%
2019	59,424	58,934	99.2%	447	59,294	99.9%
2020	61,112	60,437	98.9%	541	60,978	98.9%
2021	62,585	61,908	98.9%	-	61,908	98.9%

^(A) This amount is updated annually to include omits and levy changes in subsequent years.

^(B) Total collections are updated annually to include amounts collected in subsequent years.

Source: Data is derived from the Annual Tax Receivable Summary prepared by King County Department of Executive Services, Finance and Business Operations Division

Table 13

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	Governmental Activities						Business-Type Activities			Total primary government	Percentage of personal income ^(B)	Per capita
	General obligation bonds	Special assessment s	Conditional purchase contracts	PWTF loans	Line of credit		General obligation bonds	Revenue bonds	PWTF loans			
2012	\$ 151,598	\$ 55	\$ -	\$ 558	\$ 15,047		\$ 2,481	\$ -	\$ 66	\$ 169,805	2.14%	\$ 1,363
2013	227,496	10	-	518	-		2,168	-	29	230,221	2.78%	1,743
2014	220,204	-	-	478	-		1,760	-	-	222,442	2.19%	1,655
2015	310,670	-	-	438	-		1,363	-	-	312,471	3.19%	2,089
2016	301,894	-	-	398	-		965	-	-	303,257	2.82%	2,175
2017	290,768	-	-	358	-		477	-	-	291,603	2.49%	2,175
2018	280,299	-	-	319	-		-	-	-	280,618	2.18%	1,971
2019	274,989	-	-	279	-		-	-	-	275,268	1.99%	1,894
2020	315,942	-	-	239	-		-	-	-	316,181	2.29%	2,135
2021	309,145	-	-	199	-		-	-	-	309,344	N/A ^(A)	2,089

^(A) Personal Income data not available at time of printing.^(B) See Table 18: Demographic Statistics for personal income and population data.

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

Table 14

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	GO Bonds	Less Debt Service Funds	Net Bonded Debt	Percentage of estimated actual taxable value of property^(A)	Net Bonded Debt per Capita^(B)
2012	\$ 151,598	\$ 2,462	\$ 149,136	0.48%	\$ 1,197
2013	227,496	2,138	225,358	0.69%	1,706
2014	220,204	3,018	217,186	0.60%	1,616
2015	312,034	1,839	310,195	0.68%	2,073
2016	302,860	1,575	301,285	0.68%	2,161
2017	291,245	288	290,957	0.59%	2,068
2018	280,299	103	280,196	0.50%	1,968
2019	274,989	642	274,347	0.42%	1,888
2020	315,942	4,897	311,045	0.46%	2,100
2021	309,145	4,247	304,898	0.45%	2,059

^(A) See Table 9: Assessed and Estimated Actual Value of Taxable Property for property value statistics^(B) See Table 18: Demographic Statistics for population statistics

Table 15

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of December 31, 2021
(in thousands)

Jurisdiction	Net Outstanding Debt	Percentage Applicable to Bellevue ^(A)	Amount Applicable to Bellevue
City of Bellevue	\$ 309,344	100.00%	\$ 309,344
King County(1)	962,255	10.63%	102,288
School District #405	781,150	80.71%	630,466
School District #411	700,520	11.75%	82,311
School District #414	571,025	0.95%	5,425
School District #403	294,275	2.83%	8,328
Port of Seattle	281,355	10.69%	30,077
Hospital # 2	273,940	0.05%	137
KC Rural Library District	44,335	17.43%	7,728
Fire District #10	2,380	6.81%	162
Total other jurisdictions	3,911,235	22.16%	866,921
Total Direct and Overlapping Debt	\$ 4,220,579	27.87%	\$ 1,176,265

^(A) Determined by ratio of 2021 assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Note: Total general obligation bonds outstanding on December 31, 2021 exclusive of refunded bonds.

Source: King County Department of Finance

Table 16

Page 1 of 2

LEGAL DEBT MARGIN INFORMATIONLast Ten Fiscal Years
(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$2,323,305	\$2,450,772	\$2,450,772	\$3,099,068	\$3,332,598	\$3,702,773	\$4,226,197	\$4,863,389	\$5,123,880	\$5,346,984
Total net debt applicable to limit	190,186	187,585	217,512	292,461	312,743	299,875	287,670	281,143	315,591	304,882
Legal debt margin	<u>\$2,133,119</u>	<u>\$2,263,187</u>	<u>\$2,233,260</u>	<u>\$2,806,607</u>	<u>\$3,019,855</u>	<u>\$3,402,898</u>	<u>\$3,938,527</u>	<u>\$4,582,246</u>	<u>\$4,808,289</u>	<u>\$5,042,102</u>
Total net debt applicable to the limit as a percentage of debt limit	8.19%	7.65%	8.88%	9.44%	9.38%	8.10%	6.81%	5.78%	6.16%	5.70%

Table 16

Page 2 of 2

LEGAL DEBT MARGIN INFORMATION

December 31, 2021

(in thousands)

Description	Councilmanic Debt (Non-Voted)	Voted Debt	General Purpose Indebtedness ^(A)	Excess Levy Open Space and Park	Excess Levy Utility Purposes	Total Debt Capacity
Assessed Value ^(B)	\$ 71,293,126	\$ 71,293,126	\$ 71,293,126	\$ 71,293,126	\$ 71,293,126	\$ 71,293,126
Statutory debt limit percentages:	1.50%	1.00%	2.50%	2.50%	2.50%	7.50%
Statutory Debt limit	\$ 1,069,397	\$ 712,931	\$ 1,782,328	\$ 1,782,328	\$ 1,782,328	\$ 5,346,984
Debt applicable to limit						
Bonds outstanding	\$ 309,145	\$ -	\$ 309,145	\$ -	\$ -	\$ 309,145
Less:						
Cash on hand for debt redemption ^(C)	4,263	-	4,263	-	-	4,263
Total Net Debt applicable to limit	304,882	-	304,882	-	-	304,882
Remaining Debt Capacity	\$ 764,515	\$ 712,931	\$ 1,477,446	\$ 1,782,328	\$ 1,782,328	\$ 5,042,102

^(A) The principal portion of the Bellevue Convention Center Authority's (BCCA) capital lease is included in the city's debt calculation because the BCCA qualifies as a component unit under Section 2100 of the GASB Codification.

^(B) This figure represents the city's final assessed valuation for 2021, which will be used to determine the 2022 property tax levy.

^(C) Includes year-end balances available in the I&D Redemption Fund designated for future redemption of the associated bonds less bond interest payments.

Source: King County Assessor

Table 17

PLEDGED REVENUE COVERAGELast Ten Fiscal Years
(in thousands)

Fiscal Year	Revenue Bonds								Special Assessment Bonds					
	Gross Revenue ^(A)	Expenses ^(B)	Net revenue available for debt service	Debt Service Requirements				Special Assessment Collections	Debt Service					
				Principal	Interest	Total	Coverage ^(C)		Principal	Interest	Total	Coverage		
2012	\$ 7,469	\$ -	\$ 7,469	\$ 1,585	\$ 8,040	\$ 9,625	0.78	\$ 412	\$ 45	\$ 8	\$ 53	7.77		
2013	9,176	-	9,176	1,150	3,920	5,070	1.81	445	45	6	51	8.73		
2014	8,975	-	8,975	1,197	4,483	5,680	1.58	351	-	3	3	117.00		
2015	10,191	-	10,191	1,005	4,020	5,025	2.03	47	-	-	-	N/A		
2016	11,214	-	11,214	1,246	5,354	6,600	1.70	-	-	-	-	N/A		
2017	11,780	-	11,780	1,227	5,817	7,044	1.67	-	-	-	-	N/A		
2018	12,645	-	12,645	1,204	6,321	7,525	1.68	-	-	-	-	N/A		
2019	12,531	-	12,531	1,180	6,795	7,975	1.57	-	-	-	-	N/A		
2020	3,139	-	3,139	539	2,901	3,440	1.32	-	-	-	-	N/A		
2021	4,543	-	4,543	-	-	-	-	-	-	-	-	N/A		

^(A) Gross revenues as defined in applicable bond indentures for the Water and Sewer Utility Funds^(B) Total expenses excluding depreciation, amortization, bond interest, and utility taxes^(C) Average annual requirements over the remaining life of current outstanding revenue bond issues.

Note: Revenue bond information for fiscal years 2012 – 2021 represent amounts for the discretely presented component unit, Bellevue Convention Center Authority. There are no expenses for 2021 as the entire revenues collected are pledged to BCCA. Hotel/motel tax revenues from the Hotel/Motel Tax Fund are included as Gross Revenues. In addition, we excluded revenues generated by BCCA, as they are not pledged to debt coverage, and included hotel/motel tax revenues from the Hotel/Motel Tax Fund.

Table 18

DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income	Personal Income	Median Age	Number of Households	Public School Enrollment	Number of Jobs ^(A)	Unemployment Rate	CPI-U%
2012	124,600	\$ 66,043	\$ 8,228,958	38	51,493	18,351	138,904	5.6%	2.5%
2013	132,100	66,692	8,810,013	38	54,422	18,515	136,084	4.3%	1.2%
2014	134,400	72,696	9,770,342	39	55,644	19,097	148,788	4.1%	1.8%
2015	135,000	76,226	10,290,510	37	55,922	19,613	150,579	4.0%	1.4%
2016	139,400	79,323	11,057,626	39	58,058	19,974	146,115	3.6%	2.1%
2017	140,700	83,383	11,731,988	37	58,293	20,262	147,647	3.4%	3.0%
2018	142,400	90,438	12,878,371	37	58,939	20,272	150,148	3.2%	3.2%
2019	145,300	94,974	13,799,722	37	59,566	21,776	160,020	2.5%	2.5%
2020	148,100	96,647	14,313,421	(B)	60,957	19,545	155,031	5.9%	1.7%
2021	151,854	(B)	(B)	(B)	61,430	19,651	(B)	(B)	7.6%

(A) The methodology used in estimating jobs data was revised in December 2017; however, the data presented in this table remains as previously reported.

(B) Data not available at time of publication

Sources:

- 1) Population and number of households provided by Washington State's Office of Financial Management.
- 2) Per Capita Personal Income data was provided by US Bureau of Economic Analysis (table CAINC1). Estimates are for King County, in which Bellevue is located. Bellevue data was not available.
 - a. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2021 reflect county population estimates available as of March 2022. Metropolitan Areas are defined (geographically delineated) by the Office of Management and Budget bulletin no. 20-01 issued March 6, 2020. Note—All dollar estimates are in thousands of current dollars (not adjusted for inflation). Calculations are performed on unrounded data.
- 3) Personal Income was calculated from Per Capita Personal Income and Population estimates and is presented in thousands.
- 4) Median Age was provided by the U.S. Census Bureau's annual American Community Surveys and the 2010 Census.
- 5) Public School Enrollment was provided by the Bellevue School District.
- 6) Number of Total Jobs provided by the Puget Sound Regional Council. Revised September 2021. Revised estimates for certain previous years were not available at time of publication.
- 7) Unemployment Rate was provided by the Bureau of Labor Statistics. Please note previous years may reflect revised inputs, re-estimation, and/or adjustment to new state control totals.
- 8) CPI-U was provided by the Bureau of Labor Statistics and is for Seattle-Tacoma-Bremerton Metropolitan Statistical Area, which includes Island, King, Kitsap, Pierce, Snohomish and Thurston counties.

Table 19

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	Type of Business	2021			2012		
		Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)	Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)
Microsoft Corporation	Technology	1	9,300	5.94%	1	6,300	4.48%
Amazon	Online Retail	2	7,500	4.79%	(C)	-	0%
T-Mobile USA	Telecommunications	3	6,400	4.09%	2	3,500	2.49%
Overlake Hospital Medical Center	Medical Hospital	4	3,300	2.11%	5	2,600	1.85%
Bellevue School District	Education K-12	5	2,600	1.66%	4	2,800	1.99%
Meta/Facebook	Online Social Network	6	2,300	1.47%	(C)	-	0%
City of Bellevue	Government	7	1,500	0.96%	8	1,570	1.12%
Sales Force	Business Services	8	1,300	0.83%	(C)	-	0%
Concur	Online Travel	9	1,200	0.77%	(C)	-	0%
Bellevue College	Higher Education	10	1,100	0.70%	7	2,300	1.64%
Boeing	Aviation	(C)	-	0.00%	3	3,200	2.28%
Expedia Inc.	Online Travel	(C)	-	0.00%	6	2,300	1.64%
Safeway	Grocery/Bakery	(C)	-	0.00%	9	1,100	0.78%
Puget Sound Energy	Utility Services	(C)	-	0.00%	10	1,000	0.71%
			36,500	23.30%		26,670	18.98%

(A) Number of employees provided by the City of Bellevue Community Development Department. Note, estimates are rounded to the nearest 100.

(B) Percentages of total employment were based on a projection of total employment. Actual estimates of total employment citywide will not be released until June of the following year. The Puget Sound Regional Council's estimate of total employment in 2012 year was used to calculate the percentage of total employment represented by major employers nine years ago.

(C) Employer was not a principal employer in this period.

Note: Total estimated numbers of employees at the end of 2021 was 156,668. Total estimated numbers of employees at the end of 2012 was 140,500.

Source: City of Bellevue Community Development Department

Table 20

FULL- TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
General government	337	351	352	382	386	389	405	415	423	444
Public Safety										
Police										
Officers	178	180	180	180	186	184	184	185	186	186
Civilians	35	35	35	41	41	41	41	46	47	47
Fire										
Firefighters and officers	216	216	220	214	216	216	213	227	228	211
Civilians	29	27	25	28	28	28	28	24	31	50
Transportation	112	116	117	122	129	140	142	143	144	148
Culture and recreation	162	162	162	165	165	166	165	168	168	168
Water	66	66	66	69	69	71	71	71	71	71
Sewer	47	49	49	51	52	52	53	52	52	52
Storm Drainage	49	48	48	47	48	50	50	50	50	50
Total	1,231	1,250	1,252	1,299	1,321	1,338	1,355	1,381	1,400	1,427

Source: City of Bellevue Budget Office

Table 21

Page 1 of 3

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Public safety/judicial:										
Police:										
Offenses:										
Rape	26	20	25	25	15	24	25	28	21	13
Robbery	67	48	65	64	63	59	87	77	70	88
Homicide	2	1	2	2	-	-	-	1	6	3
Assault ^(A)	517	491	438	489	479	519	609	562	614	587
Auto theft	169	249	314	221	323	331	386	351	305	448
Burglary	685	688	631	732	636	570	524	403	540	601
Larceny	2,649	3,013	3,662	3,484	3,615	3,568	3,602	3,565	3,742	4,290
Citations:										
Traffic	15,809	18,089	16,447	11,428	13,021	11,872	8,239	9,611	9,075	18,372
Criminal ^(B)	2,695	2,052	1,752	1,587	1,827	2,302	2,618	2,055	2,304	2,061
Judicial system:										
Handled by district court	18,504	20,141	18,199	13,015	14,848	14,174	10,857	11,666	11,379	20,433
Fire:										
First response:										
Buildings	117	135	170	162	198	192	178	172	153	145
Non-Buildings	197	224	228	340	251	325	288	223	193	303
Service	293	436	519	598	840	1,252	1,706	1,845	2,179	3,340
False alarm	1,320	1,429	1,584	1,507	1,548	1,702	1,536	1,756	1,562	1,652
Other	832	928	995	1,006	981	1,033	1,004	1,095	997	1,248
Medic 1 Responses:										
First aid	13,851	13,796	14,244	14,606	14,951	15,319	15,307	15,618	13,847	15,962
Runs per week	266	265	274	281	288	295	294	300	266	307

Table 21
Page 2 of 3

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Transportation:										
Area of roadway repaired (sq. ft)	48,929	34,518	50,406	39,073	29,192	30,407	20,951	18,239	12,481	4,629
Miles of streets swept	3,601	2,892	5,182	5,696	4,856	3,373	4,812	6,627	5,326	2,471
Area of sidewalk repaired (sq. ft)	9,283	14,664	16,070	23,643	22,235	1,550	4,596	8,174	43	3,340
Physical/economic environment:										
Building permits issued	12,380	14,239	14,263	14,470	15,185	14,999	15,084	16,134	13,732	15,523
Estimated value (in millions)	377	560	715	950	793	718	942	712	1,161	1,656
Culture and recreation:										
Number of rounds of golf played	62,143	71,335	66,182	81,039	77,270	71,105	77,682	75,920	71,729	85,917
Water utility:										
Water consumption (CCF in thousands)	6,652	6,623	6,776	7,068	6,854	6,829	6,759	6,427	6,327	6,658
Number of customers:										
Residential	34,797	34,879	35,004	35,086	35,150	34,301	34,352	34,380	34,421	34,466
Multi-residential	662	661	663	680	666	660	688	691	698	699
Commercial	2,091	2,071	2,076	2,070	2,064	2,062	2,048	2,053	1,767	1,773
Total number of customers	37,471	37,611	37,743	37,836	37,880	37,023	37,088	37,124	36,886	36,938
Water consumption peak in a day (millions of gallons)	29	29	31	32	33	29	31	26	26	31
Water consumption peak in a month (millions of gallons)	761	792	792	881	912	783	808	803	840	780

Table 21

Page 3 of 3

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Sewer utility: ^(C)										
Sewer consumption (CCF in thousands)	5,400	5,382	5,386	5,634	5,418	5,389	5,725	5,918	5,690	5,759
Number of customers:										
Residential	34,696	34,723	34,780	34,833	34,775	32,580	32,557	32,540	32,530	32,522
Multi-residential	654	653	654	656	657	650	676	689	695	696
Commercial	1,734	1,713	1,705	1,700	1,682	1,667	1,663	1,670	1,645	1,651
Total number of customers	37,084	37,089	37,139	37,189	37,114	34,897	34,896	34,899	34,870	34,869
Storm and surface water utility: ^(C)										
Number of customers:										
Residential	30,309	30,392	30,497	30,529	30,579	30,612	30,623	30,650	30,678	30,714
Multi-residential	546	544	545	547	549	549	557	559	564	566
Commercial	1,960	1,951	1,931	1,929	1,923	1,901	1,899	1,903	1,887	1,883
Total number of customers	32,815	32,887	32,973	33,005	33,051	33,062	33,079	33,112	33,129	33,163

^(A) Includes aggravated assaults, simple assaults, and sexual assaults (not including rapes)^(B) Includes declined citations.^(C) 2017 totals declined due to South Cove area being annexed by Issaquah

Note: No operating indicators are available for general government and marina.

Sources: City of Bellevue Departments - Development Services, Fire, Parks and Community Services, Police, Transportation, and Utilities

Table 22
Page 1 of 2

CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Public Safety:										
Police										
Traffic/patrol units	73	73	70	68	67	67	72	79	79	80
Fire										
Fire stations	9	9	9	9	9	9	9	9	9	9
Fire apparatus	22	20	20	20	20	20	20	20	20	20
Fire aid units	15	15	15	15	15	14	14	14	14	14
Transportation:										
Paved streets (miles)	412	414	414	416	416	416	416	416	416	416
Sidewalks (miles)	337	341	346	352	358	366	359	359	363	367
Traffic signals	186	187	193	198	200	202	202	203	211	217
City of Bellevue streetlights	3,106	3,113	3,170	3,192	3,237	3,306	3,312	3,321	3,383	3,419
Puget Sound Energy streetlights	5,610	5,639	5,656	5,835	5,899	5,914	5,951	5,962	5,975	5,995
Culture and Recreation/Marina:										
Parks acreage	2,721	2,721	2,727	2,732	2,732	2,732	2,700	2,704	2,710	2,713
Parks	77	77	77	77	77	77	78	78	78	78
Maintained trails (miles)	92	92	93	93	93	98	98	98	98	98
Play areas	46	46	46	46	46	46	47	47	47	47
Tennis courts/centers	38	38	38	38	38	38	38	38	38	38
Sports fields	34	34	34	35	35	35	30	30	30	30
Sports courts	27	27	27	27	27	27	26	26	26	26
Swimming beaches/pools	7	7	7	7	7	7	7	7	8	8
Visitor/interpretive centers	4	4	4	4	4	4	4	4	4	7
Community centers/recreation facilities	5	5	5	5	5	5	7	7	7	7
Golf courses	2	2	2	2	2	2	2	2	2	2
Marinas/boat launches ^(A)	2	2	2	2	2	2	2	2	2	9

Table 22
Page 2 of 2**CAPITAL ASSETS BY FUNCTION**
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Water Utility:										
Water mains (miles)	617	619	619	619	620	611	605	605	608	608
Vehicles	34	35	36	40	45	44	45	46	47	54
Sewer Utility:										
Sanitary sewers (miles)	525	526	526	525	525	516	516	516	516	517
Vehicles	27	28	29	36	40	37	35	41	39	45
Storm and surface water Utility:										
Vehicles	25	26	27	29	30	29	31	31	30	44

Note: No capital asset indicators are available for the general government, judicial, economic environment or physical environment functions.

^(A) 2021 count includes seven beaches and docks.

Sources: City of Bellevue Departments - Finance and Asset Management, Parks and Community Services, Transportation, and Utilities