



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

For the fiscal year ended December 31, 2022

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Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2022

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2022
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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, 2021

Christopher P. Morill

Executive Director/CEO



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

July 28, 2023

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, 2022, 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

In 2022, City of Bellevue continued its ongoing response to the coronavirus disease of 2019 (COVID-19) pandemic. However, the main economic concerns pivoted to record levels of inflation and shifts in the labor market. During the

2023-24 biennium, city expenditures will be driven by urban growth and inflation as key revenues are expected to grow in tandem.

During 2022 and into early 2023, the construction sector was a notable contributor of tax revenues. At the end of 2022, about 13.5 million square feet of major projects were under construction within the city (Source: City of Bellevue Development Services Department).

The City of Bellevue's population has grown to 153,900, a 1.3 percent increase over 2021 (Source: Washington State Office of Financial Management). The city currently projects a population of 160,400 by 2035, an increase of 4.1 percent from current levels.

The city's economy is comprised of 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 Amazon, Microsoft, T-Mobile, Meta, and Salesforce.

The City of Bellevue's unemployment levels continued to improve from peak levels in April 2020. The unemployment rate for the city was 2.4 percent in December 2022, down 1.2 percent from the prior year. In addition, by late 2022, Bellevue's unemployment rate was comparable to pre-pandemic levels (Source: US Bureau of Labor Statistics).

Employment within Downtown Bellevue is expected to increase at a rapid pace in the coming years with an additional 13,400 jobs by 2035. Employment within the BelRed business district is expected to gain about 14,000 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 Enterprise 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

A proposed project for the 2023-24 budget cycle is a \$7.4 million investment in the Environmental Stewardship Initiative (ESI). ESI is a sustainability program that oversees a range of actions designed to help the city achieve its environmental goals. The initiative continues to build upon past sustainability efforts by adding staff, resources, electric vehicle charging infrastructure, and energy efficiency projects at city facilities.

As a "city in a park", Bellevue has committed \$28.4 million for parks facilities. A large consideration in the development of the budget was utilizing an equity framework. The Parks and Open Space System Plan was updated with an equity lens to reflect \$10.0 million expansion of parks facilities in the Eastgate and Factoria neighborhoods, which have been historically underserved.

The \$99.6 million Transportation Infrastructure Finance and Innovation (TIFIA) loan, adopted in 2017, was refinanced in December 2021. The interest rate was decreased by 1.0 percent, saving the city more than \$20.0 million.

Nine TIFIA projects have already been completed including:

- Northeast 4th Street from 116th Avenue Northeast to 120th Avenue Northeast
- 120th Avenue Northeast from Northeast 4th Street to Northeast 7th Street (Stage 1)
- 120th Avenue Northeast from Northeast 4th Street to Northeast 7th Street (Stage 2)
- 214th Avenue Northwest from Northeast Spring Boulevard to Ichigo Way (Northeast 18th Street)
- 120th Avenue Northeast from Northeast 12th Street to Northeast 16th Street (Stage 3)
- Northeast Spring Boulevard from 116th Avenue Northeast to 120th Avenue Northeast (Zones 1A/1B)
- Northeast Spring Boulevard from 120th Avenue Northeast to 124th Avenue Northeast (Zone 2)
- Northeast Spring Boulevard from 130th Avenue Northeast to 132nd Avenue Northeast
- East Link Property Acquisition of the Pine Forest Property at Northeast Spring Boulevard

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 2021-22 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 Housing Fund, and the Operating Grants, Donations, and Special Reserves 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 Enterprise Fund
- 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 2022. 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, 2021. The city has earned this prestigious award for 42 out of 45 Annual Report submissions. This was the 39th 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 2022 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 2021-22 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,



John Resha
Finance and Asset Management Director

City Officials and Administrative Staff
As of December 31, 2022

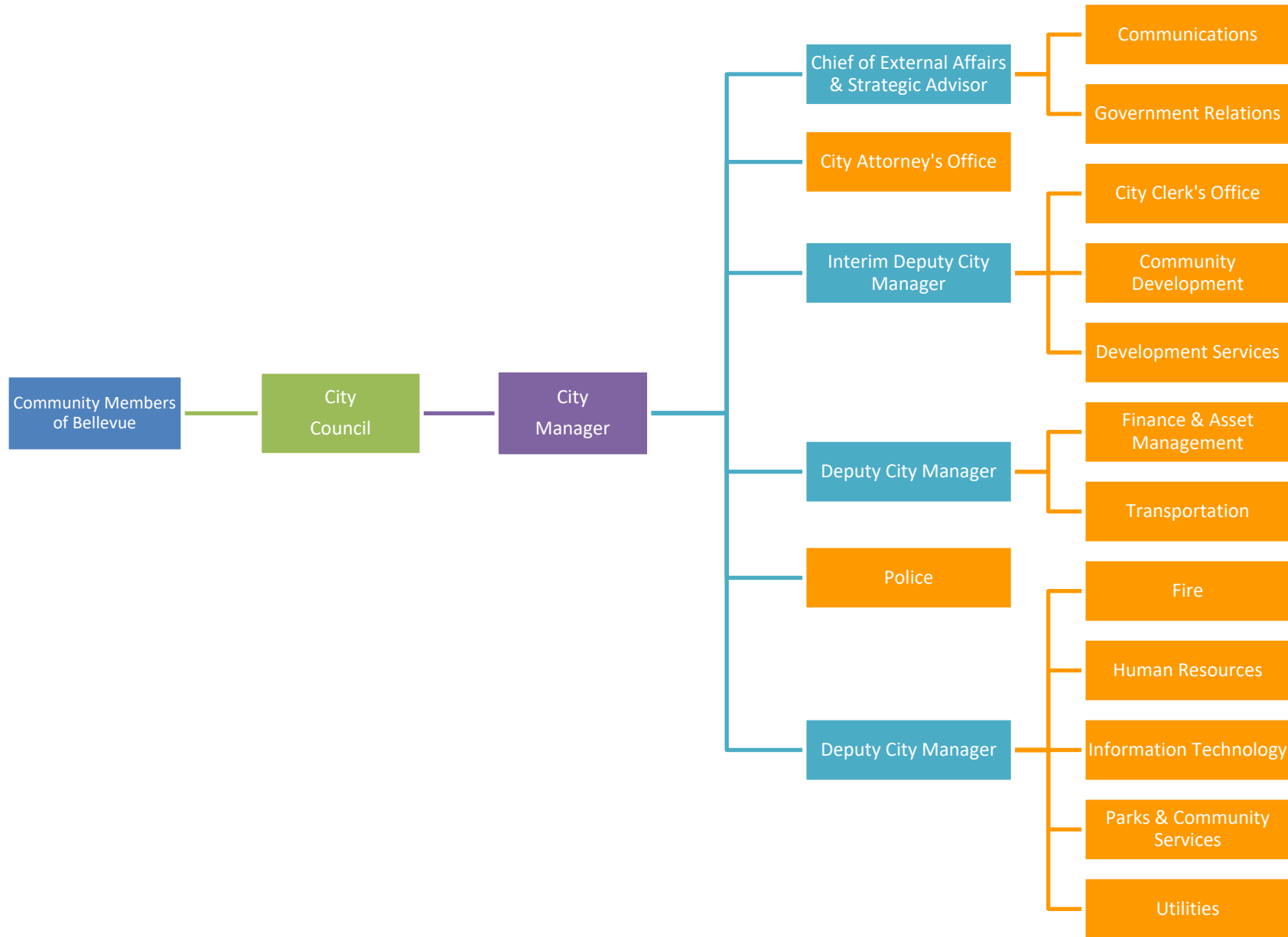
ELECTED CITY COUNCIL

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

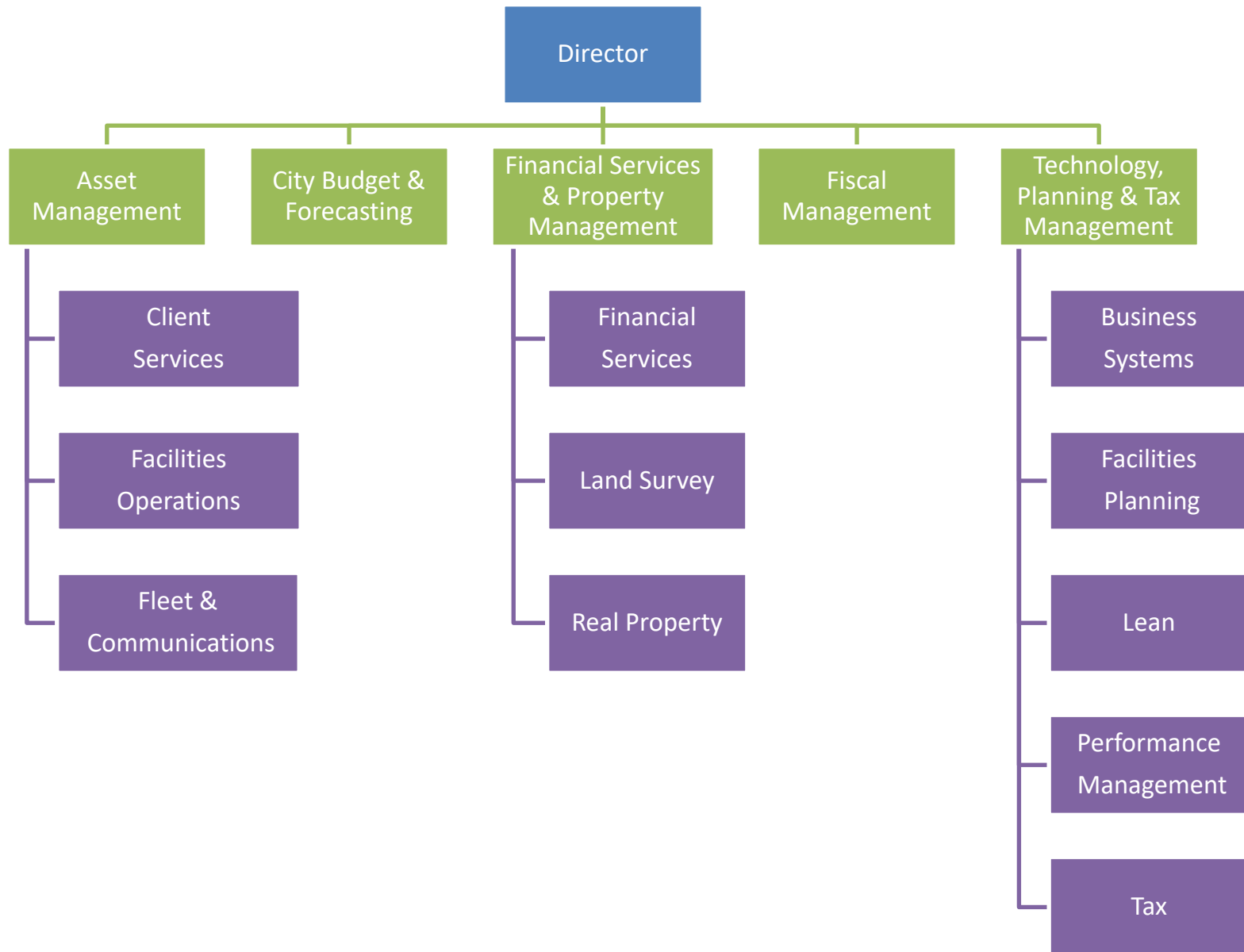
APPOINTED ADMINISTRATIVE STAFF

City Manager	Brad Miyake
Deputy City Managers	Mike Brennan Diane Carlson Nathan McCommon
Chief of External Affairs.....	Genesee Adkins
City Attorney	Kathy Gerla
City Clerk's Office Director (interim)	Charmaine Arredondo
Community Development Director	Michael Kattermann
Development Services Co-Directors (interim)	Gregg Schrader Liz Stead
Finance & Asset Management Director (interim)	Laurie Leland
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	Wendell Shirley
Transportation Director.....	Andrew Singelakis
Utilities Director	Nav Otal

City Hierarchical Organization Chart



Finance and Asset Management (FAM) Department Organization Chart



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Financial Section



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

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

Mayor and City Council
City of 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Bellevue, as of December 31, 2022, 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 85 percent, and 89 percent, respectively, of the assets and net position, 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.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, 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

July 28, 2023

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Management's Discussion and Analysis (MD&A)

This narrative provides an overview and analysis of the City of Bellevue's financial activities for the fiscal year ended December 31, 2022. 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.

Financial Highlights

- The city's total net position increased \$203.7 million, or 6.9 percent, from 2021.
- The city's total revenues increased 5.8 percent from prior year while expenses decreased 17.5 percent.
- Tax revenues increased \$16.5 million and assessed property values increased 8.3 percent since 2021.

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 and 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 differences between these categories are 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. These funds 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: pension trust funds, 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 nonmajor 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, 2022 and December 31, 2021 is summarized in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
	(in thousands)					
Current and other assets	\$ 597,152	\$ 570,484	\$ 423,604	\$ 397,560	\$ 1,020,756	\$ 968,044
Capital assets, net	2,100,471	2,053,463	492,671	467,328	2,593,142	2,520,791
Total assets	2,697,623	2,623,947	916,275	864,888	3,613,898	3,488,835
Deferred outflows	48,956	25,302	4,030	1,136	52,986	26,438
Total deferred outflows	48,956	25,302	4,030	1,136	52,986	26,438
Total assets and deferred outflows	\$ 2,746,579	\$ 2,649,249	\$ 920,305	\$ 866,024	\$ 3,666,884	\$ 3,515,273
Long-term liabilities	\$ 378,184	\$ 378,185	\$ 1,309	\$ 1,381	\$ 379,493	\$ 379,566
Other liabilities	64,520	45,093	8,571	7,877	73,091	52,970
Total liabilities	442,704	423,278	9,880	9,258	452,584	432,536
Deferred inflows	53,652	118,344	4,261	11,719	57,913	130,063
Total deferred inflows	53,652	118,344	4,261	11,719	57,913	130,063
Total liabilities & deferred inflows	\$ 496,356	\$ 541,622	\$ 14,141	\$ 20,977	\$ 510,497	\$ 562,599
Net investment in capital assets	\$ 1,859,753	\$ 1,809,539	\$ 487,560	\$ 462,545	\$ 2,347,313	\$ 2,272,084
Restricted	244,539	203,861	4,377	2,520	248,916	206,381
Unrestricted	145,931	94,227	414,227	379,982	560,158	474,209
Total net position	\$ 2,250,223	\$ 2,107,627	\$ 906,164	\$ 845,047	\$ 3,156,387	\$ 2,952,674

Governmental Activities

Governmental activities net position increased \$142.6 million, or 6.8 percent, in 2022. The restricted net position consists of \$126.5 million for capital projects, \$78.0 million for net pension asset, \$22.8 million for health and human services, and the remaining \$17.3 million covers a variety of municipal purposes.

Factors contributing to the changes in net position include:

- Capital assets increased due to major construction development and investments in infrastructure throughout the City of Bellevue. Detailed explanation of some of these projects can be found below in the Capital Asset activity section of the MD&A.
- The city refunded Limited Tax General Obligation bonds. More information can be found below in the Debt activity section of the MD&A.
- The city participates in the Department of Retirement Services (DRS) pension funds, which impact the city's Statement of Net Position. The impact for 2022 included an increase in net pension assets, an increase in net pension liability, and increases in the offsetting deferred inflows and deferred outflows of resources. In 2022, DRS reported a liability for PERS 1 and assets PERS 2/3, PSERS 2, LEOFF 1, and LEOFF 2. More information on these plans can be found in Note 7: Pension Plans.
- In 2022, the city implemented GASB Statement No. 87 "Leases", which introduced new long-term receivables, lease liabilities, and related deferred inflows of funds.

Business-Type Activities

Business-type activities net position increased by \$61.1 million, or 7.2 percent, in 2022. Contributing factors of the increase in net position were:

- Total cash increased \$32.5 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 due to investments in infrastructure. Detailed explanation of some of these projects can be found below in the Capital Asset activity section of the MD&A.
- The city participates in the Department of Retirement Services (DRS) pension funds, which impact the city's Statement of Net Position. The impact for 2022 included an increase in net pension assets and increases in the offsetting deferred inflows and deferred outflows of resources. More information on these plans can be found in Note 7: Pension Plans.

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	
	2022	2021	2022	2021	2022	2021
Revenues:	(in thousands)					
Program revenues:						
Charges for services	\$ 103,667	\$ 97,788	\$ 178,776	\$ 173,811	\$ 282,443	\$ 271,599
Operating grants & contributions	34,467	30,117	1	74	34,468	30,191
Capital grants & contributions	23,028	18,998	7,537	9,799	30,565	28,797
General revenues:						
Property taxes	64,392	62,581	-	-	64,392	62,581
Sales taxes	110,590	100,443	-	-	110,590	100,443
Other taxes	129,841	125,273	-	-	129,841	125,273
Investment interest	5,883	1,230	5,253	874	11,136	2,104
Miscellaneous	4,690	9,766	548	966	5,238	10,732
Total revenues	476,558	446,196	192,115	185,524	668,673	631,720
Expenses:						
General government	47,661	11,811	-	-	47,661	11,811
Public safety	113,870	98,731	-	-	113,870	98,731
Physical environment	1,578	1,455	-	-	1,578	1,455
Transportation	43,085	46,400	-	-	43,085	46,400
Economic environment	61,241	46,043	-	-	61,241	46,043
Health and human services	9,695	7,455	-	-	9,695	7,455
Culture and recreation	43,639	44,730	-	-	43,639	44,730
Unallocated interest on long-term debt	7,915	10,443	-	-	7,915	10,443
Water utility	-	-	56,462	55,899	56,462	55,899
Sewer utility	-	-	58,261	53,511	58,261	53,511
Storm & surface water utility	-	-	15,894	14,466	15,894	14,466
Marina	-	-	398	353	398	353
Total expenses	328,684	267,068	131,015	124,229	459,699	391,297
Excess (deficiency) before transfers	147,874	179,128	61,100	61,295	208,974	240,423
Transfers	131	-	(131)	-	-	-
Change in net position	147,874	179,128	61,100	61,295	208,974	240,423
Net position - beginning	2,107,627	1,928,499	845,047	783,752	2,952,674	2,712,251
Change in accounting principle	1,279	-	17	-	1,296	-
Prior period adjustment	(6,557)	-	-	-	(6,557)	-
Net position - ending	\$ 2,250,223	\$ 2,107,627	\$ 906,164	\$ 845,047	\$ 3,156,387	\$ 2,952,674

Governmental Activities

Net position of governmental activities increased \$142.6 million.

Total revenues increased \$30.2 million, contributing to the net position increase for governmental activities. The highlights of which are:

Charges for services increased \$5.9 million. Activity contributing to the change include:

- Parks programs were open to the public for the full year 2022, resulting in increased participation in recreation activities for additional revenue of \$2.5 million.
- Transportation impact fees decreased from the prior year \$4.9 million due to less development activity in impact fee eligible areas.
- Franchise Fees decreased due to a large one-time collection in 2021.
- An increase in building reviews performed by the Development Services Department was offset by a decrease in building inspections, which resulted in a \$6.7 million decline in revenue.

Operating grants and contributions increased \$4.4 million. Activity contributing to the change include:

- The American Rescue Plan Act revenue increased by \$4.1 million supporting eviction/rent relief and workforce development.
- The city received large one-time contributions regarding specific future projects for Community Development, including the East Side Bridge Loan Program.

Capital grants and contributions increased \$4.0 million. Activity contributing to the change include:

- Developer contributions related to culture and recreation programs were \$3.1 million lower in 2022. In 2021, there were two large one-time contributions, totaling \$3.7 million.
- A \$2.5 million capital contribution was received to be utilized in the development of the Grand Connection.
- The city received two parcels of property valued at \$6.5 million to support the continuing construction of the East Link Light Rail system.

General revenues increased \$16.5 million. Activity contributing to the change include:

- Total tax collections increased in 2022 by \$16.5 million. Business and occupation taxes account for much of the increase of \$14.5 million resulting from an increase in audit assessments. Lodging-related taxes increased \$5.3 million due to an increase in tourism during the year. The retail environment continued to recover post-pandemic resulting in \$10.1 million additional retail sales and use tax for 2022. These increases were offset by a \$17.3 million reduction in real estate excise taxes (REET) received during the year.
- The interest rate on cash and investments was more favorable in 2022 related to the federal reserve rate hikes during the year. Investments in bonds, local government investment pool (LGIP), and other securities benefited from the higher rates.

Total expenses increased \$61.6 million. Activity contributing to the change include:

- Changes in pension activity for 2022 resulted in a large increase of expenses for the city. Details can be found in Note 7, Pension Plans.
- The city incurred new expenses in response to the implementation of GASB Statement No. 87 "Leases".
- The city provides cost of living increases to staff salaries based on the consumer price index for all urban consumers (CPI-U.) The increase in the CPI-U for the region resulted in a surge of expenses for personnel, as well as contracts.
- Affordable housing related expenses in 2022 increased due to \$6.8 million in draws on loans to fund an apartment project.
- The city added staff in public safety in both police and fire departments.

Business-Type Activities

Business-type activities net position increased by \$61.1 million for utilities and marina activities in 2022.

The revenues for business-type activities increased \$6.7 million and expenses increased \$6.8 million. The highlights of this activity are:

- Charges for services increased \$4.9 million due to rate increases of utilities. These increases were offset by reduced collections from developer activities.
- Capital grants and contributions decreased \$2.3 million due to exhaustion of grants and lower collections for capital development activities.

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 \$123.8 million is an increase of \$14.7 million from the fund balance of 2021. Revenues increased \$18.5 million, and expenditures increased \$17.1 million. The main contributions to these changes were:

- Total tax revenue collections were \$194.2 million, \$16.5 million more than 2021.
- An increase in building reviews performed by the Development Services Department offset by a decrease in building inspections.
- Personnel costs increased due to the rise in CPI-U.

The Operating Grants, Donations, and Special Reserves Fund has an ending fund balance of \$17.2 million, a \$1.2 million increase from 2021. Revenues increased \$2.0 million while expenditures increased \$2.6 million. The main contributions to these changes were:

- The city received a large one-time donation in 2021 for affordable housing.
- American Rescue Plan Act funds that were received in 2021 were provided to the community in 2022 through ARPA supported programs.

The Interest and Debt (I&D) Redemption Regular Levy Fund ending fund balance of \$5.6 million is an increase of \$1.4 million from the fund balance of 2021. Revenues increased \$0.1 million while expenditures of the fund increased \$87.1 million from 2021. The reasons for these changes in 2022 are:

- Issuance of refunding debt for \$72.7 million.
- The city refunded existing limited tax general obligation debt, incurring expenses, totaling \$85.7 million.

The General Capital Investment Program Fund has an ending fund balance of \$215.6 million, a \$42.5 million increase from 2021. Revenues decreased \$30.4 million while expenditures decreased \$7.8 million. The reasons for these changes in 2022 are:

- In 2021, the Transportation Department had many construction grants and was in the middle of spending. These funds have tapered off as the grants were closed out in 2022.
- Impact fee collections were lower in 2022.
- Purchases of land for the future Fire Station 10 were completed in 2021, increasing expenditures in the prior year. The construction for the station began in 2022 and the city will incur additional costs in 2023. Related costs in 2022 were lower due to the transitional phase of this project.
- The overlay plan for the Transportation Department was delayed in 2022 and only residential roads were improved in 2022.

Business-Type Funds

The Storm and Surface Water Utility Fund has an ending net position of \$250.9 million, a \$16.7 million increase from 2021. The reasons for these changes in 2022 are:

- Charges for services increased \$0.6 million due to a rate increase offset by reduced fees from development activity.
- Capital grants and contributions decreased \$0.4 million due to the exhaustion of grants that were active in 2021.

The Water Utility Fund has an ending net position of \$348.4 million, a \$22.6 million increase from 2021. The reasons for these changes in 2022 are:

- Charges for services decreased \$0.9 million due to reduced collections from development activities which were offset by a rate increase.
- Capital grants and contributions decreased \$0.9 million due to lower collections from capital development activities.

The Sewer Utility Fund has an ending net position of \$296.3 million, a \$21.4 million increase from 2021. The reasons for these changes in 2022 are:

- Charges for services increased \$5.2 million due to a rate increase and increased wastewater volumes.
- Capital grants and contributions decreased \$0.9 million due to lower collections from capital development activities.

Capital Asset Activity

The City of Bellevue's investment in capital assets for the end of 2022 was \$2.6 billion, net of depreciation, which was an increase of \$72.4 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	Total
	2022	2021	2022	2021	2022	2021
	(in thousands)					
Land	\$ 911,349	\$ 902,020	\$ 25,138	\$ 25,039	\$ 936,487	\$ 927,059
Buildings	120,344	125,137	6,314	8,174	126,658	133,311
Improvements other than buildings	61,402	59,802	-	-	61,402	59,802
Machinery and equipment	21,404	23,226	3,480	4,601	24,884	27,827
Leasehold improvements	826	1,239	-	-	826	1,239
Infrastructure	873,478	873,439	415,052	399,722	1,288,530	1,273,161
Intangible assets	1,131	(961)	36	40	1,167	(921)
Construction in progress	98,630	69,561	42,651	29,752	141,281	99,313
Lease asset	11,907	-	-	-	11,907	-
Total	<u>\$ 2,100,471</u>	<u>\$ 2,053,463</u>	<u>\$ 492,671</u>	<u>\$ 467,328</u>	<u>\$ 2,593,142</u>	<u>\$ 2,520,791</u>

Governmental Activities

Capital assets from governmental activities increased \$47.0 million. Some of the changes for 2022 include:

- Land acquisitions of two properties for future park sites, totaling \$2.1 million.
- Land acquisition for the continuing development of the East Link extension of the light rail, totaling \$6.5 million.
- Completion of the Newport Hills Woodland Park, including an open lawn, trails, off-leash dog play area, a picnic shelter, a restroom building, play structures, a storm drain retention structure, and a parking lot, totaling \$4.2 million.
- Competition of multiple traffic control systems around the city, totaling \$6.1 million.
- Replacement of the bathhouse roof at Enatai Beach Park, totaling \$1.5 million.
- Installation of playground equipment at Northtowne Park and Spiritridge Park, totaling \$0.4 million.
- Recording of lease assets with the adoption of GASB Statement No. 87, "Leases" totaling \$18.6 million.
- Charges to accumulated depreciation totaling \$17.2 million and accumulated amortization for leases totaling \$6.7 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 \$25.3 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 changes are:

- Construction of the multiple asbestos cement replacement phases, totaling \$7 million.
- Completion of Enatai water inlet station improvement project, totaling \$2.1 million
- Replacement of Pikes Park Reservoir, totaling \$4.2 million.
- Charges to accumulated depreciation totaling \$13.7 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 \$293.4 million in debt outstanding. All debt outstanding is for governmental activities. The proceeds of debt were used to fund capital projects and refunding of debt.

	Governmental Activities	
	2022	2021
	(in thousands)	
General obligation bonds	\$ 293,273	\$ 309,145
Other long-term debt	159	199
Total	<u>\$ 293,432</u>	<u>\$ 309,344</u>

Governmental Activities

Over the past five years, the city issued general obligation (GO) debt of \$204.8 million, which included \$72.7 million for refunding debt and \$10.1 million draws on the TIFIA loan in 2022. Of the bonded debt outstanding at December 31, 2022, \$15.0 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 2022 was \$77.2 billion and the total amount of additional debt the city may issue is \$5.5 billion. This debt capacity is categorized as follows, in millions:

General debt	\$ 1,642
Open space/Parks facilities	1,930
Utilities	1,930
Total	<u>\$ 5,502</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 2022 are:

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

In 2022, 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

In 2022, the city's adopted General Fund revenues totaled \$248.2 million and expended \$221.7 million. The most notable impact on the original adopted budget was record levels of inflation, with CPI-U rising faster than originally projected. This not only resulted in higher personnel and contract costs but higher collections of taxes during the year.

Additional changes between the adopted budget and spending in 2022 involved transfer of funds out of the General Fund to other city funds to create reserves to mitigate future spending and projects.

The city saw an increase in economic growth with the aid of the American Rescue Plan Act and in response to COVID-19 restrictions being removed by both Federal and State legislation. The General Fund is projected to continue growth at 7.7 percent in 2023 and 3.5 percent in 2024 as new businesses continue to come to Bellevue.

Request for Information

The city's financial statements are designed to present users, including 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.

Basic Financial Statements

Statement of Net Position
As of December 31, 2022
(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	\$ 318,738	\$ 389,486	\$ 708,224	\$ 10,003
Receivables (net of allowances):				
Taxes	43,798	-	43,798	-
Accounts	11,411	28,174	39,585	182
Due from other governments	3,311	-	3,311	-
Leases receivable	716	32	748	-
Other	3	-	3	524
Internal balances	13	(13)	-	-
Inventory	724	1,046	1,770	72
Prepays	1,371	-	1,371	251
Restricted cash & equity in pooled investments:				
For debt service	5,615	-	5,615	-
For customer deposits	-	222	222	-
For capital projects	126,453	26	126,479	320
Noncurrent assets:				
Net pension asset	74,820	4,373	79,193	-
Leases receivable	6,578	163	6,741	-
Noncurrent receivables	3,601	95	3,696	-
Capital assets:				
Land	911,349	25,138	936,487	-
Depreciable capital assets (net)	205,107	9,830	214,937	28,306
Depreciable infrastructure (net)	55,221	415,052	470,273	-
Nondepreciable infrastructure	818,257	-	818,257	-
Works of art	-	-	-	156
Lease assets (net)	11,907	-	11,907	-
Construction in progress	98,630	42,651	141,281	1,936
Total assets	2,697,623	916,275	3,613,898	41,750
Deferred outflows of resources:				
Loss on debt refunding	1,924	-	1,924	-
Pensions	46,121	4,030	50,151	-
Asset retirement obligation	911	-	911	-
Total deferred outflows	48,956	4,030	52,986	-
Total assets and deferred outflows	\$ 2,746,579	\$ 920,305	\$ 3,666,884	\$ 41,750

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

Statement of Net Position
As of December 31, 2022
(in thousands)

Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Liabilities:				
Accounts payable	\$ 13,107	\$ 7,377	\$ 20,484	\$ 118
Retainage payable	-	-	-	12
Accrued payroll	8,517	918	9,435	224
Other accrued liabilities	12,392	28	12,420	165
Deposits payable	8,975	-	8,975	859
Unearned revenue	15,670	-	15,670	-
Other current liabilities	8	-	8	-
Accrued bond interest payable	718	-	718	-
Liabilities payable from restricted assets:				
Customer deposits	325	222	547	-
Accounts payable	4,695	-	4,695	-
Retainage payable	113	26	139	-
Noncurrent liabilities:				
Due within one year	25,806	393	26,199	17
Due in more than one year	352,378	916	353,294	201
Total liabilities	442,704	9,880	452,584	1,596
Deferred inflows of resources:				
Debt	3,835	-	3,835	-
Pensions	43,792	4,085	47,877	-
Leases	6,025	176	6,201	-
Total deferred inflows	53,652	4,261	57,913	-
Total liabilities and deferred inflows	\$ 496,356	\$ 14,141	\$ 510,497	\$ 1,596
Net position:				
Net investment in capital assets	\$ 1,859,753	\$ 487,560	\$ 2,347,313	\$ 30,399
Restricted for:				
Debt service	6,414	-	6,414	-
Capital projects	126,453	-	126,453	-
General government	498	-	498	-
Public safety	2,136	-	2,136	-
Physical environment	492	-	492	-
Transportation	10	-	10	-
Economic environment	1,229	-	1,229	-
Health and human services	22,765	-	22,765	-
Culture and recreation	6,536	-	6,536	-
Net pension asset	78,006	4,377	82,383	-
Unrestricted	145,931	414,227	560,158	9,755
Total net position	\$ 2,250,223	\$ 906,164	\$ 3,156,387	\$ 40,154

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

Statement of Activities
For the Year Ended December 31, 2022
(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	\$ 47,661	\$ 17,063	\$ 222	\$ 6,601
Public safety	113,870	26,930	7,819	290
Physical environment	1,578	746	730	-
Transportation	43,085	22,451	2,009	11,678
Economic environment	61,241	24,839	15,902	97
Health and human services	9,695	29	7,333	182
Culture and recreation	43,639	11,609	452	4,180
Interest on long-term debt	7,915	-	-	-
Total governmental activities	<u>328,684</u>	<u>103,667</u>	<u>34,467</u>	<u>23,028</u>
Business-type activities:				
Water utility	56,462	74,135	-	3,277
Sewer utility	58,261	74,712	-	2,077
Storm and surface water utility	15,894	29,177	1	2,183
Marina	398	752	-	-
Total business-type activities	<u>131,015</u>	<u>178,776</u>	<u>1</u>	<u>7,537</u>
Total primary government	<u>\$ 459,699</u>	<u>\$ 282,443</u>	<u>\$ 34,468</u>	<u>\$ 30,565</u>
Component unit:				
Bellevue Convention Center Authority	\$ 11,861	\$ 12,937	\$ -	\$ -
Total component unit	<u>\$ 11,861</u>	<u>\$ 12,937</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, 2022
(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	\$ (23,775)	\$ -	\$ (23,775)	\$ -
Public safety	(78,831)	-	(78,831)	-
Physical environment	(102)	-	(102)	-
Transportation	(6,947)	-	(6,947)	-
Economic environment	(20,403)	-	(20,403)	-
Health and human services	(2,151)	-	(2,151)	-
Culture and recreation	(27,398)	-	(27,398)	-
Interest on long-term debt	(7,915)	-	(7,915)	-
Total governmental activities	(167,522)	-	(167,522)	-
Business-type activities:				
Water utility	-	20,950	20,950	-
Sewer utility	-	18,528	18,528	-
Storm and surface water utility	-	15,467	15,467	-
Marina	-	354	354	-
Total business-type activities	-	55,299	55,299	-
Total primary government	(167,522)	55,299	(112,223)	-
Component unit:				
Bellevue Convention Center Authority	-	-	-	1,076
Total component unit	-	-	-	1,076
General revenues:				
Property tax	64,392	-	64,392	-
Retail sales and use tax	110,590	-	110,590	-
Utility tax	29,834	-	29,834	-
Business and occupation tax	67,328	-	67,328	-
Excise taxes	22,113	-	22,113	-
Hotel/Motel tax	9,827	-	9,827	-
Other taxes	739	-	739	-
Payments from component unit	12	-	12	-
Unrestricted grants & contributions	1,184	-	1,184	-
Unrestricted investment interest	5,883	5,253	11,136	132
Net increase (decrease) in fair value of investments	(216)	(187)	(403)	-
Miscellaneous	3,257	866	4,123	-
Gain on sale of capital assets	322	-	322	-
Transfers	131	(131)	-	-
Total general revenues and transfers	315,396	5,801	321,197	132
Change in net position	147,874	61,100	208,974	1,208
Net position at beginning of year	2,107,627	845,047	2,952,674	38,946
Change in accounting principle	1,279	17	1,296	-
Prior period adjustment	(6,557)	-	(6,557)	-
Net position at end of year	\$ 2,250,223	\$ 906,164	\$ 3,156,387	\$ 40,154

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

Balance Sheet
Governmental Funds
As of December 31, 2022
(in thousands)

Page 1 of 2

	General Fund	Operating Grants, Donations & Special Reserves	I&D Redemption Regular Levy
Assets:			
Cash & equity in pooled investments	\$ 130,545	\$ 26,089	\$ 5,615
Receivables (net of allowances):			
Taxes	29,441	-	-
Accounts	5,084	1,132	-
Due from other governments	-	1,279	-
Prepays	1,084	-	-
Housing rehabilitation loans receivable	-	3,601	-
Total assets	\$ 166,154	\$ 32,101	\$ 5,615
Liabilities:			
Accounts payable	\$ 8,618	\$ 634	\$ -
Retainage payable	23	-	-
Due to other funds	78	-	-
Due to component unit	-	-	-
Due to other governments	4	11,509	-
Accrued payroll	7,775	10	-
Accrued taxes	406	-	-
Deposits payable	7,976	1	-
Other current liabilities	19	-	-
Unearned revenue	15,660	-	-
Total liabilities	40,559	12,154	-
Deferred inflows:			
For grants	-	2,743	-
For taxes	1,751	-	-
For other	5	-	-
Total deferred inflows	1,756	2,743	-
Total liabilities and deferred inflows	42,315	14,897	-
Fund balance:			
Nonspendable	1,084	-	-
Restricted	902	6,885	5,615
Committed	61,831	9,844	-
Assigned	539	475	-
Unassigned	59,483	-	-
Total fund balance	123,839	17,204	5,615
Total liabilities, deferred inflows, and fund balance	\$ 166,154	\$ 32,101	\$ 5,615

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

Balance Sheet
Governmental Funds
As of December 31, 2022
(in thousands)

Page 2 of 2

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash & equity in pooled investments	\$ 203,234	\$ 36,654	\$ 402,137
Receivables (net of allowances):			
Taxes	10,921	3,435	43,797
Accounts	4,464	337	11,017
Due from other governments	2,031	-	3,310
Prepays	-	-	1,084
Housing rehabilitation loans receivable	-	-	3,601
Total assets	\$ 220,650	\$ 40,426	\$ 464,946
Liabilities:			
Accounts payable	\$ 4,695	\$ 1,710	\$ 15,657
Retainage payable	86	-	109
Due to other funds	-	-	78
Due to component unit	-	462	462
Due to other governments	-	-	11,513
Accrued payroll	-	56	7,841
Accrued taxes	4	-	410
Deposits payable	-	-	7,977
Other current liabilities	-	-	19
Unearned revenue	-	-	15,660
Total liabilities	4,785	2,228	59,726
Deferred inflows:			
For grants	11	-	2,754
For taxes	206	-	1,957
For other	-	-	5
Total deferred inflows	217	-	4,716
Total liabilities and deferred inflows	5,002	2,228	64,442
Fund balance:			
Nonspendable	-	-	1,084
Restricted	126,453	26,678	166,533
Committed	84,877	8,396	164,948
Assigned	4,318	3,124	8,456
Unassigned	-	-	59,483
Total fund balance	215,648	38,198	400,504
Total liabilities, deferred inflows, and fund balance	\$ 220,650	\$ 40,426	\$ 464,946

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, 2022**
(in thousands)

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

Total governmental fund balances	\$	400,504
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Capital assets used in governmental activities are not financial resources and these assets consist of:

Land	911,349	
Depreciable capital assets	384,930	
Depreciable infrastructure	243,927	
Construction in progress	98,630	
Non-depreciable infrastructure	818,257	
Lease asset	18,571	
Accumulated depreciation	(387,158)	
Accumulated amortization	<u>(6,664)</u>	
Total capital assets		2,081,842

Noncurrent lease receivable		585
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Material inventory		216
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Net pension assets (NPA) are reported as an asset in the governmental activities and are not considered to represent a financial asset, therefore are not reported in the governmental fund balance sheet:

		71,315
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Deferred outflows of resources

For debt	1,924	
For pensions	<u>40,917</u>	
Total deferred outflows of resources		42,841

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 consist of:

Bonds payable	(294,795)	
Notes payable	(159)	
Accrued bond interest payable	(718)	
Compensated absences	(12,616)	
OPEB obligation payable	(22,932)	
Lease liability	<u>(12,047)</u>	
Total long-term liabilities		(343,267)

Deferred inflow of resources:

For grants	2,754	
For taxes	634	
For debt	(3,835)	
For pensions	(37,685)	
For leases	(540)	
For other	<u>5</u>	
Total deferred inflows of resources		(38,667)

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:

		<u>34,854</u>
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Net position of governmental activities	\$	<u><u>2,250,223</u></u>
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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, 2022
(in thousands)

Page 1 of 2

	General Fund	Operating Grants, Donations & Special Reserves	I&D Redemption Regular Levy
Revenues:			
Taxes and special assessments	\$ 194,187	\$ 7,809	\$ 500
Licenses and permits	12,981	-	-
Intergovernmental	29,266	9,147	-
Service charges and fees	40,748	93	-
Fines and forfeitures	1,570	-	-
Interest and penalties	1,972	347	72
Net change in fair value of investments	(63)	(13)	(3)
Rent	11,250	-	-
Judgments and settlements	253	-	-
Premiums/contributions	17	530	-
Other	252	467	-
Total revenues	<u>292,433</u>	<u>18,380</u>	<u>569</u>
Expenditures:			
Current:			
General government	31,079	60	-
Public safety	116,157	1,287	-
Physical environment	188	336	-
Transportation	32,810	284	-
Economic environment	41,103	6,516	-
Health and human services	8,945	751	-
Culture and recreation	36,502	481	-
Debt service:			
Principal	804	-	13,262
Interest and fiscal charges	205	-	9,177
Capital outlay:			
General government	-	-	-
Public safety	319	268	-
Transportation	32	-	-
Economic environment	-	-	-
Culture and recreation	6	6	-
Total expenditures	<u>268,150</u>	<u>9,989</u>	<u>22,439</u>
Excess (deficiency) of revenues over (under) expenditures	24,283	8,391	(21,870)
Other financing sources (uses):			
Transfers in	9,597	-	22,792
Transfers out	(19,297)	(421)	-
Issuance of long term debt	-	-	-
Issuance of refunded long term debt	-	-	72,675
Payment to refunded bond escrow agent	-	-	(86,692)
Premium on issuance of refunded long term debt	-	-	14,447
Lease financing	160	-	-
Total other financing sources and uses	<u>(9,540)</u>	<u>(421)</u>	<u>23,222</u>
Net change in fund balance	14,743	7,970	1,352
Fund balance at beginning of year	109,096	16,026	4,263
Prior period adjustment	-	(6,792)	-
Fund balance at end of year	<u>\$ 123,839</u>	<u>\$ 17,204</u>	<u>\$ 5,615</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, 2022
(in thousands)

Page 2 of 2

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes and special assessments	\$ 80,688	\$ 21,602	\$ 304,786
Licenses and permits	-	-	12,981
Intergovernmental	10,015	1,391	49,819
Service charges and fees	10,103	746	51,690
Fines and forfeitures	-	-	1,570
Interest and penalties	2,365	415	5,171
Net change in fair value of investments	(98)	(17)	(194)
Rent	72	-	11,322
Judgments and settlements	-	-	253
Premiums/contributions	4,510	12,259	17,316
Other	-	472	1,191
Total revenues	<u>107,655</u>	<u>36,868</u>	<u>455,905</u>
Expenditures:			
Current:			
General government	1,421	5,728	38,288
Public safety	901	43	118,388
Physical environment	33	1,135	1,692
Transportation	6,727	-	39,821
Economic environment	1,432	14,426	63,477
Health and human services	-	-	9,696
Culture and recreation	3,630	-	40,613
Debt service:			
Principal	40	-	99,836
Interest and fiscal charges	1	-	10,345
Capital outlay:			
General government	621	-	621
Public safety	1,310	-	1,897
Transportation	33,797	-	33,829
Economic environment	34	-	34
Culture and recreation	9,591	-	9,603
Total expenditures	<u>59,538</u>	<u>21,332</u>	<u>468,140</u>
Excess (deficiency) of revenues over (under) expenditures	48,117	15,536	(12,235)
Other financing sources (uses):			
Transfers in	3,655	10,712	46,756
Transfers out	(19,297)	(16,440)	(55,455)
Issuance of long term debt	10,058	-	10,058
Issuance of refunded long term debt	-	-	72,675
Premium on issuance of refunded long term debt	-	-	14,447
Lease financing	-	-	160
Total other financing sources and uses	<u>(5,584)</u>	<u>(5,728)</u>	<u>88,641</u>
Net change in fund balance	42,533	9,808	76,406
Fund balance at beginning of year	173,115	28,390	330,890
Prior period adjustment	-	-	(6,792)
Fund balance at end of year	<u>\$ 215,648</u>	<u>\$ 38,198</u>	<u>\$ 400,504</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, 2022**

(in thousands)

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

Net change in fund balances - total governmental funds	\$ 76,406
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	\$ 58,311
Depreciation	<u>(20,561)</u>
Total capital outlay	37,750
Change in net pension asset	12,258

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	(339)
Grant revenues	1,992
Other intergovernmental agreements	<u>78</u>
Total revenues	1,731

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:

New debt issues	(72,675)
Premium on new debt	(14,447)
Long-term debt repayments	<u>99,033</u>
Total debt proceeds and repayments	11,911

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:

Amortization of bond premium	1,443
Gain/loss on bond refunding	635
Accrued interest expense	147
Lessee financing	(139)
TIFIA loan	(10,058)
Net pension liability	74
Amortization of net OPEB obligation	5,967
Compensated absences	213
Inventory	<u>(38)</u>
Total expenses	(1,756)

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:

	<u>9,574</u>
Change in net position of governmental activities	<u>\$ 147,874</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, 2022
(in thousands)

Page 1 of 4

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 137,132	\$ 96,629	\$ 154,620
Receivables (net of allowances):			
Accounts	4,447	11,491	12,231
Leases receivable	-	32	-
Other	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	176	716	153
Prepaid items	-	-	-
Restricted cash & equity in pooled investments:			
Capital projects	26	-	-
Customer deposits	1	201	20
Total current assets	<u>141,782</u>	<u>109,069</u>	<u>167,024</u>
Noncurrent assets:			
Notes/contracts receivable	-	47	47
Lease asset receivable	-	162	-
Net pension asset	1,170	1,818	1,386
Capital Assets:			
Capital assets (net)	<u>111,520</u>	<u>241,265</u>	<u>130,255</u>
Total noncurrent assets	<u>112,690</u>	<u>243,292</u>	<u>131,688</u>
Total assets	<u>254,472</u>	<u>352,361</u>	<u>298,712</u>
Deferred outflow of resources:			
For pensions	1,081	1,668	1,281
For asset retirement obligation	-	-	-
Total deferred outflows	<u>1,081</u>	<u>1,668</u>	<u>1,281</u>
Total assets and deferred outflows	<u>\$ 255,553</u>	<u>\$ 354,029</u>	<u>\$ 299,993</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, 2022
(in thousands)

Page 2 of 4

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 1,105	\$ 389,486	\$ 48,655
Receivables (net of allowances):			
Accounts	4	28,173	395
Leases receivable	-	32	626
Other	-	-	3
Due from other funds	-	-	92
Due from other governments	-	-	1
Inventory	-	1,045	508
Prepaid items	-	-	286
Restricted cash & equity in pooled investments:			
Capital projects	-	26	-
Customer deposits	-	222	-
Total current assets	<u>1,109</u>	<u>418,984</u>	<u>50,566</u>
Noncurrent assets:			
Notes/contracts receivable	-	94	-
Lease asset receivable	-	162	6,083
Net pension asset	-	4,374	3,506
Capital Assets:			
Capital assets (net)	<u>9,632</u>	<u>492,672</u>	<u>18,898</u>
Total noncurrent assets	<u>9,632</u>	<u>497,302</u>	<u>28,487</u>
Total assets	<u>10,741</u>	<u>916,286</u>	<u>79,053</u>
Deferred outflow of resources:			
For pensions	-	4,030	5,204
For asset retirement obligation	-	-	911
Total deferred outflows	<u>-</u>	<u>4,030</u>	<u>6,115</u>
Total assets and deferred outflows	<u>\$ 10,741</u>	<u>\$ 920,316</u>	<u>\$ 85,168</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, 2022
(in thousands)

Page 3 of 4

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,020	\$ 2,650	\$ 1,696
Estimated claims	-	-	-
Due to other funds	1	5	8
Due to other governments	-	-	-
Accrued payroll	250	377	291
Accrued compensated absences	107	167	119
Customer deposits	1	201	20
Retainage payable	26	-	-
Total current liabilities	3,405	3,400	2,134
Noncurrent liabilities:			
Accrued compensated absences	249	390	278
Estimated claims	-	-	-
Asset retirement obligation	-	-	-
Net pension liability	-	-	-
Total noncurrent liabilities	249	390	278
Total liabilities	3,654	3,790	2,412
Deferred Inflows			
For pensions	1,028	1,713	1,285
For leases	-	176	-
Total deferred inflows	1,028	1,889	1,285
Total liabilities and deferred inflows	\$ 4,682	\$ 5,679	\$ 3,697
Net position:			
Net investment in capital assets	\$ 108,869	\$ 239,882	\$ 129,177
Restricted for:			
Net pension asset	1,223	1,772	1,382
Capital projects	-	-	-
Unrestricted	140,779	106,696	165,737
Total net position	\$ 250,871	\$ 348,350	\$ 296,296

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2022
(in thousands)

Page 4 of 4

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Liabilities:			
Current liabilities:			
Accounts payable	\$ 10	\$ 7,376	\$ 2,402
Estimated claims	-	-	5,764
Due to other funds	-	14	-
Due to other governments	28	28	5
Accrued payroll	-	918	676
Accrued compensated absences	-	393	444
Customer deposits	-	222	-
Retainage payable	-	26	5
Total current liabilities	<u>38</u>	<u>8,977</u>	<u>9,296</u>
Noncurrent liabilities:			
Accrued compensated absences	-	917	1,037
Estimated claims	-	-	3,130
Asset retirement obligation	-	-	8,124
Net pension liability	-	-	17,136
Total noncurrent liabilities	<u>-</u>	<u>917</u>	<u>29,427</u>
Total liabilities	<u>38</u>	<u>9,894</u>	<u>38,723</u>
Deferred Inflows			
For pensions	59	4,085	6,106
For leases	-	176	5,485
Total deferred inflows	<u>59</u>	<u>4,261</u>	<u>11,591</u>
Total liabilities and deferred inflows	<u>\$ 97</u>	<u>\$ 14,155</u>	<u>\$ 50,314</u>
Net position:			
Net investment in capital assets	\$ 9,632	\$ 487,560	\$ 18,893
Restricted for:			
Net pension asset	-	4,377	3,459
Capital projects	-	-	5
Unrestricted	1,012	414,224	12,497
Total net position	<u>\$ 10,644</u>	<u>\$ 906,161</u>	<u>\$ 34,854</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, 2022
(in thousands)

Page 1 of 2

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Operating revenues:			
Intergovernmental	\$ 1	\$ -	\$ 2
Service charges and fees	29,177	74,091	74,688
Interest and assessment interest/penalties	-	-	-
Rent	-	-	-
Insurance recovery	-	-	-
Premiums/contributions	-	-	-
Other	-	-	-
Total operating revenues	<u>29,178</u>	<u>74,091</u>	<u>74,690</u>
Operating expenses:			
Administrative and general	4,407	17,675	8,506
Maintenance and operations	8,813	32,439	45,060
Depreciation	3,068	6,348	4,304
Insurance costs	-	-	-
Benefits and claims payments	-	-	-
Total operating expenses	<u>16,288</u>	<u>56,462</u>	<u>57,870</u>
Operating income (loss)	12,890	17,629	16,820
Nonoperating revenues (expenses):			
Interest income	1,844	1,306	2,093
Net change in fair value of investments	(66)	(46)	(74)
Rental income	18	354	457
Gain on disposal of capital assets	-	44	22
Other nonoperating revenues	-	36	-
Total nonoperating revenue (expenses)	<u>1,796</u>	<u>1,694</u>	<u>2,498</u>
Income before contributions and transfers	14,686	19,323	19,318
Special items, contributions and transfers:			
Transfers in	-	-	-
Transfers out	(130)	(1)	-
Capital contributed from external sources	2,183	3,277	2,076
Total special items, contributions and transfers	<u>2,053</u>	<u>3,276</u>	<u>2,076</u>
Change in net position	16,739	22,599	21,394
Net position beginning of year	234,132	325,734	274,902
Change in accounting principle	-	17	-
Net position end of year	<u>\$ 250,871</u>	<u>\$ 348,350</u>	<u>\$ 296,296</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, 2022
(in thousands)

Page 2 of 2

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Operating revenues:			
Intergovernmental	\$ -	\$ 3	\$ 93
Service charges and fees	-	177,956	38,601
Interest and assessment interest/penalties	-	-	101
Rent	752	752	275
Insurance recovery	-	-	246
Premiums/contributions	-	-	36,098
Other	-	-	207
Total operating revenues	<u>752</u>	<u>178,711</u>	<u>75,621</u>
Operating expenses:			
Administrative and general	1	30,589	8,561
Maintenance and operations	385	86,697	27,463
Depreciation	14	13,734	5,050
Insurance costs	-	-	10,458
Benefits and claims payments	-	-	26,176
Total operating expenses	<u>400</u>	<u>131,020</u>	<u>77,708</u>
Operating income (loss)	352	47,691	(2,087)
Nonoperating revenues (expenses):			
Interest income	13	5,256	519
Net change in fair value of investments	(1)	(187)	(22)
Rental income	-	829	-
Gain on disposal of capital assets	-	66	322
Other nonoperating revenues	-	36	2,012
Total nonoperating revenue (expenses)	<u>12</u>	<u>6,000</u>	<u>2,831</u>
Income before contributions and transfers	364	53,691	744
Special items, contributions and transfers:			
Transfers in	-	-	10,244
Transfers out	-	(131)	(1,414)
Capital contributed from external sources	-	7,536	-
Total special items, contributions and transfers	<u>-</u>	<u>7,405</u>	<u>8,830</u>
Change in net position	364	61,096	9,574
Net position beginning of year	10,280	845,048	24,047
Change in accounting principle	-	17	1,233
Net position end of year	<u>\$ 10,644</u>	<u>\$ 906,161</u>	<u>\$ 34,854</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, 2022
(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	\$ 27,385	\$ 72,581	\$ 72,062
Contributions received - employer/employees	-	-	-
Cash received from insurance proceeds	-	-	-
Cash payments to suppliers for goods and services	(5,969)	(44,642)	(44,865)
Cash payments to employees for services	(4,813)	(8,460)	(5,445)
Cash payments to claimants	-	-	-
Cash received from contracts/rent	-	-	-
Cash payments for insurance	-	-	-
Other receipts	18	390	456
Net cash provided by operating activities	<u>16,621</u>	<u>19,869</u>	<u>22,208</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Transfers out	(130)	(1)	-
Cash received from non-operating revenues	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(130)</u>	<u>(1)</u>	<u>-</u>
Cash flows from capital & related financing activities:			
Acquisition and construction of capital assets	(3,765)	(26,214)	(7,042)
Proceeds from sale of assets	-	44	22
Cash contributions in aid of construction	1,192	2,639	1,230
Contributed connection contracts	-	213	206
Net cash used by capital financing activities	<u>(2,573)</u>	<u>(23,318)</u>	<u>(5,584)</u>
Cash flows from investing activities:			
Interest on investments	1,778	1,260	2,019
Net cash provided (used) by investing activities	<u>1,778</u>	<u>1,260</u>	<u>2,019</u>
Net increase (decrease) in cash balance	15,696	(2,190)	18,643
Cash & equity in pooled investments - beginning of year	121,463	99,019	135,997
Cash & equity in pooled investments - end of year	<u>\$ 137,159</u>	<u>\$ 96,830</u>	<u>\$ 154,640</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 137,132	\$ 96,629	\$ 154,620
Restricted	27	201	20
Total cash & equity in pooled investments	<u>\$ 137,159</u>	<u>\$ 96,830</u>	<u>\$ 154,640</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, 2022
(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	\$ 752	\$ 172,780	\$ 39,226
Contributions received - employer/employee	-	-	36,399
Cash received from insurance proceeds	-	-	246
Cash payments to suppliers for goods and services	(398)	(95,874)	(17,778)
Cash payments to employees for services	(1)	(18,719)	(16,803)
Cash payments to claimants	-	-	(25,719)
Cash received from contracts/rent	-	-	275
Cash payments for insurance	-	-	(10,457)
Other receipts	-	864	1,526
Net cash provided by operating activities	353	59,051	6,915
Cash flows from noncapital financing activities:			
Transfers in	-	-	10,244
Transfers out	-	(131)	(1,414)
Cash received from non-operating revenues	-	-	646
Net cash provided (used) by noncapital financing activities	-	(131)	9,476
Cash flows from capital & related financing activities:			
Acquisition and construction of capital assets	-	(37,021)	(2,410)
Proceeds from sale of assets	-	66	322
Cash contributions in aid of construction	-	5,061.00	-
Contributed connection contracts	-	419	-
Net cash used by capital financing activities	-	(31,475)	(2,088)
Cash flows from investing activities:			
Interest on investments	13	5,070	494
Net cash provided (used) by investing activities	13	5,070	494
Net increase (decrease) in cash balance	366	32,515	14,797
Cash & equity in pooled investments - beginning of year	739	357,218	33,858
Cash & equity in pooled investments - end of year	<u>\$ 1,105</u>	<u>\$ 389,734</u>	<u>\$ 48,655</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 1,105	\$ 389,486	\$ 48,655
Restricted	-	248	-
Total cash & equity in pooled investments	<u>\$ 1,105</u>	<u>\$ 389,734</u>	<u>\$ 48,655</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, 2022
(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)	\$ 12,890	\$ 17,629	\$ 16,820
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,068	6,348	4,304
Other receipts	18	391	457
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	205	(1,582)	(151)
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in other receivables	-	50	-
(Increase) decrease in lease receivables	-	17	-
(Increase) decrease in contracts receivable	-	5	6
(Increase) decrease in prepaid expenses	-	-	-
(Increase) decrease in inventory	(35)	(9)	(30)
(Increase) decrease in pension asset	2,151	3,393	2,675
(Increase) decrease in lease asset	-	(195)	-
(Increase) decrease in asset retirement obligation	-	-	-
(Increase) decrease in deferred outflow	(778)	(1,205)	(911)
Increase (decrease) in accounts payable	1,129	(1,920)	1,610
Increase (decrease) in retainage payable	(4)	(65)	(35)
Increase (decrease) in wages & benefits payable	(12)	(8)	14
Increase (decrease) in compensated absences	(7)	2	(68)
Increase (decrease) in due to other funds	(5)	(6)	1
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in customer deposits	-	(1)	-
Increase (decrease) in estimated claims payable	-	-	-
Increase (decrease) in deferred inflows	-	176	-
Increase (decrease) in pension inflow	(1,999)	(3,151)	(2,484)
Increase (decrease) in pension liability	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Total adjustments	3,731	2,240	5,388
Net cash provided by operating activities	<u>\$ 16,621</u>	<u>\$ 19,869</u>	<u>\$ 22,208</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 991	\$ 758	\$ 640
Increase (decrease) in fair value of investments	\$ (66)	\$ (46)	\$ (74)

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, 2022
(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)	\$ 352	\$ 47,691	\$ (2,087)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	14	13,734	5,050
Other receipts	-	866	1,366
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(1,528)	(368)
(Increase) decrease in due from other funds	-	-	169
(Increase) decrease in other receivables	-	50	1,894
(Increase) decrease in lease receivables	-	17	1,233
(Increase) decrease in contracts receivable	-	11	-
(Increase) decrease in prepaid expenses	-	-	(286)
(Increase) decrease in inventory	-	(74)	143
(Increase) decrease in pension asset	-	8,219	4,583
(Increase) decrease in lease asset	-	(195)	(6,709)
(Increase) decrease in asset retirement obligation	-	-	78
(Increase) decrease in deferred outflow	-	(2,894)	(2,425)
Increase (decrease) in accounts payable	(6)	813	237
Increase (decrease) in retainage payable	(9)	(113)	-
Increase (decrease) in wages & benefits payable	-	(6)	5
Increase (decrease) in compensated absences	-	(73)	(74)
Increase (decrease) in due to other funds	-	(10)	-
Increase (decrease) in due to other governments	2	2	1
Increase (decrease) in customer deposits	-	(1)	(3)
Increase (decrease) in estimated claims payable	-	-	457
Increase (decrease) in deferred inflows	-	176	(11,331)
Increase (decrease) in pension inflow	-	(7,634)	-
Increase (decrease) in pension liability	-	-	9,497
Increase (decrease) in unearned revenue	-	-	5,485
Total adjustments	1	11,360	9,002
Net cash provided by operating activities	<u>\$ 353</u>	<u>\$ 59,051</u>	<u>\$ 6,915</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 2,389	\$ -
Increase (decrease) in fair value of investments	\$ (1)	\$ (187)	\$ (22)

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

Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2022
(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	\$ 610,906	\$ -	\$ -
Common and preferred stocks	52,690	-	-
Collective trust fund	201,524	-	-
State investment pool	4,218	5,965	1,231
Interest-bearing bank deposits	2,180	3,082	637
Supernationals	2,299	398	82
US government and agency obligations	281	497	103
Receivables (net of allowances):			
Accounts	-	-	641
Interest receivable	1,521	-	-
Notes receivable from participants	8,219	-	-
Due from other governments/employers	-	986	90
Capital assets (net)	-	-	99
Total assets	<u>\$ 883,838</u>	<u>\$ 10,928</u>	<u>\$ 2,883</u>
Liabilities:			
Accounts payable	\$ 517	\$ 1	\$ 96
Deposits payable	-	-	66
Total liabilities	<u>517</u>	<u>1</u>	<u>162</u>
Net Position:			
Net position restricted for pensions	883,321	-	-
Net position restricted for affordable housing	-	10,927	-
Net position restricted for individuals, organizations, and other governments	-	-	2,721
Total net position	<u>\$ 883,321</u>	<u>\$ 10,927</u>	<u>\$ 2,721</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, 2022
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	ARCH Housing Private-Purpose Trust Fund	Custodial Funds
Additions:			
Investment income:			
Interest	\$ 475	\$ 144	\$ 29
Net change in fair value of investments	(204,497)	(5)	(1)
Dividends	29,575	-	-
Other contributions:			
Contributions from employers and nonemployer premiums	23,406	-	-
Contributions from participants and members	27,288	6,244	5,165
Rollovers	115	-	-
Tax collections for other governments	-	-	270
Deposits payable	-	-	75
Other	-	171	-
Total additions	<u>(123,638)</u>	<u>6,554</u>	<u>5,538</u>
Deductions:			
Benefit payments	66,051	-	-
Insurance premiums	2,124	-	-
Administrative expenses	1,966	1,120	1,493
Distributions to developers	-	3,425	-
Distributions to human services agencies	-	-	3,501
Payments to other governments	-	-	354
Deposits released	-	-	333
Total deductions	<u>70,141</u>	<u>4,545</u>	<u>5,681</u>
Net increase (decrease) in net position	(193,779)	2,009	(143)
Net position beginning of year	1,077,100	8,645	2,630
Prior period adjustment	-	273	234
Net position end of year	<u>\$ 883,321</u>	<u>\$ 10,927</u>	<u>\$ 2,721</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 serves at the pleasure of the City Manager and City Council. The city holds debt on behalf of the BCCA that 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. These activities are reported separately from business-type activities. Business-type activities rely significantly on fees and charges for support. The primary government is also 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 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 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 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 Enterprise Fund, and Development Services Fund.

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 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 these categories 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 and capital improvement 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 service fees 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 June 2017, GASB issued Statement No. 87, "Leases." This statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In January 2020, GASB issued Statement No. 92, "Omnibus 2020". The objectives of this statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addressed a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, "Leases", and Implementation Guide No. 2019-3, "Leases", for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", as amended, and GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, "Fiduciary Activities", to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

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 Housing Fund, and the Operating Grants, Donations, and Special Reserves 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; US 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

Receivables recorded are 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 an assignment 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.

Leases

The city is a lessee on a variety of leases. The lease liability and a lease asset are measured at the commencement of the lease term. The lease liability is measured at the present value of payments expected to be made during the noncancellable lease term and uses the stated discount rate or the municipal market rate if the discount rate is not known.

The city reduces the lease liability by the principal portion of the payments received and recognizes an outflow of resources for interest on the liability. The lease asset is amortized on a straight-line basis over the lease term.

The city is a lessor on multiple leases. The city recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term and uses the stated discount rate or the municipal market rate if the discount rate is not known. The deferred inflow of resources are measured at the value of the lease receivable.

The city recognizes interest revenue on the lease receivable and an inflow of resources from the deferred inflows of resources over the term of the lease. The lease receivable is reduced by the principal payments received and the deferred inflow of resources is recognized as revenue over the life of the lease term.

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 decisions made by the City Council, the highest level of authority. These decisions, also known as ordinances, 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. Other than the general fund, the fund balance that is not considered restricted, committed, or nonspendable is assigned by the fund's definition. These assignments can be made by the City Manager or the Finance and Asset Management Director.

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 acquisition value as of the date of donation.

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 assets that is applicable to a future reporting period. A deferred outflow of resources involves 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 control.

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred inflow of resources and deferred outflow of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension liability occurs when the total pension liability of a plan exceeds its net position while net pension asset occurs when a plan's net position exceeds its total pension liability.

For purposes of calculating the restricted net position related to the net pension asset, the city includes the net pension asset and the related deferred outflows and deferred inflows.

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 fund 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.

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 assets 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, 2022.

Total net position for the BCCA reflects an unrestricted net position balance of \$9.8 million and a total net position of \$40.2 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 2022, 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.

Major fund Budget and Actual schedules are provided as Required Supplementary Information.

Note 3: Supplemental Appropriations

Operating Budget Funds

During 2022, the City Council amended the 2022 appropriations by an additional \$6.6 million to reflect previously unanticipated needs in the 2022 portion of the 2021-22 biennial budget. Amendments included \$0.5 million in the General Fund, \$3.7 million in the Hotel/Motel Tax Fund, \$1.2 million in the Parks Enterprise Fund, and \$0.7 million in the Operating Grants, Donations, and Special Reserve 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, 2022, are as follows, in thousands:

Cash on hand and in bank	\$ 4,056
Equity in pooled investments	<u>836,484</u>
Total	<u>\$ 840,540</u>

In addition, the city holds \$886.1 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, 2022, the city had a bank balance of \$0.6 million (carrying book balance amount of \$2.4 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
US Treasury Debt Obligations	5 years	100%	100%
US Agency Coupon Securities	5 years	90%	30%
US 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%
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					Credit Rating
		3 Months or Less	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	
US Agency Coupon Securities	\$ 75,788	\$ -	\$ -	\$ 25,004	\$ 2,461	\$ 48,323	AA+/Aaa
US Treasury Debt Obligations	186,009	-	59,050	47,569	46,692	32,698	N/A
Interest Bearing Bank Deposits	45,000	45,000	-	-	-	-	Unrated
LGIP	502,286	502,286	-	-	-	-	Unrated
Supnationals	29,874	-	-	21,098	-	8,776	AAA/Aaa
Total	\$838,957	\$547,286	\$ 59,050	\$ 93,671	\$ 49,153	\$ 89,797	

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 US 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 US 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, 2022, 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
US Treasury	Treasury Note	\$ 186,009
US Treasury	Agency Securities	75,788

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, 2022, all the \$261.8 million investments in US 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. US 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, 2022:

		Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	December 31, 2022		
Investments by fair value level			
Debt securities			
US Agency Coupon Securities	\$ 75,788		\$ 75,788
US Treasury Debt Obligations	186,009	186,009	
Supnationals	29,874	29,874	
Total debt securities	291,671	215,883	75,788
Total investments by fair value	291,671	\$ 215,883	\$ 75,788
Investments measured at amortized cost			
LGIP	502,286		
General Bank account	5,000		
Opus DD account	40,000		
Total investment measured at amortized cost	547,286		
Total investment measured at fair value	\$ 838,957		

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, 2022, are as follows, in thousands:

Cash on hand and in bank	\$ 1,392
Equity in pooled investments	8,931
Total	<u>\$ 10,323</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, 2022, in thousands:

	Rate	Property Taxes Collected
Regular Property Taxes	\$ 0.587	\$ 45,537
Parks Levy 2008	0.053	3,410
Fire Facilities Levy 2016	0.093	8,544
Transportation Safety, Connectivity, Congestion Levy 2016	0.111	7,120
Total Levy	<u>\$ 0.844</u>	<u>\$ 64,611</u>

Under Washington State law, the city may levy up to \$3.59 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, 2022, the city has \$8.2 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 to realign and upgrade existing fire facilities to better serve the community, and obtain logistics center warehouse space.

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.

Additionally, in November 2022, voters approved a nine-year levy lid lift for parks and open space to address community needs and park system gaps. Funding will be used to acquire new park properties, enhance, and maintain existing neighborhood and community parks, advance design on a regional aquatics facility, develop emerging sports and off-leash areas, restore year-round parks maintenance, and fund future maintenance needs. Collections for this levy will begin in 2023.

Note 6: Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2022, was as follows, in thousands:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 902,020	\$ 10,700	\$ (1,371)	\$ 911,349
Construction in progress	69,561	45,004	(15,935)	98,630
Infrastructure	817,593	664		818,257
Total capital assets, not being depreciated	1,789,174	56,368	(17,306)	1,828,236
Capital assets, being depreciated:				
Buildings	257,303	2,924	-	260,227
Improvements other than buildings	81,907	5,772	-	87,679
Intangible assets	21,223	28	-	21,251
Machinery and equipment	79,502	5,179	(7,312)	77,369
Leasehold improvements	4,129	-	-	4,129
Infrastructure	245,688	7,052	(442)	252,298
Total capital assets, being depreciated	689,752	20,955	(7,754)	702,953
Less accumulated depreciation for:				
Buildings	(132,166)	(7,717)	-	(139,883)
Improvements other than buildings	(22,105)	(4,172)	-	(26,277)
Intangible assets	(22,184)	(525)	2,589	(20,120)
Machinery and equipment	(56,276)	(6,159)	6,470	(55,965)
Leasehold improvements	(2,890)	(413)	-	(3,303)
Infrastructure	(189,842)	(7,647)	412	(197,077)
Total accumulated depreciation	(425,463)	(26,633)	9,471	(442,625)
Total capital assets, being depreciated, net	264,289	(5,678)	1,717	260,328
Lease Assets*				
Buildings	17,047	160	-	17,207
Machinery and Equipment	1,364	-	-	1,364
Total Lease assets, being amortized	18,411	160	-	18,571
Less Accumulated amortization for:				
Buildings	-	(5,617)	-	(5,617)
Machinery and Equipment	-	(1,047)	-	(1,047)
Total accumulated amortization	-	(6,664)	-	(6,664)
Total Lease assets, being amortized, net	18,411	(6,504)	-	11,907
Governmental activities capital assets, net	\$ 2,071,874	\$ 44,186	\$ (15,589)	\$ 2,100,471

*New categories for the city's leased assets, and the related accumulated amortization, have been added due to the implementation of GASB Statement No. 87 "Leases".

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

Governmental activities:

General government	\$	7,613
Public safety		697
Transportation		6,315
Economic environment		101
Culture and recreation		5,953
Total		<u>20,679</u>

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		5,954
Total depreciation expense - governmental activities	\$	<u>26,633</u>

Capital asset activity for the city's proprietary funds for the year ended December 31, 2022 was as follows, in thousands:

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,039	\$ 99	\$ -	\$ 25,138
Construction in progress	29,752	36,699	(23,800)	42,651
Total capital assets, not being depreciated	<u>54,791</u>	<u>36,798</u>	<u>(23,800)</u>	<u>67,789</u>
Capital assets, being depreciated:				
Buildings	38,858	-	(11)	38,847
Machinery and equipment	16,540	181	(934)	15,787
Infrastructure	590,017	27,133	(1,254)	615,896
Intangible assets	287	-	-	287
Total capital assets, being depreciated, net	<u>645,702</u>	<u>27,314</u>	<u>(2,199)</u>	<u>670,817</u>
Less accumulated depreciation for:				
Buildings	(30,684)	(1,860)	11	(32,533)
Machinery and equipment	(11,939)	(1,302)	934	(12,307)
Infrastructure	(190,295)	(10,568)	19	(200,844)
Intangible assets	(247)	(4)	-	(251)
Total accumulated depreciation	<u>(233,165)</u>	<u>(13,734)</u>	<u>964</u>	<u>(245,935)</u>
Total capital assets, being depreciated, net	<u>412,537</u>	<u>13,580</u>	<u>(1,235)</u>	<u>424,882</u>
Business activities capital assets, net	<u>\$ 467,328</u>	<u>\$ 50,378</u>	<u>\$ (25,035)</u>	<u>\$ 492,671</u>

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

Business-type activities:

Water utility	\$	6,348
Storm and surface water utility		3,068
Sewer utility		4,304
Marina		14
Total depreciation expense - business-type activities	\$	<u>13,734</u>

Capital asset activity for the city's discretely presented component unit, BCCA, for the year ended December 31, 2022 were as follows, in thousands:

Bellevue Convention Center Authority:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Works of art	\$ 156	\$ -	\$ -	\$ 156
Construction in Progress	872	1,906	(842)	1,936
Total capital assets, not being depreciated	1,028	1,906	(842)	2,092
Capital assets, being depreciated:				
Building	62,673	151	(60)	62,764
Machinery and Equipment	5,437	501	(87)	5,851
Total capital assets, being depreciated	68,110	652	(147)	68,615
Less accumulated depreciation for:				
Building	(33,783)	(1,498)	60	(35,221)
Machinery and Equipment	(4,884)	(290)	86	(5,088)
Total accumulated depreciation	(38,667)	(1,788)	146	(40,309)
Total capital assets, being depreciated, net	29,443	(1,136)	(1)	28,306
Component unit activities capital assets, net	\$ 30,471	\$ 770	\$ (843)	\$ 30,398

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	\$ (17,136)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,136)
Pension assets	-	29,410	104	9,361	37,038	3,280	79,193
Deferred outflows of resources	1,983	27,102	167	-	20,899	-	50,151
Deferred inflows of resources	(2,840)	(27,234)	(117)	(1,169)	(16,517)	-	(47,877)
Pension expense	7,515	(9,893)	27	(615)	6,397	(1,031)	2,400

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	853	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, 2022 were as follows, with contributions in thousands:

	Employer		Employee
	1/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 1	6.36%	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	3.85%	
Administration Fee	0.18%	0.18%	
Total	10.25%	10.39%	6.00%

	Employer		Employee
	1/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 2	6.36%	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	3.85%	
Administration Fee	0.18%	0.18%	
Total	10.25%	10.39%	6.36%

	Employer		Employee
	1/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 3	6.36%	6.36%	5-15%
PERS Plan 1 UAAL	3.71%	3.85%	
Administration Fee	0.18%	0.18%	
Total	10.25%	10.39%	5-15%

2022 Employer contributions	
PERS 1	\$ 3,931
PERS 2	5,204
PERS 3	1,372

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

At December 31, 2022, the city reported a liability of \$17.1 million for its proportionate share of the net pension liability for PERS 1 and an asset of \$29.4 million for its proportionate share of the net pension asset for PERS 2/3. The net pension liability was measured as of June 30, 2022 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, 2022, the city's proportion for PERS 1 was 0.62 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2021. The city's proportion for PERS 2/3 was 0.79 percent, which did not change from its proportionate share measured as of June 30, 2021.

For the year ended December 31, 2022, the city recognized total pension expense of \$2.4 million for the PERS pension plans (PERS 1 was an increase of \$7.5 million and PERS 2/3 was a decrease of \$9.9 million). As of December 31, 2022, 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	-	(2,840)
Changes in assumptions	-	-
Change in proportion and differences between city contributions and proportionate share contributions	-	-
City contributions subsequent to the measurement date	1,983	-
Total	\$ 1,983	\$ (2,840)

	PERS 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,287	\$ (666)
Net difference between projected and actual earnings on pension plan investments	-	(21,743)
Changes in assumptions	16,392	(4,292)
Change in proportion and differences between city contributions and proportionate share contributions	149	(533)
City contributions subsequent to the measurement date	3,274	-
Total	\$ 27,102	\$ (27,234)

The city reported \$5.3 million (PERS 1: \$2.0 million, and PERS 2/3: \$3.3 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, 2023. 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
2023	\$ (1,202)	\$ (6,884)
2024	(1,092)	(6,047)
2025	(1,369)	(7,290)
2026	823	9,921
2027	-	3,449
Thereafter	-	3,445
Total	\$ (2,840)	\$ (3,406)

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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

	1% Decrease	Current	1%
	(6.0%)	Discount Rate	Increase
	(6.0%)	(7.0%)	(8.0%)
PERS 1	\$ 22,894	\$ 17,136	\$ 12,111
PERS 2/3	34,634	(29,410)	(82,026)

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, 2022 were as follows, with contributions in thousands:

	Employer		Employee	
	1/1-8/31	9/1-12/31	1/1-8/31	9/1-12/31
PSERS Plan 2	6.50%	6.60%	6.50%	6.60%
PERS Plan 1 UAAL	3.71%	3.85%		
Administration Fee	0.18%	0.18%		
Total	10.39%	10.63%	6.50%	6.60%

2022 Employer contributions

PSERS \$ 66

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

At December 31, 2022, the city reported an asset of \$104 thousand for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022 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, 2022, the city's proportion was 0.15 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2021.

For the year ended December 31, 2022, the city recognized a total pension expense of \$27 thousand for the PSERS pension plans. As of December 31, 2022, 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	\$ 54	\$ (1)
Net difference between projected and actual earnings on pension plan investments	-	(73)
Changes in assumptions	77	(31)
Change in proportion and differences between city contributions and proportionate share contributions	3	(12)
City contributions subsequent to the measurement date	33	-
Total	\$ 167	\$ (117)

The city reported \$33 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, 2023. 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
2023	\$ (25)
2024	(22)
2025	(28)
2026	34
2027	8
Thereafter	50
Total	<u>\$ 17</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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

	1% Decrease	Current	1%
	(6.0%)	Discount Rate	Increase
	(6.0%)	(7.0%)	(8.0%)
PSERS	\$ 248	\$ (104)	\$ (382)

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	-	388

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, 2022 were as follows, with contributions in thousands:

	Employer 1/1-12/31	Employee 1/1-12/31
LEOFF 2 Plan	5.12%	8.53%
Administration Fee	0.18%	
Total	5.30%	8.53%

2022 Employer contributions	
LEOFF 1	\$ -
LEOFF 2	2,847

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, 2022, the state contributed \$81.4 million to LEOFF Plan. 2

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

On December 31, 2022, the city reported a total pension asset of \$46.4 million for its proportionate share of the net pension asset (LEOFF 1 was \$9.4 million and LEOFF 2 was \$37.0 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	\$ (9,361)	\$ (37,038)
State's proportionate share of the net pension asset associated with the employer	(63,320)	(23,992)
Total	\$ (72,681)	\$ (61,030)

At June 30, 2022, the city's proportion for LEOFF 1 was 0.33 percent, which was an increase of 0.01 percent from its proportionate share measured as of June 30, 2021. The city's proportion for LEOFF 2 was 1.36 percent, which was a decrease of 0.02 percent from its proportionate share measured as of June 30, 2021.

For the year ended December 31, 2022, the city recognized a total pension expense of \$5.8 million for the LEOFF pension plans (LEOFF 1 was a decrease of \$0.6 million and LEOFF 2 was an increase of \$6.4 million). As December 31, 2022, 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		-	(1,169)
Changes in assumptions		-	-
Change in proportion and differences between city contributions and proportionate share contributions		-	-
City contributions subsequent to the measurement date		-	-
Total		<u>\$ -</u>	<u>\$ (1,169)</u>

		LEOFF 2	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 8,801	\$ (343)
Net difference between projected and actual earnings on pension plan investments		-	(12,402)
Changes in assumptions		9,382	(3,225)
Change in proportion and differences between city contributions and proportionate share contributions		1,290	(547)
City contributions subsequent to the measurement date		1,426	-
Total		<u>\$ 20,899</u>	<u>\$ (16,517)</u>

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, 2023. 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
2023	\$ (495)	\$ (3,821)
2024	(448)	(3,302)
2025	(560)	(4,419)
2026	335	5,424
2027	-	1,604
Thereafter	-	7,470
Total	\$ (1,169)	\$ 2,956

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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
LEOFF 1	\$ (8,204)	\$ (9,361)	\$ (10,365)
LEOFF 2	(1,706)	(37,038)	(65,954)

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 2022 with a valuation date of June 30, 2021. 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)	3.25%
Investment rate of return	7.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (e.g., active, retiree, or survivor), as DRS' base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table.

The actuarial assumptions used in the June 30, 2021 valuation reflect the results of the 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The total pension liability was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021 to June 30, 2022, reflecting each plan's normal cost (using Entry Age Cost Method), assumed interest and actual benefit payments.

The long-term expected rate of return of 7.0 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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Percent Long-Term
		Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 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, 2021 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) updated the Joint-and-Survivor Factors and Early Retirement Factors in its model. These factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors recently provided to DRS for future implementation that reflect current demographic and economic assumptions.

OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.50 (7.40 for LEOFF 2) to 7.00 percent, and the salary growth assumption was lowered from 3.50 to 3.25 percent. This action is a result of recommendations from DRS' biennial economic experience study.

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 established 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, 2022, 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	22
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>27</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, 2022, the state contributed \$276 thousand and neither member nor employer made contributions to the Plan. As of the last actuarial study dated January 1, 2023, 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, 2022:

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum Investment in One Issuer
US Treasury Debt Obligations	5 years	100%	100%
US Agency Coupon Securities	5 years	90%	30%
US 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%
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, 2022:

Investment Type	% of Net Position
State Pool	60%
US Treasury Debt	22%
US Agency Securities	9%
Interest Bearing Activity	5%

Rate of return. For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments was 0.6 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, 2023 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, 2023, 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.

Changes in the Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2021	\$ 4,723	\$ 6,972	\$ (2,249)
Changes for the year:	-	-	-
Service cost	-	-	-
Interest	160	-	160
Differences between expected and actual experience	(875)	-	(875)
Change of assumptions	-	-	-
Contribution - employer	-	276	(276)
Contributions - employee	-	-	-
Net investment income	-	40	(40)
Benefit payments, including refunds of employee contributions	(312)	(312)	-
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	(1,027)	4	(1,031)
Balance at December 31, 2022	<u>\$ 3,696</u>	<u>\$ 6,976</u>	<u>\$ (3,280)</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	\$ (2,961)	\$ (3,280)	\$ (3,559)

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, 2022, the city recognized a pension expense of \$1.0 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 1,608 MEBT 1 participants and 12 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 managed by the board and are held by the Broadridge Matrix Trust Company. Each city is responsible for creating 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 \$9.2 million for MEBT for the year ending December 31, 2022. 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 2022 were as follows, in thousands:

	MEBT 1	MEBT 2
Participants	\$ 11,414	\$ 166

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, 2022, there were 61 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 2022 were as follows, in thousands:

Participants	\$	158
BCCA	\$	139

Note 8: Other Postemployment 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.

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, 2022, the following employees were covered by the benefits terms:

Inactive employees currently receiving benefit payments	102
Inactive employees entitled but not yet receiving benefit payments	-
Active employees	-
Total	<u>102</u>

This plan is closed to new entrants.

Total OPEB liability

The city's total OPEB liability of \$22.9 million was measured as of December 31, 2022 and was determined by an actuarial valuation date of December 31, 2022.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2022 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	4.1%
Healthcare cost trend rate	5.5%

The discount rate was based on the Fidelity "20 Year Municipal GO AA index" as of December 30, 2022.

Mortality rates were based on Pub-2010 generation table scaled using MP-2017 and applied on a general specific basis. Rates for males are set back one year.

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, 2022	\$ 28,899
Changes for the year:	
Service costs	-
Interest costs	515
Changes of benefit terms	-
Differences between expected and actual experience	(1,865)
Change in assumption or other inputs	(2,755)
Contributions from employer	-
Net investment income	-
Benefit payments	(1,862)
Administration expenses	-
Net change in total OPEB liability	(5,967)
Total OPEB liability at December 31, 2022	<u>\$ 22,932</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 1.84 percent in 2021 to 4.05 percent in 2022. Additionally, the percentage of participants expected to receive the Long-Term Care benefit in a given year was reduced from 3.0 percent to 2.5 percent to better reflect plan experience.

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 (3.1 percent) or 1 percentage point higher (5.1 percent) than the current discount rate, in thousands:

1% Decrease (3.1%)	Discount Rate (4.1%)	1% Increase (5.1%)
\$ 25,040	\$ 22,932	\$ 24,104

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 (3.0 percent) or 1 percentage point higher (5.0 percent) than the current health cost trend rate:

1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
\$ 21,167	\$ 22,932	\$ 24,925

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

For the year ended December 31, 2022, the city recognized an OPEB expense of \$4.1 million.

At December 31, 2022, 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	\$ 12,315
Operating grants, donations, & special reserve fund	12
Nonmajor governmental funds	289
Total governmental activities	12,616
Business-type activities:	
Storm & surface water utility	356
Water utility	557
Sewer utility	397
Total business-type activities	1,310
Internal service activities	1,481
Total compensated absences	<u>\$ 15,407</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, 2022, the city had available cash and equity in pooled investments in the self-insurance funds of \$18.6 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, 2021 to December 31, 2022, in thousands:

	Workers' Compensation	Unemployment Compensation	General Self-Insurance	Health Benefits
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>
December 31, 2022:				
Unpaid claims, beginning of fiscal year	\$ 3,895	\$ 16	\$ 2,824	\$ 1,702
Incurred claims (including IBNR)	2,575	191	3,507	20,133
Claim payments	(2,277)	(176)	(3,429)	(20,067)
Unpaid claims, December 31, 2022	<u>\$ 4,193</u>	<u>\$ 31</u>	<u>\$ 2,902</u>	<u>\$ 1,768</u>
Due within one year	\$ 2,125	\$ 31	\$ 1,840	\$ 1,768
Due in more than one year	\$ 2,068	\$ -	\$ 1,062	\$ -

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.

City of Bellevue, Washington

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	400,000,000 ^(A)	Protects the City from loss due to damage to buildings and contents from boilers and machinery.
Real & Personal Property	100,000	400,000,000 ^(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	350,000	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	None	7,000,000	Protects the City's retirement plans from wrong doing by board members.
Fine Arts	None	1,584,000	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	1,320,000 ^(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	None	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 City business.
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, crime, public officials, cyber and illness or injuries to clients, guests, and employees.

Note 11: Leases and Other Contractual Commitments

City as Lessee

The city, as a lessee, has entered into lease agreements involving printing and imaging equipment, and building space. The total of the city's lease assets is recorded at a cost of \$18.6 million, less accumulated amortization of \$6.7 million.

The future lease payments under lease agreements are as follows, in thousands:

	Principal	Interest	Total
2023	\$ 793	\$ 194	\$ 987
2024	806	182	988
2025	627	172	799
2026	648	163	811
2027	655	153	808
2028-2032	3,733	613	4,346
2033-2037	4,289	322	4,611
2038-2040	2,263	42	2,305
Total	<u>\$ 13,814</u>	<u>\$ 1,841</u>	<u>\$ 15,655</u>

City as Lessor

The city, as a lessor, has entered into lease agreements involving building space, and equipment facilities. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$0.8 million.

Construction/Other Contractual Commitments

The city's outstanding contractual commitments by fund type as of December 31, 2022 are summarized below, in thousands:

Governmental activities:	
General Fund	\$ 464,535
General CIP	93,526
Operating grants, donations & special reserve Fund	3,651
Nonmajor governmental funds	668
Total governmental activities	<u>562,380</u>
Business-type activities:	
Storm & surface water utility	46,919
Water utility	54,588
Sewer utility	15,968
Nonmajor business-type funds	15,645
Total business-type activities	<u>133,120</u>
Total outstanding contractual commitments	<u><u>\$ 695,500</u></u>

Note 12: Interfund Receivables, Payables, and Transfers

Interfund balances as of December 31, 2022 were as follows, in thousands:

Due To/From Other Funds	Receivable	Payable
Governmental funds:		
General fund	\$ -	\$ 78
Proprietary funds:		
Storm drainage utility	-	1
Water utility	-	5
Sewer utility	-	8
Internal service funds	92	-
Total due other funds	\$ 92	\$ 92

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

Interfund transfers as of December 31, 2022 were as follows, in thousands:

Interfund Transfers	In	Out
Governmental funds:		
General Fund	\$ 9,597	\$ 19,297
Operating Grants & Donations	-	421
I&D Redemption Regular Levy	22,792	-
General Capital Investment Program	3,655	19,297
Nonmajor governmental funds	10,712	16,440
Proprietary funds:		
Storm Drainage Utility	-	130
Water Utility	-	1
Internal Service Funds	10,244	1,414
Total Transfers	\$ 57,000	\$ 57,000

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 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 limited tax general obligation (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 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 US 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 US 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 million 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 US 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.

On March 3, 2022, the city issued \$72.7 million in LTGO refunding bonds, with an average interest rate of 4.1 percent. This advance refund the \$43.1 million outstanding refunded debt of 2012 LTGO debt with an average interest rate of 4.7 and a \$42.6 million outstanding refunded debt of 2012 LTGOB debt with an average interest rate of 4.3. The original LTGO debts were issued at \$55.9 million and \$43.2 million, respectively.

The net proceeds of \$86.9 million, after payment of \$0.3 million in underwriting fees and other debt issuance costs, were used to purchase US 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 2012 LTGO bonds. The 2012 LTGO bonds are defeased and the liability for those bonds was 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, 2022

(in thousands)

Description	Interest Rate	Fund Responsible to Pay Debt	Issue Date	Maturity Date	Original Debt Issued	Debt Outstanding 1/1/22	Debt Issued	Debt Redeemed	Debt Outstanding 12/31/22
General Obligation Bonds-Councilmanic:									
1995 Limited G.O.	5.15-5.80%	Hotel/ Motel Tax	12/27/95	12/01/25	\$ 5,139	\$ 600	\$ -	\$ 163	\$ 437
2012 Limited G.O. Refunding Series 2012	2.00-5.00%	General CIP	04/17/12	12/01/39	55,875	43,085	-	43,085	-
2012 Limited G.O. Refunding Series 2012B	2.00-5.00%	General CIP	07/18/12	12/01/43	43,185	42,645	-	42,645	-
2013 Limited Tax G.O. Sound Transit Portion	2.00-5.00%	General CIP	04/30/13	12/01/32	62,605	2,995	-	2,995	-
2013 Limited G.O. Local Revitalization	2.00-5.00%	Debt Service	04/30/13	12/01/37	7,800	255	-	255	-
2015 Limited G.O. Refunding Series 2006	3.00-5.00%	General CIP	04/28/15	12/01/26	3,295	1,850	-	335	1,515
2015 Limited G.O. Refunding Series 2008	3.00-5.00%	General CIP	04/28/15	12/01/27	7,855	5,150	-	760	4,390
2015 Limited G.O. Metro & CIP	3.00-5.00%	General CIP	04/28/15	12/01/34	79,140	62,295	-	3,690	58,605
2015 Limited G.O. BCCA	3.00-5.00%	Hotel/ Motel Tax	04/28/15	12/01/34	7,645	6,010	-	355	5,655
2020 A Limited Tax G.O. Refunding Series 2010	4.00%	Debt Service	12/17/20	12/01/32	10,915	10,410	-	510	9,900
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	-	1,460	40,910
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	-	770	46,545
2022 Limited Tax G.O. Taxable Refunding Series 2012	4.00-5.00%	Debt Service	03/03/22	12/01/37	72,675	-	72,675	1,970	70,705
Transportation Infrastructure Finance and Innovation Act	2.86%	General CIP	06/09/17	12/01/56	99,600	21,892	10,058	-	31,950
Other Long- Term Debt:									
Public Works Trust Fund Loan #06-962	0.50%	General CIP	02/01/07	02/01/28	750	199	-	40	159
Total					<u>\$ 546,524</u>	<u>\$ 287,071</u>	<u>\$ 82,733</u>	<u>\$ 99,033</u>	<u>\$ 270,771</u>

City of Bellevue, Washington

At December 31, 2022, 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 Bonds		Governmental Activities Other Debt		Total Annual Requirements
	Principal	Interest	Principal	Interest	
2023	\$ 14,980	\$ 8,105	\$ 40	\$ 1	\$ 23,126
2024	17,398	8,286	40	1	25,725
2025	19,378	7,798	40	-	27,216
2026	20,560	6,621	39	-	27,220
2027	20,635	6,140	-	-	26,774
2028-2032	92,495	22,591	-	-	115,086
2033-2037	37,392	10,929	-	-	48,321
2037-2042	27,419	5,635	-	-	33,054
2043-2047	10,643	1,536	-	-	12,179
2048-2052	6,009	797	-	-	6,806
2053-2056	5,225	219	-	-	5,444
Total	\$ 272,134	\$ 78,657	\$ 159	\$ 2	\$ 350,952

CHANGES IN LONG-TERM LIABILITIES
(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 286,872	\$ 82,733	\$ (98,993)	\$ 270,612	\$ 14,980
Add: for issuance premium	22,273	13,874	(13,486)	22,661	-
Compensated absences	14,385	14,097	(14,385)	14,097	4,229
Estimated claims payable	8,437	26,406	(25,949)	8,894	5,764
Net pension liability	7,680	17,136	(7,680)	17,136	-
Total OPEB liability	28,899	-	(5,967)	22,932	-
Asset retirement obligation	8,046	78	-	8,124	-
Leases*	12,691	160	(804)	12,047	793
Other long-term debt	199	-	(40)	159	40
Total	\$ 389,482	\$ 154,484	\$ (167,304)	\$ 376,663	\$ 25,806
Business-type Activities:					
Compensated absences	\$ 1,381	\$ 1,309	\$ (1,380)	\$ 1,310	\$ 393
Total	\$ 1,381	\$ 1,309	\$ (1,380)	\$ 1,310	\$ 393
Bellevue Convention Center Authority:					
Compensated absences	\$ 103	\$ 393	\$ (325)	\$ 171	\$ 17
Deposits payable	1,126	2,254	(2,474)	906	859
Total	\$ 1,229	\$ 2,647	\$ (2,799)	\$ 1,077	\$ 876

*The leases category beginning balance was restated due to the implementation of GASB Statement No. 87 "Leases."

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, 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 \$5.7 million was remitted for the year ended December 31, 2022.

Note 15: Contingencies and Litigation

As of December 31, 2022, 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

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 Community 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.

The city reports ARCH activity as a private purpose trust fund in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The ARCH net position for 2022 is \$10.9 million, an addition of \$2.3 million from 2021.

In 2022, the city contributed \$0.3 million for ARCH operations, and \$1.0 million to fund affordable housing projects.

Budget monitoring information can be obtained from ARCH, 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.

City of Bellevue, Washington

All Principle Partners, Subscribers, and Basic Members remit annual fees. 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	153,900	15.25%	\$ 466
Kirkland	93,570	9.27%	283
Sammamish	681,850	67.59%	206
Issaquah	40,950	4.06%	124
Kenmore	24,090	2.39%	73
Snoqualmie	14,490	1.44%	44
Total	1,008,850	100.00%	\$ 1,196

*2022 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.

The city reports the Alliance activity as custodial activity in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The eCityGov net position for 2022 is \$1.1 million, an increase of \$62 thousand from 2021.

The city paid \$0.3 million in annual fees in 2022.

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

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, and 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 Consortium activity as custodial activity in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Consortium net position for 2022 is \$338 thousand, an increase of \$127 thousand from 2021.

The city paid \$11 thousand in user fees in 2022.

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

Hazardous Materials Response Unit and Team

The city is the Lead Agency in a joint venture with Bothell, Kirkland, Redmond, Snoqualmie, Woodinville Fire and Life Safety District, King County Fire District #45, Eastside Fire & Rescue, and King County Fire District #27. The purpose of the agreement is to provide a basis and means for improving the quality of emergency services through development of the cooperative Hazardous Materials Response Unit as a normal function of fire protection services.

The Lead Agency is the administrator authority for the operations conducted in accordance with the interlocal agreement. Upon creation, a Joint Board was established by the Lead Agency and is composed of one voting representative or designee from each Member agency and one non-voting Member from the Hazardous Materials Incident Team. Board members selected should be above company-level rank. The Joint Board is responsible for policies and procedures, establishing an annual budget, and management of real and person property.

The agreement may be terminated at any time upon the mutual agreement of all of the Members. The Lead Agency or any Member may withdraw from the agreement without terminating it by giving written notice to all other Members prior to August 1st with withdrawal becoming effective on December 31st. The Member that withdraws relinquishes all rights to any reserve funds, equipment, or materials, purchased or accepted by the Joint Board as in-kind contributions through this agreement. This shall not apply to any equipment, vehicles or materials contributed without charge, which shall revert to the contributor upon termination. A decision to withdraw will not relieve the withdrawing member of liability incurred prior to withdrawal.

The city reports the Hazardous Materials Response Unit and Team activity as custodial activity in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The net position for 2022 is \$580 thousand, an increase of \$115 thousand from 2021.

The city paid \$45 thousand in annual fees in 2022.

Compiled financial statements can be obtained from, City of Bellevue, Fire Department, P.O. Box 90012, Bellevue, WA 98009-9012

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 2022.

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 with Issaquah, Kirkland, Redmond, Tukwila, Sammamish Plateau Water and Sewer District, and Skyway Water and Sewer District to operate a water supply. 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 \$1.5 million in annual dues and \$2.5 million in RCFC in 2022.

Complete financial statements for the Alliance can be obtained from Cascade Water Alliance, 520 112th Ave NE Suite 400, Bellevue, WA 98004.

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 \$5.2 million in user fees in 2022.

Complete financial statements for NORCOM can be obtained from NORCOM, PO Box 50911, Bellevue, WA 98015-0911.

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 ordinance as adopted by City Council and 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.

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, to 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.

Fund balance reserves in the Park Maintenance and Operations Reserve Fund, 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, 2022, in thousands:

	General Fund	Operating Grants, Donations & Special Reserves Fund	I&D Redemption Regular Levy	General CIP	Other Governmental Funds	Total Governmental Funds
Fund balance						
Nonspendable for:						
Prepays	\$ 1,084	\$ -	\$ -	\$ -	\$ -	\$ 1,084
Total Nonspendable fund balance	1,084	-	-	-	-	1,084
Assigned for:						
General government	539	473	-	4,073	-	5,085
Transportation	-	-	-	245	-	245
Health and human services	-	-	-	-	3,124	3,124
Culture and recreation	-	2	-	-	-	2
Total assigned fund balance	539	475	-	4,318	3,124	8,456
Committed for:						
General government	4,278	9,590	-	80,977	-	94,845
Public safety	-	132	-	-	-	132
Physical environment	-	-	-	-	2,961	2,961
Transportation	3,740	-	-	2,816	-	6,556
Economic environment	49,410	-	-	-	-	49,410
Health and human services	1,303	-	-	-	5,435	6,738
Culture and recreation	3,100	122	-	1,084	-	4,306
Total committed fund balance	61,831	9,844	-	84,877	8,396	164,948
Restricted for:						
General government	188	310	-	-	-	498
Public safety	714	878	-	33,076	544	35,212
Physical environment	-	70	-	-	422	492
Transportation	-	10	-	33,817	-	33,827
Economic environment	-	27	-	-	1,202	1,229
Health and human services	-	3,708	-	2,502	19,057	25,267
Culture and recreation	-	1,882	-	57,058	4,654	63,594
Debt service	-	-	5,615	-	799	6,414
Total restricted fund balance	902	6,885	5,615	126,453	26,678	166,533
Unassigned	59,483	-	-	-	-	59,483
Total unassigned fund balance	59,483	-	-	-	-	59,483
Fund Balance	\$ 123,839	\$ 17,204	\$ 5,615	\$ 215,648	\$ 38,198	\$ 400,504

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, 2022, in thousands:

	City of Bellevue	Other Governments			
	Multifamily Tax Exemption	King County Current Use	King County Single-family Dwelling Improvement	State of Washington High-Technology Sales and Use Tax Deferral	Total Revenue Reduction
Property Tax	\$ 108	\$ 28	\$ 2	\$ -	\$ 138
Sales and Use Tax	-	-	-	531	531
Total Revenue Reduction					<u>\$ 669</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. Annually, the city reassesses the liability in response to inflation, using CPI-U. In 2022, inflation rose increasing the liability. The city utilized the State of Washington State Department of Ecology Tanks database system for the service date.

Underground Storage Site	Asset Remaining Useful Life in Years	Liability (in thousands)	Current Year Expense (in thousands)
Fire Station 1	1	\$ 626	\$ 5
Fire Station 2	1	628	16
Fire Station 3	3	634	50
Fire Station 4	5	643	100
Fire Station 6	1	572	16
Fire Station 7	3	577	43
Fire Station 8	2	576	35
Fire Station 9	8	595	147
City Hall	1	785	280
Bellevue Golf Course	12	628	16
Other*		1,860	-
Total		<u>\$ 8,124</u>	<u>\$ 708</u>

*The liabilities for the fuel storage tanks at Bellevue Service Center, Fire Station 5, and Pump Station 12 have been fully recognized.

Note 20: Changes in Net Position

	Governmental Activities	Business Type Activity	Total
Net position at December 31, 2021	\$ 2,107,627	\$ 845,047	\$ 2,952,674
Change in accounting principle	1,279	17	1,296
Prior period adjustment	(6,557)	-	(6,557)
Net position at January 1, 2022, as restated	<u>\$ 2,102,349</u>	<u>\$ 845,064</u>	<u>\$ 2,947,413</u>

Change in accounting principle

Net position as of January 1, 2022, has been restated due to the implementation of GASB Statement No. 87, "Leases." The impact is noted in the table above.

Prior period adjustment

The issuance of GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" clarified the recognition of deferred resources. The city recorded a prior period adjustment to remove a balance that incorrectly resulted in the understatement of deferred inflow of resources of \$0.6 million.

The cash received for the American Rescue Plan Act was prepaid to the city in two tranches of \$10.1 million in the 2021 and 2022 fiscal years. At December 31, 2021, revenue was not adjusted for the unspent portion of funds received resulting in an overstatement of revenue and understatement of due to other governments in the amount of \$7.2 million. The prior period adjustment corrects the balances as of the beginning of fiscal year 2022.

	Fiduciary Funds	
	ARCH Housing	
	Private-Purpose Trust Fund	Custodial Funds
Net position at December 31, 2021	\$ 8,645	\$ 2,630
Prior period adjustment	273	234
Net position at January 1, 2022, as restated	<u>\$ 8,918</u>	<u>\$ 2,864</u>

Fiduciary Funds prior period adjustment

The issuance of GASB Statement No. 84 "Fiduciary Funds" clarified the recognition of fiduciary activities. An adjustment was recorded in the current fiscal year to remove residual balances that were no longer applicable to the fiduciary funds. The impact is noted in the table above.

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Required Supplementary Information

City of Bellevue, Washington

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability ¹										
Service cost (Entry Age Normal Cost)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	176	143	141	137	145	143	156	130	130	160
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(889)	16	(39)	290	90	539	(616)	168	680	(875)
Changes of assumptions	-	-	-	-	-	-	-	-	346	-
Benefit payments, including refunds of member contributions	(221)	(201)	(228)	(219)	(198)	(356)	(256)	(312)	(301)	(312)
Net change in total pension liability	(934)	(42)	(125)	208	37	327	(716)	(14)	855	(1,027)
Total pension liability--beginning	5,127	4,192	4,150	4,025	4,233	4,271	4,598	3,882	3,868	4,723
Total pension liability--ending (a)	<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>	<u>\$ 3,696</u>
Plan fiduciary net position										
Contributions - employer	\$ 196	\$ 208	\$ 207	\$ 214	\$ 216	\$ 217	\$ 227	\$ 277	\$ 260	\$ 276
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	-	67	55	69	67	132	199	42	15	40
Benefit payments	(221)	(201)	(228)	(219)	(198)	(356)	(256)	(313)	(302)	(312)
Administrative expense	(13)	(11)	(12)	(3)	(14)	(15)	(22)	(7)	(13)	-
Other	-	-	-	(13)	-	-	-	-	-	-
Net change in plan fiduciary net position	(38)	63	22	48	71	(21)	148	(1)	(40)	4
Plan fiduciary net position--beginning	6,719	6,682	6,745	6,767	6,815	6,886	6,865	7,013	7,012	6,972
Plan fiduciary net position--ending (b)	<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>	<u>\$ 6,976</u>
City's net pension liability (asset)--ending (a) - (b)	<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>	<u>\$ (3,280)</u>
Plan fiduciary net position as a percentage of the total pension liability	159.39%	162.51%	168.11%	160.98%	161.23%	149.30%	180.62%	181.30%	147.61%	188.76%
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." Changes due to these factors include differences between expected and actual experience.

The notes to the RSI are an integral part of this schedule.

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

Last Ten Fiscal Years
(Amounts in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	181	188	180	214	215	217	227	277	260	276
Contribution deficiency (excess)	<u>\$ 181</u>	<u>\$ 188</u>	<u>\$ 180</u>	<u>\$ 214</u>	<u>\$ 215</u>	<u>\$ 217</u>	<u>\$ 227</u>	<u>\$ 277</u>	<u>\$ 260</u>	<u>\$ 276</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

	<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>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	0.01%	1.01%	0.82%	0.82%	0.98%	1.94%	2.91%	0.61%	0.21%	0.58%

The notes to the RSI are an integral part of this schedule.

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

As of June 30, 2022

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	PERS 1							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.69%	0.68%	0.64%	0.65%	0.64%	0.64%	0.63%	0.62%
City's proportionate share of the net pension liability (asset)	\$ 36,327	\$ 36,620	\$ 30,206	\$ 29,195	\$ 24,714	\$ 22,710	\$ 7,680	\$ 17,136
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	\$ 17,136
City's covered payroll	\$ 77,199	\$ 79,404	\$ 80,430	\$ 85,306	\$ 88,956	\$ 96,434	\$ 95,493	\$ 100,225
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%	17.1%
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%	76.6%
	PERS 2/3							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.85%	0.84%	0.81%	0.81%	0.81%	0.82%	0.79%	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)	\$ (29,410)
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)	\$ (29,410)
City's covered payroll	\$ 75,724	\$ 78,251	\$ 79,679	\$ 84,506	\$ 88,407	\$ 95,958	\$ 95,308	\$ 100,114
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%)	(29.4%)
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%	106.7%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" 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.

The notes to the RSI are an integral part of this schedule.

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

As of June 30, 2022

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	PSERS 2							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.25%	0.23%	0.21%	0.18%	0.15%	0.13%	0.15%	0.15%
City's proportionate share of the net pension liability (asset)	\$ 45	\$ 99	\$ 42	\$ 2	\$ (19)	\$ (18)	\$ (347)	\$ (104)
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-	-	-	-
Total	\$ 45	\$ 99	\$ 42	\$ 2	\$ (19)	\$ (18)	\$ (347)	\$ (104)
City's covered payroll	\$ 724	\$ 762	\$ 750	\$ 717	\$ 661	\$ 825	\$ 1,022	\$ 991
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%)	(10.5%)
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%	106.0%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" 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.

City of Bellevue, Washington

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

As of June 30, 2022

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

	LEOFF 1							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.29%	0.30%	0.31%	0.31%	0.31%	0.32%	0.32%	0.33%
City's proportionate share of the net pension liability (asset)	\$ (3,472)	\$ (3,051)	\$ (4,639)	\$ (5,643)	\$ (6,215)	\$ (6,012)	\$ (10,911)	\$ (9,361)
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)	(63,320)
Total	<u>\$ (26,955)</u>	<u>\$ (23,689)</u>	<u>\$ (36,020)</u>	<u>\$ (43,814)</u>	<u>\$ (48,429)</u>	<u>\$ (46,683)</u>	<u>\$ (84,714)</u>	<u>\$ (72,681)</u>
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%	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%	169.6%
	LEOFF 2							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	1.39%	1.37%	1.38%	1.44%	1.41%	1.37%	1.38%	1.36%
City's proportionate share of the net pension liability (asset)	\$ (14,240)	\$ (7,987)	\$ (19,186)	\$ (29,159)	\$ (32,676)	\$ (27,968)	\$ (80,400)	\$ (37,038)
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)	(23,992)
Total	<u>\$ (22,431)</u>	<u>\$ (13,194)</u>	<u>\$ (31,631)</u>	<u>\$ (48,038)</u>	<u>\$ (54,075)</u>	<u>\$ (45,851)</u>	<u>\$ (132,267)</u>	<u>\$ (61,030)</u>
City's covered payroll	\$ 40,277	\$ 41,682	\$ 43,213	\$ 47,425	\$ 49,311	\$ 51,907	\$ 53,555	\$ 55,054
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%)	(67.3%)
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%	116.1%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" 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.

The notes to the RSI are an integral part of this schedule.

City of Bellevue, Washington

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- PERS

As of December 31, 2022

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	PERS 1							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 8,031	\$ 8,867	\$ 9,965	\$ 11,089	\$ 11,800	\$ 12,509	\$ 11,167	\$ 10,709
Contributions in relation to the								
contractually required contribution	(8,025)	(8,867)	(9,930)	(11,035)	(11,799)	(12,445)	(11,138)	(10,656)
Contribution deficiency (excess)	\$ 6	\$ -	\$ (35)	\$ 54	\$ 1	\$ 64	\$ 29	\$ 53
City's covered payroll	\$ 78,685	\$ 79,314	\$ 83,075	\$ 86,598	\$ 91,864	\$ 97,000	\$ 96,107	\$ 104,007
Contributions as a percentage of covered payroll	10.2%	11.2%	12.0%	12.7%	12.8%	12.8%	11.6%	10.2%
	PERS 2/3							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 7,889	\$ 8,749	\$ 9,835	\$ 10,970	\$ 11,733	\$ 12,466	\$ 11,155	\$ 10,698
Contributions in relation to the								
contractually required contribution	(7,884)	(8,770)	(9,834)	(10,951)	(11,732)	(12,402)	(11,126)	(10,644)
Contribution deficiency (excess)	\$ 5	\$ (21)	\$ 1	\$ 19	\$ 1	\$ 64	\$ 29	\$ 54
City's covered payroll	\$ 77,293	\$ 78,251	\$ 82,274	\$ 85,937	\$ 91,338	\$ 96,666	\$ 95,999	\$ 103,903
Contributions as a percentage of covered payroll	10.2%	11.2%	12.0%	12.7%	12.8%	12.8%	11.6%	10.2%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

City of Bellevue, Washington

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- PSERS

As of December 31, 2022

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	PSERS 2							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 83	\$ 89	\$ 84	\$ 85	\$ 84	\$ 117	\$ 108	\$ 105
Contributions in relation to the contractually required contribution	(83)	(89)	(84)	(84)	(84)	(117)	(115)	(105)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ (7)	\$ -
City's covered payroll	\$ 753	\$ 774	\$ 715	\$ 697	\$ 690	\$ 959	\$ 959	\$ 1,004
Contributions as a percentage of covered payroll	11.0%	11.5%	11.7%	12.1%	12.3%	12.2%	12.0%	10.5%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

City of Bellevue, Washington

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY'S CONTRIBUTIONS- LEOFF

As of December 31, 2022

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	LEOFF 2							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 2,182	\$ 2,204	\$ 2,332	\$ 2,646	\$ 2,753	\$ 2,840	\$ 2,832	\$ 2,948
Contributions in relation to the contractually required contribution	(2,182)	(2,204)	(2,332)	(2,658)	(2,786)	(2,840)	(2,888)	(2,947)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (12)	\$ (33)	\$ -	\$ (56)	\$ 1
City's covered payroll	\$ 41,721	\$ 42,143	\$ 43,741	\$ 48,728	\$ 51,159	\$ 53,287	\$ 53,287	\$ 55,614
Contributions as a percentage of covered payroll	5.2%	5.2%	5.3%	5.5%	5.4%	5.3%	5.4%	5.3%

¹ GASB Statement 68, "Accounting and Financial Reporting for Pensions" 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, 2022

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

	2018	2019	2020	2021	2022
Total OPEB liability:					
Service Cost	\$ 4	\$ 4	\$ 3	\$ 3	\$ -
Interest	1,045	1,134	851	576	515
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	-	(1,414)	-	(1,865)
Changes of assumption or other inputs	(1,988)	4,093	144	434	(2,755)
Benefit Payments	(1,774)	(1,808)	(1,828)	(1,840)	(1,862)
Net change in total OPEB liability	(2,713)	3,423	(2,244)	(827)	(5,967)
Total OPEB liability- beginning	31,260	28,547	31,970	29,726	28,899
Total OPEB liability- ending	<u>\$ 28,547</u>	<u>\$ 31,970</u>	<u>\$ 29,726</u>	<u>\$ 28,899</u>	<u>\$ 22,932</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

¹ GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" 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, 2022

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

	2020	2021	2022
Arterial:			
Percent above satisfactory	89%	92%	89%
Overall performance rating:	76	79	77
Residential:			
Percent above satisfactory	100%	100%	98%
Overall performance rating:	82	80	82

COMPARISON OF NEEDED-TO-ACTUAL EXPENDITURES

(in thousands)

	2018	2019	2020	2021	2022
Arterial:					
Needed:	\$2,925	\$5,706	\$4,150	\$5,884	\$5,290
Actual:	3,618	1,973	4,300	7,370	-
Residential:					
Needed:	\$2,943	\$4,345	\$2,675	\$147	\$2,267
Actual:	2,179	3,182	875	137	2,405

Following GASB Statement 34 "Basic Financial Statements- Management's Discussion and Analysis for State and Local Governments", 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, 2022
(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	\$ 180,420	\$ 180,420	\$ 190,083	\$ (9,663)
Licenses and permits	373	373	466	(93)
Intergovernmental	27,396	27,514	29,244	(1,730)
Service charges and fees	19,983	20,341	19,494	847
Fines and forfeitures	1,417	1,417	1,555	(138)
Interest and assessment interest	127	127	776	(649)
Net change in fair value of investments	-	-	(22)	22
Rent	2,009	2,009	6,137	(4,128)
Judgements and Settlements	-	-	200	(200)
Premiums/contributions	-	-	3	(3)
Other	1,709	1,709	256	1,453
Total revenues	<u>233,434</u>	<u>233,910</u>	<u>248,192</u>	<u>(14,282)</u>
Expenditures				
Current:				
General government	32,374	32,780	30,781	1,999
Public safety	117,594	117,782	116,157	1,625
Physical environment	204	204	188	16
Transportation	31,684	31,869	32,799	(930)
Economic environment	11,090	11,270	10,506	764
Health and human services	1,920	1,619	1,337	282
Culture and recreation	30,109	30,079	28,516	1,563
Principal	-	-	804	(804)
Interest and fiscal charges	-	-	205	(205)
Public safety	-	-	319	(319)
Transportation	-	-	32	(32)
Culture and recreation	-	-	6	(6)
Total expenditures	<u>224,975</u>	<u>225,603</u>	<u>221,650</u>	<u>3,953</u>
Excess (deficiency) of revenues over (under) expenditures	8,459	8,307	26,542	(18,235)
Other financing sources(uses)				
Transfers in	1,010	1,010	833	177
Transfers out	(9,504)	(9,504)	(18,988)	9,484
Lease financing	-	-	160	(160)
Total other financing sources(uses)	<u>(8,494)</u>	<u>(8,494)</u>	<u>(17,995)</u>	<u>9,501</u>
Net change in fund balance	(35)	(187)	8,547	(8,734)
Fund balance beginning of year	33,933	33,933	53,784	(19,851)
Fund balance end of year	<u>\$ 33,898</u>	<u>\$ 33,746</u>	<u>\$ 62,331</u>	<u>\$ (28,585)</u>

The notes to the RSI are an integral part of this schedule.

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

For the Fiscal Year Ended December 31, 2022
(in thousands)

Page 2 of 2

Perspective Difference Reconciliation:

Actual fund balance - General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 62,331
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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	1,304
Land Purchase Revolving Fund	9,337
Development Services Fund	49,410
Parks Enterprise Fund	<u>1,457</u>

Total Fund Balance - General Fund Balance for Governmental Funds	<u><u>\$ 123,839</u></u>
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Notes to the Required Supplementary Information

Pensions

Changes of benefit terms. There were no material benefit term changes in 2022 for the City of Bellevue's pension plans.

Changes in assumptions for Firefighters' Pension. There were no changes in assumptions in 2022 for the City of Bellevue's pension plans.

Changes in assumptions for Department of Retirement Pension Programs. For purposes of the June 30, 2021 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) updated the Joint-and-Survivor Factors and Early Retirement Factors in its model. These factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors recently provided to DRS for future implementation that reflect current demographic and economic assumptions.

OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.50 (7.40 for LEOFF 2) to 7.00 percent, and the salary growth assumption was lowered from 3.50 to 3.25 percent. This action is a result of recommendations from DRS' biennial economic experience study.

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%
2022	4.1%

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 Enterprise Fund. Budgets for these funds are adopted separately within the city's budget adoption ordinance. Detailed schedules for these can be found in the Nonmajor Governmental Funds section of the report.

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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 **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.

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

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, 2022
(in thousands)

Page 1 of 3

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Assets:			
Cash & equity in pooled investments	\$ 544	\$ 4,654	\$ 3,157
Receivables (net of allowances):			
Taxes	-	-	-
Accounts	-	-	313
Total assets	<u>\$ 544</u>	<u>\$ 4,654</u>	<u>\$ 3,470</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 81
Due to component unit	-	-	-
Accrued payroll	-	-	6
Total liabilities	<u>-</u>	<u>-</u>	<u>87</u>
Deferred Inflows			
For debt	-	-	-
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>87</u>
Fund balance:			
Restricted	544	4,654	422
Committed	-	-	2,961
Assigned	-	-	-
Total fund balance	<u>544</u>	<u>4,654</u>	<u>3,383</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 544</u>	<u>\$ 4,654</u>	<u>\$ 3,470</u>

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2022
(in thousands)

Page 2 of 3

	Special Revenue		
	Hotel/ Motel Tax	Housing Fund	Total Special Revenue Funds
Assets:			
Cash & equity in pooled investments	\$ 411	\$ 27,089	\$ 35,855
Receivables (net of allowances):			
Taxes	1,253	2,182	3,435
Accounts	-	24	337
Total assets	<u>\$ 1,664</u>	<u>\$ 29,295</u>	<u>\$ 39,627</u>
Liabilities:			
Accounts payable	\$ -	\$ 1,629	\$ 1,710
Due to component unit	462	-	462
Accrued payroll	-	50	56
Total liabilities	<u>462</u>	<u>1,679</u>	<u>2,228</u>
Deferred Inflows			
For debt	-	-	-
Total liabilities and deferred inflows	<u>462</u>	<u>1,679</u>	<u>2,228</u>
Fund balance:			
Restricted	1,202	19,057	25,879
Committed	-	5,435	8,396
Assigned	-	3,124	3,124
Total fund balance	<u>1,202</u>	<u>27,616</u>	<u>37,399</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 1,664</u>	<u>\$ 29,295</u>	<u>\$ 39,627</u>

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2022
(in thousands)

Page 3 of 3

	Debt Service		Total Debt	Total Nonmajor
	LID	LID	Service	Governmental
	Control	Guaranty		Funds
Assets:				
Cash & equity in pooled investments	\$ 143	\$ 656	\$ 799	\$ 36,654
Receivables (net of allowances):				
Taxes	-	-	-	3,435
Accounts	-	-	-	337
Total assets	<u>\$ 143</u>	<u>\$ 656</u>	<u>\$ 799</u>	<u>\$ 40,426</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,710
Due to component unit	-	-	-	462
Accrued payroll	-	-	-	56
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,228</u>
Deferred Inflows				
For debt	-	-	-	-
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,228</u>
Fund balance:				
Restricted	143	656	799	26,678
Committed	-	-	-	8,396
Assigned	-	-	-	3,124
Total fund balance	<u>143</u>	<u>656</u>	<u>799</u>	<u>38,198</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 143</u>	<u>\$ 656</u>	<u>\$ 799</u>	<u>\$ 40,426</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022
(in thousands)

Page 1 of 3

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Revenues:			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	46	-	292
Service charges and fees	-	-	746
Interest and penalties	7	67	44
Net change in fair value of investments	-	(2)	(2)
Premiums/contributions	-	-	-
Other	-	-	330
Total revenues	<u>53</u>	<u>65</u>	<u>1,410</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	43	-	-
Physical environment	-	-	1,135
Economic environment	-	-	-
Total expenditures	<u>43</u>	<u>-</u>	<u>1,135</u>
Excess (deficiency) of revenues over (under) expenditures	10	65	275
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(604)	-
Total other financing sources (uses)	<u>-</u>	<u>(604)</u>	<u>-</u>
Net change in fund balance	10	(539)	275
Fund balance at beginning of year	<u>534</u>	<u>5,193</u>	<u>3,108</u>
Fund balance at end of year	<u>\$ 544</u>	<u>\$ 4,654</u>	<u>\$ 3,383</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022
(in thousands)

Page 2 of 3

	Special Revenue		Total Special
	Hotel/ Motel Tax	Housing Fund	Revenue Funds
Revenues:			
Taxes and special assessments	\$ 9,827	\$ 11,775	\$ 21,602
Intergovernmental	-	1,053	1,391
Service charges and fees	-	-	746
Interest and penalties	19	268	405
Net change in fair value of investments	-	(13)	(17)
Premiums/contributions	-	12,259	12,259
Other	-	142	472
Total revenues	<u>9,846</u>	<u>25,484</u>	<u>36,858</u>
Expenditures:			
Current:			
General government	5,728	-	5,728
Public safety	-	-	43
Physical environment	-	-	1,135
Economic environment	-	14,426	14,426
Total expenditures	<u>5,728</u>	<u>14,426</u>	<u>21,332</u>
Excess (deficiency) of revenues over (under) expenditures	4,118	11,058	15,526
Other financing sources (uses):			
Transfers in	-	10,712	10,712
Transfers out	(3,495)	(12,341)	(16,440)
Total other financing sources (uses)	<u>(3,495)</u>	<u>(1,629)</u>	<u>(5,728)</u>
Net change in fund balance	623	9,429	9,798
Fund balance at beginning of year	<u>579</u>	<u>18,187</u>	<u>27,601</u>
Fund balance at end of year	<u>\$ 1,202</u>	<u>\$ 27,616</u>	<u>\$ 37,399</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022
(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	\$ -	\$ -	\$ -	\$ 21,602
Intergovernmental	-	-	-	1,391
Service charges and fees	-	-	-	746
Interest and penalties	2	8	10	415
Net change in fair value of investments	-	-	-	(17)
Premiums/contributions	-	-	-	12,259
Other	-	-	-	472
Total revenues	<u>2</u>	<u>8</u>	<u>10</u>	<u>36,868</u>
Expenditures:				
Current:				
General government	-	-	-	5,728
Public safety	-	-	-	43
Physical environment	-	-	-	1,135
Economic environment	-	-	-	14,426
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,332</u>
Excess (deficiency) of revenues over (under) expenditures	2	8	10	15,536
Other financing sources (uses):				
Transfers in	-	-	-	10,712
Transfers out	-	-	-	(16,440)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,728)</u>
Net change in fund balance	2	8	10	9,808
Fund balance at beginning of year	<u>141</u>	<u>648</u>	<u>789</u>	<u>28,390</u>
Fund balance at end of year	<u>\$ 143</u>	<u>\$ 656</u>	<u>\$ 799</u>	<u>\$ 38,198</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**Human Services Fund****For the Year Ended December 31, 2022**

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes and special assessments	\$ 4,043	\$ 4,043	\$ 4,105	\$ (62)
Intergovernmental	3,617	3,617	22	3,595
Interest and assessment interest	-	-	34	(34)
Net change in fair value of investments	-	-	(2)	2
Premiums/contributions	686	686	14	672
Total revenues	<u>8,346</u>	<u>8,346</u>	<u>4,173</u>	<u>4,173</u>
Expenditures:				
Economic environment	281	281	20	261
Health and human services	10,006	10,006	7,607	2,399
Total expenditures	<u>10,287</u>	<u>10,287</u>	<u>7,627</u>	<u>2,660</u>
Excess (deficiency) of revenues over (under) expenditures	(1,941)	(1,941)	(3,454)	1,513
Other financing sources (uses):				
Transfers in	1,941	1,941	3,262	(1,321)
Total other financing sources (uses)	<u>1,941</u>	<u>1,941</u>	<u>3,262</u>	<u>(1,321)</u>
Net change in fund balance	-	-	(192)	192
Fund balance beginning of year	200	200	1,496	(1,296)
Fund balance end of year	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 1,304</u>	<u>\$ (1,104)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**Land Purchase Revolving Fund****For the Year Ended December 31, 2022**

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Interest and assessment interest	\$ -	\$ -	\$ 129	\$ (129)
Net change in fair value of investments	-	-	(4)	4
Rent	1,193	1,193	1,587	(394)
Total revenues	<u>1,193</u>	<u>1,193</u>	<u>1,712</u>	<u>(519)</u>
Expenditures:				
General government	385	385	297	88
Transportation	16	16	11	5
Culture and recreation	698	698	600	98
Total expenditures	<u>1,099</u>	<u>1,099</u>	<u>908</u>	<u>191</u>
Excess (deficiency) of revenues over (under) expenditures	94	94	804	(710)
Other financing sources (uses):				
Transfers out	(100)	(100)	-	(100)
Total other financing sources (uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	(6)	(6)	804	(810)
Fund balance beginning of year	<u>1,983</u>	<u>1,983</u>	<u>8,533</u>	<u>(6,550)</u>
Fund balance end of year	<u>\$ 1,977</u>	<u>\$ 1,977</u>	<u>\$ 9,337</u>	<u>\$ (7,360)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Services Fund
For the Year Ended December 31, 2022
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Licenses and permits	\$ 9,657	\$ 10,304	\$ 12,514	\$ (2,210)
Service charges and fees	11,341	11,563	17,291	(5,728)
Fines and forfeitures	5	5	15	(10)
Interest and assessment interest	350	350	994	(644)
Net change in fair value of investments	-	-	(34)	34
Judgements and Settlements	-	-	53	(53)
Total revenues	<u>21,353</u>	<u>22,222</u>	<u>30,833</u>	<u>(8,611)</u>
Expenditures:				
General government	1	1	1	-
Economic environment	<u>31,732</u>	<u>32,601</u>	<u>30,575</u>	<u>2,026</u>
Total expenditures	<u>31,733</u>	<u>32,602</u>	<u>30,576</u>	<u>2,026</u>
Excess (deficiency) of revenues over (under) expenditures	(10,380)	(10,380)	257	(10,637)
Other financing sources (uses):				
Transfers in	5,274	5,274	5,467	(193)
Transfers out	<u>(128)</u>	<u>(128)</u>	<u>(310)</u>	<u>182</u>
Total other financing sources (uses)	<u>5,146</u>	<u>5,146</u>	<u>5,157</u>	<u>(11)</u>
Net change in fund balance	(5,234)	(5,234)	5,414	(10,648)
Fund balance beginning of year	<u>26,643</u>	<u>26,643</u>	<u>43,996</u>	<u>(17,353)</u>
Fund balance end of year	<u>\$ 21,409</u>	<u>\$ 21,409</u>	<u>\$ 49,410</u>	<u>\$ (28,001)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**Parks Enterprise Fund****For the Year Ended December 31, 2022**

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Service charges and fees	\$ 4,458	\$ 5,658	\$ 3,963	\$ 1,695
Interest and assessment interest	51	51	39	12
Net change in fair value of investments	-	-	(1)	1
Rent	2,368	2,368	3,526	(1,158)
Other	14	14	(4)	18
Total revenues	<u>6,891</u>	<u>8,091</u>	<u>7,523</u>	<u>568</u>
Expenditures:				
Economic environment	-	-	2	(2)
Culture and recreation	<u>6,794</u>	<u>7,994</u>	<u>7,386</u>	<u>608</u>
Total expenditures	<u>6,794</u>	<u>7,994</u>	<u>7,388</u>	<u>606</u>
Excess (deficiency) of revenues over (under) expenditures	97	97	135	(38)
Other financing sources (uses):				
Transfers in	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
Total other financing sources (uses)	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
Net change in fund balance	132	132	170	(38)
Fund balance beginning of year	<u>423</u>	<u>423</u>	<u>1,287</u>	<u>(864)</u>
Fund balance end of year	<u>\$ 555</u>	<u>\$ 555</u>	<u>\$ 1,457</u>	<u>\$ (902)</u>

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

LEOFF I Medical Reserve Fund

For the Year Ended December 31, 2022

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Intergovernmental	\$ 44	\$ 44	46	\$ (2)
Interest and assessment interest	10	10	7	3
Total revenues	54	54	53	1
Expenditures:				
Public safety	63	63	43	20
Total expenditures	63	63	43	20
Excess (deficiency) of revenues over (under) expenditures	(9)	(9)	10	(19)
Fund balance beginning of year	539	539	534	5
Fund balance end of year	<u>\$ 530</u>	<u>\$ 530</u>	<u>\$ 544</u>	<u>\$ (14)</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, 2022
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Interest and assessment interest	\$ 35	\$ 35	\$ 67	\$ (32)
Net change in fair value of investments	-	-	(2)	2
Total revenues	<u>35</u>	<u>35</u>	<u>65</u>	<u>(30)</u>
Excess (deficiency) of revenues over (under) expenditures	35	35	65	(30)
Other financing sources (uses):				
Transfers out	<u>(604)</u>	<u>(604)</u>	<u>(604)</u>	-
Total other financing sources (uses)	<u>(604)</u>	<u>(604)</u>	<u>(604)</u>	-
Net change in fund balance	(569)	(569)	(539)	(30)
Fund balance beginning of year	<u>5,293</u>	<u>5,293</u>	<u>5,193</u>	<u>100</u>
Fund balance end of year	<u>\$ 4,724</u>	<u>\$ 4,724</u>	<u>\$ 4,654</u>	<u>\$ 70</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**Solid Waste Fund****For the Year Ended December 31, 2022**

(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Intergovernmental	\$ 304	\$ 304	\$ 292	\$ 12
Service charges and fees	831	831	746	85
Interest and assessment interest	45	45	44	1
Net change in fair value of investments	-	-	(2)	2
Other	17	17	330	(313)
Total revenues	<u>1,197</u>	<u>1,197</u>	<u>1,410</u>	<u>(213)</u>
Expenditures:				
Physical environment	<u>1,352</u>	<u>1,352</u>	<u>1,135</u>	<u>217</u>
Total expenditures	<u>1,352</u>	<u>1,352</u>	<u>1,135</u>	<u>217</u>
Excess (deficiency) of revenues over (under) expenditures	(155)	(155)	275	(430)
Fund balance beginning of year	<u>2,171</u>	<u>2,171</u>	<u>3,108</u>	<u>(937)</u>
Fund balance end of year	<u>\$ 2,016</u>	<u>\$ 2,016</u>	<u>\$ 3,383</u>	<u>\$ (1,367)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2022
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes and special assessments	\$ 8,009	\$ 9,309	\$ 9,827	\$ (518)
Interest and assessment interest	-	-	19	(19)
Total revenues	<u>8,009</u>	<u>9,309</u>	<u>9,846</u>	<u>(537)</u>
Expenditures:				
General government	<u>4,514</u>	<u>5,814</u>	<u>5,728</u>	<u>86</u>
Total expenditures	<u>4,514</u>	<u>5,814</u>	<u>5,728</u>	<u>86</u>
Excess (deficiency) of revenues over (under) expenditures	3,495	3,495	4,118	(623)
Other financing sources (uses):				
Transfers out	<u>(3,495)</u>	<u>(3,495)</u>	<u>(3,495)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,495)</u>	<u>(3,495)</u>	<u>(3,495)</u>	<u>-</u>
Net change in fund balance	-	-	623	(623)
Fund balance beginning of year	<u>-</u>	<u>-</u>	<u>579</u>	<u>(579)</u>
Fund balance end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,202</u></u>	<u><u>\$ (1,202)</u></u>

Internal Service Funds

(This page is intentionally left blank.)

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, 2022
(in thousands)

Page 1 of 4

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self- Insurance</u>
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 16,473	\$ 5,119	\$ 249	\$ 8,183
Receivables (net of allowances):				
Accounts	10	-	-	14
Leases receivable	-	-	-	-
Other	3	-	-	-
Due from other funds	92	-	-	-
Due from other governments	1	-	-	-
Inventory	508	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	<u>17,087</u>	<u>5,119</u>	<u>249</u>	<u>8,197</u>
Noncurrent assets:				
Lease asset receivable	-	-	-	-
Net pension asset	566	-	-	183
Capital assets:				
Capital assets (net)	<u>16,736</u>	<u>-</u>	<u>-</u>	<u>45</u>
Total noncurrent assets	<u>17,302</u>	<u>-</u>	<u>-</u>	<u>228</u>
Total assets	<u>34,389</u>	<u>5,119</u>	<u>249</u>	<u>8,425</u>
Deferred Outflows				
For pensions	519	-	-	168
For asset retirement obligation	911	-	-	-
Total deferred outflows	<u>1,430</u>	<u>-</u>	<u>-</u>	<u>168</u>
Total assets and deferred outflows	<u>\$ 35,819</u>	<u>\$ 5,119</u>	<u>\$ 249</u>	<u>\$ 8,593</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2022
(in thousands)

Page 2 of 4

	Health Benefits	Information Technology	Facilities Services	Total
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 5,038	\$ 10,824	\$ 2,769	\$ 48,655
Receivables (net of allowances):				
Accounts	344	25	2	395
Leases receivable	-	106	520	626
Other	-	-	-	3
Due from other funds	-	-	-	92
Due from other governments	-	-	-	1
Inventory	-	-	-	508
Prepaid expenses	279	7	-	286
Total current assets	<u>5,661</u>	<u>10,962</u>	<u>3,291</u>	<u>50,566</u>
Noncurrent assets:				
Lease asset receivable	-	2,143	3,940	6,083
Other deferred charges	58	2,101	598	3,506
Capital assets:				
Capital assets (net)	-	1,358	759	18,898
Total noncurrent assets	<u>58</u>	<u>5,602</u>	<u>5,297</u>	<u>28,487</u>
Total assets	<u>5,719</u>	<u>16,564</u>	<u>8,588</u>	<u>79,053</u>
Deferred Outflows				
For pensions	53	3,915	549	5,204
For asset retirement obligation	-	-	-	911
Total deferred outflows	<u>53</u>	<u>3,915</u>	<u>549</u>	<u>6,115</u>
Total assets and deferred outflows	<u>\$ 5,772</u>	<u>\$ 20,479</u>	<u>\$ 9,137</u>	<u>\$ 85,168</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2022
(in thousands)

Page 3 of 4

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self- Insurance
Liabilities:				
Current liabilities:				
Accounts payable	\$ 656	\$ 229	\$ -	\$ 48
Estimated claims	-	2,125	31	1,840
Due to other governments	-	-	-	-
Accrued payroll	114	-	-	36
Accrued compensated absences	27	-	-	30
Liabilities payable from restricted assets:				
Retainage payable	-	-	-	-
Total current liabilities	<u>797</u>	<u>2,354</u>	<u>31</u>	<u>1,954</u>
Noncurrent liabilities:				
Accrued compensated absences	64	-	-	70
Estimated claims	-	2,068	-	1,062
Asset retirement obligation	8,124	-	-	-
Pension liability	-	-	-	-
Total noncurrent liabilities	<u>8,188</u>	<u>2,068</u>	<u>-</u>	<u>1,132</u>
Total liabilities	<u>8,985</u>	<u>4,422</u>	<u>31</u>	<u>3,086</u>
Deferred Inflows				
For pensions	535	-	-	171
For leases	-	-	-	-
Total deferred inflows	<u>535</u>	<u>-</u>	<u>-</u>	<u>171</u>
Total liabilities and deferred inflows	<u>9,520</u>	<u>4,422</u>	<u>31</u>	<u>3,257</u>
Net position:				
Net investment in capital assets	16,736	-	-	45
Restricted for:				
Net pension asset	549	-	-	180
Capital projects	-	-	-	-
Unrestricted	<u>9,014</u>	<u>697</u>	<u>218</u>	<u>5,111</u>
Total net position	<u>\$ 26,299</u>	<u>\$ 697</u>	<u>\$ 218</u>	<u>\$ 5,336</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2022
(in thousands)

Page 4 of 4

	Health Benefits	Information Technology	Facilities Services	Total
Liabilities:				
Current liabilities:				
Accounts payable	\$ 663	\$ 407	\$ 399	\$ 2,402
Estimated claims	1,768	-	-	5,764
Due to other governments	-	-	5	5
Accrued payroll	11	395	120	676
Accrued compensated absences	12	298	77	444
Liabilities payable from restricted assets:				
Retainage payable	-	5	-	5
Total current liabilities	<u>2,454</u>	<u>1,105</u>	<u>601</u>	<u>9,296</u>
Noncurrent liabilities:				
Accrued compensated absences	28	696	179	1,037
Estimated claims	-	-	-	3,130
Asset retirement obligation	-	-	-	8,124
Pension liability	-	17,136	-	17,136
Total noncurrent liabilities	<u>28</u>	<u>17,832</u>	<u>179</u>	<u>29,427</u>
Total liabilities	<u>2,482</u>	<u>18,937</u>	<u>780</u>	<u>38,723</u>
Deferred Inflows				
For pensions	54	4,809	537	6,106
For leases	-	2,035	3,450	5,485
Total deferred inflows	<u>54</u>	<u>6,844</u>	<u>3,987</u>	<u>11,591</u>
Total liabilities and deferred inflows	<u>2,536</u>	<u>25,781</u>	<u>4,767</u>	<u>50,314</u>
Net position:				
Net investment in capital assets	-	1,353	759	18,893
Restricted for:				
Net pension asset	56	2,064	610	3,459
Capital projects	-	5	-	5
Unrestricted	<u>3,180</u>	<u>(8,724)</u>	<u>3,001</u>	<u>12,497</u>
Total net position	<u>\$ 3,236</u>	<u>\$ (5,302)</u>	<u>\$ 4,370</u>	<u>\$ 34,854</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position**Internal Service Funds****For the Year Ended December 31, 2022**

(in thousands)

Page 1 of 2

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self-Insurance
Operating revenues:				
Intergovernmental	\$ 41	\$ -	\$ -	\$ -
Service charges and fees	12,901	-	-	-
Interest and assessment interest/penalties	-	-	-	-
Rent	-	-	-	-
Insurance recovery	-	-	-	246
Premiums/contributions	-	3,031	146	6,074
Other	13	160	-	-
Total operating revenues	12,955	3,191	146	6,320
Operating expenses:				
Administrative and general	110	119	-	2,379
Maintenance and operations	7,924	50	-	-
Depreciation	5,538	-	-	3
Insurance costs	-	652	-	2,903
Benefits and claims payments	-	2,396	176	2,546
Total operating expenses	13,572	3,217	176	7,831
Operating income (loss)	(617)	(26)	(30)	(1,511)
Nonoperating revenues (expenses):				
Interest income	194	63	3	45
Net change in fair value of investments	(8)	(2)	-	(4)
Gain on disposal of capital assets	322	-	-	-
Other nonoperating revenues	-	-	-	-
Total nonoperating revenue (expenses)	508	61	3	41
Income before contributions and transfers	(109)	35	(27)	(1,470)
Special items, contributions and transfers:				
Transfers in	3,001	-	-	6,208
Transfers out	(10)	(208)	(6)	-
Total special items, contributions and transfers	2,991	(208)	(6)	6,208
Change in net position	2,882	(173)	(33)	4,738
Net position beginning of year	23,417	870	251	598
Change in accounting principle	-	-	-	-
Net position end of year	\$ 26,299	\$ 697	\$ 218	\$ 5,336

Combining Statement of Revenues, Expenses, and Changes in Net Position**Internal Service Funds****For the Year Ended December 31, 2022**

(in thousands)

Page 2 of 2

	Health Benefits	Information Technology	Facilities Services	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 52	\$ 93
Service charges and fees	2,376	15,608	7,716	38,601
Interest and assessment interest/penalties	-	33	68	101
Rent	-	-	275	275
Insurance recovery	-	-	-	246
Premiums/contributions	26,806	-	41	36,098
Other	-	34	-	207
Total operating revenues	<u>29,182</u>	<u>15,675</u>	<u>8,152</u>	<u>75,621</u>
Operating expenses:				
Administrative and general	670	4,992	291	8,561
Maintenance and operations	-	12,888	6,601	27,463
Depreciation	-	(609)	118	5,050
Insurance costs	6,903	-	-	10,458
Benefits and claims payments	21,058	-	-	26,176
Total operating expenses	<u>28,631</u>	<u>17,271</u>	<u>7,010</u>	<u>77,708</u>
Operating income (loss)	551	(1,596)	1,142	(2,087)
Nonoperating revenues (expenses):				
Interest income	54	125	35	519
Net change in fair value of investments	(2)	(5)	(1)	(22)
Gain on disposal of capital assets	-	-	-	322
Other nonoperating revenues	1,366	186	460	2,012
Total nonoperating revenue (expenses)	<u>1,418</u>	<u>306</u>	<u>494</u>	<u>2,831</u>
Income before contributions and transfers	1,969	(1,290)	1,636	744
Special items, contributions and transfers:				
Transfers in	-	1,000	35	10,244
Transfers out	(10)	(25)	(1,155)	(1,414)
Total special items, contributions and transfers	<u>(10)</u>	<u>975</u>	<u>(1,120)</u>	<u>8,830</u>
Change in net position	1,959	(315)	516	9,574
Net position beginning of year	1,277	(5,171)	2,805	24,047
Change in accounting principle	-	184	1,049	1,233
Net position end of year	<u>\$ 3,236</u>	<u>\$ (5,302)</u>	<u>\$ 4,370</u>	<u>\$ 34,854</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022
(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	\$ 14,299	\$ -	\$ -	\$ -
Contributions received - employer/employee	-	3,031	146	6,375
Cash received from insurance proceeds	-	-	-	246
Cash payments to suppliers for goods & services	(6,530)	57	-	(1,630)
Cash payments to employees for services	(2,584)	-	-	(1,170)
Cash payments to claimants	-	(2,098)	(161)	(2,468)
Cash received from contracts/rent	-	-	-	-
Cash payments for insurance	-	(651)	-	(2,903)
Other receipts	-	160	-	-
Net cash provided (used) by operating activities	<u>5,185</u>	<u>499</u>	<u>(15)</u>	<u>(1,550)</u>
Cash flows from noncapital financing activities:				
Transfers in	3,001	-	-	6,208
Transfers out	(10)	(208)	(6)	-
Cash received from non-operating revenues	-	-	-	-
Net cash provided (used) by noncapital financing activities:	<u>2,991</u>	<u>(208)</u>	<u>(6)</u>	<u>6,208</u>
Cash flows from capital & related financing activities:				
Acquisition and construction of capital assets	(2,360)	-	-	-
Proceeds from sale of assets	322	-	-	-
Net cash provided (used) by capital financing activities	<u>(2,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>186</u>	<u>60</u>	<u>3</u>	<u>41</u>
Net cash provided (used) by investing activities	<u>186</u>	<u>60</u>	<u>3</u>	<u>41</u>
Net increase (decrease) in cash balance	6,324	351	(18)	4,699
Cash and equity in pooled investments balance beginning of year	<u>10,149</u>	<u>4,768</u>	<u>267</u>	<u>3,484</u>
Cash and equity in pooled investments balance end of year	<u>\$ 16,473</u>	<u>\$ 5,119</u>	<u>\$ 249</u>	<u>\$ 8,183</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022
(in thousands)

Page 2 of 4

	Health Benefits	Information Technology	Facilities Services	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 2,332	\$ 17,190	\$ 5,405	\$ 39,226
Contributions received - employer/employees	26,806	-	41	36,399
Cash received from insurance proceeds	-	-	-	246
Cash payments to suppliers for goods & services	(770)	(7,165)	(1,740)	(17,778)
Cash payments to employees for services	(374)	(9,861)	(2,814)	(16,803)
Cash payments to claimants	(20,992)	-	-	(25,719)
Cash received from contracts/rent	-	-	275	275
Cash payments for insurance	(6,903)	-	-	(10,457)
Other receipts	1,366	-	-	1,526
Net cash provided (used) by operating activities	1,465	164	1,167	6,915
Cash flows from noncapital financing activities:				
Transfers in	-	1,000	35	10,244
Transfers out	(10)	(25)	(1,155)	(1,414)
Cash received from non-operating revenues	-	185	461	646
Net cash provided (used) by noncapital financing activities:	(10)	1,160	(659)	9,476
Cash flows from capital & related financing activities:				
Acquisition and construction of capital assets	-	(50)		(2,410)
Proceeds from sale of assets	-	-		322
Net cash provided (used) by capital financing activities	-	(50)	-	(2,088)
Cash flows from investing activities:				
Interest on investments	51	120	33	494
Net cash provided (used) by investing activities	51	120	33	494
Net increase (decrease) in cash balance	1,506	1,394	541	14,797
Cash and equity in pooled investments balance beginning of year	3,532	9,430	2,228	33,858
Cash and equity in pooled investments balance end of year	\$ 5,038	\$ 10,824	\$ 2,769	\$ 48,655

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022
(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)	\$ (617)	\$ (26)	\$ (30)	\$ (1,511)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	5,538	-	-	3
Other receipts	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2	-	-	(14)
(Increase) decrease in due from other funds	169	-	-	-
(Increase) decrease in other receivables	1,172	-	-	317
(Increase) decrease in lease receivables	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in inventory	143	-	-	-
(Increase) decrease in asset retirement obligation	78	-	-	-
(Increase) decrease in deferred outflow	(234)	-	-	(124)
(Increase) decrease in pension asset	-	-	-	-
(Increase) decrease in lease asset	-	-	-	-
Increase (decrease) in accounts payable	96	227	-	(10)
Increase (decrease) in wages & benefits payable	(24)	-	-	2
Increase (decrease) in compensated absences	(101)	-	-	4
Increase (decrease) in due to other governments	1	-	-	-
Increase (decrease) in customer deposits	-	-	-	-
Increase (decrease) in estimated claims payable	-	298	15	78
Increase (decrease) in pension liability	-	-	-	-
Increase (decrease) in deferred inflows	(1,038)	-	-	(295)
Increase (decrease) in unearned revenue	-	-	-	-
Total adjustments	<u>5,802</u>	<u>525</u>	<u>15</u>	<u>(39)</u>
Net cash provided (used) by operating activities	<u>\$ 5,185</u>	<u>\$ 499</u>	<u>\$ (15)</u>	<u>\$ (1,550)</u>
Non-cash investing, capital and financing activities:				
Increase (decrease) in fair value of investments	\$ (8)	\$ (2)	\$ -	\$ (4)

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022
(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)	\$ 551	\$ (1,596)	\$ 1,142	\$ (2,087)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	(609)	118	5,050
Other receipts	1,366	-	-	1,366
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(344)	(14)	2	(368)
(Increase) decrease in due from other funds	-	-	-	169
(Increase) decrease in other receivables	405	-	-	1,894
(Increase) decrease in lease receivables	-	184	1,049	1,233
(Increase) decrease in prepaid expenses	(279)	(7)	-	(286)
(Increase) decrease in inventory	-	-	-	143
(Increase) decrease in asset retirement obligation	-	-	-	78
(Increase) decrease in deferred outflow	(38)	(1,621)	(408)	(2,425)
(Increase) decrease in pension asset	-	3,603	980	4,583
(Increase) decrease in lease asset	-	(2,249)	(4,460)	(6,709)
Increase (decrease) in accounts payable	(165)	(56)	145	237
Increase (decrease) in wages & benefits payable	-	14	13	5
Increase (decrease) in compensated absences	1	(29)	51	(74)
Increase (decrease) in due to other governments	-	-	-	1
Increase (decrease) in customer deposits	-	-	(3)	(3)
Increase (decrease) in estimated claims payable	66	-	-	457
Increase (decrease) in pension liability	-	9,497	-	9,497
Increase (decrease) in deferred inflows	(98)	(8,988)	(912)	(11,331)
Increase (decrease) in unearned revenue	-	2,035	3,450	5,485
Total adjustments	914	1,760	25	9,002
Net cash provided (used) by operating activities	<u>\$ 1,465</u>	<u>\$ 164</u>	<u>\$ 1,167</u>	<u>\$ 6,915</u>
Non-cash investing, capital and financing activities:				
Increase (decrease) in fair value of investments	\$ (2)	\$ (5)	\$ (1)	\$ (22)

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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, 2022
(in thousands)

	Firefighters' Pension Fund	Municipal Employees' Benefit Trust	Total
Assets:			
Cash & equity in pooled investments:			
Mutual funds	\$ -	\$ 610,906	\$ 610,906
Common and preferred stocks	-	52,690	52,690
Collective trust fund	-	201,524	201,524
State investment pool	4,218	-	4,218
US government and agency obligations	2,180	-	2,180
Interest-bearing bank deposits	352	1,947	2,299
Supernationals	281	-	281
Interest receivable	-	1,521	1,521
Notes receivable from participants	-	8,219	8,219
Total assets	<u>\$ 7,031</u>	<u>\$ 876,807</u>	<u>\$ 883,838</u>
Liabilities:			
Accounts payable	\$ -	\$ 517	\$ 517
Total liabilities	<u>-</u>	<u>517</u>	<u>517</u>
Total net position restricted for pensions	<u>\$ 7,031</u>	<u>\$ 876,290</u>	<u>\$ 883,321</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Funds
For the Year ended December 31, 2022
(in thousands)

	Firefighters' Pension Fund	Municipal Employees' Benefit Trust	Total
Additions:			
Investment income:			
Interest	\$ 98	\$ 377	\$ 475
Net change in fair value of investments	(3)	(204,494)	(204,497)
Dividends	-	29,575	29,575
Contributions:			
Contributions from employers and nonemployer	276	23,130	23,406
Contributions from participants and members	-	27,288	27,288
Rollovers	-	115	115
Total additions	<u>371</u>	<u>(124,009)</u>	<u>(123,638)</u>
Deductions:			
Benefit payments	312	65,739	66,051
Insurance premiums	-	2,124	2,124
Administrative expense	-	1,966	1,966
Total deductions	<u>312</u>	<u>69,829</u>	<u>70,141</u>
Net increase (decrease) in net position	59	(193,838)	(193,779)
Net position beginning of year	<u>6,972</u>	<u>1,070,128</u>	<u>1,077,100</u>
Net position end of year	<u>\$ 7,031</u>	<u>\$ 876,290</u>	<u>\$ 883,321</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, 2022
(in thousands)

Page 1 of 2

	eCityGov Alliance	Community Connectivity Consortium	Eastside Narcotics Task Force
Assets:			
Cash & equity in pooled investments	\$ 1,075	\$ 340	\$ 76
Receivables (net of allowances)			
Accounts	-	-	-
Due from other governments	90	-	-
Capital assets (net)	-	-	-
Total assets	<u>\$ 1,165</u>	<u>\$ 340</u>	<u>\$ 76</u>
Liabilities:			
Accounts payable	\$ 21	\$ 2	\$ -
Deposits payable	-	-	66
Total liabilities	<u>21</u>	<u>2</u>	<u>66</u>
Total net position restricted for individuals, organizations, and other governments	<u>\$ 1,144</u>	<u>\$ 338</u>	<u>\$ 10</u>

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
As of December 31, 2022
(in thousands)

Page 2 of 2

	Hazardous Materials	Custodial Fund	Total
Assets:			
Cash & equity in pooled investments	\$ 481	\$ 81	\$ 2,053
Receivables (net of allowances):			
Accounts	-	641	641
Due from other governments	-	-	90
Capital assets (net)	99	-	99
Total assets	<u>\$ 580</u>	<u>\$ 722</u>	<u>\$ 2,883</u>
Liabilities:			
Accounts payable	\$ -	\$ 73	\$ 96
Deposits payable	-	-	66
Total liabilities	<u>-</u>	<u>73</u>	<u>162</u>
Total net position restricted for individuals, organizations, and other governments	<u>\$ 580</u>	<u>\$ 649</u>	<u>\$ 2,721</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2022
(in thousands)

Page 1 of 2

	eCityGov Alliance	Community Connectivity Consortium	Eastside Narcotics Task Force
Additions:			
Investment income:			
Interest	\$ 16	\$ 4	\$ 1
Net change in fair value of investments	(1)	-	-
Other contributions:			
Contributions from members	1,404	142	-
Tax collections for other governments	-	-	-
Deposits collected	-	-	-
Total additions	<u>1,419</u>	<u>146</u>	<u>1</u>
Deductions:			
Administrative expense	1,435	19	9
Distributions to human services agencies	-	-	-
Payments to other governments	-	-	-
Deposits released	-	-	-
Total deductions	<u>1,435</u>	<u>19</u>	<u>9</u>
Net increase (decrease) in net position	(16)	127	(8)
Net position beginning of year	1,082	211	18
Prior period addition (deduction)	78	-	-
Net position end of year	<u>\$ 1,144</u>	<u>\$ 338</u>	<u>\$ 10</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2022
(in thousands)

Page 2 of 2

	Hazardous Materials	Custodial Fund	Total
Additions:			
Investment income:			
Interest	\$ 6	\$ 2	\$ 29
Net change in fair value of investments	-	-	(1)
Other contributions:			
Contributions from members	134	3,485	5,165
Tax collections for other governments	-	270	270
Deposits collected	-	75	75
Total additions	<u>140</u>	<u>3,832</u>	<u>5,538</u>
Deductions:			
Administrative expense	30	-	1,493
Distributions to human services agencies	-	3,501	3,501
Payments to other governments	-	354	354
Deposits released	-	333	333
Total deductions	<u>30</u>	<u>4,188</u>	<u>5,681</u>
Net increase (decrease) in net position	110	(356)	(143)
Net position beginning of year	465	854	2,630
Prior period addition (deduction)	5	151	234
Net position end of year	<u>\$ 580</u>	<u>\$ 649</u>	<u>\$ 2,721</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
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
2022	1,859,753	244,539	145,931	2,250,223	487,560	4,377	414,227	906,164	2,347,313	248,916	560,158	3,156,387

^(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 28,354	\$ 31,948	\$ 33,611	\$ 39,840	\$ 27,174	\$ 34,751	\$ 38,187	\$ 82,024	\$ 11,811	\$ 47,661
Public safety	84,074	85,734	90,269	90,827	94,620	98,732	107,391	104,615	98,731	113,870
Physical environment	2,892	2,249	2,446	1,509	1,361	1,194	1,452	1,284	1,455	1,578
Transportation	29,147	30,925	36,384	36,729	43,071	40,929	62,788	47,976	46,400	43,085
Economic environment	20,768	23,336	34,571	32,573	31,821	31,259	43,764	44,271	46,043	61,241
Health and human services	7,414	7,596	8,457	6,766	7,492	6,548	6,897	6,393	7,455	9,695
Culture and recreation	39,448	39,776	43,116	39,356	47,522	43,080	42,243	41,637	44,730	43,639
Interest on long-term debt	8,691	8,978	11,148	12,010	11,686	11,097	10,990	10,960	10,443	7,915
Total governmental activities	220,788	230,542	260,002	259,610	264,747	267,590	313,712	339,160	267,068	328,684
Business-type activities										
Water	41,218	46,886	44,529	48,299	45,722	49,899	50,474	51,027	55,899	56,462
Sewer	44,099	44,780	48,683	49,470	47,913	50,623	53,173	53,215	53,511	58,261
Storm & surface water	11,208	11,764	12,699	14,413	15,020	11,973	13,622	14,710	14,466	15,894
Marina	232	273	219	216	349	154	318	318	353	398
Total business-type activities	96,757	103,703	106,130	112,398	109,004	112,649	117,587	119,270	124,229	131,015
Total primary government expenses	\$ 317,545	\$ 334,245	\$ 366,132	\$ 372,008	\$ 373,751	\$ 380,239	\$ 431,299	\$ 458,430	\$ 391,297	\$ 459,699
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 3,764	\$ 3,686	\$ 5,518	\$ 3,519	\$ 3,449	\$ 3,295	\$ 3,801	\$ 4,601	\$ 4,791	\$ 17,063
Public safety	16,874	16,553	19,549	22,274	22,668	23,994	23,713	24,395	25,868	26,930
Physical environment	588	735	692	705	708	742	641	800	810	746
Transportation	1,940	6,391	10,098	8,518	11,361	15,224	7,626	18,876	25,812	22,451
Economic environment	12,545	17,296	18,797	19,334	17,444	17,873	24,502	28,513	31,384	24,839
Health and human services	530	545	555	2,150	3,015	3,048	412	283	30	29
Culture and recreation	9,186	9,183	10,220	11,569	11,258	11,488	11,992	7,119	9,093	11,609
Operating grants and contributions	7,851	7,585	11,427	8,043	7,542	7,542	18,168	21,845	30,117	34,467
Capital grants and contributions	5,136	13,373	17,239	9,811	20,027	10,969	28,532	38,193	18,998	23,028
Total governmental activities program revenues	58,414	75,347	94,095	85,923	97,472	94,175	119,387	144,625	146,903	161,162

City of Bellevue, Washington

Table 2
Page 2 of 3

CHANGES IN NET POSITION ^(A)

Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities										
Charges for Services										
Water	\$ 48,417	\$ 52,181	\$ 57,666	\$ 57,215	\$ 61,622	\$ 64,373	\$ 67,555	\$ 65,993	\$ 75,020	\$ 74,135
Sewer	51,270	53,359	56,628	59,678	61,758	63,479	66,384	64,244	69,524	74,712
Storm & surface water	18,872	20,446	21,333	22,593	23,376	24,490	26,178	26,866	28,567	29,177
Marina	575	585	625	624	606	653	715	680	700	752
Operating grants and contributions	-	-	-	-	-	104	75	66	74	1
Capital grants and contributions	5,141	7,619	5,611	6,068	6,617	7,644	20,341	12,649	9,799	7,537
Total business-type activities program revenues	124,275	134,190	141,863	146,178	153,979	160,743	181,248	170,498	183,684	186,314
Total primary government program revenues	\$ 182,689	\$ 209,537	\$ 235,958	\$ 232,101	\$ 251,451	\$ 254,918	\$ 300,635	\$ 315,123	\$ 330,587	\$ 347,476
Net (Expense)/Revenue										
Governmental activities	\$ (162,374)	\$ (155,195)	\$ (165,907)	\$ (173,687)	\$ (167,275)	\$ (173,415)	\$ (194,325)	\$ (194,535)	\$ (120,165)	\$ (167,522)
Business-type activities	27,518	30,487	35,733	33,780	44,975	48,094	63,661	51,228	59,455	55,299
Total primary government net expense	\$ (134,856)	\$ (124,708)	\$ (130,174)	\$ (139,907)	\$ (122,300)	\$ (125,321)	\$ (130,664)	\$ (143,307)	\$ (60,710)	\$ (112,223)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property tax	\$ 38,302	\$ 38,379	\$ 40,222	\$ 41,304	\$ 55,907	\$ 57,754	\$ 59,210	\$ 61,172	\$ 62,581	\$ 64,392
Retail sales and use tax	53,072	59,278	66,173	69,686	72,981	78,251	83,781	74,150	100,443	110,590
Utility tax	28,103	26,790	27,219	27,169	29,386	29,036	27,092	26,398	28,140	29,834
Business and occupation tax	28,783	34,856	36,551	38,380	43,530	47,811	43,012	41,515	52,796	67,328
Excise tax	12,090	14,665	19,515	22,815	21,350	20,951	28,310	27,969	39,377	22,113
Hotel/motel tax	9,176	8,975	10,191	11,214	11,780	12,645	12,531	3,139	4,543	9,827
Other tax	446	590	474	1,837	1,969	2,065	2,115	264	417	739
Payments from component unit	10	10	9	11	9	11	10	8,906	11	12
Grants and contributions - unrestricted	1,258	1,424	1,721	1,202	2,746	1,398	1,525	1,166	1,170	1,184
Unrestricted investment interest	884	962	1,349	1,622	2,098	3,459	5,214	2,159	1,230	5,883
Gain (loss) in change of fair value of investments	(801)	417	(131)	(304)	(490)	341	1,124	2	(145)	(216)
Miscellaneous	484	721	269	823	572	750	1,513	3,856	2,401	3,257
Gain (loss) on sale of capital assets	285	61	(685)	221	991	2,682	283	304	6,329	322
Transfers	(366)	(246)	(141)	(60)	48	(171)	382	400	-	131
Total governmental activities	\$ 171,726	\$ 186,882	\$ 202,736	\$ 215,920	\$ 242,877	\$ 256,983	\$ 266,102	\$ 251,400	\$ 299,293	\$ 315,396

Table 2
Page 3 of 3

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities										
Unrestricted investment interest	\$ 924	\$ 1,213	\$ 1,581	\$ 2,099	\$ 2,857	\$ 4,496	\$ 6,830	\$ 1,937	\$ 874	\$ 5,253
Gain (loss) in change of fair value of investments	(911)	11,947	7,425	(432)	(707)	432	1,613	2	(146)	(187)
Miscellaneous	1,556	979	1,054	1,747	3,658	1,041	861	864	1,112	866
Gain (loss) on sale of capital assets	3	236	201	46	44	(1)	-	-	-	-
Transfers	366	246	141	60	(48)	171	(382)	(400)	-	(131)
Total business-type activities	1,938	14,621	10,402	3,520	5,804	6,139	8,922	2,403	1,840	5,801
Total primary government	\$ 173,664	\$ 201,503	\$ 213,138	\$ 219,440	\$ 248,681	\$ 263,122	\$ 275,024	\$ 253,803	\$ 301,133	\$ 321,197
Change in Net Position										
Governmental activities	\$ 9,352	\$ 31,687	\$ 36,829	\$ 42,233	\$ 75,602	\$ 83,568	\$ 71,777	\$ 56,865	\$ 179,128	\$ 147,874
Business-type activities	29,456	45,108	46,135	37,300	50,779	54,233	72,583	53,631	61,295	61,100
Total primary government	\$ 38,808	\$ 76,795	\$ 82,964	\$ 79,533	\$ 126,381	\$ 137,801	\$ 144,360	\$ 110,496	\$ 240,423	\$ 208,974

^(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)
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
2022	294,996	64,392	110,090	29,834	67,328	500	22,113	739	9,827

^(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.

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable for:										
Prepays	\$ 408	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165	\$ 1,084
Total nonspendable fund balance	408	391	732	491	522	2	488	644	1,165	1,084
Assigned for:										
General government	701	980	1,333	1,640	1,086	1,050	1,125	1,045	4,708	539
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	-
Total assigned fund balance	1,574	1,685	2,343	2,830	2,773	22,010	28,254	36,139	56,267	539
Committed for:										
General government	-	-	-	-	-	-	-	-	-	4,278
Transportation	-	-	-	-	-	-	-	-	-	3,740
Economic environment	-	-	-	-	-	-	-	-	-	49,410
Health & human services	-	-	-	-	-	-	-	-	-	1,303
Culture & recreation	-	-	-	-	-	-	-	-	-	3,100
Total assigned fund balance	-	-	-	-	-	-	-	-	-	61,831
Restricted for:										
General government	-	-	-	-	-	3	-	-	8	188
Public safety	-	-	-	245	341	287	647	561	638	714
Culture & recreation	-	-	-	38	225	2,472	13	-	-	-
Total restricted fund balance	-	-	-	283	566	2,762	660	561	646	902
Unassigned	23,051	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018	59,483
Total unassigned fund balance	23,051	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018	59,483
Fund Balance - General fund	\$ 25,033	\$ 28,054	\$ 34,384	\$ 40,511	\$ 48,597	\$ 68,967	\$ 77,186	\$ 80,001	\$ 109,096	\$ 123,839

Table 4
Page 2 of 4

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)										
Last Ten Fiscal Years										
(in thousands)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Governmental Funds										
Assigned for:										
General government	\$ 1,255	\$ 1,275	\$ 3,043	\$ 492	\$ 10,648	\$ 30,119	\$ 36,486	\$ 50,752	\$ 68,299	\$ 4,546
Public safety	8,383	6,719	5,272	3,900	1,981	537	-	-	297	-
Physical environment	1,100	960	1,299	1,420	1,306	1,386	407	421	36	-
Transportation	-	-	-	6,204	-	-	2,973	2,210	830	245
Economic environment	4,367	6,160	-	-	1,627	-	1,256	-	-	-
Health & human services	3,725	4,130	5,093	398	1,698	3,651	-	1,802	632	3,124
Culture & recreation	966	-	-	466	707	-	1,148	1,206	1,698	2
Debt services	-	-	-	-	1,012	1,049	559	141	805	-
Total assigned fund balance	19,796	19,244	14,707	12,880	18,979	36,742	42,829	56,532	72,597	7,917
Committed for:										
General government	-	-	-	-	189	2,201	-	-	-	90,567
Public safety	-	-	-	-	-	-	-	-	-	132
Physical Environment	-	-	-	-	-	-	2,065	2,409	2,578	2,961
Transportation	-	-	-	-	2,078	-	-	-	-	2,816
Health and human services	-	-	-	-	-	-	2,687	7,535	7,188	5,435
Culture & recreation	-	-	-	-	-	-	-	34	34	1,206
Total committed fund balance	-	-	-	-	2,267	2,201	4,752	9,978	9,800	103,117
Restricted for:										
General government	50,095	16,006	51,842	38,975	19,018	571	-	-	7,222	310
Public safety	1,300	1,581	1,005	825	6,323	12,780	18,855	23,286	27,831	34,498
Physical environment	109	538	94	394	595	1,413	13	-	530	492
Transportation	1,159	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008	33,827
Economic environment	4,082	755	8,708	12,386	12,210	281	241	618	579	1,229
Health & human services	3,203	3,202	3,090	8,387	5,083	5,372	10	492	11,617	25,267
Culture & recreation	10,697	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363	63,594
Debt services	1,879	2,479	1,459	1,867	110	103	642	4,897	4,247	6,414
Total restricted fund balance	72,524	42,279	91,987	93,114	85,515	77,199	71,023	82,697	139,397	165,631
Fund Balance - Other Governmental Funds	\$ 92,320	\$ 61,523	\$ 106,694	\$ 105,994	\$ 106,761	\$ 116,142	\$ 118,604	\$ 149,207	\$ 221,794	\$ 276,665

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Funds										
Nonspendable for:										
Prepays	\$ 408	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165	\$ 1,084
Total nonspendable fund balance	408	391	732	491	522	2	488	644	1,165	1,084
Assigned for:										
General government	1,956	2,255	4,377	2,132	11,734	31,169	37,611	51,797	73,007	5,085
Public safety	8,383	6,719	5,272	3,900	2,038	597	-	-	322	-
Physical environment	1,100	960	1,299	1,420	2,022	4,977	1,270	421	36	-
Transportation	-	-	-	6,204	-	16,056	26,341	3,057	4,581	245
Economic environment	4,367	6,160	98	58	1,627	-	2,028	31,669	43,996	-
Health & human services	4,598	4,835	6,005	1,530	2,612	4,904	2,126	2,777	2,128	3,124
Culture & recreation	966	-	-	466	707	-	1,148	2,809	3,989	2
Debt services	-	-	-	-	1,012	1,049	559	141	805	-
Total assigned fund balance	21,370	20,929	17,051	15,710	21,752	58,752	71,083	92,671	128,864	8,456
Committed for:										
General government	-	-	-	-	189	2,201	-	-	-	94,845
Public safety	-	-	-	-	-	-	-	-	-	132
Physical Environment	-	-	-	-	-	-	2,065	2,409	2,578	2,961
Transportation	-	-	-	-	2,078	-	-	-	-	6,556
Economic Environment	-	-	-	-	-	-	-	-	-	49,410
Health and human services	-	-	-	-	-	-	2,687	7,535	7,188	6,738
Culture and recreation	-	-	-	-	-	-	-	34	34	4,306
Debt services	-	-	-	-	-	-	-	-	-	-
Total committed fund balance	-	-	-	-	2,267	2,201	4,752	9,978	9,800	164,948

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Restricted for:										
General government	\$ 50,095	\$ 16,006	\$ 51,842	\$ 38,975	\$ 19,019	\$ 574	\$ -	\$ -	\$ 7,230	\$ 498
Public safety	1,300	1,581	1,005	1,070	6,664	13,067	19,502	23,847	28,469	35,212
Physical environment	109	538	94	394	595	1,413	13	-	530	492
Transportation	1,159	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008	33,827
Economic environment	4,082	755	8,708	12,386	12,210	281	241	618	579	1,229
Health & human services	3,203	3,202	3,090	8,425	5,308	7,844	23	492	11,617	25,267
Culture & recreation	10,697	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363	63,594
Debt services	1,879	2,479	1,459	1,867	110	103	642	4,897	4,247	6,414
Total restricted fund balance	72,524	42,279	91,987	93,397	86,082	79,961	71,683	83,258	140,043	166,533
Unassigned	23,051	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018	59,483
Total unassigned fund balance	23,051	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018	59,483
Fund balance - governmental funds	\$ 117,353	\$ 89,577	\$ 141,080	\$ 146,505	\$ 155,358	\$ 185,109	\$ 195,790	\$ 229,208	\$ 330,890	\$ 400,504

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

Table 5
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CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes and special assessments	\$169,498	\$184,381	\$200,358	\$211,295	\$236,956	\$244,132	\$259,732	\$234,659	\$288,294	\$304,786
Licenses and permits	4,718	9,246	9,308	11,516	9,969	10,948	14,536	16,416	21,875	12,981
Intergovernmental	26,462	31,196	33,826	44,920	48,611	34,847	42,423	80,458	64,807	49,819
Service charges and fees	33,263	37,392	44,799	31,400	29,393	38,492	38,614	47,737	54,297	51,690
Fines and forfeitures	1,168	1,073	2,176	2,880	2,014	2,261	2,156	1,198	1,480	1,570
Interest and penalties	715	755	1,076	1,303	1,701	2,894	4,453	1,951	1,158	5,171
Net change in fair value of investments	(639)	354	(133)	(244)	(390)	287	944	2	(131)	(194)
Rent	4,829	5,249	6,624	6,419	4,896	5,184	7,100	5,664	7,623	11,322
Judgements and settlements	-	-	-	8	-	11	3,631	8	4	253
Premiums and contributions	2,691	3,332	4,081	1,721	4,189	2,378	4,366	1,435	8,287	17,316
Other	876	843	709	1,435	954	1,321	1,107	2,663	1,195	1,191
Total revenues	243,581	273,821	302,824	312,653	338,293	342,755	379,062	392,191	448,889	455,905
Expenditures										
General government	27,231	32,376	31,432	30,167	28,273	30,325	38,280	74,881	31,497	38,288
Public safety	86,634	87,717	91,040	90,928	95,476	102,063	105,768	108,067	113,615	118,388
Physical environment	2,666	2,191	2,382	1,330	1,391	1,207	1,462	1,299	1,464	1,692
Transportation	31,461	34,678	40,235	29,432	34,332	35,961	51,649	40,544	42,693	39,821
Economic environment	21,065	23,283	34,643	35,645	36,836	39,417	44,415	44,133	49,749	63,477
Health and human services	7,609	7,864	8,596	6,786	7,442	6,586	6,898	6,393	7,454	9,696
Culture and recreation	37,927	37,762	40,466	38,524	36,558	37,896	40,373	37,373	38,635	40,613
Capital outlay	44,971	60,613	83,794	51,010	66,346	40,426	60,954	79,695	50,493	45,984
Debt service										
Principal	20,612	6,387	6,050	7,192	9,542	9,875	10,333	10,793	10,798	99,836
Interest and fiscal charges	8,987	9,532	9,250	15,485	12,804	12,136	11,680	11,563	11,297	10,345
Total expenditures	289,163	302,403	347,888	306,499	329,000	315,892	371,812	414,741	357,695	468,140

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS^(A)Last Ten Fiscal Years
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Transfers in	\$ 37,243	\$ 21,022	\$ 22,433	\$ 27,193	\$ 26,861	\$ 30,770	\$ 35,977	\$ 29,940	\$ 34,545	\$ 46,756
Transfers out	(35,965)	(20,241)	(22,897)	(27,920)	(28,032)	(31,669)	(36,975)	(29,674)	(33,217)	(55,455)
Proceeds from long-term debt	-	-	91	-	-	908	6,133	65,255	50,196	10,058
Refunding bonds issued	70,405	-	97,935	-	-	-	-	-	(47,083)	72,675
Payment to refunded bond escrow agent	-	-	(13,072)	-	-	-	-	(13,185)	-	(86,692)
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	-	14,447
Lease asset	-	-	-	-	-	-	-	-	-	160
Total other financing sources (uses)	83,613	807	96,566	(727)	(440)	2,888	5,174	54,746	10,488	1,949
Net change in fund balance	\$38,031	(\$27,775)	\$51,503	\$5,427	\$8,853	\$29,751	\$12,424	\$32,196	\$101,682	\$76,406
Debt service as a percentage of noncapital expenditures	12.12%	6.58%	5.79%	8.88%	8.51%	7.99%	7.12%	6.66%	7.19%	7.27%

^(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)
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
2022	294,960	64,615	110,090	29,834	67,448	500	22,473	9,827

^(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 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contracting	\$695,970	\$981,629	\$1,363,843	\$1,439,618	\$1,579,775	\$1,538,415	\$1,735,586	\$1,821,117	\$2,346,962	\$2,732,451
Manufacturing	66,172	74,024	76,751	82,192	94,236	126,221	128,936	94,989	97,936	108,713
Transportation, communications, and utilities	261,264	281,680	322,087	313,202	345,163	413,748	417,965	418,568	430,278	450,166
Finance, insurance, and real estate	148,445	145,878	187,217	261,724	202,781	192,955	206,034	198,650	223,255	216,433
Wholesale trade	336,048	345,609	393,174	340,796	357,548	479,677	437,027	386,034	476,985	511,766
Retail - building materials	114,651	122,930	132,481	134,739	133,530	128,599	149,580	147,959	171,030	183,485
Retail - general merchandise	217,414	216,008	202,926	176,441	188,332	203,095	203,158	183,652	190,647	171,558
Retail - food	96,819	98,556	100,303	95,884	99,667	104,032	101,696	97,088	106,242	114,529
Retail - automotive	937,893	1,002,045	1,059,875	1,147,166	1,252,278	1,446,424	1,362,354	1,245,120	1,549,064	1,664,111
Retail - apparel	496,795	482,848	502,078	507,741	511,368	531,937	541,700	314,074	523,425	585,487
Retail - furniture and accessories	312,593	336,678	349,400	392,609	409,314	442,617	455,356	432,135	529,160	491,543
Retail - restaurants	427,739	449,249	481,320	515,601	552,794	607,142	649,253	354,194	508,615	672,407
Retail - miscellaneous	463,937	497,860	530,147	561,930	584,338	641,498	701,579	687,068	847,088	883,676
Services - hotels	199,665	218,118	247,476	270,072	286,425	306,679	305,583	77,378	103,848	214,896
Services - business	395,436	479,356	480,886	611,070	682,897	744,410	883,585	880,489	1,070,047	1,231,903
Services - other	267,384	270,096	282,981	301,751	308,410	327,476	339,633	221,783	247,554	319,314
All other categories	1,170	1,162	1,084	1,220	988	1,327	1,366	654	1,447	1,121
Total sales	\$5,439,394	\$6,003,725	\$6,714,030	\$7,153,756	\$7,589,845	\$8,236,252	\$8,620,390	\$7,560,952	\$9,423,584	\$10,553,562

^(A) The city is prohibited by law from reporting individual taxpayers.

Source: Washington State Department of Revenue Quarterly Business Review reports

SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.650%	0.065%	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%	1.400%	1.400%	1.400%	1.400%	1.400%	1.400%
Total Local Rate	3.000%	3.000%	3.000%	3.000%	3.500%	3.500%	3.500%	3.500%	3.600%	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%	2.569%	2.569%	2.569%	3.144%	2.559%	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%	10.000%	10.000%	10.000%	10.000%	10.100%	10.100%

SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

- (A) Under Bellevue City Code 4.12.020 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 2022, the city's estimated population was 153,900 and the County's population was 2,317,700. Bellevue represented 6.64 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)		
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	1,165,859	734,283	110,666	5,452	41,320,905	0.98
2016	42,830,040	1,095,002	621,096	111,493	-	44,546,138	0.94
2017	47,695,767	1,225,116	578,180	128,759	-	49,499,063	1.14
2018	54,621,525	1,241,081	624,729	138,047	-	56,487,335	1.03
2019	63,060,612	1,264,406	661,148	140,984	-	64,986,182	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
2022	74,891,425	1,389,524	924,209	239,884	-	77,205,158	0.84

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

^(B) Starting for the fiscal year 2008 non-taxable values are excluded from assessed taxable property values.

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
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
2022	0.84	2.36	1.23	1.85	0.11	0.84	8.20

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

			2022					2013	
			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	\$ 959	1.24%	1	\$ 555		1.56%	
2	Essex Property Trust (formerly Essex Portfolio LP)	Property management	722	0.94%	9	146		0.41%	
3	1001 Office LLC	Real Estate Investment	618	0.80%	(B)	-		-	
4	Avalonbay Communitites Inc	Real Estate Investment	534	0.69%	(B)	-		-	
5	LS2 Office LLC	Real Estate Investment	532	0.69%	(B)	-		-	
6	FSP-City Center Plaza LLC	Property management	411	0.53%	5	256		0.72%	
7	Preylock Bellevue LLC (formerly Newport Corp. Center)	Real Estate Investment	407	0.53%	(B)	-		-	
8	KRE Summit 12 LLC	Property management	388	0.50%	(B)	-		-	
9	Braven Office Owner	Property management	386	0.50%	(B)	-		-	
10	Bellevue 108 Avenue Owner L	Property management	344	0.45%	(B)	-		-	
(B)	W2007 (formerly Archon Group LP)	Property management	(B)	-	2	374		1.05%	
(B)	The Boeing Company	Aerospace	(B)	-	3	374		1.05%	
(B)	Puget Sound Energy	Utility Services	(B)	-	4	270		0.76%	
(B)	Bellevue Place	Property management	(B)	-	6	247		0.69%	
(B)	T-Mobile	Telecommunications	(B)	-	7	189		0.53%	
(B)	Kilroy Realty (formerly Three Bellevue Center LLC)	Property management	(B)	-	8	165		0.46%	
(B)	BRE Properties	Property management	(B)	-	10	117		0.33%	
			\$ 5,301	6.87%				\$ 2,693	7.57%

(A) Total 2022 assessed valuation, in millions, is \$77,205. Total 2013 assessed valuation, in millions, was \$35,568.

(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
2013	\$ 38,339	\$ 37,888	98.8%	\$ 458	\$ 38,346	100.0%
2014	38,590	38,183	98.9%	409	38,592	100.0%
2015	39,821	39,393	98.9%	446	39,838	100.0%
2016	41,419	40,958	98.9%	468	41,426	100.0%
2017	56,040	55,647	99.3%	402	56,049	100.0%
2018	57,881	57,400	99.2%	492	57,893	100.0%
2019	59,423	58,934	99.2%	479	59,413	100.0%
2020	61,108	60,437	98.9%	602	61,039	99.9%
2021	62,574	61,908	98.9%	545	62,453	99.8%
2022	64,772	64,199	99.1%	-	64,199	99.1%

^(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: 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				Percentage		
	General obligation bonds	Special assessments	Conditional purchase contracts	PWTF loans	Line of credit	General obligation bonds	Revenue bonds	PWTF loans	Total primary government	of personal income ^(A)	Per capita	
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	1.88%		2,089
2022	293,273	-	-	159	-	-	-	-	293,432	N/A ^(B)		1,981

^(A) See Table 18: Demographic Statistics for personal income and population data.

^(B) Personal Income data not available at time of printing.

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)
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	0.43%	2,059
2022	293,273	6,414	286,859	0.40%	1,937

^(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, 2022
(in thousands)

Jurisdiction	Net Outstanding Debt	Percentage Applicable to Bellevue ^(A)	Amount Applicable to Bellevue
City of Bellevue	\$ 293,432	100.00%	\$ 293,432
King County(1)	564,752	11.25%	63,541
Port of Seattle	336,890	12.49%	42,081
King County Rural Library District	28,812	11.83%	3,408
Renton School District #403	270,126	80.05%	216,246
Bellevue School District #405	747,678	0.90%	6,757
Issaquah School District #411	654,751	1.09%	7,107
Lake Washington School District #414	505,448	11.25%	56,868
Fire District #10	1,888	4.07%	77
Total other jurisdictions	3,110,345	12.73%	396,085
Total Direct and Overlapping Debt	\$ 3,403,777	20.26%	\$ 689,517

^(A) Determined by ratio of 2022 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, 2022 exclusive of refunded bonds.

Source: King County Department of Finance

Table 16

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LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$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	\$5,790,387
Total net debt applicable to limit	187,585	217,512	292,461	312,743	299,875	287,670	281,143	315,591	304,882	287,658
Legal debt margin	<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>	<u>\$5,502,729</u>
Total net debt applicable to the limit as a percentage of debt limit	7.65%	8.88%	9.44%	9.38%	8.10%	6.81%	5.78%	6.16%	5.70%	4.97%

LEGAL DEBT MARGIN INFORMATION

December 31, 2022

(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)	\$ 77,205,158	\$ 77,205,158	\$ 77,205,158	\$ 77,205,158	\$ 77,205,158	\$ 77,205,158
Statutory debt limit percentages:	1.50%	1.00%	2.50%	2.50%	2.50%	7.50%
Statutory Debt limit	\$ 1,158,077	\$ 772,052	\$ 1,930,129	\$ 1,930,129	\$ 1,930,129	\$ 5,790,387
Debt applicable to limit						
Bonds outstanding	\$ 293,273	\$ -	\$ 293,273	\$ -	\$ -	\$ 293,273
Less:						
Cash on hand for debt redemption ^(C)	5,615	-	5,615	-	-	5,615
Total Net Debt applicable to limit	287,658	-	287,658	-	-	287,658
Remaining Debt Capacity	\$ 870,419	\$ 772,052	\$ 1,642,471	\$ 1,930,129	\$ 1,930,129	\$ 5,502,729

^(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 2022, which will be used to determine the 2023 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 COVERAGE

Last 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				Coverage ^(C)	Special Assessment Collections	Debt Service				Coverage
				Principal	Interest	Total				Principal	Interest	Total		
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
2022	9,827	-	9,827	-	-	-		-	-	-	-	-		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 2013 – 2022 represent amounts for the discretely presented component unit, Bellevue Convention Center Authority. There are no expenses for 2022 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, the revenue generated by BCCA is excluded as they are not pledged to debt coverage, and included hotel/motel tax revenues from the Hotel/Motel Tax Fund.

Table 18
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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	Unemployment Rate	CPI-U%
2013	132,100	\$ 66,189	\$ 8,743,567	38.4	54,421	18,953	135,467	3.9%	1.2%
2014	134,400	71,828	9,653,683	39	55,643	19,097	138,118	4.0%	1.8%
2015	135,000	75,376	10,175,760	37	55,920	19,613	144,472	3.7%	1.4%
2016	139,400	78,788	10,983,047	39	58,056	19,974	146,115	3.5%	2.2%
2017	140,700	83,192	11,705,114	37	58,290	20,262	147,647	3.3%	3.1%
2018	142,400	88,499	12,602,258	37	58,936	20,272	152,758	3.0%	3.2%
2019	145,300	95,083	13,815,560	37	59,562	20,295	158,805	2.5%	2.5%
2020	148,100	99,734	14,770,605	38	60,953	19,545	155,031	6.3%	1.7%
2021	151,854	108,212	16,432,425	39	61,430	18,808	150,628	3.6%	4.6%
2022	153,900	(A)	(A)	(A)	62,087	18,409	(A)	2.4%	9.0%

(A) Data not available at time of publication

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Sources:

- 1) Population provided by Washington State's Office of Financial Management April 1 Postcensal Estimates of population.
- 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 2013-2021 reflect county population estimates available as of January 2023. 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 US Census Bureau's annual American Community Survey Table S0101. Estimates for 2020 are 5-year averages, all others are 1-year.
- 5) Number of Households provided by Washington State's Office of Financial Management April 1 intercensal estimates of population and housing for 2011-2020. Data for 2021 and 2022 are calculated based on 2020 housing occupancy rates using the April 1 postcensal estimates of housing.
- 6) Public School Enrollment was provided by the Bellevue School District. Population is K-12 students.
- 7) Number of total jobs provided by the Puget Sound Regional Council. Revised September 2022.
- 8) Unemployment Rate provided by the Bureau of Labor Statistics series id LAUCT530521000000003. Estimates are the annual average of monthly rates. Please note previous years may reflect revised inputs, re-estimation, and/or adjustment to new state control totals.
- 9) CPI-U was provided by the Bureau of Labor Statistics series id CUURS49DSA0. Estimates are the percentage change in the Consumer Price Index from the prior year. Data are for Seattle-Tacoma-Bremerton Consolidated 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	2022			2013		
		Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)	Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)
Amazon	Online Retail	1	10,200	6.70%	(C)	-	0.00%
Microsoft	Technology	2	6,700	4.40%	1	5,700	4.20%
T-Mobile USA	Cellular Telephone	3	5,300	3.48%	2	3,200	2.36%
Meta	Online Social Network	4	3,500	2.30%	(C)	-	0.00%
Overlake Hospital Medical Center	Medical Hospital	5	3,400	2.23%	5	2,500	1.84%
Bellevue School District	Education K-12	6	2,500	1.64%	4	2,900	2.14%
City of Bellevue	Government	7	1,600	1.05%	8	1,500	1.11%
Salesforce	Business Services	8	1,200	0.79%	(C)	-	0.00%
Bellevue College	Higher Education	9	1,100	0.72%	7	1,800	1.33%
Bungie	Video Game Developer	10	1,000	0.66%	(C)	-	0.00%
Boeing	Aviation	(C)	-	0.00%	3	2,800	2.06%
Expedia	Online Travel	(C)	-	0.00%	6	2,500	1.84%
Puget Sound Energy	Utility Services	(C)	-	0.00%	9	1,000	0.74%
Safeway	Grocery/Bakery	(C)	-	0.00%	10	1,000	0.74%
			<u>36,500</u>	<u>23.99%</u>		<u>24,900</u>	<u>18.36%</u>

(A) Number of employees provided by the City of Bellevue Community Development Department. Note, estimates are rounded to the nearest hundred.

(B) Percentages of total city employment for 2022 are derived from a projection of the most recent year of data available - 2021 - from the Puget Sound Regional Council (PSRC). To project 2022 employment, Bellevue's total employment estimate for 2021 (150,628) was adjusted by the average annual growth rate from 2010-2021.

(C) Employer was not a principal employer in this period.

Note: Total estimated numbers of employees at the end of 2022 was 152,148. Total estimated numbers of employees at the end of 2013 was 135,647

Source: City of Bellevue Community Development Department

Table 20

FULL- TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
General government	351	352	382	386	389	405	415	423	444	456
Public Safety										
Police										
Officers	180	180	180	186	184	184	185	186	186	187
Civilians	35	35	41	41	41	41	46	47	47	47
Fire										
Firefighters and officers	216	220	214	216	216	216	227	228	211	219
Civilians	27	25	28	28	28	28	24	31	50	51
Transportation	116	117	122	129	140	142	143	144	147	152
Culture and recreation	162	162	165	165	166	165	168	168	168	168
Water	66	66	69	69	71	71	71	71	71	69
Sewer	49	49	51	52	52	53	52	52	52	52
Storm Drainage	48	48	47	48	50	50	50	50	50	50
Total	1250	1252	1299	1321	1338	1355	1382	1400	1427	1452

Source: City of Bellevue Budget Office

Table 21

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OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Public safety/judicial:										
Police:										
Offenses:										
Rape	20	25	25	15	24	25	28	21	13	19
Robbery	48	65	64	63	59	87	77	70	88	105
Homicide	1	2	2	-	-	-	1	6	3	2
Assault ^(A)	491	438	489	479	519	609	562	614	587	689
Auto theft	249	314	221	323	331	386	351	305	448	500
Burglary	688	631	732	636	570	524	403	540	601	735
Larceny	3,013	3,662	3,484	3,615	3,568	3,602	3,565	3,742	4,290	4,407
Citations:										
Traffic	18,089	16,447	11,428	13,021	11,872	8,239	9,611	9,075	18,372	10,300
Criminal ^(B)	2,052	1,752	1,587	1,827	2,302	2,618	2,055	2,304	2,061	2,073
Judicial system:										
Handled by district court	20,141	18,199	13,015	14,848	14,174	10,857	11,666	11,379	20,433	12,373
Fire:										
First response:										
Buildings	135	170	162	198	192	178	172	153	145	159
Non-Buildings	224	228	340	251	325	288	223	193	303	304
Service	436	519	598	840	1,252	1,706	1,845	2,179	3,340	2,513
False alarm	1,429	1,584	1,507	1,548	1,702	1,536	1,756	1,562	1,652	1,864
Other	928	995	1,006	981	1,033	1,004	1,095	997	1,248	1,321
Medic 1 Responses:										
First aid	13,796	14,244	14,606	14,951	15,319	15,307	15,618	13,847	15,962	17,087
Runs per week	265	274	281	288	295	294	300	266	307	329

Table 21

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OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Transportation:										
Area of roadway repaired (sq. ft)	34,518	50,406	39,073	29,192	30,407	20,951	18,239	12,481	4,629	17,429
Miles of streets swept	2,892	5,182	5,696	4,856	3,373	4,812	6,627	5,326	2,471	3,266
Area of sidewalk repaired (sq. ft)	14,664	16,070	23,643	22,235	1,550	4,596	8,174	43	3,340	3,876
Physical/economic environment:										
Building permits issued	14,239	14,263	14,470	15,185	14,999	15,084	16,134	13,732	15,523	16,230
Estimated value (in millions)	560	715	950	793	718	942	712	1,161	1,656	1,152
Culture and recreation:										
Number of rounds of golf played	71,335	66,182	81,039	77,270	71,105	77,682	75,920	71,729	85,917	80,257
Water utility:										
Water consumption (CCF in thousands)	6,623	6,776	7,068	6,854	6,829	6,759	6,427	6,327	6,658	6,502
Number of customers:										
Residential	34,879	35,004	35,086	35,150	34,301	34,352	34,380	34,421	34,466	34,528
Multi-residential	661	663	680	666	660	688	691	698	699	702
Commercial	2,071	2,076	2,070	2,064	2,062	2,048	2,053	1,767	1,773	1,764
Total number of customers	37,611	37,743	37,836	37,880	37,023	37,088	37,124	36,886	36,938	36,994
Water consumption peak in a day (millions of gallons)	29	31	32	33	29	31	26	26	31	28
Water consumption peak in a month (millions of gallons)	792	792	881	912	783	808	803	840	780	779

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Sewer utility: ^(C)										
Sewer consumption (CCF in thousands)	5,382	5,386	5,634	5,418	5,389	5,725	5,918	5,690	5,759	5,498
Number of customers:										
Residential	34,723	34,780	34,833	34,775	32,580	32,557	32,540	32,530	32,522	32,562
Multi-residential	653	654	656	657	650	676	689	695	696	698
Commercial	1,713	1,705	1,700	1,682	1,667	1,663	1,670	1,645	1,651	1,636
Total number of customers	37,089	37,139	37,189	37,114	34,897	34,896	34,899	34,870	34,869	34,896
Storm and surface water utility: ^(C)										
Number of customers:										
Residential	30,392	30,497	30,529	30,579	30,612	30,623	30,650	30,678	30,714	30,735
Multi-residential	544	545	547	549	549	557	559	564	566	569
Commercial	1,951	1,931	1,929	1,923	1,901	1,899	1,903	1,887	1,883	1,881
Total number of customers	32,887	32,973	33,005	33,051	33,062	33,079	33,112	33,129	33,163	33,185

^(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

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	CAPITAL ASSETS BY FUNCTION									
	Last Ten Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Public Safety:										
Police										
Traffic/patrol units	73	70	68	67	67	72	79	79	80	77
Fire										
Fire stations	9	9	9	9	9	9	9	9	9	9
Fire apparatus	20	20	20	20	20	20	20	20	20	20
Fire aid units	15	15	15	15	14	14	14	14	14	14
Transportation:										
Paved streets (miles)	414	414	416	416	416	416	416	416	416	416
Sidewalks (miles)	341	346	352	358	366	359	359	363	367	368
Traffic signals	187	193	198	200	202	202	203	211	217	218
City of Bellevue streetlights	3,113	3,170	3,192	3,237	3,306	3,312	3,321	3,383	3,419	3,489
Puget Sound Energy streetlights	5,639	5,656	5,835	5,899	5,914	5,951	5,962	5,975	5,995	6,003
Culture and Recreation/Marina:										
Parks acreage	2,721	2,727	2,732	2,732	2,732	2,700	2,704	2,710	2,713	2,714
Parks	77	77	77	77	77	78	78	78	78	78
Maintained trails (miles)	92	93	93	93	98	98	98	98	98	98
Play areas	46	46	46	46	46	47	47	47	47	48
Tennis courts/centers	38	38	38	38	38	38	38	38	38	37
Sports fields	34	34	35	35	35	30	30	30	30	28
Sports courts	27	27	27	27	27	26	26	26	26	26
Swimming beaches/pools	7	7	7	7	7	7	7	8	8	8
Community Activity Buildings ^(A)	4	4	4	4	4	4	4	4	7	26
Community centers/recreation facilities	5	5	5	5	5	7	7	7	7	8
Golf courses	2	2	2	2	2	2	2	2	2	2
Marinas/boat launches ^(B)	2	2	2	2	2	2	2	2	9	9

Table 22
Page 2 of 2**CAPITAL ASSETS BY FUNCTION**
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Water Utility:										
Water mains (miles)	619	619	619	620	611	605	605	608	608	608
Vehicles	35	36	40	45	44	45	46	47	51	50
Sewer Utility:										
Sanitary sewers (miles)	526	526	525	525	516	516	516	516	517	517
Vehicles	28	29	36	40	37	35	41	39	45	45
Storm and surface water Utility:										
Vehicles	26	27	29	30	29	31	31	30	31	31

Note: No capital asset indicators are available for the general government, judicial, economic environment, or physical environment functions.

^(A) 2022 count includes seven visitor/interpretive Centers.

^(B) 2022 count includes seven beaches and docks.

Sources: City of Bellevue Departments - Finance and Asset Management, Parks and Community Services, Transportation, and Utilities

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