



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

For the fiscal year ended December 31, 2020

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# **Comprehensive Annual Financial Report**

## **For the Fiscal Year Ended December 31, 2020**

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended December 31, 2020**  
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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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO





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

September 28, 2021

**Honorable Mayor, City Councilmembers, and Citizens of the City of Bellevue,**

The City of Bellevue's (the city) Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020, is hereby submitted. The responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures rests with the city's management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and agencies of the city. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

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

**Profile of the Government**

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

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

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

**Discrete Component Unit**

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

## **Economic Condition and Outlook**

The City of Bellevue was impacted significantly by the coronavirus disease of 2019 (COVID-19) pandemic. Major revenue sources were negatively impacted due to COVID-19 impacts in the retail, food, and accommodation sectors. However, some businesses were able to see growth despite the pandemic, including construction, information services, and professional services.

At the end of 2020, the construction sector ranked as the top contributor to tax revenues. Through December, over 30 major permits were issued totaling just under one million square feet (Source: City of Bellevue Development Services Q4 2020 Snapshot).

Bellevue's population has grown to an estimated 148,100 (Source: Washington State Office of Financial Management), a 1.9 percent increase over 2019. The city has estimated adding 40,000 people by 2035, a growth of 27 percent.

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

The city's employment continued to improve from peak unemployment levels in April 2020. The unemployment rate was 5.6 percent in December 2020, up 2 percent from November. Though the unemployment rate remains above the pre-pandemic level, it is trending lower compared to King County, the Greater Seattle metropolitan area, and the State of Washington (Source: U.S. Bureau of Labor Statistics, Employment Security Department of Washington State).

Employment within the city's Central Business District is targeted to add 18,000 jobs, a 26 percent increase, between 2018 and 2035. Employment within the BelRed area is also targeted to add 11,500 jobs, a 33 percent increase between 2018 and 2035 (Source: City of Bellevue Community Development Department).

## **Long Term Financial Planning**

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

Other guiding principles include:

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

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

## **Major Initiatives**

In April 2015, the City Council approved an Amended and Restated Memorandum of Understanding (MOU) with Sound Transit defining city contributions to a downtown Bellevue light rail tunnel and design modifications to minimize impacts of the rail line on Bellevue's neighborhoods. The MOU relates to a portion of the East Link light rail line that will run from Seattle through Bellevue to the Overlake Area of Redmond, Washington. The construction of the tunnel and rail segments was completed in 2020. The construction of systems will occur in 2021, followed by one year of startup and testing. Ridership is expected to begin in 2023.

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

The BelRed Street Network projects will provide:

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

## **Financial Management and Controls**

City of Bellevue management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of the relative costs and benefits of the control system requires estimates and judgments by management.

### ***Budget Process Summary***

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

The city continues to focus on providing priority government programs, high quality services, and capital investments. During the 2019-2020 budget process, the city employed the Budgeting for Outcomes methodology (Budget One). The Budget One process strives to deliver outcomes that are important to the community, and reflects the values and priorities recognized by the City Council and city management. The Outcomes identified by the City Council as community-wide priorities include: Safe Community, Improved Mobility and Connectivity, Quality Neighborhoods/Innovative, Vibrant, and Caring Community, Healthy and Sustainable Environment, Economic Growth and Competitiveness, and Responsive Government.

### ***Budgetary Controls***

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

Biennially Budgeted Governmental Funds:

- General Fund
  - Separately-appropriated funds, reported in the General Fund per the Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”:
    - Human Services Fund
    - Land Purchase Revolving Fund
    - Development Services Fund
    - Parks Fees Fund
- 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 2020. 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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. The city has earned this prestigious award for 40 out of 43 Annual Report submissions. This was the 37th consecutive annual award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting the 2020 Comprehensive Annual 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 2019-2020 biennial budget document for the 24<sup>th</sup> 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, Peter Jenson, Assistant Accounting Manager, Abigail Richardson, Senior Financial Analyst, Nicole Mason, Senior Financial Analyst, and Cheryl Harmon, Financial Analyst, who served as the main Comprehensive Annual Financial Report preparers and coordinators. Finally, thank you to the Washington State Auditor's Office for their professional assistance during the year.

Respectfully submitted,



Toni Call  
Finance and Asset Management Director

**City Officials and Administrative Staff**  
**As of December 31, 2020**

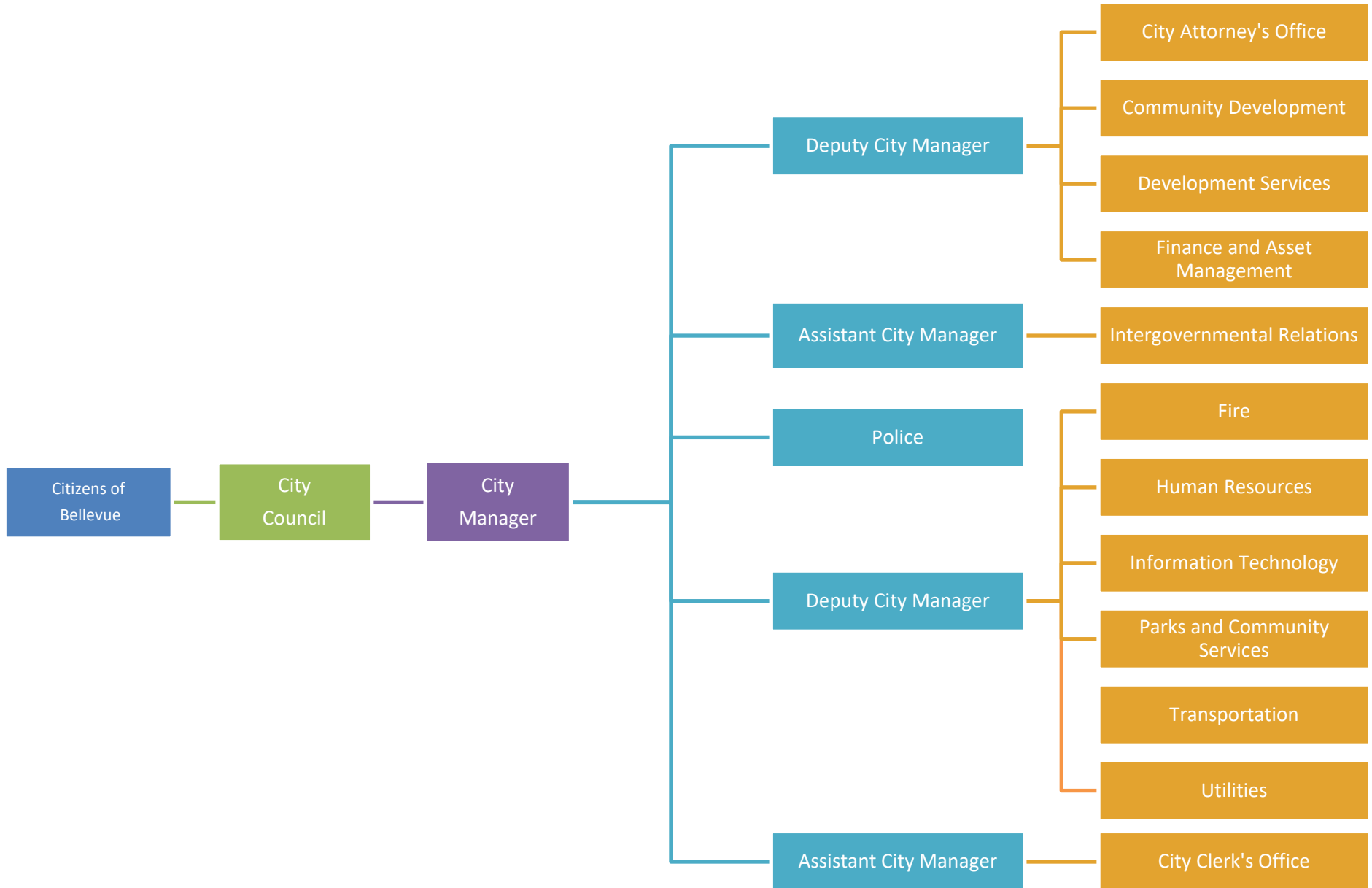
**ELECTED CITY COUNCIL**

|                     |  |
|---------------------|--|
| Mayor .....         | Lynne Robinson   |
| Deputy Mayor.....   | Jared Nieuwenhuis  |
| Councilmembers..... | Jeremy Barksdale<br>Conrad Lee<br>Jennifer Robertson<br>John Stokes<br>Janice Zahn |

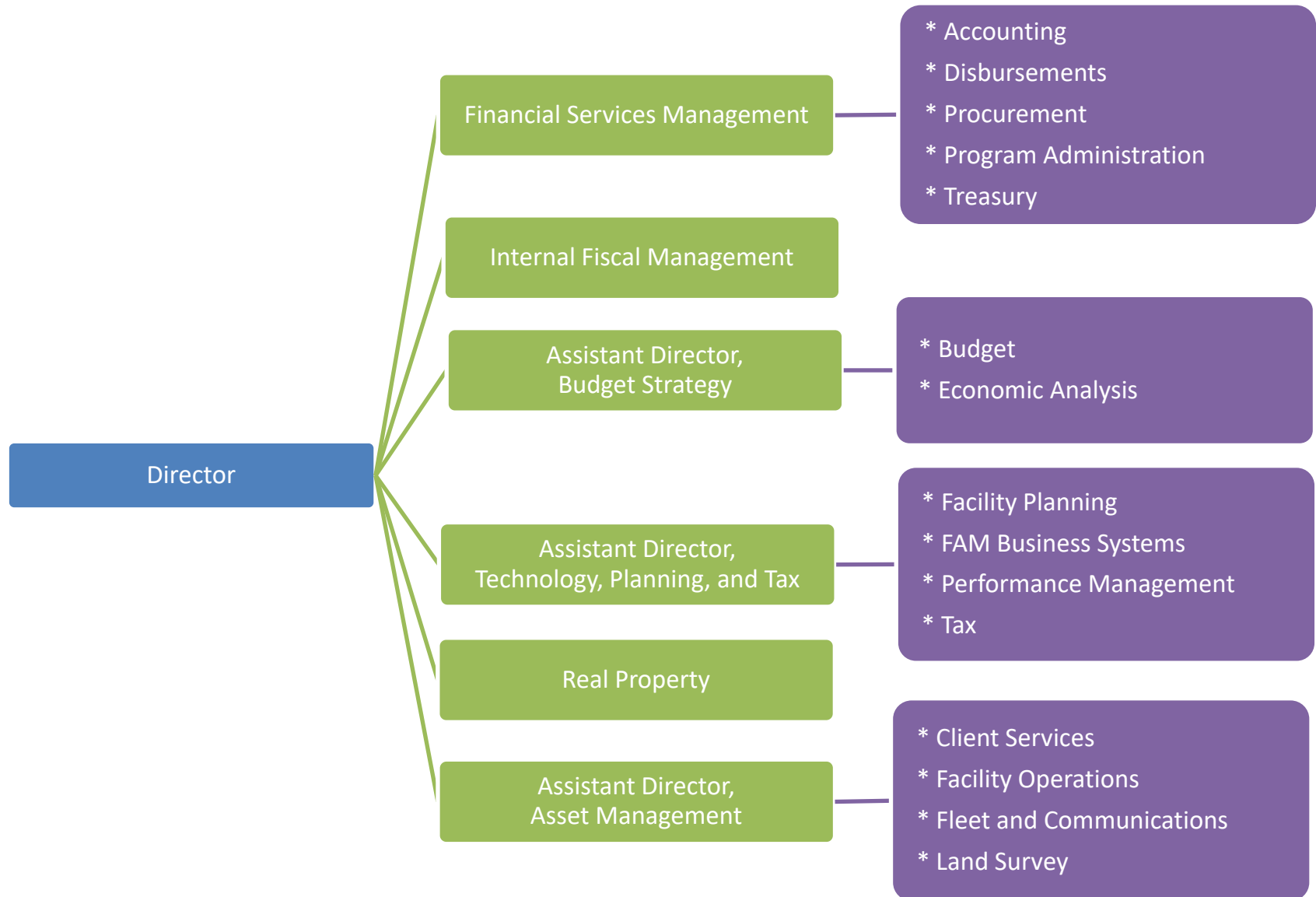
**APPOINTED ADMINISTRATIVE STAFF**

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

## City Hierarchical Organization Chart



## Finance and Asset Management (FAM) Department Organization Chart



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## **Financial Section**



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

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Mayor and City Council  
City of Bellevue  
Bellevue, Washington

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Bellevue, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Municipal Employees' Benefit Trust fund, which represents 90 percent, 92 percent, and 61 percent, respectively, of the assets, net position, and revenues of the Aggregate Remaining Funds opinion unit. Those statements were audited by the other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Municipal Employees' Benefit Trust fund, is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Municipal Employees' Benefit Trust fund were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Bellevue, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As discussed in Note 1 to the financial statements, in 2020, the City adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Also as discussed in Note 22 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct and indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 22. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

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

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated September 28, 2021, 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

September 28, 2021

## Management's Discussion and Analysis

This narrative provides an overview and analysis of the City of Bellevue's financial activities for the fiscal year ended December 31, 2020. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the letter of transmittal in the introductory section, the financial statements, and the accompanying notes following the narrative.

### Financial Highlights

- The city's total net position increased \$111.7 million, or 4.3 percent, from 2019.
- The city's total revenues decreased 1.2 percent from prior year while expenses increased 6.3 percent.
- Tax revenues decreased \$21.1 million and assessed property values increased 5.4 percent since 2019.

### Overview of the Financial Statements

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

#### *Government-Wide Financial Statements*

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

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

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

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

#### *Fund Financial Statements*

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

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

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

***Notes to the Financial Statements***

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

***Other Information***

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

***Combining Statements***

The combining statements for other governmental funds, internal service funds, and custodial-type 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, 2020 and December 31, 2019 is summarized in the following table:

|                                      | <b>Governmental Activities</b> |              | <b>Business-Type Activities</b> |             | <b>Total</b> |              |
|--------------------------------------|--------------------------------|--------------|---------------------------------|-------------|--------------|--------------|
|                                      | <b>2020</b>                    | <b>2019</b>  | <b>2020</b>                     | <b>2019</b> | <b>2020</b>  | <b>2019</b>  |
|                                      | (in thousands)                 |              |                                 |             |              |              |
| Current and other assets             | \$ 344,547                     | \$ 322,652   | \$ 358,088                      | \$ 333,648  | \$ 702,635   | \$ 656,300   |
| Capital assets, net                  | 2,023,214                      | 1,966,288    | 435,408                         | 407,598     | 2,458,622    | 2,373,886    |
| Total assets                         | 2,367,761                      | 2,288,940    | 793,496                         | 741,246     | 3,161,257    | 3,030,186    |
| Deferred outflows                    | 24,869                         | 22,206       | 1,253                           | 1,050       | 26,122       | 23,256       |
| Total deferred outflows              | 24,869                         | 22,206       | 1,253                           | 1,050       | 26,122       | 23,256       |
| Total assets and deferred outflows   | \$ 2,392,630                   | \$ 2,311,146 | \$ 794,749                      | \$ 742,296  | \$ 3,187,379 | \$ 3,053,442 |
| Long-term liabilities                | \$ 409,944                     | \$ 365,536   | \$ 2,984                        | \$ 2,426    | \$ 412,928   | \$ 367,962   |
| Other liabilities                    | 39,182                         | 46,415       | 6,456                           | 6,799       | 45,638       | 53,214       |
| Total liabilities                    | 449,126                        | 411,951      | 9,440                           | 9,225       | 458,566      | 421,176      |
| Deferred inflows                     | 15,005                         | 28,783       | 1,557                           | 2,950       | 16,562       | 31,733       |
| Total deferred inflows               | 15,005                         | 28,783       | 1,557                           | 2,950       | 16,562       | 31,733       |
| Total liabilities & deferred inflows | \$ 464,131                     | \$ 440,734   | \$ 10,997                       | \$ 12,175   | \$ 475,128   | \$ 452,909   |
| Net investment in capital assets     | \$ 1,761,119                   | \$ 1,707,871 | \$ 431,961                      | \$ 403,636  | \$ 2,193,080 | \$ 2,111,507 |
| Restricted                           | 120,961                        | 105,692      | 520                             | 578         | 121,481      | 106,270      |
| Unrestricted                         | 46,419                         | 56,849       | 351,271                         | 325,907     | 397,690      | 382,756      |
| Total net position                   | \$ 1,928,499                   | \$ 1,870,412 | \$ 783,752                      | \$ 730,121  | \$ 2,712,251 | \$ 2,600,533 |

**Governmental Activities**

Governmental activities net position increased \$58.1 million, or 3.1 percent. The restricted net position consists of \$68.9 million for CIP projects, \$37.7 million for net pension asset, \$1.8 million for police fines and forfeitures, and the remaining \$12.6 million covers a variety of municipal purposes.

Factors contributing to the changes in net position include:

- Due from other governments decreased \$2.0 million. The decrease relates primarily to receipt of funds from Advanced Life Support billings outstanding at the end of 2019.
- Capital assets increased \$56.9 million due to major construction development and investments in infrastructure throughout the City of Bellevue.
- The City of Bellevue's net pension assets for the Firefighter's Pension and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) plans decreased \$4.9 million. The net pension liability for the Public Employee Retirement System (PERS) and Public Safety Employee Retirement System (PSERS) plans increased \$0.2 million. The associated deferred outflow of resources increased \$3.6 million. In addition, the deferred inflow of resources decreased \$14.3 million.

**Business-Type Activities**

Business-type activities net position increased by \$53.6 million in 2020. Restricted net position of \$0.5 million is restricted for utility capital projects and customer deposits. A balance of \$299.2 million of the \$351.3 million in unrestricted net position is reserved by city policy for future infrastructure replacement. Contributing factors of the increase in net position were:

- Total cash increased \$25.3 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 \$27.8 million due to investments in infrastructure.

**Changes in Net Position**

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

|  | Governmental Activities |              | Business-Type Activities |            | Total        |              |
|--|-------------------------|--------------|--------------------------|------------|--------------|--------------|
|  | 2020                    | 2019         | 2020                     | 2019       | 2020         | 2019         |
| Revenues:                              | (in thousands)          |              |                          |            |              |              |
| Program revenues:                      |                         |              |                          |            |              |              |
| Charges for services                   | \$ 84,587               | \$ 72,687    | \$ 157,783               | \$ 160,832 | \$ 242,370   | \$ 233,519   |
| Operating grants & contributions       | 21,845                  | 18,168       | 66                       | 75         | 21,911       | 18,243       |
| Capital grants & contributions         | 38,193                  | 28,532       | 12,649                   | 20,341     | 50,842       | 48,873       |
| General revenues:                      |                         |              |                          |            |              |              |
| Property taxes                         | 61,172                  | 59,210       | -                        | -          | 61,172       | 59,210       |
| Sales taxes                            | 74,150                  | 83,781       | -                        | -          | 74,150       | 83,781       |
| Other taxes                            | 99,285                  | 113,060      | -                        | -          | 99,285       | 113,060      |
| Investment interest                    | 2,159                   | 5,214        | 1,937                    | 6,830      | 4,096        | 12,044       |
| Miscellaneous                          | 14,234                  | 4,455        | 866                      | 2,474      | 15,100       | 6,929        |
| Total revenues                         | 395,625                 | 385,107      | 173,301                  | 190,552    | 568,926      | 575,659      |
| Expenses:                              |                         |              |                          |            |              |              |
| General government                     | 82,024                  | 38,187       | -                        | -          | 82,024       | 38,187       |
| Public safety                          | 104,615                 | 107,391      | -                        | -          | 104,615      | 107,391      |
| Physical environment                   | 1,284                   | 1,452        | -                        | -          | 1,284        | 1,452        |
| Transportation                         | 47,976                  | 62,788       | -                        | -          | 47,976       | 62,788       |
| Economic environment                   | 44,271                  | 43,764       | -                        | -          | 44,271       | 43,764       |
| Health and human services              | 6,393                   | 6,897        | -                        | -          | 6,393        | 6,897        |
| Culture and recreation                 | 41,637                  | 42,243       | -                        | -          | 41,637       | 42,243       |
| Unallocated interest on long-term debt | 10,960                  | 10,990       | -                        | -          | 10,960       | 10,990       |
| Water utility                          | -                       | -            | 51,027                   | 50,474     | 51,027       | 50,474       |
| Sewer utility                          | -                       | -            | 53,215                   | 53,173     | 53,215       | 53,173       |
| Storm & surface water utility          | -                       | -            | 14,710                   | 13,622     | 14,710       | 13,622       |
| Marina                                 | -                       | -            | 318                      | 318        | 318          | 318          |
| Total expenses                         | 339,160                 | 313,712      | 119,270                  | 117,587    | 458,430      | 431,299      |
| Excess (deficiency) before transfers   | 56,465                  | 71,395       | 54,031                   | 72,965     | 110,496      | 144,360      |
| Transfers                              | 400                     | 382          | (400)                    | (382)      | -            | -            |
| Change in net position                 | 56,865                  | 71,777       | 53,631                   | 72,583     | 110,496      | 144,360      |
| Net position - beginning               | 1,870,412               | 1,806,682    | 730,121                  | 657,538    | 2,600,533    | 2,464,220    |
| Change in accounting principle         | 2,763                   | (6,304)      | -                        | -          | 2,763        | (6,304)      |
| Prior period adjustment                | (1,541)                 | (1,743)      | -                        | -          | (1,541)      | (1,743)      |
| Net position - ending                  | \$ 1,928,499            | \$ 1,870,412 | \$ 783,752               | \$ 730,121 | \$ 2,712,251 | \$ 2,600,533 |



### ***Governmental Activities***

Net position of governmental activities increased \$58.1 million.

Total revenues increased \$10.5 million, contributing to the net position increase for governmental activities. The highlights of which are:

#### *Program revenues – charges for services*

- Transportation increased \$11.3 million. In 2019, the balance was lower due to a one-time credit of impact fees totaling \$7.3 million. The remaining difference of \$4.0 million was from higher impact fee collections in 2020.
- Economic environment increased \$4.0 million due to an increase in permit fee collections for inspections and the implementation of GASB 84, as explained in Note 20.
- Culture and recreation decreased \$4.9 million from closures of community centers and athletic facilities due to the city's response to COVID-19.

#### *Program revenues – Operating grants and contributions*

- General government increased \$1.8 million due to CARES Act grant reimbursement.
- Public safety increased \$1.4 million due to \$0.7 million from fire inspection fees, a new source of revenue in 2020, and \$0.7 million increase in traffic control revenues.
- Culture and recreation increased \$2.1 million from 2019 due to CARES Act funding in the amount of \$2.0 million.

#### *Program revenues – capital grants and contributions*

- Transportation capital grants and contributions increased \$7.7 million due to an increase in activity related to capital improvement project grants, specifically the Mountains to Sound Greenway trail project.
- Culture and recreation increased \$2.1 million due to a reimbursement of revenue from King County for park land acquisition.

#### *General revenues*

- Retail sales and use tax decreased \$9.6 million, primarily due to the impacts from closures related to COVID-19.
- Business and occupations taxes decreased \$1.5 million from 2019. The decrease is due to the impacts to businesses related to COVID-19 restrictions.
- Hotel/Motel tax revenue decreased \$9.4 million exclusively from business closures and occupancy restrictions as a result of the state-wide response to COVID-19.
- Payments from the city's component unit, BCCA, increased \$8.9 million due to the refunding of debt and the related transfer of debt service reserves to the city.

Total expenses increased \$25.4 million. Highlights of programmatic changes are:

- General government expenses increased \$43.8 million due to the refunding of \$53.3 million in debt offset by cost saving measures implemented in 2020 to respond to the economic impacts of COVID-19.
- Public safety expenses decreased \$2.8 million mainly due to reduced OPEB costs in 2020 of \$5.9 million and increased costs for the response to COVID-19 of \$3.0 million.
- Transportation expenses decreased \$14.8 million as a result of \$1.8 million in reduced maintenance costs, \$2.1 million in reduced overlay program costs, and lower impact fees used to fund CIP projects by \$7.3 million.

### ***Business-Type Activities***

Business-type activities net position increased by \$53.6 million for utilities and marina activities in 2020.

The revenues for business-type activities decreased \$17.3 million while expenses increased \$1.7 million. The highlights of this activity are:

#### ***Storm and Surface Water Utility***

- Charges for services increased \$0.7 million for storm and surface water utility services due mainly to rate increases.
- Capital grants and contributions decreased \$3.7 million due to reduced developer activity.

#### ***Water Utility***

- Charges for services decreased \$1.6 million for water utility services due mainly to rate increases offset by lower usage year-over-year.
- Capital grants and contributions decreased \$1.6 million due to a reduction in contributions to reserves for future CIP projects.

#### ***Sewer Utility***

- Charges for services decreased \$2.1 million for sewer utility services due mainly to rate increases offset by reductions in usage.
- Capital grants and contributions decreased \$2.4 million due to reduction of developer extension fees.

#### ***Marina***

- Fluctuations in the Marina fund from 2019 to 2020 were insignificant.

## **Financial Analysis of the Government's Funds**

### ***Governmental Funds***

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

The General Fund ending fund balance of \$80.0 million is an increase of \$2.8 million from the fund balance of 2019. Revenues decreased \$16.1 million while expenditures decreased \$10.4 million.

The Interest and Debt (I&D) Redemption Regular Levy Fund ending fund balance of \$4.3 million is an increase of \$3.8 million from 2019. Revenues increased \$3.8 million while expenditures of the fund increased \$55.6 million from 2019. Refunding of debt in 2020 account for the fluctuations from 2019 revenues and expenditures.

The General Capital Investment Program Fund has an ending fund balance of \$117.9 million, a \$19.8 million increase from 2019. Revenues increased \$18.9 million while expenditures increased \$9.0 million.

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

### ***Business-Type Funds***

The Storm and Surface Water Utility net position increased \$19.5 million to \$217.1 million. Unrestricted net position increased \$19.5 million due to the increase in reserves for future infrastructure replacement.

The Water Utility net position increased \$20.2 million to \$301.7 million. Unrestricted net position increased \$20.2 million due to the increase in reserves for future infrastructure replacement.

The Sewer Utility net position increased \$13.9 million to \$255.1 million. Unrestricted net position increased \$13.9 million due to the increase in reserves for future infrastructure replacement.

### ***Capital Asset Activity***

The City of Bellevue's investment in capital assets for the end of 2020 was \$2.5 billion, net of depreciation, which was an increase of \$84.7 million from the previous year. The following table shows the balances by category for governmental activities, business activities, and the city as a whole.

|                                   | <b>Governmental Activities</b> |                     | <b>Business-Type Activities</b> |                   | <b>Total</b>        |                     |
|-----------------------------------|--------------------------------|---------------------|---------------------------------|-------------------|---------------------|---------------------|
|                                   | <b>2020</b>                    | <b>2019</b>         | <b>2020</b>                     | <b>2019</b>       | <b>2020</b>         | <b>2019</b>         |
|                                   | (in thousands)                 |                     |                                 |                   |                     |                     |
| Land                              | \$ 905,888                     | \$ 891,676          | \$ 25,007                       | \$ 24,993         | \$ 930,895          | \$ 916,669          |
| Buildings                         | 132,921                        | 139,024             | 9,982                           | 11,546            | 142,903             | 150,570             |
| Improvements other than buildings | 53,793                         | 53,544              | -                               | -                 | 53,793              | 53,544              |
| Machinery and equipment           | 25,116                         | 25,242              | 4,863                           | 5,217             | 29,979              | 30,459              |
| Leasehold improvements            | 1,652                          | 2,065               | -                               | -                 | 1,652               | 2,065               |
| Infrastructure                    | 853,543                        | 824,772             | 376,016                         | 346,523           | 1,229,559           | 1,171,295           |
| Intangible assets                 | (657)                          | (354)               | 44                              | 48                | (613)               | (306)               |
| Construction in progress          | 50,958                         | 30,319              | 19,496                          | 19,271            | 70,454              | 49,590              |
| Total                             | <u>\$ 2,023,214</u>            | <u>\$ 1,966,288</u> | <u>\$ 435,408</u>               | <u>\$ 407,598</u> | <u>\$ 2,458,622</u> | <u>\$ 2,373,886</u> |

### ***Governmental Activities***

Capital assets from governmental activities increased \$56.9 million. Some of the projects completed in 2020:

- Land purchases related to the following:
  - Future waterfront park project in the amount of \$4.1 million.
  - Two parcels purchased from Seattle City Light for \$1.6 million.
  - Closing escrow and relocation costs for the Curran property in the Spring District of \$3.6 million.
  - Settlement and relocation costs for the Pine Forest property of \$3.4 million.
- Completion of two portion of the NE Spring Blvd Multimodal Corridor,
  - 116th Ave NE to 120<sup>th</sup> Ave of \$9.0 million. This included new arterial roadway, sidewalk, signals, bridges, and rockeries.
  - 120<sup>th</sup> Ave to 124<sup>th</sup> Ave of \$13.4 million. This included new arterial roadway, sidewalk, and signals.
- Completion of sidewalks throughout the city, including:
  - Wilburton Area Sidewalk Projects of \$2.4 million
  - 158<sup>th</sup> PI SE Main to SE 6<sup>th</sup> of \$1.7 million
  - 119<sup>th</sup> Ave SE of \$0.9 million
- Synthetic turf replacement and synthetic turn replacement at Wilburton park of \$0.8 million.
- Purchase of new software for probation services of \$0.3 million.
- Accumulated depreciation charged to depreciable assets totaled \$24.8 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 \$27.8 million in capital assets was related to completed infrastructure projects and construction projects currently underway, tempered by depreciation for existing assets. Highlights of some of the major projects underway or completed are:

- Completion of the Midlakes Pump Station improvements of \$7.8 million.
- Construction of the Meydenbauer Basin project of \$2.6 million.
- Replacement of the Cherry Crest Pump Station of \$4.7 million.
- Completion of the 2018 Asbestos Cement replacement Phase 1 project of \$3.6 million.
- Completion of the Vuecrest Sanitary Sewer project of \$1.9 million.
- Completion of the water main rehabilitation project at Forest Hills of \$1.3 million.
- Charges to accumulated depreciation totaled \$12.1 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 \$316.2 million in debt outstanding, which is an increase of \$40.9 million. All debt outstanding is for governmental activities. The proceeds of debt were used to fund capital projects and refunding of debt.

|                          | <u>Governmental Activities</u> |                   |
|--------------------------|--------------------------------|-------------------|
|                          | <u>2020</u>                    | <u>2019</u>       |
|                          | (in thousands)                 |                   |
| General obligation bonds | \$ 315,942                     | \$ 274,989        |
| Other long-term debt     | 239                            | 279               |
| Total                    | <u>\$ 316,181</u>              | <u>\$ 275,268</u> |

#### ***Governmental Activities***

Over the past five years, the city issued general obligation (GO) debt of \$65.3 million, which included \$53.3 million for refunding debt related to BCCA capital projects. Of the bonded debt outstanding at December 31, 2020, \$10.8 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 2020 was \$68.3 billion and the total amount of additional debt the city may issue is \$4.8 billion. This debt capacity is categorized as follows, in thousands:

|                             |                     |
|-----------------------------|---------------------|
| General debt                | \$ 1,392,369        |
| Open space/Parks facilities | 1,707,960           |
| Utilities                   | 1,707,960           |
| Total                       | <u>\$ 4,808,289</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 2020 are:

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

In 2020, Standard and Poor's and Moody's both affirmed the AAA/Aaa rating for the Unlimited Tax General Obligation. For more detailed information about the City of Bellevue's long-term debt please refer to Note 13: Long-Term Debt.

### **General Fund Budgetary Highlights**

The City of Bellevue budgets on a biennial basis. The mid-biennium adjustment for 2020 accounted for technical adjustments and corrections that reflect updated assumptions for consumer price index (CPI), revenue projections, and personnel benefits. The most notable adjustment was the inclusion of Fire Inspection Fees as a new revenue source, with \$0.6 million being collected during 2020.

In 2020, revenue collections were below budget by \$24.0 million. Collections of sales tax, business and occupation tax, and utility taxes were significantly below budget due to business closures and reduced consumer spending in response to the state's response to COVID-19, including the Stay Home, Stay Healthy proclamation and the Safe Start guidelines.

Budgeted expenditures were \$19.2 million under budget. The city received \$6.1 million from the Coronavirus Aid, Relief and Economic Security (CARES) Act allocation used to reimburse the city for COVID-19 related expenses. Additionally, the city undertook a health benefits premium holiday, which resulted in a savings of approximately \$3.7 million. The city established a 3 percent savings target in response to the impacts of COVID-19 resulting in significant savings to the General Fund. As the impacts of COVID-19 continue, the city will monitor and take appropriate action to ensure the fiscal sustainability of the city.

**Request for Information**

The city's financial statements are designed to present users (citizens, 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, 2020**  
(in thousands)

Page 1 of 2

|   | <b>Primary Government</b>      |                                 |                     | <b>Component Unit</b>                       |
|---|--------------------------------|---------------------------------|---------------------|---|
|   | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>        | <b>Bellevue Convention Center Authority</b> |
| Assets:   |                                |                                 |                     |   |
| Cash & equity in pooled investments             | \$ 148,801                     | \$ 333,994                      | \$ 482,795          | \$ 7,523                                    |
| Receivables (net of allowances):                |                                |                                 |                     |   |
| Taxes   | 31,677                         | -                               | 31,677              | -   |
| Accounts  | 9,133                          | 22,672                          | 31,805              | -   |
| Interest  | 1                              | 1                               | 2                   | -   |
| Due from other governments                      | 14,105                         | -                               | 14,105              | -   |
| Other   | 325                            | -                               | 325                 | 43  |
| Internal balances                               | 11                             | (11)                            | -                   | -   |
| Inventory                                       | 863                            | 801                             | 1,664               | 81  |
| Prepays   | 644                            | -                               | 644                 | 185   |
| Restricted cash & equity in pooled investments: |                                |                                 |                     |   |
| For debt service                                | 29,420                         | -                               | 29,420              | -   |
| For capital projects                            | 68,885                         | 273                             | 69,158              | -   |
| For customer deposits                           | -                              | 247                             | 247                 | 314   |
| Noncurrent assets:                              |                                |                                 |                     |   |
| Net pension asset                               | 37,143                         | -                               | 37,143              | -   |
| Noncurrent receivables                          | 3,539                          | 111                             | 3,650               | -   |
| Capital assets:                                 |                                |                                 |                     |   |
| Land  | 905,888                        | 25,007                          | 930,895             | -   |
| Depreciable capital assets (net)                | 212,825                        | 14,889                          | 227,714             | 31,177                                      |
| Depreciable infrastructure (net)                | 49,312                         | 376,016                         | 425,328             | -   |
| Nondepreciable infrastructure                   | 804,231                        | -                               | 804,231             | -   |
| Works of art                                    | -                              | -                               | -                   | 156   |
| Construction in progress                        | 50,958                         | 19,496                          | 70,454              | 644   |
| Total assets                                    | <u>2,367,761</u>               | <u>793,496</u>                  | <u>3,161,257</u>    | <u>40,123</u>                               |
| Deferred outflows of resources:                 |                                |                                 |                     |   |
| Loss on debt refunding                          | 8,523                          | -                               | 8,523               | -   |
| For pensions                                    | 15,151                         | 1,253                           | 16,404              | -   |
| For asset retirement obligation                 | 1,195                          | -                               | 1,195               | -   |
| Total deferred outflows                         | <u>24,869</u>                  | <u>1,253</u>                    | <u>26,122</u>       | <u>-</u>                                    |
| Total assets and deferred outflows              | <u>\$ 2,392,630</u>            | <u>\$ 794,749</u>               | <u>\$ 3,187,379</u> | <u>\$ 40,123</u>                            |

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



**Statement of Net Position**  
**As of December 31, 2020**  
(in thousands)

Page 2 of 2

|   | <b>Primary Government</b>      |                                 |                     | <b>Component Unit</b>                       |
|---|--------------------------------|---------------------------------|---------------------|---|
|   | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>        | <b>Bellevue Convention Center Authority</b> |
| Liabilities:                                  |                                |                                 |                     |   |
| Accounts payable                              | \$ 8,380                       | \$ 5,085                        | \$ 13,465           | \$ 51                                       |
| Accrued payroll                               | 8,000                          | 882                             | 8,882               | 96  |
| Other accrued liabilities                     | 1,240                          | 27                              | 1,267               | 32  |
| Deposits payable                              | 7,182                          | -                               | 7,182               | 773   |
| Unearned revenue                              | 8,781                          | -                               | 8,781               | -   |
| Other current liabilities                     | 22                             | -                               | 22                  | -   |
| Accrued bond interest payable                 | 998                            | -                               | 998                 | -   |
| Liabilities payable from restricted assets:   |                                |                                 |                     |   |
| Customer deposits                             | 334                            | 247                             | 581                 | -   |
| Accounts payable                              | 4,050                          | -                               | 4,050               | -   |
| Retainage payable                             | 195                            | 215                             | 410                 | -   |
| Noncurrent liabilities:                       |                                |                                 |                     |   |
| Due within one year                           | 20,622                         | 391                             | 21,013              | 5   |
| Due in more than one year                     | 328,107                        | 913                             | 329,020             | 224   |
| Net pension liability                         | 31,489                         | 1,680                           | 33,169              | -   |
| Total OPEB liabilities                        | 29,726                         | -                               | 29,726              | -   |
| <b>Total liabilities</b>                      | <b>449,126</b>                 | <b>9,440</b>                    | <b>458,566</b>      | <b>1,181</b>                                |
| Deferred inflows of resources:                |                                |                                 |                     |   |
| For grant revenue                             | 857                            | -                               | 857                 | -   |
| For debt                                      | 332                            | -                               | 332                 | -   |
| For pensions                                  | 13,816                         | 1,557                           | 15,373              | -   |
| <b>Total deferred inflows</b>                 | <b>15,005</b>                  | <b>1,557</b>                    | <b>16,562</b>       | <b>-</b>                                    |
| <b>Total liabilities and deferred inflows</b> | <b>\$ 464,131</b>              | <b>\$ 10,997</b>                | <b>\$ 475,128</b>   | <b>\$ 1,181</b>                             |
| Net position:                                 |                                |                                 |                     |   |
| Net investment in capital assets              | \$ 1,761,119                   | \$ 431,961                      | \$ 2,193,080        | \$ 31,977                                   |
| Restricted for:                               |                                |                                 |                     |   |
| Debt service                                  | 4,897                          | -                               | 4,897               | -   |
| Capital projects                              | 68,885                         | 273                             | 69,158              | -   |
| Public safety                                 | 1,774                          | -                               | 1,774               | -   |
| Economic environment                          | 618                            | -                               | 618                 | -   |
| Health and human services                     | 492                            | -                               | 492                 | -   |
| Culture and recreation                        | 6,592                          | -                               | 6,592               | -   |
| Net pension asset                             | 37,703                         | -                               | 37,703              | -   |
| Customer deposits                             | -                              | 247                             | 247                 | -   |
| Unrestricted                                  | 46,419                         | 351,271                         | 397,690             | 6,965                                       |
| <b>Total net position</b>                     | <b>\$ 1,928,499</b>            | <b>\$ 783,752</b>               | <b>\$ 2,712,251</b> | <b>\$ 38,942</b>                            |

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

**Statement of Activities**  
**For the Year Ended December 31, 2020**  
(in thousands)

Page 1 of 2

| <b>Functions/Programs</b>            | <b>Program Revenues</b> |                             |   |   |
|--------------------------------------|-------------------------|-----------------------------|---|---|
|                                      | <b>Expenses</b>         | <b>Charges for Services</b> | <b>Operating Grants &amp; Contributions</b> | <b>Capital Grants &amp; Contributions</b> |
| <b>Primary government:</b>           |                         |                             |   |   |
| Governmental activities:             |                         |                             |   |   |
| General government                   | \$ 82,024               | \$ 4,601                    | \$ 1,874                                    | \$ 10                                     |
| Public safety                        | 104,615                 | 24,395                      | 9,151                                       | 242                                       |
| Physical environment                 | 1,284                   | 800                         | 331   | -   |
| Transportation                       | 47,976                  | 18,876                      | 2,274                                       | 34,682                                    |
| Economic environment                 | 44,271                  | 28,513                      | 3,868                                       | -   |
| Health and human services            | 6,393                   | 283                         | 1,880                                       | -   |
| Culture and recreation               | 41,637                  | 7,119                       | 2,467                                       | 3,259                                     |
| Interest on long-term debt           | 10,960                  | -                           | -   | -   |
| Total governmental activities        | <u>339,160</u>          | <u>84,587</u>               | <u>21,845</u>                               | <u>38,193</u>                             |
| Business-type activities:            |                         |                             |   |   |
| Water utility                        | 51,027                  | 65,993                      | -   | 4,381                                     |
| Sewer utility                        | 53,215                  | 64,244                      | -   | 1,591                                     |
| Storm and surface water utility      | 14,710                  | 26,866                      | 66  | 6,677                                     |
| Marina                               | 318                     | 680                         | -   | -   |
| Total business-type activities       | <u>119,270</u>          | <u>157,783</u>              | <u>66</u>                                   | <u>12,649</u>                             |
| Total primary government             | <u>\$ 458,430</u>       | <u>\$ 242,370</u>           | <u>\$ 21,911</u>                            | <u>\$ 50,842</u>                          |
| <b>Component unit:</b>               |                         |                             |   |   |
| Bellevue Convention Center Authority | \$ 19,444               | \$ 45,644                   | \$ -  | \$ -                                      |
| Total component unit                 | <u>\$ 19,444</u>        | <u>\$ 45,644</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, 2020**  
(in thousands)

Page 2 of 2

| <b>Functions/Programs</b>             | <b>Net Expense, Revenue and Changes in Net Position</b> |                                 |              |   |
|---------------------------------------|---|---------------------------------|--------------|---|
|                                       | <b>Primary Government</b>                               |                                 |              | <b>Component Unit</b>                       |
|                                       | <b>Governmental Activities</b>                          | <b>Business-type Activities</b> | <b>Total</b> | <b>Bellevue Convention Center Authority</b> |
| <b>Primary government:</b>            |   |                                 |              |   |
| Governmental activities:              |   |                                 |              |   |
| General government                    | \$ (75,539)   | \$ -                            | \$ (75,539)  | \$ -  |
| Public safety                         | (70,827)  | -                               | (70,827)     | -   |
| Physical environment                  | (153)   | -                               | (153)        | -   |
| Transportation                        | 7,856   | -                               | 7,856        | -   |
| Economic environment                  | (11,890)  | -                               | (11,890)     | -   |
| Health and human services             | (4,230)   | -                               | (4,230)      | -   |
| Culture and recreation                | (28,792)  | -                               | (28,792)     | -   |
| Interest on long-term debt            | (10,960)  | -                               | (10,960)     | -   |
| Total governmental activities         | (194,535)   | -                               | (194,535)    | -   |
| Business-type activities:             |   |                                 |              |   |
| Water utility                         | -   | 19,347                          | 19,347       | -   |
| Sewer utility                         | -   | 12,620                          | 12,620       | -   |
| Storm and surface water utility       | -   | 18,899                          | 18,899       | -   |
| Marina                                | -   | 362                             | 362          | -   |
| Total business-type activities        | -   | 51,228                          | 51,228       | -   |
| Total primary government              | \$ (194,535)  | \$ 51,228                       | \$ (143,307) | \$ -  |
| <b>Component unit:</b>                |   |                                 |              |   |
| Bellevue Convention Center Authority  | \$ -  | \$ -                            | \$ -         | \$ 26,200                                   |
| Total component unit                  | -   | -                               | -            | 26,200                                      |
| General revenues:                     |   |                                 |              |   |
| Property tax                          | 61,172  | -                               | 61,172       | -   |
| Retail sales and use tax              | 74,150  | -                               | 74,150       | -   |
| Utility tax                           | 26,398  | -                               | 26,398       | -   |
| Business and occupation tax           | 41,515  | -                               | 41,515       | -   |
| Excise taxes                          | 27,969  | -                               | 27,969       | -   |
| Hotel/Motel tax                       | 3,139   | -                               | 3,139        | -   |
| Other taxes                           | 264   | -                               | 264          | -   |
| Payments from component unit          | 8,906   | -                               | 8,906        | -   |
| Grants & contributions - unrestricted | 1,166   | -                               | 1,166        | -   |
| Unrestricted investment interest      | 2,159   | 1,937                           | 4,096        | 119   |
| Gain (loss) in change of fair value   | 2   | 2                               | 4            | -   |
| Miscellaneous                         | 3,856   | 864                             | 4,720        | -   |
| Gain on sale of capital assets        | 304   | -                               | 304          | -   |
| Transfers                             | 400   | (400)                           | -            | -   |
| Total general revenues and transfers  | 251,400   | 2,403                           | 253,803      | 119   |
| Change in net position                | 56,865  | 53,631                          | 110,496      | 26,319                                      |
| Net position at beginning of year     | 1,870,412   | 730,121                         | 2,600,533    | 12,623                                      |
| Change in accounting principle        | 2,763   | -                               | 2,763        | -   |
| Prior period adjustment               | (1,541)   | -                               | (1,541)      | -   |
| Net position at end of year           | \$ 1,928,499  | \$ 783,752                      | \$ 2,712,251 | \$ 38,942                                   |

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

**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2020**  
(in thousands)

|  | <b>General<br/>Fund</b> | <b>I&amp;D<br/>Redemption<br/>Regular Levy</b> | <b>General<br/>CIP</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|--|------------------------|--|---|
| <b>Assets:</b>   |                         |  |                        |  |   |
| Cash & equity in pooled investments                          | \$ 85,946               | \$ 351   | \$ 106,721             | \$ 22,763                                  | \$ 215,781                              |
| Receivables (net of allowances):                             |                         |  |                        |  |   |
| Taxes  | 21,473                  | 105  | 9,557                  | 544  | 31,679                                  |
| Accounts   | 3,803                   | 3,795  | 776                    | 709  | 9,083                                   |
| Due from other governments                                   | 1                       | -  | 12,657                 | 1,446                                      | 14,104                                  |
| Prepays  | 644                     | -  | -                      | -  | 644                                     |
| Housing rehabilitation loans receivable                      | -                       | -  | -                      | 3,539                                      | 3,539                                   |
| <b>Total assets</b>  | <b>\$ 111,867</b>       | <b>\$ 4,251</b>                                | <b>\$ 129,711</b>      | <b>\$ 29,001</b>                           | <b>\$ 274,830</b>                       |
| <b>Liabilities:</b>  |                         |  |                        |  |   |
| Accounts payable   | \$ 6,372                | \$ -   | \$ 4,050               | \$ 282                                     | \$ 10,704                               |
| Retainage payable  | 17                      | -  | 173                    | -  | 190                                     |
| Due to other funds   | 61                      | -  | -                      | -  | 61                                      |
| Due to other governments                                     | 628                     | -  | 316                    | -  | 944                                     |
| Accrued payroll  | 7,286                   | -  | -                      | 51   | 7,337                                   |
| Accrued taxes  | 287                     | -  | 5                      | -  | 292                                     |
| Deposits payable   | 6,894                   | -  | -                      | 1  | 6,895                                   |
| Other current liabilities                                    | 22                      | -  | 1                      | -  | 23                                      |
| Unearned revenue   | 8,781                   | -  | -                      | -  | 8,781                                   |
| <b>Total liabilities</b>                                     | <b>30,348</b>           | <b>-</b>                                       | <b>4,545</b>           | <b>334</b>                                 | <b>35,227</b>                           |
| <b>Deferred inflows:</b>                                     |                         |  |                        |  |   |
| For grants   | -                       | -  | 7,063                  | 1,589                                      | 8,652                                   |
| For taxes  | 1,513                   | -  | 225                    | -  | 1,738                                   |
| For other  | 5                       | -  | -                      | -  | 5                                       |
| <b>Total deferred inflows</b>                                | <b>1,518</b>            | <b>-</b>                                       | <b>7,288</b>           | <b>1,589</b>                               | <b>10,395</b>                           |
| <b>Total liabilities and deferred inflows</b>                | <b>31,866</b>           | <b>-</b>                                       | <b>11,833</b>          | <b>1,923</b>                               | <b>45,622</b>                           |
| <b>Fund balance:</b>   |                         |  |                        |  |   |
| Nonspendable   | 644                     | -  | -                      | -  | 644                                     |
| Restricted   | 561                     | 4,251  | 68,885                 | 9,561                                      | 83,258                                  |
| Committed  | -                       | -  | 34                     | 9,944                                      | 9,978                                   |
| Assigned   | 36,139                  | -  | 48,959                 | 7,573                                      | 92,671                                  |
| Unassigned   | 42,657                  | -  | -                      | -  | 42,657                                  |
| <b>Total fund balance</b>                                    | <b>80,001</b>           | <b>4,251</b>                                   | <b>117,878</b>         | <b>27,078</b>                              | <b>229,208</b>                          |
| <b>Total liabilities, deferred inflows, and fund balance</b> | <b>\$ 111,867</b>       | <b>\$ 4,251</b>                                | <b>\$ 129,711</b>      | <b>\$ 29,001</b>                           | <b>\$ 274,830</b>                       |

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

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
As of December 31, 2020**  
(in thousands)

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

|                                  |    |         |
|----------------------------------|----|---------|
| Total governmental fund balances | \$ | 229,208 |
|----------------------------------|----|---------|

Capital assets used in governmental activities are not financial resources and these assets consist of:

|                                |    |           |           |
|--------------------------------|----|-----------|-----------|
| Land                           | \$ | 905,888   |           |
| Depreciable capital assets     |    | 363,414   |           |
| Depreciable infrastructure     |    | 223,635   |           |
| Construction in progress       |    | 50,958    |           |
| Non-depreciable infrastructure |    | 804,231   |           |
| Accumulated depreciation       |    | (348,010) |           |
| Total capital assets           |    |           | 2,000,116 |

|                    |  |     |
|--------------------|--|-----|
| Material inventory |  | 234 |
|--------------------|--|-----|

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

|                                      |  |        |
|--------------------------------------|--|--------|
| Deferred outflows of resources       |  |        |
| For debt                             |  | 8,523  |
| For pensions                         |  | 13,463 |
| Total deferred outflows of resources |  | 21,986 |

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

|                               |  |           |           |
|-------------------------------|--|-----------|-----------|
| Bonds payable                 |  | (317,153) |           |
| Notes payable                 |  | (239)     |           |
| Accrued bond interest payable |  | (998)     |           |
| Net pension liabilities       |  | (22,927)  |           |
| Compensated absences          |  | (13,134)  |           |
| OPEB obligation payable       |  | (29,726)  |           |
| Claims payable                |  | (651)     |           |
| Total long-term liabilities   |  |           | (384,828) |

Deferred inflow of resources:

|                                     |  |          |         |
|-------------------------------------|--|----------|---------|
| For grants                          |  | 7,796    |         |
| For taxes                           |  | 1,119    |         |
| For debt                            |  | (332)    |         |
| For pensions                        |  | (12,591) |         |
| For other                           |  | 5        |         |
| Total deferred inflows of resources |  |          | (4,003) |

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:

|   |    |           |
|---|----|-----------|
|   |    | 28,643    |
| Net position of governmental activities | \$ | 1,928,499 |

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

|  | General<br>Fund  | I&D<br>Redemption<br>Regular Levy | General<br>CIP    | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|-----------------------------------|-------------------|-----------------------------------|--------------------------------|
| Revenues:  |                  |                                   |                   |                                   |                                |
| Taxes and special assessments                                | \$ 153,599       | \$ 500                            | \$ 76,733         | \$ 3,827                          | \$ 234,659                     |
| Licenses and permits   | 16,416           | -                                 | -                 | -                                 | 16,416                         |
| Intergovernmental  | 25,274           | 3,795                             | 33,751            | 17,638                            | 80,458                         |
| Service charges and fees                                     | 36,111           | -                                 | 10,791            | 835                               | 47,737                         |
| Fines and forfeitures  | 1,198            | -                                 | -                 | -                                 | 1,198                          |
| Interest and penalties                                       | 499              | 2                                 | 672               | 778                               | 1,951                          |
| Net change in fair value of investments                      | 1                | -                                 | 1                 | -                                 | 2                              |
| Rent   | 4,413            | -                                 | 1,251             | -                                 | 5,664                          |
| Judgments and settlements                                    | 2                | -                                 | -                 | 6                                 | 8                              |
| Premiums/contributions                                       | 515              | -                                 | 134               | 786                               | 1,435                          |
| Other  | 156              | -                                 | -                 | 2,507                             | 2,663                          |
| Total revenues   | <u>238,184</u>   | <u>4,297</u>                      | <u>123,333</u>    | <u>26,377</u>                     | <u>392,191</u>                 |
| Expenditures:  |                  |                                   |                   |                                   |                                |
| Current:   |                  |                                   |                   |                                   |                                |
| General government   | 25,547           | 42,094                            | 388               | 6,852                             | 74,881                         |
| Public safety  | 104,021          | -                                 | 220               | 3,826                             | 108,067                        |
| Physical environment   | 184              | -                                 | 13                | 1,102                             | 1,299                          |
| Transportation   | 28,730           | -                                 | 11,325            | 489                               | 40,544                         |
| Economic environment   | 36,312           | -                                 | 965               | 6,856                             | 44,133                         |
| Health and human services                                    | 5,806            | -                                 | -                 | 587                               | 6,393                          |
| Culture and recreation                                       | 30,534           | -                                 | 4,477             | 2,362                             | 37,373                         |
| Debt service:  |                  |                                   |                   |                                   |                                |
| Principal  | -                | 10,753                            | 40                | -                                 | 10,793                         |
| Interest and fiscal charges                                  | -                | 11,538                            | 25                | -                                 | 11,563                         |
| Capital outlay:  |                  |                                   |                   |                                   |                                |
| General government   | -                | -                                 | 765               | -                                 | 765                            |
| Public safety  | 65               | -                                 | 2,844             | 96                                | 3,005                          |
| Transportation   | 6                | -                                 | 65,882            | -                                 | 65,888                         |
| Economic environment   | -                | -                                 | 18                | -                                 | 18                             |
| Culture and recreation                                       | -                | -                                 | 10,019            | -                                 | 10,019                         |
| Total expenditures   | <u>231,205</u>   | <u>64,385</u>                     | <u>96,981</u>     | <u>22,170</u>                     | <u>414,741</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | 6,979            | (60,088)                          | 26,352            | 4,207                             | (22,550)                       |
| Other financing sources (uses):                              |                  |                                   |                   |                                   |                                |
| Transfers in   | 6,248            | 21,447                            | 823               | 1,422                             | 29,940                         |
| Transfers out  | (8,108)          | -                                 | (19,398)          | (2,168)                           | (29,674)                       |
| Sale of capital assets                                       | 8                | -                                 | 34                | -                                 | 42                             |
| Issuance of long-term debt                                   | -                | 53,285                            | 11,970            | -                                 | 65,255                         |
| Payment to refunded bond escrow agent                        | -                | (13,185)                          | -                 | -                                 | (13,185)                       |
| Premium on issuance of long-term debt                        | -                | 2,368                             | -                 | -                                 | 2,368                          |
| Total other financing sources and uses                       | <u>(1,852)</u>   | <u>63,915</u>                     | <u>(6,571)</u>    | <u>(746)</u>                      | <u>54,746</u>                  |
| Net change in fund balance                                   | 5,127            | 3,827                             | 19,781            | 3,461                             | 32,196                         |
| Fund balance at beginning of year                            | 77,186           | 424                               | 98,102            | 20,078                            | 195,790                        |
| Change in accounting principle                               | (771)            | -                                 | (5)               | 3,539                             | 2,763                          |
| Prior period adjustment                                      | (1,541)          | -                                 | -                 | -                                 | (1,541)                        |
| Fund balance at end of year                                  | <u>\$ 80,001</u> | <u>\$ 4,251</u>                   | <u>\$ 117,878</u> | <u>\$ 27,078</u>                  | <u>\$ 229,208</u>              |

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

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2020  
(in thousands)**

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

|  |    |        |
|--|----|--------|
| Net change in fund balances - total government | \$ | 32,196 |
|--|----|--------|

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       | \$ | 79,146   |        |
| Depreciation         |    | (19,382) |        |
| Total capital outlay |    |          | 59,764 |

|                             |  |    |
|-----------------------------|--|----|
| Change in net pension asset |  | 14 |
|-----------------------------|--|----|

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         |  | (55)  |       |
| Grant revenues                     |  | 3,302 |       |
| Other intergovernmental agreements |  | 36    |       |
| Total revenues                     |  |       | 3,283 |

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets yet, repayment of long-term debt is an expenditure in the governmental funds the repayment reduces long-term liabilities in the statement of net assets:

|  |  |          |          |
|--|--|----------|----------|
| Proceeds from issuance of long term debt |  | (49,478) |          |
| Long-term debt repayments                |  | 17,763   |          |
| Amortization of bond premium             |  | 1,624    |          |
| Gain/loss on bond refunding              |  | (517)    |          |
| Total debt proceeds and repayments       |  |          | (30,608) |

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

|                          |  |          |     |
|--------------------------|--|----------|-----|
| Accrued interest expense |  | (1,173)  |     |
| Notes payable            |  | 39       |     |
| TIFIA                    |  | (12,499) |     |
| Net pension liability    |  | 13,631   |     |
| OPEB obligation          |  | 2,244    |     |
| Compensated absences     |  | (1,325)  |     |
| Inventory                |  | 44       |     |
| Estimated claims         |  | (651)    |     |
| Total expenses           |  |          | 310 |

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:

|  |  |         |
|--|--|---------|
|  |  | (8,094) |
|--|--|---------|

|   |    |        |
|---|----|--------|
| Change in net position of governmental activities | \$ | 56,865 |
|---|----|--------|

**Statement of Fund Net Position**  
**Proprietary Funds**  
**As of December 31, 2020**  
(in thousands)

Page 1 of 4

|   | <b>Storm &amp;<br/>Surface Water<br/>Utility</b> | <b>Water<br/>Utility</b> | <b>Sewer<br/>Utility</b> |
|---|--|--------------------------|--------------------------|
| Assets:   |  |                          |                          |
| Current assets:                                 |  |                          |                          |
| Cash & equity in pooled investments             | \$ 107,684                                       | \$ 104,627               | \$ 121,313               |
| Receivables (net of allowances):                |  |                          |                          |
| Accounts  | 3,812  | 7,912                    | 10,943                   |
| Other   | -  | -                        | -                        |
| Due from other funds                            | -  | -                        | -                        |
| Due from other governments                      | -  | -                        | -                        |
| Inventory                                       | 115  | 551                      | 135                      |
| Restricted cash & equity in pooled investments: |  |                          |                          |
| Capital projects                                | 116  | 90                       | 67                       |
| Customer deposits                               | 1  | 36                       | 210                      |
| Total current assets                            | <u>111,728</u>                                   | <u>113,216</u>           | <u>132,668</u>           |
| Noncurrent assets:                              |  |                          |                          |
| Notes/contracts receivable                      | -  | 22                       | 89                       |
| Capital Assets:                                 |  |                          |                          |
| Capital assets (net)                            | 107,276  | 194,242                  | 124,231                  |
| Total noncurrent assets                         | <u>107,276</u>                                   | <u>194,264</u>           | <u>124,320</u>           |
| Total assets                                    | <u>219,004</u>                                   | <u>307,480</u>           | <u>256,988</u>           |
| Deferred outflow of resources:                  |  |                          |                          |
| For pensions                                    | 340  | 507                      | 406                      |
| For asset retirement obligation                 | -  | -                        | -                        |
| Total deferred outflows                         | <u>340</u>                                       | <u>507</u>               | <u>406</u>               |
| Total assets and deferred outflows              | <u>\$ 219,344</u>                                | <u>\$ 307,987</u>        | <u>\$ 257,394</u>        |



**Statement of Fund Net Position**  
**Proprietary Funds**  
**As of December 31, 2020**  
(in thousands)

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|   | <b>Nonmajor<br/>Enterprise Fund -<br/>Marina</b> | <b>Total</b>      | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</b> |
|---|--|-------------------|---|
| <b>Assets:</b>                                  |  |                   |   |
| Current assets:                                 |  |                   |   |
| Cash & equity in pooled investments             | \$ 371   | \$ 333,995        | \$ 31,474   |
| Receivables (net of allowances):                |  |                   |   |
| Accounts  | 4  | 22,671            | 51  |
| Other   | -  | -                 | 325   |
| Due from other funds                            | -  | -                 | 71  |
| Due from other governments                      | -  | -                 | 1   |
| Inventory                                       | -  | 801               | 629   |
| Restricted cash & equity in pooled investments: |  |                   |   |
| Capital projects                                | -  | 273               | -   |
| Customer deposits                               | -  | 247               | -   |
| Total current assets                            | <u>375</u>                                       | <u>357,987</u>    | <u>32,551</u>   |
| Noncurrent assets:                              |  |                   |   |
| Notes/contracts receivable                      | -  | 111               | -   |
| Capital Assets:                                 |  |                   |   |
| Capital assets (net)                            | <u>9,660</u>                                     | <u>435,409</u>    | <u>22,957</u>   |
| Total noncurrent assets                         | <u>9,660</u>                                     | <u>435,520</u>    | <u>22,957</u>   |
| Total assets                                    | <u>10,035</u>                                    | <u>793,507</u>    | <u>55,508</u>   |
| Deferred outflow of resources:                  |  |                   |   |
| For pensions                                    | -  | 1,253             | 1,687   |
| For asset retirement obligation                 | -  | -                 | 1,195   |
| Total deferred outflows                         | <u>-</u>   | <u>1,253</u>      | <u>2,882</u>  |
| Total assets and deferred outflows              | <u>\$ 10,035</u>                                 | <u>\$ 794,760</u> | <u>\$ 58,390</u>  |

**Statement of Fund Net Position**  
**Proprietary Funds**  
**As of December 31, 2020**  
(in thousands)

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|  | <b>Storm &amp;<br/>Surface Water<br/>Utility</b> | <b>Water<br/>Utility</b> | <b>Sewer<br/>Utility</b> |
|--|--|--------------------------|--------------------------|
| Liabilities:                           |  |                          |                          |
| Current liabilities:                   |  |                          |                          |
| Accounts payable                       | \$ 830   | \$ 3,794                 | \$ 444                   |
| Estimated claims                       | -  | -                        | -                        |
| Due to other funds                     | 2  | 5                        | 3                        |
| Due to other governments               | -  | -                        | -                        |
| Accrued payroll                        | 243  | 363                      | 275                      |
| Accrued compensated absences           | 94   | 159                      | 138                      |
| Accrued taxes                          | -  | -                        | -                        |
| Customer deposits                      | 1  | 187                      | 58                       |
| Retainage payable                      | 59   | 90                       | 67                       |
| Total current liabilities              | <u>1,229</u>                                     | <u>4,598</u>             | <u>985</u>               |
| Noncurrent liabilities:                |  |                          |                          |
| Accrued compensated absences           | 219  | 372                      | 322                      |
| Estimated claims                       | -  | -                        | -                        |
| Asset retirement obligation            | -  | -                        | -                        |
| Net pension liability                  | 452  | 689                      | 540                      |
| Total noncurrent liabilities           | <u>671</u>                                       | <u>1,061</u>             | <u>862</u>               |
| Total liabilities                      | <u>1,900</u>                                     | <u>5,659</u>             | <u>1,847</u>             |
| Deferred Inflows                       |  |                          |                          |
| For pensions                           | 354  | 655                      | 490                      |
| Total deferred inflows                 | <u>354</u>                                       | <u>655</u>               | <u>490</u>               |
| Total liabilities and deferred inflows | <u>\$ 2,254</u>                                  | <u>\$ 6,314</u>          | <u>\$ 2,337</u>          |
| Net position:                          |  |                          |                          |
| Net investment in capital assets       | \$ 106,661                                       | \$ 191,875               | \$ 123,765               |
| Customer deposits                      | 1  | 36                       | 210                      |
| Capital projects                       | 116  | 90                       | 67                       |
| Unrestricted                           | 110,312  | 109,672                  | 131,015                  |
| Total net position                     | <u>\$ 217,090</u>                                | <u>\$ 301,673</u>        | <u>\$ 255,057</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, 2020**  
(in thousands)

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|  | <b>Nonmajor<br/>Enterprise Fund -<br/>Marina</b> | <b>Total</b>      | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</b> |
|--|--|-------------------|---|
| Liabilities:                           |  |                   |   |
| Current liabilities:                   |  |                   |   |
| Accounts payable                       | \$ 17  | \$ 5,085          | \$ 1,733  |
| Estimated claims                       | -  | -                 | 4,832   |
| Due to other funds                     | -  | 10                | -   |
| Due to other governments               | 27   | 27                | -   |
| Accrued payroll                        | -  | 881               | 663   |
| Accrued compensated absences           | -  | 391               | 402   |
| Accrued taxes                          | -  | -                 | 3   |
| Customer deposits                      | -  | 246               | 3   |
| Retainage payable                      | -  | 216               | 5   |
| Total current liabilities              | <u>44</u>  | <u>6,856</u>      | <u>7,641</u>  |
| Noncurrent liabilities:                |  |                   |   |
| Accrued compensated absences           | -  | 913               | 937   |
| Estimated claims                       | -  | -                 | 3,425   |
| Asset retirement obligation            | -  | -                 | 7,957   |
| Net pension liability                  | -  | 1,681             | 8,562   |
| Total noncurrent liabilities           | <u>-</u>   | <u>2,594</u>      | <u>20,881</u>   |
| Total liabilities                      | <u>44</u>  | <u>9,450</u>      | <u>28,522</u>   |
| Deferred Inflows                       |  |                   |   |
| For pensions                           | 59   | 1,558             | 1,225   |
| Total deferred inflows                 | <u>59</u>  | <u>1,558</u>      | <u>1,225</u>  |
| Total liabilities and deferred inflows | <u>\$ 103</u>                                    | <u>\$ 11,008</u>  | <u>\$ 29,747</u>  |
| Net position:                          |  |                   |   |
| Net investment in capital assets       | \$ 9,660   | \$ 431,961        | \$ 22,746   |
| Customer deposits                      | -  | 247               | 3   |
| Capital projects                       | -  | 273               | 5   |
| Unrestricted                           | 272  | 351,271           | 5,889   |
| Total net position                     | <u>\$ 9,932</u>                                  | <u>\$ 783,752</u> | <u>\$ 28,643</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, 2020**  
(in thousands)

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|  | <b>Storm &amp; Surface<br/>Water Utility</b> | <b>Water Utility</b> | <b>Sewer Utility</b> |
|--|--|----------------------|----------------------|
| Operating revenues:                              |  |                      |                      |
| Intergovernmental                                | \$ 62  | \$ -                 | \$ -                 |
| Service charges and fees                         | 26,866                                       | 65,978               | 64,237               |
| Rent   | -  | -                    | -                    |
| Insurance recovery                               | -  | -                    | -                    |
| Premiums/contributions                           | -  | -                    | -                    |
| Other  | -  | -                    | -                    |
| Total operating revenues                         | <u>26,928</u>                                | <u>65,978</u>        | <u>64,237</u>        |
| Operating expenses:                              |  |                      |                      |
| Administrative and general                       | 4,100  | 15,691               | 8,302                |
| Maintenance and operations                       | 7,781  | 30,025               | 40,979               |
| Depreciation                                     | 2,830  | 5,312                | 3,935                |
| Insurance costs                                  | -  | -                    | -                    |
| Benefits and claims payments                     | -  | -                    | -                    |
| Total operating expenses                         | <u>14,711</u>                                | <u>51,028</u>        | <u>53,216</u>        |
| Operating income (loss)                          | 12,217                                       | 14,950               | 11,021               |
| Nonoperating revenues (expenses):                |  |                      |                      |
| Interest income                                  | 619  | 600                  | 715                  |
| Net change in fair value of investments          | 1  | 1                    | 1                    |
| Rental income                                    | 17   | 359                  | 431                  |
| Gain on disposal of capital assets               | -  | 15                   | 8                    |
| Other nonoperating revenues                      | 4  | 27                   | 31                   |
| Total nonoperating revenue (expenses)            | <u>641</u>                                   | <u>1,002</u>         | <u>1,186</u>         |
| Income before contributions and transfers        | 12,858                                       | 15,952               | 12,207               |
| Special items, contributions and transfers:      |  |                      |                      |
| Transfers in                                     | -  | -                    | -                    |
| Transfers out                                    | -  | -                    | -                    |
| Capital contributed from external sources        | 6,681  | 4,296                | 1,672                |
| Total special items, contributions and transfers | <u>6,681</u>                                 | <u>4,296</u>         | <u>1,672</u>         |
| Change in net position                           | 19,539                                       | 20,248               | 13,879               |
| Net position beginning of year                   | <u>197,551</u>                               | <u>281,425</u>       | <u>241,178</u>       |
| Net position end of year                         | <u>\$ 217,090</u>                            | <u>\$ 301,673</u>    | <u>\$ 255,057</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, 2020**  
(in thousands)

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|  | <b>Nonmajor<br/>Enterprise Fund -<br/>Marina</b> | <b>Total</b>      | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</b> |
|--|--|-------------------|---|
| Operating revenues:                              |  |                   |   |
| Intergovernmental                                | \$ -   | \$ 62             | \$ 82   |
| Service charges and fees                         | -  | 157,081           | 35,337  |
| Rent   | 680  | 680               | 629   |
| Insurance recovery                               | -  | -                 | 262   |
| Premiums/contributions                           | -  | -                 | 24,996  |
| Other  | -  | -                 | 160   |
| Total operating revenues                         | <u>680</u>                                       | <u>157,823</u>    | <u>61,466</u>   |
| Operating expenses:                              |  |                   |   |
| Administrative and general                       | 10   | 28,103            | 7,277   |
| Maintenance and operations                       | 295  | 79,080            | 24,913  |
| Depreciation                                     | 14   | 12,091            | 5,417   |
| Insurance costs                                  | -  | -                 | 8,540   |
| Benefits and claims payments                     | -  | -                 | 25,182  |
| Total operating expenses                         | <u>319</u>                                       | <u>119,274</u>    | <u>71,329</u>   |
| Operating income (loss)                          | 361  | 38,549            | (9,863)   |
| Nonoperating revenues (expenses):                |  |                   |   |
| Interest income                                  | 3  | 1,937             | 207   |
| Net change in fair value of investments          | -  | 3                 | -   |
| Rental income                                    | -  | 807               | -   |
| Gain on disposal of capital assets               | -  | 23                | 249   |
| Other nonoperating revenues                      | -  | 62                | 1,169   |
| Total nonoperating revenue (expenses)            | <u>3</u>   | <u>2,832</u>      | <u>1,625</u>  |
| Income before contributions and transfers        | 364  | 41,381            | (8,238)   |
| Special items, contributions and transfers:      |  |                   |   |
| Transfers in                                     | -  | -                 | 620   |
| Transfers out                                    | (400)  | (400)             | (486)   |
| Capital contributed from external sources        | -  | 12,649            | 10  |
| Total special items, contributions and transfers | <u>(400)</u>                                     | <u>12,249</u>     | <u>144</u>  |
| Change in net position                           | (36)   | 53,630            | (8,094)   |
| Net position beginning of year                   | 9,968  | 730,122           | 36,737  |
| Net position end of year                         | <u>\$ 9,932</u>                                  | <u>\$ 783,752</u> | <u>\$ 28,643</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, 2020**  
(in thousands)

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|  | <b>Business-Type Activities -<br/>Enterprise Funds</b> |                          |                          |
|--|--|--------------------------|--------------------------|
|  | <b>Storm &amp;<br/>Surface Water<br/>Utility</b>       | <b>Water<br/>Utility</b> | <b>Sewer<br/>Utility</b> |
| Cash flows from operating activities:                          |  |                          |                          |
| Cash received from customers and users                         | \$ 26,530  | \$ 65,475                | \$ 64,178                |
| Contributions received - employer/employees                    | -  | -                        | -                        |
| Cash received from insurance proceeds                          | -  | -                        | -                        |
| Cash payments to suppliers for goods and services              | (6,537)  | (38,793)                 | (43,830)                 |
| Cash payments to employees for services                        | (5,208)  | (7,528)                  | (5,659)                  |
| Cash payments to claimants                                     | -  | -                        | -                        |
| Cash received from other governments                           | -  | -                        | -                        |
| Cash received from contracts/rent                              | -  | -                        | -                        |
| Cash payments for insurance                                    | -  | -                        | -                        |
| Other receipts   | 21   | 386                      | 462                      |
| Net cash provided by operating activities                      | <u>14,806</u>  | <u>19,540</u>            | <u>15,151</u>            |
| Cash flows from noncapital financing activities:               |  |                          |                          |
| Transfers in   | -  | -                        | -                        |
| Transfers out  | -  | -                        | -                        |
| Cash received from non-operating revenues                      | -  | -                        | -                        |
| Net cash provided (used) by noncapital financing activities    | <u>-</u>   | <u>-</u>                 | <u>-</u>                 |
| Cash flows from capital & related financing activities:        |  |                          |                          |
| Acquisition and construction of capital assets                 | (6,624)  | (20,198)                 | (9,437)                  |
| Proceeds from sale of assets                                   | -  | 15                       | 8                        |
| Cash contributions in aid of construction                      | 5,111  | 2,518                    | 880                      |
| Contributed connection contracts                               | -  | 213                      | 283                      |
| Net cash used by capital financing activities                  | <u>(1,513)</u>   | <u>(17,452)</u>          | <u>(8,266)</u>           |
| Cash flows from investing activities:                          |  |                          |                          |
| Interest on investments  | 944  | 953                      | 1,109                    |
| Net cash provided (used) by investing activities               | <u>944</u>   | <u>953</u>               | <u>1,109</u>             |
| Net increase (decrease) in cash balance                        | 14,237   | 3,041                    | 7,994                    |
| Cash & equity in pooled investments - beginning of year        | 93,564   | 101,712                  | 113,596                  |
| Cash & equity in pooled investments - end of year              | <u>\$ 107,801</u>                                      | <u>\$ 104,753</u>        | <u>\$ 121,590</u>        |
| Cash & equity in pooled investments at end of year consist of: |  |                          |                          |
| Unrestricted   | \$ 107,684   | \$ 104,627               | \$ 121,313               |
| Restricted   | 117  | 126                      | 277                      |
| Total cash & equity in pooled investments                      | <u>\$ 107,801</u>                                      | <u>\$ 104,753</u>        | <u>\$ 121,590</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, 2020**  
(in thousands)

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|  | <b>Business-Type Activities -</b> |                   | <b>Governmental</b>  |
|--|-----------------------------------|-------------------|----------------------|
|  | <b>Enterprise Funds</b>           |                   | <b>Activities -</b>  |
|  | <b>Nonmajor</b>                   |                   | <b>Internal</b>      |
|  | <b>Enterprise Fund -</b>          |                   | <b>Service Funds</b> |
|  | <b>Marina</b>                     | <b>Total</b>      |                      |
| Cash flows from operating activities:                          |                                   |                   |                      |
| Cash received from customers and users                         | \$ 685                            | \$ 156,868        | \$ 35,369            |
| Contributions received - employer/employee                     | -                                 | -                 | 24,967               |
| Cash received from insurance proceeds                          | -                                 | -                 | 262                  |
| Cash payments to suppliers for goods and services              | (285)                             | (89,445)          | (10,670)             |
| Cash payments to employees for services                        | (10)                              | (18,405)          | (19,143)             |
| Cash payments to claimants                                     | -                                 | -                 | (23,254)             |
| Cash received from other governments                           | -                                 | -                 | 108                  |
| Cash received from contracts/rent                              | -                                 | -                 | 629                  |
| Cash payments for insurance                                    | -                                 | -                 | (8,540)              |
| Other receipts   | -                                 | 869               | 1,318                |
| Net cash provided by operating activities                      | 390                               | 49,887            | 1,046                |
| Cash flows from noncapital financing activities:               |                                   |                   |                      |
| Transfers in   | -                                 | -                 | 620                  |
| Transfers out  | (400)                             | (400)             | (486)                |
| Cash received from non-operating revenues                      | -                                 | -                 | 34                   |
| Net cash provided (used) by noncapital financing activities    | (400)                             | (400)             | 168                  |
| Cash flows from capital & related financing activities:        |                                   |                   |                      |
| Acquisition and construction of capital assets                 | -                                 | (36,259)          | (4,938)              |
| Proceeds from sale of assets                                   | -                                 | 23                | -                    |
| Cash contributions in aid of construction                      | -                                 | 8,509             | -                    |
| Contributed connection contracts                               | -                                 | 496               | -                    |
| Net cash used by capital financing activities                  | -                                 | (27,231)          | (4,938)              |
| Cash flows from investing activities:                          |                                   |                   |                      |
| Interest on investments  | 4                                 | 3,010             | 331                  |
| Net cash provided (used) by investing activities               | 4                                 | 3,010             | 331                  |
| Net increase (decrease) in cash balance                        | (6)                               | 25,266            | (3,393)              |
| Cash & equity in pooled investments - beginning of year        | 377                               | 309,249           | 34,867               |
| Cash & equity in pooled investments - end of year              | <u>\$ 371</u>                     | <u>\$ 334,515</u> | <u>\$ 31,474</u>     |
| Cash & equity in pooled investments at end of year consist of: |                                   |                   |                      |
| Unrestricted   | \$ 371                            | \$ 333,995        | \$ 31,474            |
| Restricted   | -                                 | 520               | -                    |
| Total cash & equity in pooled investments                      | <u>\$ 371</u>                     | <u>\$ 334,515</u> | <u>\$ 31,474</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, 2020**  
(in thousands)

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|  | <b>Business-Type Activities -<br/>Enterprise Funds</b> |                          |                          |
|--|--|--------------------------|--------------------------|
|  | <b>Storm &amp;<br/>Surface Water<br/>Utility</b>       | <b>Water<br/>Utility</b> | <b>Sewer<br/>Utility</b> |
| Reconciliation of operating income to net cash provided (used) by operating activities:        |  |                          |                          |
| Operating income (loss)  | \$ 12,217  | \$ 14,950                | \$ 11,021                |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |  |                          |                          |
| Depreciation   | 2,830  | 5,312                    | 3,935                    |
| Other receipts   | 21   | 386                      | 462                      |
| Changes in assets and liabilities:   |  |                          |                          |
| (Increase) decrease in accounts receivable   | 35   | (501)                    | 367                      |
| (Increase) decrease in due from other funds  | -  | -                        | -                        |
| (Increase) decrease in due from other governments  | -  | -                        | -                        |
| (Increase) decrease in contracts receivable  | -  | (1)                      | (24)                     |
| (Increase) decrease in inventory   | (14)   | (53)                     | (48)                     |
| (Increase) decrease in deferred outflow  | (32)   | (92)                     | (78)                     |
| Increase (decrease) in accounts payable  | 147  | 18                       | (355)                    |
| Increase (decrease) in retainage payable   | (5)  | (157)                    | 34                       |
| Increase (decrease) in wages & benefits payable  | (17)   | (48)                     | 19                       |
| Increase (decrease) in compensated absences  | (1)  | 126                      | 96                       |
| Increase (decrease) in due to other funds  | (5)  | (2)                      | (2)                      |
| Increase (decrease) in due to other governments  | -  | -                        | -                        |
| Increase (decrease) in customer deposits   | -  | -                        | 11                       |
| Increase (decrease) in estimated claims payable  | -  | -                        | -                        |
| Increase (decrease) in deferred inflows  | -  | (548)                    | -                        |
| Increase (decrease) in pension liability   | 63   | 150                      | 125                      |
| Increase (decrease) in unearned revenue  | (433)  | -                        | (412)                    |
| Total adjustments  | 2,589  | 4,590                    | 4,130                    |
| Net cash provided by operating activities  | <u>\$ 14,806</u>                                       | <u>\$ 19,540</u>         | <u>\$ 15,151</u>         |
| Noncash investing, capital and financing activities:   |  |                          |                          |
| Contributions of capital assets  | \$ 4,856   | \$ 1,779                 | \$ 509                   |
| Increase (decrease) in fair value of investments   | \$ 1   | \$ 1                     | \$ 1                     |



**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <b>Business-Type Activities -<br/>Enterprise Funds</b> |                  | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|---|--|------------------|---|
|   | <b>Nonmajor<br/>Enterprise Fund -<br/>Marina</b>       | <b>Total</b>     |   |
| Reconciliation of operating income to net cash provided<br>(used) by operating activities:        |  |                  |   |
| Operating income (loss)   | \$ 361   | \$ 38,549        | \$ (9,863)  |
| Adjustments to reconcile operating income to net cash<br>provided (used) by operating activities: |  |                  |   |
| Depreciation  | 14   | 12,091           | 5,417   |
| Other receipts  | -  | 869              | 1,135   |
| Changes in assets and liabilities:  |  |                  |   |
| (Increase) decrease in accounts receivable  | -  | (99)             | (79)  |
| (Increase) decrease in due from other funds   | -  | -                | 23  |
| (Increase) decrease in due from other governments   | -  | -                | 108   |
| (Increase) decrease in contracts receivable   | 6  | (19)             | -   |
| (Increase) decrease in inventory  | -  | (115)            | 9   |
| (Increase) decrease in deferred outflow   | -  | (202)            | (275)   |
| Increase (decrease) in accounts payable   | 8  | (182)            | 842   |
| Increase (decrease) in retainage payable  | -  | (128)            | -   |
| Increase (decrease) in wages & benefits payable   | -  | (46)             | 40  |
| Increase (decrease) in compensated absences   | -  | 221              | 166   |
| Increase (decrease) in due to other funds   | -  | (9)              | -   |
| Increase (decrease) in due to other governments   | 1  | 1                | (1)   |
| Increase (decrease) in customer deposits  | -  | 11               | -   |
| Increase (decrease) in estimated claims payable   | -  | -                | 2,124   |
| Increase (decrease) in deferred inflows   | -  | (548)            | (1,258)   |
| Increase (decrease) in pension liability  | -  | 338              | 2,638   |
| Increase (decrease) in unearned revenue   | -  | (845)            | -   |
| Total adjustments   | 29   | 11,338           | 10,909  |
| Net cash provided by operating activities   | <u>\$ 390</u>  | <u>\$ 49,887</u> | <u>\$ 1,046</u>   |
| Noncash investing, capital and financing activities:  |  |                  |   |
| Contributions of capital assets   | \$ -   | \$ 7,144         | \$ -  |
| Increase (decrease) in fair value of investments  | \$ -   | \$ 3             | \$ -  |

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

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**As of December 31, 2020**  
(in thousands)

|  | <b>Pension (and Other<br/>Employee Benefit)<br/>Trust Funds</b> | <b>ARCH Housing<br/>Private-Purpose<br/>Trust Fund</b> | <b>Custodial<br/>Funds</b> |
|--|---|--|----------------------------|
| <b>Assets:</b>   |   |  |                            |
| Cash & equity in pooled investments:   |   |  |                            |
| U.S. government and agency obligations   | \$ 210  | \$ 276   | \$ 70                      |
| State and local obligations  | 140   | 184  | 47                         |
| State investment pool  | 6,100   | 8,021  | 2,025                      |
| Collective trust fund  | 145,085   | -  | -                          |
| Mutual funds   | 732,386   | -  | -                          |
| Common and preferred stocks  | 104,471   | -  | -                          |
| Interest-bearing bank deposits   | 2,361   | 737  | 186                        |
| Interest receivable  | 1,055   | -  | -                          |
| Other receivables  | 1   | -  | -                          |
| Notes receivable from participants   | 8,766   | -  | -                          |
| Due from other governments/employers   | 44  | -  | -                          |
| Capital assets (net)   | -   | -  | 107                        |
| <b>Total assets</b>  | <b>\$ 1,000,619</b>   | <b>\$ 9,218</b>  | <b>\$ 2,435</b>            |
| <b>Liabilities:</b>  |   |  |                            |
| Accounts payable   | \$ 418  | \$ 101   | \$ 38                      |
| Deposits payable   | -   | -  | 66                         |
| <b>Total liabilities</b>   | <b>418</b>  | <b>101</b>   | <b>104</b>                 |
| <b>Net Position:</b>   |   |  |                            |
| Net position restricted for pensions   | 1,000,201   | -  | -                          |
| Net position restricted for affordable housing                                   | -   | 9,117  | -                          |
| Net position restricted for individuals, organizations,<br>and other governments | -   | -  | 2,331                      |
| <b>Total net position</b>  | <b>\$ 1,000,201</b>   | <b>\$ 9,117</b>  | <b>\$ 2,331</b>            |

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, 2020**  
(in thousands)

|   | <b>Pension (and Other<br/>Employee Benefit)<br/>Trust Funds</b> | <b>ARCH Housing<br/>Private-Purpose<br/>Trust Fund</b> | <b>Custodial<br/>Funds</b> |
|---|---|--|----------------------------|
| Additions:  |   |  |                            |
| Investment income:                                    |   |  |                            |
| Interest  | \$ 542  | \$ 41  | \$ 13                      |
| Net change in fair value of investments               | 97,505  | -  | -                          |
| Dividends   | 22,192  | -  | -                          |
| Other contributions:                                  |   |  |                            |
| Contributions from employers and nonemployer premiums | 21,848  | -  | -                          |
| Contributions from participants and members           | 24,752  | 10,256   | 4,510                      |
| Rollovers   | 337   | -  | -                          |
| Tax collections for other governments                 | -   | 2  | 859                        |
| Deposits payable                                      | -   | -  | 2,770                      |
| Other   | -   | 73   | 3                          |
| Total additions                                       | <u>167,176</u>  | <u>10,372</u>  | <u>8,155</u>               |
| Deductions:   |   |  |                            |
| Benefit payments                                      | 57,793  | -  | -                          |
| Insurance premiums                                    | 2,244   | -  | -                          |
| Administrative expense                                | 1,939   | 835  | 1,919                      |
| Distributions to developers                           | -   | 5,599  | -                          |
| Distributions to human services agencies              | -   | -  | 2,686                      |
| Payments to other governments                         | -   | -  | 860                        |
| Deposits payable                                      | -   | -  | 2,921                      |
| Total deductions                                      | <u>61,976</u>   | <u>6,434</u>   | <u>8,386</u>               |
| Net increase (decrease) in net position               | 105,200   | 3,938  | (231)                      |
| Net position beginning of year                        | 7,012   | -  | -                          |
| Change in accounting principle                        | 887,989   | 5,179  | 2,565                      |
| Prior period adjustment                               | -   | -  | (3)                        |
| Net position end of year                              | <u>\$ 1,000,201</u>   | <u>\$ 9,117</u>  | <u>\$ 2,331</u>            |

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

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

## **Note 1: Summary of Significant Accounting Policies**

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

### **Reporting Entity**

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

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

### **Discretely Presented Component Unit**

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

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

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

### **Government-wide and Fund Financial Statements**

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

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

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

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

### **Basis of Accounting**

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

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

### **Major Governmental Funds**

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

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

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

### **Major Proprietary Funds**

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

#### ***Enterprise Funds***

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

#### ***Internal Service Funds***

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

### **Fiduciary Funds**

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

#### ***Pension (and other employee benefit) Trust Funds***

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

### ***Private-Purpose Trust Fund***

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

### ***Custodial Funds***

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

### ***New Accounting Standards***

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

In January 2017, GASB issued Statement No. 84, "Fiduciary Activities." This statement improved guidance regarding the identification of fiduciary activities for reporting and financial reporting purpose, and how those activities should be reported. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Government with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The city implemented this standard as of December 31, 2020. The implementation of this standard resulted in a restatement of beginning fund balances as detailed in Note 20: Change in Accounting Principle.

### ***Budget and Basis of Accounting***

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

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

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

### ***Assets, Liabilities and Net Position or Fund Balance***

#### ***Cash and Equity in Pooled Investments***

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



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

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

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

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

### ***Restricted Assets***

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

### ***Receivables***

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

### ***Property Taxes***

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

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

### ***Other Receivables***

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

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

### ***Due from Other Funds and Other Governments***

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

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

### ***Interfund Loans Receivable***

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

### ***Housing Rehabilitation Loans Receivable***

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

### ***Notes and Contracts Receivable***

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

### ***Inventories and Prepaid Expenses***

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

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

### ***Net Position and Fund Balances***

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

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

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

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

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

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

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

### ***Capital Assets***

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

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

All purchased capital assets are valued at original cost. If no records exist, assets are valued at an estimated historical cost. Capital assets acquired or constructed are capitalized in the respective funds at historical cost. Donated assets are recorded at their estimated fair values as of the date acquired. The value of donated assets is recorded as contributed revenue by the receiving fund at acquisition value rather than fair value.

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:

| <b>Asset Class</b>                                 | <b>Estimated Service Life (Years)</b> |
|--|---------------------------------------|
| <b><i>General Capital Assets</i></b>               |                                       |
| Equipment  | 7-15                                  |
| Buildings  | 39                                    |
| Other Improvements                                 | 20                                    |
| <b><i>Equipment Rental Fund</i></b>                |                                       |
| Transportation Equipment                           | 2-7                                   |
| Communication Equipment                            | 7                                     |
| Traffic Control Equipment                          | 15                                    |
| Heavy-Duty Work Equipment                          | 5-20                                  |
| Shop/Miscellaneous Equipment                       | 8-15                                  |
| <b><i>Waterworks Utility</i></b>                   |                                       |
| 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                                    |
| <b><i>Infrastructure Assets</i></b>                |                                       |
| 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                                    |
| <b><i>Intangibles</i></b>                          |                                       |
| Software   | 15                                    |
| <b><i>Bellevue Convention Center Authority</i></b> |                                       |
| Building Shell                                     | 50                                    |
| Building Mechanical System and Roof                | 25                                    |
| Office Furniture and Equipment                     | 7                                     |
| Communication Equipment                            | 7                                     |

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

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

### ***Deferred Outflow of Resources***

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

### ***Long-Term Liabilities***

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

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

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

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

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

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.

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.

### ***Deferred Inflow of Resources***

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

### ***Interfund Transactions***

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

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

## **Note 2: Stewardship, Compliance and Accountability**

### **Deficits**

The City of Bellevue had no funds with a material deficit as of December 31, 2020.

Total net position for the Bellevue Convention Center Authority (BCCA) reflects an unrestricted net position balance of \$7.0 million and a total net position of \$38.9 million. Cash flows, as projected in the annual Finance Plan of the Authority, are expected to meet all obligations as they come due.

### **Legal Budgetary Compliance**

During 2020, no city funds exceeded total authorized appropriations at the fund level. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level.

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

## **Note 3: Supplemental Appropriations**

### **Operating Budget Funds**

During 2020, the City Council amended the 2020 appropriations by an additional \$3.1 million to reflect previously unanticipated needs in the 2020 portion of the 2019-2020 biennial budget. Amendments included \$1.1 million in the General Fund and \$2.0 million in the Human Service Funds. 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, 2020, are as follows, in thousands:

|                              |                   |
|------------------------------|-------------------|
| Cash on hand and in bank     | \$ 7,363          |
| Equity in pooled investments | 574,257           |
| Total                        | <u>\$ 581,620</u> |

In addition, the city holds \$18.5 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, 2020, the city had a bank balance of \$0.4 million (carrying book balance amount of \$6.3 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 funds in 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 participates in the Washington State Treasurer's Local Government Investment Pool (LGIP) managed by the Washington Office of the State Treasurer, which is also responsible for establishing the investment policy for the LGIP. The LGIP is an unrated external investment pool. The pool's portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set by GASB Statement No. 79 "Certain External Investment Pools and Pool Participants" for external investment pools that elect to measured investments at amortized costs for financial reporting purposes.

Investments in the LGIP are available on demand in the amount of the original investment, plus interest earnings, and are treated as a money-market investment. Accordingly, the fair value of the city's position in the LGIP is the same as the value of the city's LGIP shares. Regulatory oversight for these investments is provided as prescribed by Washington State law. The State Auditor audits the accounts of the State Treasurer to determine the compliance of investment activities with state statutes and the investment policy. Also, an independent audit of the LGIP's financial statements is performed annually. The State Treasurer has created an Advisory Committee consisting of eight members appointed by participant associations and six members appointed by the State Treasurer. The committee meets at least quarterly to provide advice on the operation of the LGIP.

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

| Authorized Investment Type                             | Maximum Maturity | Maximum % of Portfolio | Maximum Investment in One Issuer |
|--|------------------|------------------------|----------------------------------|
| U.S. Treasury Debt Obligations                         | 5 years          | 100%                   | 100%                             |
| U.S. Agency Coupon Securities                          | 5 years          | 100%                   | 30%                              |
| U.S. Agency Discount Notes                             | 1 year           | 100%                   | 30%                              |
| Repurchase Agreements                                  | 30 days          | 50%                    | 10%                              |
| Municipal Bonds  | 5 years          | 15%                    | 5%                               |
| Certificates of Deposit                                | 1 year           | 50%                    | 10%                              |
| Interest Bearing Bank Deposits                         | 1 year           | 50%                    | 10%                              |
| Bankers Acceptances                                    | 6 months         | 15%                    | 5%                               |
| Commercial Paper                                       | 90 days          | 15%                    | 5%                               |
| State of Washington Local Governmental Investment Pool | N/A              | 100%                   | N/A                              |

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

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

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

| Investment Type                | Fair Value       | Remaining Maturity in Months |                  |                 |              |                 | Credit Rating |
|--------------------------------|------------------|------------------------------|------------------|-----------------|--------------|-----------------|---------------|
|                                |                  | 3 Months or Less             | 3 to 12 Months   | 1 to 2 Years    | 2 to 3 Years | 3 to 5 Years    |               |
| U.S. Agency Coupon Securities  | \$ 7,054         | \$ 1,003                     | \$ 2,994         | \$ 3,057        | \$ -         | \$ -            |               |
| U.S Treasury Debt Obligations  | 13,168           | -                            | 8,165            | -               | -            | 5,003           |               |
| Interest Bearing Bank Deposits | 45,140           | 45,140                       | -                | -               | -            | -               | Unrated       |
| Municipal Bonds                | 12,471           | 1,523                        | 4,418            | 6,530           | -            | -               | Aa/AAA        |
| LGIP                           | 515,154          | 515,154                      | -                | -               | -            | -               | Unrated       |
| Total                          | <u>\$592,987</u> | <u>\$562,820</u>             | <u>\$ 15,577</u> | <u>\$ 9,587</u> | <u>\$ -</u>  | <u>\$ 5,003</u> |               |

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



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

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

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The city's investment policy limits the amount that may be invested in any one issuer. As of December 31, 2020, there was no concentration of credit risk exceeding the policy guidelines described above.

The city does not have any investments concentrated to one issuer, other than the LGIP, representing five- percent or more of the total portfolio.

*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, 2020, all the \$592.1 million investments in U.S. agency debt obligations and municipal bonds were registered and held by its safekeeping agent in the city's name. Therefore, the city has no outstanding investments that were exposed to custodial credit risk.

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

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

The following table presents recurring fair value measurements as of December 31, 2020:

|   |                   | Fair Value Measurement Using  |   |
|---|-------------------|---|---|
|   |                   | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) |
|   | December 31, 2020 |   |   |
| Investments by fair value level             |                   |   |   |
| Debt securities                             |                   |   |   |
| US Agency Coupon Securities                 | \$ 7,054          | \$ -  | \$ 7,054  |
| US Treasury Debt Obligations                | 13,168            | 13,168  | -   |
| Municipal Bonds                             | 12,471            | -   | 12,471  |
| Total debt securities                       | 32,693            | 13,168  | 19,525  |
| Total investments by fair value             | 32,693            | \$ 13,168   | \$ 19,525   |
| Investments measured at amortized cost      |                   |   |   |
| State of Washington Local Governmental      |                   |   |   |
| Investment Pool                             | 515,154           |   |   |
| General Bank account                        | 5,140             |   |   |
| Opus DD account                             | 40,000            |   |   |
| Total investment measured at amortized cost | 560,294           |   |   |
| Total investment measured at fair value     | \$ 592,987        |   |   |

### 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, 2020, are as follows, in thousands:

|                              |                 |
|------------------------------|-----------------|
| Cash on hand and in bank     | \$ 896          |
| Equity in pooled investments | 6,941           |
| Total                        | <u>\$ 7,837</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, 2020, in thousands:

|   | <b>Rate</b>     | <b>Property Taxes<br/>Collected</b> |
|---|-----------------|-------------------------------------|
| Regular Property Taxes                                    | \$ 0.623        | \$ 42,430                           |
| Parks Levy 2008   | 0.059           | 4,048                               |
| Fire Facilities Levy 2016                                 | 0.099           | 6,567                               |
| Transportation Safety, Connectivity, Congestion Levy 2016 | 0.118           | 7,880                               |
| <b>Total Levy</b>   | <b>\$ 0.900</b> | <b>\$ 60,925</b>                    |

Under Washington State law, the city may levy up to \$3.50 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, 2020, the city has \$8.9 million in unused levy capacity.

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

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

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

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

**Note 6: Capital Assets**

Capital asset activity for the primary government for the year ended December 31, 2020, was as follows, in thousands:

| <b>Governmental activities:</b>              | <b>Beginning<br/>Balance</b> | <b>Increases</b>  | <b>Decreases</b>   | <b>Ending<br/>Balance</b> |
|--|------------------------------|-------------------|--------------------|---------------------------|
| Capital assets, not being depreciated:       |                              |                   |                    |                           |
| Land   | \$ 891,676                   | \$ 14,279         | \$ (67)            | \$ 905,888                |
| Construction in progress                     | 30,319                       | 63,494            | (42,855)           | 50,958                    |
| Infrastructure                               | 783,840                      | 20,391            | -                  | 804,231                   |
| Total capital assets, not being depreciated  | <u>1,705,835</u>             | <u>98,164</u>     | <u>(42,922)</u>    | <u>1,761,077</u>          |
| Capital assets, being depreciated:           |                              |                   |                    |                           |
| Buildings                                    | 255,334                      | 1,798             | -                  | 257,132                   |
| Improvements other than buildings            | 68,611                       | 3,590             | -                  | 72,201                    |
| Intangible assets                            | 20,777                       | 226               | -                  | 21,003                    |
| Machinery and equipment                      | 73,874                       | 6,951             | (3,422)            | 77,403                    |
| Leasehold improvements                       | 4,129                        | -                 | -                  | 4,129                     |
| Infrastructure                               | 216,324                      | 15,407            | (14)               | 231,717                   |
| Total capital assets being depreciated       | <u>639,049</u>               | <u>27,972</u>     | <u>(3,436)</u>     | <u>663,585</u>            |
| Less accumulated depreciation for:           |                              |                   |                    |                           |
| Buildings                                    | (116,310)                    | (7,901)           | -                  | (124,211)                 |
| Improvements other than buildings            | (15,067)                     | (3,341)           | -                  | (18,408)                  |
| Intangible assets                            | (21,131)                     | (529)             | -                  | (21,660)                  |
| Machinery and equipment                      | (48,632)                     | (5,588)           | 1,933              | (52,287)                  |
| Leasehold improvements                       | (2,064)                      | (413)             | -                  | (2,477)                   |
| Infrastructure                               | (175,392)                    | (7,027)           | 14                 | (182,405)                 |
| Total accumulated depreciation               | <u>(378,596)</u>             | <u>(24,799)</u>   | <u>1,947</u>       | <u>(401,448)</u>          |
| Total capital assets, being depreciated, net | <u>260,453</u>               | <u>3,173</u>      | <u>(1,489)</u>     | <u>262,137</u>            |
| Governmental activities capital assets, net  | <u>\$ 1,966,288</u>          | <u>\$ 101,337</u> | <u>\$ (44,411)</u> | <u>\$ 2,023,214</u>       |

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

|  |                  |
|--|------------------|
| <b>Governmental activities:</b>  |                  |
| General government   | \$ 7,301         |
| Public safety  | 591              |
| Transportation   | 5,225            |
| Economic environment   | 101              |
| Culture and recreation   | 6,168            |
| Total  | <u>19,386</u>    |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | 5,413            |
| Total depreciation expense - governmental activities   | <u>\$ 24,799</u> |

Capital asset activity for the city's proprietary funds for the year ended December 31, 2020 was as follows, in thousands:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b> | <b>Decreases</b>   | <b>Ending<br/>Balance</b> |
|--|------------------------------|------------------|--------------------|---------------------------|
| <b>Business-type activities:</b>             |                              |                  |                    |                           |
| Capital assets, not being depreciated:       |                              |                  |                    |                           |
| Land   | \$ 24,993                    | \$ 14            | \$ -               | \$ 25,007                 |
| Construction in progress                     | 19,271                       | 35,148           | (34,923)           | 19,496                    |
| Total capital assets, not being depreciated  | 44,264                       | 35,162           | (34,923)           | 44,503                    |
| Capital assets, being depreciated:           |                              |                  |                    |                           |
| Buildings                                    | 38,858                       | -                | -                  | 38,858                    |
| Machinery and equipment                      | 15,432                       | 1,130            | (328)              | 16,234                    |
| Infrastructure                               | 517,650                      | 38,984           | (213)              | 556,421                   |
| Intangible assets                            | 287                          | -                | -                  | 287                       |
| Total capital assets being depreciated       | 572,227                      | 40,114           | (541)              | 611,800                   |
| Less accumulated depreciation for:           |                              |                  |                    |                           |
| Buildings                                    | (27,312)                     | (1,564)          | -                  | (28,876)                  |
| Machinery and equipment                      | (10,215)                     | (1,238)          | 82                 | (11,371)                  |
| Infrastructure                               | (171,127)                    | (9,284)          | 6                  | (180,405)                 |
| Intangible assets                            | (239)                        | (4)              | -                  | (243)                     |
| Total accumulated depreciation               | (208,893)                    | (12,090)         | 88                 | (220,895)                 |
| Total capital assets, being depreciated, net | 363,334                      | 28,024           | (453)              | 390,905                   |
| Business activities capital assets, net      | <u>\$ 407,597</u>            | <u>\$ 63,186</u> | <u>\$ (35,376)</u> | <u>\$ 435,408</u>         |

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

|   |                  |
|---|------------------|
| Marina  | \$ 14            |
| Water utility   | 5,312            |
| Storm and surface water utility                       | 2,829            |
| Sewer utility   | 3,935            |
| Total depreciation expense - business-type activities | <u>\$ 12,090</u> |

Capital asset activity for the city's discretely presented component unit, BCCA, for the year ended December 31, 2020 were as follows, in thousands:

|   | <b>Beginning<br/>Balance</b> | <b>Increases</b>  | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|---|------------------------------|-------------------|------------------|---------------------------|
| <b>Bellevue Convention Center Authority:</b>  |                              |                   |                  |                           |
| Capital assets, not being depreciated:        |                              |                   |                  |                           |
| Works of art                                  | \$ 156                       | \$ -              | \$ -             | \$ 156                    |
| Construction in Progress                      | 476                          | 257               | (89)             | 644                       |
| Total capital assets, not being depreciated   | 632                          | 257               | (89)             | 800                       |
| Capital assets, being depreciated:            |                              |                   |                  |                           |
| Building                                      | 62,352                       | 81                | -                | 62,433                    |
| Machinery and Equipment                       | 5,508                        | -                 | -                | 5,508                     |
| Total capital assets being depreciated        | 67,860                       | 81                | -                | 67,941                    |
| Less accumulated depreciation for:            |                              |                   |                  |                           |
| Building                                      | (30,442)                     | (1,679)           | -                | (32,121)                  |
| Machinery and Equipment                       | (4,315)                      | (328)             | -                | (4,643)                   |
| Total accumulated depreciation                | (34,757)                     | (2,007)           | -                | (36,764)                  |
| Total capital assets, being depreciated, net  | 33,103                       | (1,926)           | -                | 31,177                    |
| Component unit activities capital assets, net | <u>\$ 33,735</u>             | <u>\$ (1,669)</u> | <u>\$ (89)</u>   | <u>\$ 31,977</u>          |

## 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'<br>Pension | Total       |
|--------------------------------|-------------|-------------|---------|---------|---------|--------------------------|-------------|
| Pension liabilities            | \$ (22,710) | \$ (10,459) | \$ -    | \$ -    | \$ -    | \$ -                     | \$ (33,169) |
| Pension assets                 | -           | -           | 18      | 6,012   | 27,968  | 3,145                    | 37,143      |
| Deferred outflows of resources | 2,311       | 7,814       | 62      | -       | 6,217   | -                        | 16,404      |
| Deferred inflows of resources  | (126)       | (9,528)     | (50)    | (64)    | (5,605) | -                        | (15,373)    |
| Pension expense                | 1,123       | 887         | 41      | (380)   | 1,226   | 14                       | 2,911       |

### 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      | 793    | 235    |

*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, 2020 were as follows, with contributions in thousands:

|                    | Employer      |               | Employee     |              |
|--------------------|---------------|---------------|--------------|--------------|
|                    | 1/1-8/30      | 9/1-12/31     | 1/1-8/30     | 9/1-12/31    |
| PERS Plan 1        | 7.92%         | 7.92%         | 6.00%        | 6.00%        |
| PERS Plan 1 UAAL   | 4.76%         | 4.87%         |              |              |
| Administration Fee | 0.18%         | 0.18%         |              |              |
| <b>Total</b>       | <b>12.86%</b> | <b>12.97%</b> | <b>6.00%</b> | <b>6.00%</b> |

|                    | Employer      |               | Employee     |              |
|--------------------|---------------|---------------|--------------|--------------|
|                    | 1/1-8/30      | 9/1-12/31     | 1/1-8/30     | 9/1-12/31    |
| PERS Plan 2        | 7.92%         | 7.92%         | 7.90%        | 7.90%        |
| PERS Plan 1 UAAL   | 4.76%         | 4.87%         |              |              |
| Administration Fee | 0.18%         | 0.18%         |              |              |
| <b>Total</b>       | <b>12.86%</b> | <b>12.97%</b> | <b>7.90%</b> | <b>7.90%</b> |

|                    | Employer      |               | Employee     |              |
|--------------------|---------------|---------------|--------------|--------------|
|                    | 1/1-8/30      | 9/1-12/31     | 1/1-8/30     | 9/1-12/31    |
| PERS Plan 3        | 7.92%         | 7.92%         | 5-15%        | 5-15%        |
| PERS Plan 1 UAAL   | 4.76%         | 4.87%         |              |              |
| Administration Fee | 0.18%         | 0.18%         |              |              |
| <b>Total</b>       | <b>12.86%</b> | <b>12.97%</b> | <b>5-15%</b> | <b>5-15%</b> |

| 2020 Employee contributions |          |
|-----------------------------|----------|
| PERS 1                      | \$ 4,706 |
| PERS 2                      | 6,009    |
| PERS 3                      | 1,602    |

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

At December 31, 2020, the city reported a liability of \$33.2 million for its proportionate share of the net pension liability (PERS 1 was \$22.7 million and PERS 2/3 was \$10.5 million). The net pension liability was measured as of June 30, 2020 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, 2020, the city's proportion for PERS 1 was 0.64 percent, which was the same from its proportionate share measured as of June 30, 2019. The city's proportion for PERS 2/3 was 0.82 percent, which was an increase of 0.1 percent from its proportionate share measured as of June 30, 2019.

For the year ended December 31, 2020, the city recognized total pension expense of \$2.0 million for the PERS pension plans (\$1.1 million for PERS 1 and \$0.9 million for PERS 2/3). As of December 31, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

|   |    | <b>PERS 1</b>                     |                                  |
|---|----|-----------------------------------|----------------------------------|
|   |    | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ | -                                 | \$ -                             |
| Net difference between projected and actual earnings on pension plan investments                      |    | -                                 | 126                              |
| Changes in assumptions  |    | -                                 | -                                |
| Change in proportion and differences between city contributions and proportionate share contributions |    | -                                 | -                                |
| City contributions subsequent to the measurement date   |    | 2,311                             | -                                |
| Total   | \$ | 2,311                             | \$ 126                           |

|   |    | <b>PERS 2/3</b>                   |                                  |
|---|----|-----------------------------------|----------------------------------|
|   |    | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ | 3,744                             | \$ 1,311                         |
| Net difference between projected and actual earnings on pension plan investments                      |    | -                                 | 531                              |
| Changes in assumptions  |    | 149                               | 7,144                            |
| Change in proportion and differences between city contributions and proportionate share contributions |    | 201                               | 542                              |
| City contributions subsequent to the measurement date   |    | 3,720                             | -                                |
| Total   | \$ | 7,814                             | \$ 9,528                         |



The city reported \$6.0 million (PERS 1: \$2.3 million, and PERS 2/3: \$3.7 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, 2021. 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   |
|--------------------|----------|------------|
| 2021               | \$ (574) | \$ (4,462) |
| 2022               | (18)     | (1,160)    |
| 2023               | 175      | 63         |
| 2024               | 290      | 923        |
| 2025               | -        | (359)      |
| Thereafter         | -        | (439)      |
| Total              | \$ (127) | \$ (5,434) |

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

|          | 1% Decrease<br>(6.4%) | Current<br>Discount Rate<br>(7.4%) | 1%<br>Increase<br>(8.4%) |
|----------|-----------------------|------------------------------------|--------------------------|
| PERS 1   | \$ 28,446             | \$ 22,710                          | \$ 17,708                |
| PERS 2/3 | 65,076                | 10,459                             | (34,519)                 |

*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 | 13    |

*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, 2020 were as follows, with contributions in thousands:

|                    | Employer      |               | Employee     |              |
|--------------------|---------------|---------------|--------------|--------------|
|                    | 1/1-8/30      | 9/1-12/31     | 1/1-8/30     | 9/1-12/31    |
| PSERS Plan 1       | 7.20%         | 7.31%         | 7.20%        | 7.20%        |
| PSERS Plan 1 UAAL  | 4.76%         | 4.76%         |              |              |
| Administration Fee | 0.18%         | 0.18%         |              |              |
| <b>Total</b>       | <b>12.14%</b> | <b>12.25%</b> | <b>7.20%</b> | <b>7.20%</b> |

2020 Employee contributions

PSERS \$ 69

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

At December 31, 2020, the city reported an asset of \$18 thousand for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020 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, 2020, the city's proportion was 0.13 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2019.

For the year ended December 31, 2020, the city recognized a total pension expense of \$41 thousand for the PSERS pension plans. As of December 31, 2020, 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<br>of Resources | Deferred Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 25                             | \$ 1                             |
| Net difference between projected and actual earnings on pension plan investments                      | 1                                 | -                                |
| Changes in assumptions  | -                                 | 35                               |
| Change in proportion and differences between city contributions and proportionate share contributions | -                                 | 14                               |
| City contributions subsequent to the measurement date   | 36                                | -                                |
| <b>Total</b>  | <b>\$ 62</b>                      | <b>\$ 50</b>                     |

The city reported \$36 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, 2021. 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          |
|--------------------|----------------|
| 2021               | \$ (6)         |
| 2022               | (3)            |
| 2023               | -              |
| 2024               | 3              |
| 2025               | (3)            |
| Thereafter         | (14)           |
| Total              | <u>\$ (23)</u> |

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

|       | 1% Decrease<br>(6.4%) | Current<br>Discount Rate<br>(7.4%) | 1% Increase<br>(8.4%) |
|-------|-----------------------|------------------------------------|-----------------------|
| PSERS | \$ 198                | \$ (18)                            | \$ (190)              |

*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 | 1       | 397     |

*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, 2020 were as follows, with contributions in thousands:

|                    | Employer<br>1/1-12/31 | Employee<br>1/1-12/31 |
|--------------------|-----------------------|-----------------------|
| LEOFF Plan 1       | 0.00%                 | 0.00%                 |
| Administration Fee | 0.18%                 |                       |
| <b>Total</b>       | <b>0.18%</b>          | <b>0.00%</b>          |

|                    | Employer<br>1/1-12/31 | Employee<br>1/1-12/31 |
|--------------------|-----------------------|-----------------------|
| LEOFF 2 Plan       | 5.15%                 | 8.59%                 |
| Administration Fee | 0.18%                 |                       |
| <b>Total</b>       | <b>5.33%</b>          | <b>8.59%</b>          |

|                                    |       |
|------------------------------------|-------|
| <b>2020 Employee contributions</b> |       |
| LEOFF 1                            | \$ -  |
| LEOFF 2                            | 2,744 |

The Washington State Legislature, by means of a special funding arrangement, appropriates money from the State General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and can be changed by statute. For the fiscal year ended June 30, 2020, the state contributed \$76.3 million to the LEOFF 2 Plan.

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

On December 31, 2020, the city reported a total pension asset of \$34.0 million for its proportionate share of the net pension asset (LEOFF 1 was \$6.0 million and LEOFF 2 was \$28.0 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  | \$ (6,012)         | \$ (27,968)        |
| State's proportionate share of the net pension asset associated with the employer | (40,671)           | (17,883)           |
| <b>Total</b>  | <b>\$ (46,683)</b> | <b>\$ (45,851)</b> |

At June 30, 2020, the city's proportion for LEOFF 1 was 0.32 percent, which did not change from its proportionate share measured as of June 30, 2019. The city's proportion for LEOFF 2 was 1.37 percent, which was a decrease of 0.04 percent from its proportionate share measured as of June 30, 2019.

For the year ended December 31, 2020, the city recognized a total pension expense of \$0.8 million for the LEOFF pension plans (LEOFF 1 was a decrease of \$0.4 million and LEOFF 2 was an increase of \$1.2 million). As December 31, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

|   |  | <b>LEOFF 1</b>                    |                                  |
|---|--|-----------------------------------|----------------------------------|
|   |  | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
| Differences between expected and actual experience  |  | \$ -                              | \$ -                             |
| Net difference between projected and actual earnings on pension plan investments                      |  | -                                 | 64                               |
| 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>\$ 64</u>                     |

|   |  | <b>LEOFF 2</b>                    |                                  |
|---|--|-----------------------------------|----------------------------------|
|   |  | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
| Differences between expected and actual experience  |  | \$ 3,870                          | \$ 496                           |
| Net difference between projected and actual earnings on pension plan investments                      |  | -                                 | 312                              |
| Changes in assumptions  |  | 41                                | 4,330                            |
| Change in proportion and differences between city contributions and proportionate share contributions |  | 934                               | 467                              |
| City contributions subsequent to the measurement date   |  | 1,372                             | -                                |
| Total   |  | <u>\$ 6,217</u>                   | <u>\$ 5,605</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, 2021. 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         |
|--------------------|----------------|-----------------|
| 2021               | \$ (225)       | \$ (2,003)      |
| 2022               | (12)           | (234)           |
| 2023               | 64             | 457             |
| 2024               | 110            | 979             |
| 2025               | -              | (145)           |
| Thereafter         | -              | 185             |
| Total              | <u>\$ (63)</u> | <u>\$ (761)</u> |

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

|         | 1% Decrease<br>(6.4%) | Current<br>Discount Rate<br>(7.4%) | 1% Increase<br>(8.4%) |
|---------|-----------------------|------------------------------------|-----------------------|
| LEOFF 1 | \$ (4,894)            | \$ (6,013)                         | \$ (6,981)            |
| LEOFF 2 | (554)                 | (27,968)                           | (50,415)              |

*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 2020 with a valuation date of June 30, 2019. The actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

**Changes in assumptions.** Actuarial results that OSA provided reflected an update in the demographic assumptions based on an updated demographic experience study, as noted above. There was an update to the Early Retirement Factors and Joint-and -Survivor Factors used in the model for the June 30, 2020 report.

The valuation used included liability and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determine contribution rates and funded status. OSA simplified the model of medial premium reimbursement for survivors of duty-related deaths for LEOFF 2. OSA also changed their method in updating certain data items that change annually, including public safety duty-related lump sum and Washington state average wage.

## **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.

**Benefits.** RCW 41.16.080 through 41.16.180 establish the benefits of the plan. Plan members shall be paid a pension based upon the average monthly salary drawn for the five calendar years before retirement, the number of years in service, and a percentage factor based on age upon entering service. In addition, the state requires benefits to include payment on death of a retired firefighter, payment on death of eligible pensioner before retirement, payment on death in the line of duty, payment upon disablement in the line of duty, payment upon disablement not in the line of duty, payment on separation from service, and funeral expenses.

*Employees covered by benefit terms.* Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established. The Plan is closed to new entrants. At December 31, 2020, 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                                 | 25               |
| 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 | 4                |
| Active plan members   | -                |
| Total   | <u><u>29</u></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, 2020, the state contributed \$277 thousand and neither member nor employer made contributions to the Plan. As of the last actuarial study dated January 1, 2021, 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, 2020:

| Authorized Investment Type                             | Maximum<br>Maturity | Maximum<br>% of<br>Portfolio | Maximum<br>Investment in<br>One Issuer |
|--|---------------------|------------------------------|--|
| U.S. Treasury Debt Obligations                         | 5 years             | 100%                         | 100%                                   |
| U.S. Agency Coupon Securities                          | 5 years             | 100%                         | 30%                                    |
| U.S. Agency Discount Notes                             | 1 year              | 100%                         | 30%                                    |
| Repurchase Agreements                                  | 30 days             | 50%                          | 10%                                    |
| Municipal Bonds  | 5 years             | 15%                          | 5%                                     |
| Certificates of Deposit                                | 1 year              | 50%                          | 10%                                    |
| Interest Bearing Bank Deposits                         | 1 year              | 50%                          | 10%                                    |
| Bankers Acceptances                                    | 6 months            | 15%                          | 5%                                     |
| Commercial Paper                                       | 90 days             | 15%                          | 5%                                     |
| State of Washington Local Governmental Investment Pool | 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, 2020:

| Investment Type | % of<br>Net Position |
|-----------------|----------------------|
| State Pool      | 87%                  |
| Opus DD Account | 7%                   |



**Rate of return.** For the year ended December 31, 2020, 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, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. An actuarial report was issued for the city by Northwest Plan Services, Inc.

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

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

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, projected to 2019 using 50% of Projection Scale AA, with ages set back one year.

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<br>Pension<br>Liability | Plan Fiduciary<br>Net Position | Net<br>Pension<br>Asset |
|--|-------------------------------|--------------------------------|-------------------------|
| Balance at December 31, 2019                                     | \$ 3,882                      | \$ 7,013                       | \$ (3,131)              |
| Changes for the year:  |                               |                                |                         |
| Service cost   | -                             | -                              | -                       |
| Interest   | 130                           | -                              | 130                     |
| Differences between expected and<br>actual experience            | 168                           | -                              | 168                     |
| Contribution - employer  | -                             | 277                            | (277)                   |
| Contributions - employee   | -                             | -                              | -                       |
| Net investment income  | -                             | 42                             | (42)                    |
| Benefit payments, including refunds<br>of employee contributions | (313)                         | (313)                          | -                       |
| Administrative expenses  | -                             | (7)                            | 7                       |
| Other charges  | -                             | -                              | -                       |
| Net changes  | (15)                          | (1)                            | (14)                    |
| Balance at December 31, 2020                                     | \$ 3,867                      | \$ 7,012                       | \$ (3,145)              |

*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%<br>Decrease<br>(2.5%) | Current<br>Discount<br>Rate<br>(3.5%) | 1%<br>Increase<br>(4.5%) |
|--------------------------|--------------------------|---------------------------------------|--------------------------|
| City's net pension asset | \$ (2,835)               | \$ (3,145)                            | \$ (3,416)               |

***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, 2020, the city recognized a pension expense of \$14 thousand. 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. For the year ended December 31, 2020, the city reported a receivable of \$3.1 million for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

**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 4,732 participants (Bellevue has 1,952 MEBT 1 participants and 423 MEBT 2 participants).

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

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

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

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

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

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

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

The city incurred a total expense of \$8.6 million for MEBT for the year ending December 31, 2020. 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 2020 were as follows, in thousands:

|              | MEBT 1    | MEBT 2 |
|--------------|-----------|--------|
| Participants | \$ 10,888 | \$ 60  |

*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, 2020, there were 36 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 2020 were as follows, in thousands:

|              |    |     |
|--------------|----|-----|
| Participants | \$ | 120 |
| Authority    | \$ | 106 |

## **Note 8: Other Personnel Benefits**

### ***Plan Description***

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

### ***Benefits provided***

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

**Employees covered by benefit terms**

At December 31, 2020, the following employees were covered by the benefits terms:

|  |            |
|--|------------|
| Inactive employees currently receiving benefit payments            | 113        |
| Inactive employees entitled but not yet receiving benefit payments | -          |
| Active employees   | <u>1</u>   |
|  | <u>114</u> |

This plan is closed to new entrants.

**Total OPEB liability**

The city's total OPEB liability of \$29.7 million was measured as of December 31, 2020 and was determined by an actuarial valuation date of December 31, 2020.

**Actuarial assumptions and other inputs**

The total OPEB liability in the December 31, 2020 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              | 2.0%                        |
| Healthcare cost trend rate | 5.5%                        |

The discount rate was based on the Fidelity "20 Year Municipal GO AA index" as of December 30, 2020.

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

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

**Changes in the Total OPEB liability**

|   | <b>Total OPEB<br/>Liability<br/>(In thousands)</b> |
|---|--|
| Balance at January 1, 2020                            | <u>\$ 31,970</u>                                   |
| Changes for the year:                                 |  |
| Service costs   | 3  |
| Interest costs  | 851  |
| Changes of benefit terms                              | -  |
| Differences between expected and<br>actual experience | (1,414)  |
| Change in assumption or other inputs                  | 144  |
| Contributions from employer                           | -  |
| Net investment income                                 | -  |
| Benefit payments                                      | (1,828)  |
| Administration expenses                               | -  |
| Net change in total OPEB liability                    | <u>(2,244)</u>                                     |
| Total OPEB liability at December 31, 2020             | <u>\$ 29,726</u>                                   |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.7 percent in 2019 to 2 percent in 2020.

***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 (1 percent) or 1 percentage point higher (3 percent) than the current discount rate, in thousands:

| 1% Decrease<br>(1%) | Discount Rate<br>(2%) | 1% Increase<br>(3%) |
|---------------------|-----------------------|---------------------|
| \$ 32,881           | \$ 29,726             | \$ 27,033           |

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

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

| Healthcare Cost       |                       |                       |
|-----------------------|-----------------------|-----------------------|
| 1% Decrease<br>(4.5%) | Trend Rates<br>(5.5%) | 1% Increase<br>(6.5%) |
| \$ 27,200             | \$ 29,726             | \$ 32,611             |

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

For the year ended December 31, 2020, the city recognized an OPEB expense of \$2.2 million. At December 31, 2020, 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 resourced 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                   | \$ 12,470        |
| Nonmajor governmental funds    | 663              |
| Total governmental activities  | 13,133           |
| Business-type activities:      |                  |
| Storm & surface water utility  | 313              |
| Water utility                  | 531              |
| Sewer utility                  | 460              |
| Total business-type activities | 1,304            |
| Internal service activities    | 1,339            |
| Total compensated absences     | <u>\$ 15,776</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, 2020, the city had available cash and equity in pooled investments in the self-insurance funds of \$11.5 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. In 2020, the city recorded a liability for litigation was probable and reasonably estimated of \$0.7 million.

Changes in the Internal Service Funds' claims liability amount from fiscal year ended December 31, 2019 to December 31, 2020, in thousands:

|   | Workers'<br>Compensation | Unemployment<br>Compensation | General<br>Self-Insurance | Health<br>Benefits |
|---|--------------------------|------------------------------|---------------------------|--------------------|
| December 31, 2019:                      |                          |                              |                           |                    |
| Unpaid claims, beginning of fiscal year | \$ 2,744                 | \$ 37                        | \$ 2,570                  | \$ 1,471           |
| Incurred claims (including IBNR)        | 1,605                    | 136                          | 478                       | 18,117             |
| Claim payments                          | (1,640)                  | (154)                        | (1,061)                   | (18,170)           |
| Unpaid claims, December 31, 2019        | <u>\$ 2,709</u>          | <u>\$ 19</u>                 | <u>\$ 1,987</u>           | <u>\$ 1,418</u>    |
| December 31, 2020:                      |                          |                              |                           |                    |
| Unpaid claims, beginning of fiscal year | \$ 2,709                 | \$ 19                        | \$ 1,987                  | \$ 1,418           |
| Incurred claims (including IBNR)        | 1,989                    | 361                          | 3,453                     | 19,251             |
| Claim payments                          | (1,894)                  | (278)                        | (1,551)                   | (19,207)           |
| Unpaid claims, December 31, 2020        | <u>\$ 2,804</u>          | <u>\$ 102</u>                | <u>\$ 3,889</u>           | <u>\$ 1,462</u>    |
| Due within one year                     | \$ 1,606                 | \$ 102                       | \$ 1,662                  | \$ 1,462           |
| Due in more than one year               | \$ 1,198                 | \$ -                         | \$ 2,227                  | \$ -               |

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

| Policy Type   | Deductible                | Coverage                   | Description  |
|---|---------------------------|----------------------------|--|
| Excess Workers' Compensation<br>Employer's Liability - All Employees                | \$ 750,000                | \$ 2,000,000               | Protects the city from unanticipated levels of workers' compensation claims.   |
| Boiler & Machinery  | 100,000                   | 475,000,000 <sup>(A)</sup> | Protects the city from loss due to damage to buildings, and contents from boilers and machinery.                       |
| Real & Personal Property  | 10,000                    | 475,000,000 <sup>(A)</sup> | Protects the city from loss by fire and other extended coverages.  |
| Earth Movement  | 100,000 or<br>3% of value | 25,000,000 <sup>(A)</sup>  | Protects the city from loss by earth movement.   |
| Flood   | 100,000                   | 40,000,000 <sup>(A)</sup>  | Protects the city from loss by flood.  |
| Medical Stop Loss   | 300,000                   | Unlimited <sup>(B)</sup>   | Stop-loss coverage protects the city from excessive individual claims.   |
| Excess Liability Coverage   | 2,000,000                 | 30,000 <sup>(A)</sup>      | Protects the city from excessive individual liability losses.  |
| Fiduciary Liability   | 15,000                    | 7,000,000                  | Protects the city's retirement plans from wrong doing by board members.  |
| Fine Arts   | None                      | 1,320,000                  | Protects the city from loss due to damage to its art work.   |
| Crime & Fidelity, Employee Theft,<br>Forgery or Alteration, Funds<br>Transfer Fraud | 10,000                    | 1,000,000 <sup>(A)</sup>   | Protects the city from loss due to employee dishonesty and other extended coverages.                                   |
| Privacy & Network Liability   | 50,000                    | 5,000,000                  | Protects the city from loss due to a data breach and other extended coverages.   |
| Garage Keepers Liability  | 1,000                     | 1,000,000 <sup>(A)</sup>   | Protects the city from loss due to its non-city owned vehicle repair operations.                                       |
| Storage Tank Liability  | 10,000                    | 4,000,000                  | Protects the city from loss due to any third party liability claims resulting from underground storage tank incidents. |
| Terrorism or Sabotage   | 25,000                    | 200,000,000                | Protects the city from loss due to an act of terrorism or sabotage.  |
| Auto & Equipment Physical Damage  | 25,000                    | 10,000,000 <sup>(A)</sup>  | Protects the city from loss due to damage to vehicles and equipment.   |
| International Advantage   | None                      | 4,000,000                  | Protects all city employees while traveling abroad on  |
| Active Shooter  | 2,750                     | 1,000,000                  | Protects the City from loss due to an active shooter event.  |
|   |                           | <sup>(A)</sup>             | per occurrence   |
|   |                           | <sup>(B)</sup>             | per individual   |

#### ***Discretely Presented Component Unit***

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

## Note 11: Leases and Other Contractual Commitments

### Operating Leases

#### *Terranomics Crossroads Associates*

Effective November 10, 1994, the city entered into a one-year non-cancelable lease agreement with Terranomics Crossroads Associates to provide a Mini City Hall in the Crossroads area. Since 1994, the lease has been extended via mutual agreement between both parties. The current lease extension ends November 30, 2023. Total lease payments for 2020 were \$16 thousand. Future minimum lease payments to Terranomics Crossroads Associates are \$50 thousand for January 1, 2021 to November 30, 2023.

Effective September 25, 2000, the city entered into a five-year non-cancelable lease agreement with Terranomics Crossroads Associates to provide a community police substation in the Crossroads area. Since 2000, the lease has been extended via mutual agreement between both parties. The lease extension ended September 2020 and the city is now paying month to month. Total lease payments for 2020 were \$18 thousand.

#### *Factoria Square Police Substation*

Effective August 1, 2016, the city entered into a five-year lease agreement with Kimschott Factoria Mall, LLC to provide space designated for a police substation within Factoria Mall. The current lease ends July 31, 2021. Total lease payments for 2020 were \$16 thousand. Future minimum lease payments to Kimschott Factoria Mall, LLC are \$9 thousand for January 1, 2021 to July 31, 2021.

#### *Delta Business Park*

Effective January 1, 2005, the city entered into a five-year lease agreement with Delta Business Park for a storage facility for use by the Bellevue Police Department. Since 2005, the lease has been extended via mutual agreement between both parties. The current lease ends June 30, 2021. Total lease payments for 2020 were \$12 thousand. Future minimum lease payments to Delta Business Park are \$13 thousand for January 1, 2021 to June 30, 2021.

Effective July 1, 2016, the city entered into another five-year lease agreement with Delta Business Park for a building to store vehicles and equipment for the Bellevue Police Department. The current lease ends June 30, 2021. Total lease payments for 2020 were \$26 thousand. Future minimum lease payments to Delta Business Park are \$13 thousand for January 1, 2021 to June 30, 2021.

#### *VirTra, Inc.*

Effective May 1, 2019, the city entered an 18-month lease with VirTra, Inc. for rental of simulated firearm equipment, ending November 15, 2020. In 2020, the lease has been extended via mutual agreement between both parties for three years. The current lease ends November 14, 2023. Total lease payments for 2020 were \$62 thousand. Future minimum lease payments to VirTra are \$0.1 million for November 15, 2021 to November 15, 2022.

#### *Regency Bellefield Holdings, LLC*

Effective July 1, 2014, the city an 11-year lease agreement with Regency Bellefield Holdings, LLC for District Court office space. The current lease ends on June 30, 2025. There are three options for extensions in 5-year increments for a total of 15 additional years. Payments began on July 1, 2016. Total lease payments for 2020 were \$1.0 million.

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

|                                     |    |              |
|-------------------------------------|----|--------------|
| 2021                                | \$ | 687          |
| 2022                                |    | 707          |
| 2023                                |    | 729          |
| 2024                                |    | 751          |
| Thereafter                          |    | 380          |
| Total future minimum lease payments | \$ | <u>3,254</u> |

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

Effective July 1, 2009, the city entered into a seven-year non-cancelable lease agreement with NORCOM to lease office space on the seventh floor of Bellevue City Hall during which time it will operate its public safety communications



services. The lease automatically renewed on July 1, 2016 for an additional seven years ending on June 30, 2023, with another automatic seven-year renewal. Total lease receipts for 2020 were \$542 thousand.

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

### Construction/Other Contractual Commitments

The city's outstanding contractual commitments by fund type as of December 31, 2020 are summarized below, in thousands:

|   |    |         |
|---|----|---------|
| General Fund                              | \$ | 414,232 |
| General CIP                               |    | 92,584  |
| Nonmajor governmental funds               |    | 15,722  |
| Total governmental activities             |    | 522,538 |
| Business-type activities:                 |    |         |
| Storm & surface water utility             |    | 48,987  |
| Water utility                             |    | 231     |
| Sewer utility                             |    | 71,690  |
| Nonmajor business-type funds              |    | 20,605  |
| Total business-type activities            |    | 141,513 |
| Total outstanding contractual commitments | \$ | 664,051 |

### Note 12: Interfund Receivables, Payables, and Transfers

Interfund balances as of December 31, 2020 were as follows, in thousands:

| DUE TO/FROM OTHER FUNDS | Receivable | Payable |
|-------------------------|------------|---------|
| Governmental funds:     |            |         |
| General Fund            | \$ -       | \$ 61   |
| Proprietary funds:      |            |         |
| Storm Drainage Utility  | -          | 2       |
| Water Utility           | -          | 5       |
| Sewer Utility           | -          | 3       |
| Internal Service Funds  | 71         | -       |
| Total due other funds   | \$ 71      | \$ 71   |

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

Interfund transfers as of December 31, 2020 were as follows, in thousands:

| <b>INTERFUND TRANSFERS</b>         | <b>In</b>        | <b>Out</b>       |
|------------------------------------|------------------|------------------|
| Governmental funds:                |                  |                  |
| General Fund                       | \$ 6,248         | \$ 8,108         |
| I&D Redemption Regular Levy        | 21,447           | -                |
| General Capital Investment Program | 823              | 19,398           |
| Nonmajor governmental funds        | 1,422            | 2,168            |
| Proprietary funds:                 |                  |                  |
| Internal Service Funds             | 620              | 486              |
| Nonmajor proprietary funds         | -                | 400              |
| <b>Total Transfers</b>             | <b>\$ 30,560</b> | <b>\$ 30,560</b> |

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

### **Note 13: Long-Term Debt**

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

#### **Long-Term Debt**

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

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

On April 30, 2013, the city issued \$70.4 million in limited tax general obligation (LTGO) bonds with an average interest rate of 4.3 percent to finance, reimburse, or refinance a portion of the city's Capital Investment Program. Maturity dates range from 2032 through 2037.

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

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

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 \$13.7 million in special obligation revenue bonds issued by BCCA in 1994 and \$14.7 million in limited tax general obligation bonds issued by BCCA in 1995 and 2010 (to refund 2002 bonds), and \$7.6 million issued by the city in 2015. 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 \$65.4 million. Principal and interest paid for the current year and total pledged revenue were \$5.4 million and \$3.1 million, respectively.

### **Refunded Debt**

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

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

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

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

The city advance refunded a portion, \$55.3 million, of the 2004 LTGO Bonds to reduce its total combined debt service payments over the next 28 years by \$5.9 million and to obtain an economic gain of \$3.8 million. The advance refunding also resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$6.8 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2039 using the effective interest method.

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

The net proceeds of \$45.5 million, after payment of \$174 thousand in underwriting fees and other debt issuance costs, were used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the remaining advance refunded portion of the 2004 LTGO Bonds. As a result, the remaining callable portion of the 2004 LTGO Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city advance refunded the remaining callable portion of the 2004 LTGO bonds to reduce its total combined debt service payments over the next 32 years by \$3.7 million and to obtain an economic gain of \$2.2 million. The advance refunding also resulted in a difference between the net reacquisition price and the net carrying amount of the old debt of \$4.5 million. This amount, reported in the statement of net position as a deferred outflow of resources, is being charged to operations through the year 2043 using the effective interest method.

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

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

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

On December 17, 2020, the city issued, \$10.9 million in LTGO refunding bonds, with an average interest rate of 4.0 percent, to advance refund \$7.0 million outstanding balance of 2010 LTGO Refunding Series 2002 (Meydenbauer Center) and the total outstanding \$6.2 million of the 2010 LTGO bonds to reduce its total combined debt service payments by \$2.6 million over the next 12 years and to obtain an economic gain of \$0.1 million.

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

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

### **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, 2020

(in thousands)

| Description  | Interest Rate | Fund Responsible to Pay Debt | Issue Date | Maturity Date | Original Debt Issued | Debt Outstanding 1/1/20 | Debt Issued      | Debt Redeemed    | Debt Outstanding 12/31/20 |
|--|---------------|------------------------------|------------|---------------|----------------------|-------------------------|------------------|------------------|---------------------------|
| General Obligation Bonds-Councilmanic:                     |               |                              |            |               |                      |                         |                  |                  |                           |
| 1995 Limited G.O.  | 5.15-5.80%    | Hotel/ Motel Tax             | 12/27/95   | 12/01/25      | \$ 5,139             | \$ 956                  | \$ -             | \$ 183           | \$ 773                    |
| 2010 Limited Tax G.O.                                      | 2.00-5.00%    | General CIP                  | 10/14/10   | 12/01/30      | 11,825               | 7,565                   | -                | 7,565            | -                         |
| 2010 Limited Tax G.O. Refunding Series 2002                | 2.00-4.00%    | Hotel/ Motel Tax             | 09/28/10   | 12/01/32      | 9,595                | 6,575                   | -                | 6,575            | -                         |
| 2012 Limited G.O. Refunding Series 2012                    | 2.00-5.00%    | General CIP                  | 04/17/12   | 12/01/39      | 55,875               | 47,035                  | -                | 1,930            | 45,105                    |
| 2012 Limited G.O. Refunding Series 2012B                   | 2.00-5.00%    | General CIP                  | 07/18/12   | 12/01/43      | 43,185               | 42,775                  | -                | 65               | 42,710                    |
| 2013 Limited Tax G.O. Sound Transit Portion                | 2.00-5.00%    | General CIP                  | 04/30/13   | 12/01/32      | 62,605               | 47,460                  | -                | 2,715            | 44,745                    |
| 2013 Limited G.O. Local Revitalization                     | 2.00-5.00%    | Debt Service                 | 04/30/13   | 12/01/37      | 7,800                | 6,300                   | -                | 235              | 6,065                     |
| 2015 Limited G.O. Refunding Series 2006                    | 3.00-5.00%    | General CIP                  | 04/28/15   | 12/01/26      | 3,295                | 2,470                   | -                | 300              | 2,170                     |
| 2015 Limited G.O. Refunding Series 2008                    | 3.00-5.00%    | General CIP                  | 04/28/15   | 12/01/27      | 7,855                | 6,570                   | -                | 695              | 5,875                     |
| 2015 Limited G.O. Metro & CIP                              | 3.00-5.00%    | General CIP                  | 04/28/15   | 12/01/34      | 79,140               | 69,160                  | -                | 3,350            | 65,810                    |
| 2015 Limited G.O. BCCA                                     | 3.00-5.00%    | Hotel/ Motel Tax             | 04/28/15   | 12/01/34      | 7,645                | 6,675                   | -                | 325              | 6,350                     |
| Transportation Infrastructure Finance and Innovation Act   | 2.86%         | General CIP                  | 06/09/17   | 12/01/56      | 99,600               | 7,041                   | 11,970           | -                | 19,011                    |
| 2020 A Limited Tax G.O. Refunding Series 2010              | 4.00%         | Debt Service                 | 12/17/20   | 12/01/32      | 10,915               | -                       | 10,915           | -                | 10,915                    |
| 2020 B Limited Tax G.O. Taxable BCCA Refunding Series 2010 | 0.3-1.7%      | Debt Service                 | 12/17/20   | 12/01/32      | 42,730               | -                       | 42,370           | -                | 42,370                    |
| Other Long- Term Debt:                                     |               |                              |            |               |                      |                         |                  |                  |                           |
| Public Works Trust Fund Loan #06-962                       | 0.50%         | General CIP                  | 02/01/07   | 02/01/28      | 750                  | 279                     | -                | 40               | 239                       |
| Total  |               |                              |            |               | <u>\$ 447,954</u>    | <u>\$ 250,861</u>       | <u>\$ 65,255</u> | <u>\$ 23,978</u> | <u>\$ 292,138</u>         |

City of Bellevue, Washington

At December 31, 2020, 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<br>Bonds |           | Governmental Activities<br>Other Debt |          | Total Annual<br>Requirements |
|-----------|-----------------------------|-----------|---------------------------------------|----------|------------------------------|
|           | Principal                   | Interest  | Principal                             | Interest |                              |
| 2021      | \$ 10,758                   | \$ 11,042 | \$ 40                                 | \$ 1     | \$ 21,841                    |
| 2022      | 12,718                      | 10,569    | 40                                    | 1        | 23,328                       |
| 2023      | 14,515                      | 10,030    | 40                                    | 1        | 24,586                       |
| 2024      | 16,721                      | 10,020    | 40                                    | 1        | 26,782                       |
| 2025      | 18,858                      | 9,373     | 79                                    | 1        | 28,311                       |
| 2026-2030 | 102,658                     | 33,945    | -                                     | -        | 136,603                      |
| 2031-2035 | 58,604                      | 17,772    | -                                     | -        | 76,376                       |
| 2036-2040 | 28,253                      | 8,770     | -                                     | -        | 37,023                       |
| 2041-2045 | 21,104                      | 2,985     | -                                     | -        | 24,089                       |
| 2046-2050 | 3,712                       | 1,043     | -                                     | -        | 4,755                        |
| 2051-2055 | 4,278                       | 477       | -                                     | -        | 4,755                        |
| 2056      | 931                         | 20        | -                                     | -        | 951                          |
| Total     | \$ 293,110                  | \$116,046 | \$ 239                                | \$ 5     | \$ 409,400                   |

City of Bellevue, Washington

**LONG-TERM DEBT – DISCRETELY PRESENTED COMPONENT UNIT**  
**BELLEVUE CONVENTION CENTER AUTHORITY**  
For the Year Ended December 31, 2020  
(in thousands)

| <b>Description</b>  | <b>Interest<br/>Rate</b> | <b>Issue<br/>Date</b> | <b>Maturity<br/>Date</b> | <b>Original<br/>Debt<br/>Issued</b> | <b>Debt<br/>Outstanding<br/>1/1/20</b> | <b>Debt<br/>Issued</b> | <b>Debt<br/>Redeemed</b> | <b>Debt<br/>Outstanding<br/>12/31/20</b> |
|---------------------|--------------------------|-----------------------|--------------------------|-------------------------------------|--|------------------------|--------------------------|--|
| 1994 Refunding      | 6.25-7.50%               | 11/05/93              | 12/05/25                 | \$ 13,749                           | \$ 6,534                               | \$ -                   | \$ 6,534                 | \$ -                                     |
| Total Revenue Bonds |                          |                       |                          | \$ 13,749                           | \$ 6,534                               | \$ -                   | \$ 6,534                 | \$ -                                     |

The Bellevue Convention Center Authority's revenue bonds are secured by hotel/motel tax and other revenues of the city available without a vote of the city's electors.

**CHANGES IN LONG-TERM LIABILITIES**  
(in thousands)

|  | <b>Beginning<br/>Balance</b> | <b>Additions</b>  | <b>Reductions</b>  | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|--|------------------------------|-------------------|--------------------|---------------------------|--------------------------------|
| <b>Governmental Activities:</b>              |                              |                   |                    |                           |                                |
| General obligation bonds                     | \$ 250,582                   | \$ 65,256         | \$ (23,938)        | 291,900                   | \$ 10,758                      |
| Add: for issuance premium                    | 23,851                       | 2,368             | (2,176)            | 24,043                    | -                              |
| Compensated absences                         | 12,980                       | 10,557            | (9,065)            | 14,472                    | 4,342                          |
| Estimated claims payable                     | 6,133                        | 25,704            | (22,930)           | 8,907                     | 5,482                          |
| Net pension liability                        | 31,248                       | 31,489            | (31,248)           | 31,489                    | -                              |
| Other post employment benefits               | 31,970                       | -                 | (2,244)            | 29,726                    | -                              |
| Asset Retirement Obligation                  | 7,937                        | 20                | -                  | 7,957                     | -                              |
| Other long-term debt                         | 279                          | -                 | (40)               | 239                       | 40                             |
| <b>Total</b>                                 | <b>\$ 364,980</b>            | <b>\$ 135,394</b> | <b>\$ (91,641)</b> | <b>\$ 408,734</b>         | <b>\$ 20,622</b>               |
| <b>Business-type Activities:</b>             |                              |                   |                    |                           |                                |
| Compensated absences                         | \$ 1,085                     | \$ 1,095          | \$ (876)           | \$ 1,304                  | \$ 391                         |
| Net pension liability                        | 1,343                        | 1,680             | (1,343)            | 1,680                     | -                              |
| <b>Total</b>                                 | <b>\$ 2,428</b>              | <b>\$ 2,775</b>   | <b>\$ (2,219)</b>  | <b>\$ 2,984</b>           | <b>\$ 391</b>                  |
| <b>Bellevue Convention Center Authority:</b> |                              |                   |                    |                           |                                |
| Revenue bonds                                | \$ 6,534                     | \$ -              | \$ (6,534)         | \$ -                      | \$ -                           |
| Compensated absences                         | 173                          | 122               | (247)              | 49                        | 5                              |
| Accrued interest on revenue bonds            | 35,033                       | 2,982             | (38,015)           | -                         | -                              |
| Deposits payable                             | 989                          | 1,699             | (1,735)            | 953                       | 773                            |
| <b>Total</b>                                 | <b>\$ 42,729</b>             | <b>\$ 4,803</b>   | <b>\$ (46,531)</b> | <b>\$ 1,002</b>           | <b>\$ 778</b>                  |

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

### Note 14: Related Party Transactions

The city acts as a conduit for hotel/motel taxes, which are collected by the city and transmitted to the BCCA for debt service. A total of \$5.9 million was remitted for the year ended December 31, 2020.

### Note 15: Contingencies and Litigation

As of December 31, 2020, there were various claims for damages and lawsuits pending against the city. In the opinion of the City Attorney, the potential liability arising from all actions currently pending cannot be estimated at this time, and therefore, no current or long-term liability has been recorded.



## **Note 16: Joint Ventures**

### **Eastside Public Safety Communications Agency (EPSCA)**

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

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

Upon dissolution of the corporation, the net position of the EPSCA will be shared proportionally by participating agencies at the time of dissolution. The Principals are each obligated by interlocal agreement to remit costs related to the public safety radio communication system based upon the number of radios each participating agency has contracted for in order to supplement the EPSCA's operating revenues. The city paid \$0.2 million in services fees in 2020.

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

### **Cascade Water Alliance**

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

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

Upon dissolution of the corporation, the net position of the Alliance will be shared by current Members at the time of dissolution based on demand shares. The Members are each obligated by interlocal agreement to remit costs related to the Alliance based on the number of Cascade Equivalent Residential Units served by its water system, regardless of water usage or capacity, to defray part of the Alliance's administrative costs. In addition, to allocate growth costs to those Members that require capacity increases, each Member shall pay a Regional Capital Facilities Charge (RCFC) determined by the Board. The city paid \$1.3 million in annual dues and \$2.3 million in RCFC in 2020.

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

### **A Regional Coalition for Housing (ARCH)**

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

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

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

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

In 2020, the city contributed \$0.3 million for ARCH operations, and \$1.6 million to fund affordable housing projects.

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

### **eCityGov Alliance**

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

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

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

The city paid \$0.3 million in annual fees in 2020. The city reports the activity of eCityGov in the city's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

City of Bellevue, Washington

All Principle Partners, Subscribers, and Basic Members remit annual fees. Expenditures in 2020 were \$1.8 million, revenues were \$1.6 million. The Principle Partners each have a proportional ownership interest in property based on the city's population as a percentage of total population of all Principle Partner cities. The Principle Partners proportionally share in obligations and benefits, financial or otherwise, from such ownership interest. Principle Partner fees and voting are based on relative population, equity balances are as follows, with dollars in thousands:

|            | Population * | Percentage | Equity   |
|------------|--------------|------------|----------|
| Bellevue   | 148,100      | 39.01%     | \$ 474   |
| Kirkland   | 90,660       | 23.88%     | 290      |
| Sammamish  | 65,100       | 17.15%     | 208      |
| Issaquah   | 38,690       | 10.19%     | 124      |
| Kenmore    | 23,450       | 6.18%      | 75       |
| Snoqualmie | 13,680       | 3.60%      | 44       |
| Total      | 379,680      | 100.00%    | \$ 1,215 |

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

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

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

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

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

Upon dissolution of the corporation, the net position of NORCOM will be shared by the Principals at the time of dissolution based on the average of the prior five years of user fees contributed. The Principal agencies are each obligated by interlocal agreement to remit costs related to NORCOM based upon the number of service calls for fire and police operations to supplement NORCOM's operating revenues.

The city paid \$4.7 million in user fees in 2020.

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

### **Community Connectivity Consortium**

The city is a participant (Member) in a joint venture with Kirkland, Federal Way, Renton, Seattle, Algona, Auburn, Kent, Pacific, Puyallup, Tukwila, Lake Washington School District, University of Washington, Bellevue College, Bellevue School District, King County Public Hospital District No. 2 (Evergreen Healthcare and Valley Communications Center) to operate a regional communications network. The Community Connectivity Consortium (the Consortium), a public corporation, was created to provide low-cost, stable, robust, and efficient connectivity services to members and their communities. The Consortium is governed by the Consortium Board comprised of representatives appointed by member agencies, initially made up of four core and five at-large seats. The Consortium may change the composition and number of board positions, including the number of core members and at-large members, as the needs of the Consortium may dictate.

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

The city reports the activity of the Consortium in the city's Statement of Fiduciary Net Position and Statement of Changes in Assets and Liabilities. For the year ended December 31, 2020, total assets and liabilities decreased to \$47 thousand. Ending balances for total assets and total liabilities are \$0.3 million.

The city paid \$11 thousand in user fees in 2020.

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

## **Note 17: Governmental Fund Balances**

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

### ***Nonspendable***

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

### ***Restricted***

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

### ***Committed***

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

### ***Assigned***

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

### ***Unassigned***

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

### **Fund Balance Policy**

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

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

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

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

City of Bellevue, Washington

The following schedule presents governmental fund balances in accordance with the purposes for which those balances are constrained for the year ending December 31, 2020, in thousands:

|                                 | General<br>Fund  | I&D<br>Redemption<br>Regular Levy | General CIP       | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------|------------------|-----------------------------------|-------------------|--------------------------------|--------------------------------|
| Fund balance                    |                  |                                   |                   |                                |                                |
| Nonspendable for:               |                  |                                   |                   |                                |                                |
| Prepays                         | \$ 644           | \$ -                              | \$ -              | \$ -                           | \$ 644                         |
| Total Nonspendable fund balance | 644              | -                                 | -                 | -                              | 644                            |
| Assigned for:                   |                  |                                   |                   |                                |                                |
| General government              | 1,045            | -                                 | 45,768            | 4,984                          | 51,797                         |
| Physical environment            | -                | -                                 | -                 | 421                            | 421                            |
| Transportation                  | 847              | -                                 | 2,210             | -                              | 3,057                          |
| Economic environment            | 31,669           | -                                 | -                 | -                              | 31,669                         |
| Health and human services       | 975              | -                                 | -                 | 1,802                          | 2,777                          |
| Culture and recreation          | 1,603            | -                                 | 981               | 225                            | 2,809                          |
| Debt service                    | -                | -                                 | -                 | 141                            | 141                            |
| Total assigned fund balance     | 36,139           | -                                 | 48,959            | 7,573                          | 92,671                         |
| Committed for:                  |                  |                                   |                   |                                |                                |
| Physical environment            | -                | -                                 | -                 | 2,409                          | 2,409                          |
| Health and human services       | -                | -                                 | -                 | 7,535                          | 7,535                          |
| Culture and recreation          | -                | -                                 | 34                | -                              | 34                             |
| Total committed fund balance    | -                | -                                 | 34                | 9,944                          | 9,978                          |
| Restricted for:                 |                  |                                   |                   |                                |                                |
| Public safety                   | 561              | -                                 | 22,073            | 1,213                          | 23,847                         |
| Transportation                  | -                | -                                 | 11,685            | -                              | 11,685                         |
| Economic environment            | -                | -                                 | -                 | 618                            | 618                            |
| Health and human services       | -                | -                                 | -                 | 492                            | 492                            |
| Culture and recreation          | -                | -                                 | 35,127            | 6,592                          | 41,719                         |
| Debt service                    | -                | 4,251                             | -                 | 646                            | 4,897                          |
| Total restricted fund balance   | 561              | 4,251                             | 68,885            | 9,561                          | 83,258                         |
| Unassigned                      | 42,657           | -                                 | -                 | -                              | 42,657                         |
| Total unassigned fund balance   | 42,657           | -                                 | -                 | -                              | 42,657                         |
| Fund Balance                    | <u>\$ 80,001</u> | <u>\$ 4,251</u>                   | <u>\$ 117,878</u> | <u>\$ 27,078</u>               | <u>\$ 229,208</u>              |

## 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, 2020, 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            | \$ 49                     | \$ 29                   | \$ 7   | \$ -   | \$ 85                   |  |
| Sales and Use Tax       | -                         | -                       | -  | 565  | 565                     |  |
| Total Revenue Reduction |                           |                         |  |  | <u>\$ 650</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. This exemption may be canceled by the city for failure to comply with the terms of the MFTE contract or city code. Upon cancellation, property owners will become immediately liable for all taxes, interest, and penalties.

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

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

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

### Note 19: Asset Retirement Obligation

The city has a system of underground fuel storage tanks that have a legally enforceable liability associated with retirement due to environmental impacts. An underground storage tanks system is an underground storage tank with unconnected underground piping, underground ancillary equipment, and containment systems. According to RCW 90.76 and WAC 173-360A, retirement of these assets creates a threat of releasing hazardous materials, mainly petroleum, requiring financial assurance.

The city utilizes the straight-line depreciation method over a 30-year life. In 2020, the liability was reassessed to include inflation using CPI. The city utilized the State of Washington State Department of Ecology Tanks database system for the service date.

The liability for the fuel storage tanks at Bellevue Service Center and Pump Station 12 have been fully recognized.

| Underground Storage<br>Site | Asset Remaining<br>Useful Life in Years | Liability<br>(in thousands) |
|-----------------------------|---|-----------------------------|
| Fire Station 1              | 3                                       | \$ 48                       |
| Fire Station 2              | 3                                       | 60                          |
| Fire Station 3              | 5                                       | 94                          |
| Fire Station 4              | 7                                       | 144                         |
| Fire Station 5              | 2                                       | 36                          |
| Fire Station 6              | 3                                       | 56                          |
| Fire Station 7              | 5                                       | 83                          |
| Fire Station 8              | 4                                       | 75                          |
| Fire Station 9              | 10                                      | 188                         |
| City Hall                   | 14                                      | 331                         |
| Bellevue Golf Course        | 3                                       | 60                          |
|                             |   | <u>\$ 1,175</u>             |

### Note 20: Change in Accounting Principle

In 2020, the city implemented GASB Statement No. 84 "Fiduciary Activities" which provides accounting and reporting guidance on assets held in a fiduciary capacity for other entities. This statement established criteria for identifying activities which should be reported as fiduciary activities and defined the events which require the government to recognize a liability within the fiduciary funds. The requirements of this statement will provide enhanced consistency and comparability of information provided by financial statements in assessing government accountability and stewardship.



Due to the requirements of this statement, the city recorded a change in accounting principle. The effect of this change on net position as of December 31, 2020 is displayed below, in thousands:

|                             | <b>Governmental<br/>Activities</b> | <b>Pension (and<br/>other employee<br/>benefits) Funds</b> | <b>ARCH Housing<br/>Private-Purpose<br/>Trust Fund</b> | <b>Custodial<br/>Funds</b> |
|-----------------------------|------------------------------------|--|--|----------------------------|
| Restatement of net position | \$ 2,763                           | \$ 887,989   | \$ 5,179   | \$ 2,565                   |

The effect of this change on fund balance as of December 31, 2020 is displayed below, in thousands:

|                             | <b>General<br/>Fund</b> | <b>General<br/>CIP</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|-------------------------|------------------------|--|---|
| Restatement in fund balance | \$ (771)                | \$ (5)                 | \$ 3,539                                   | \$ 2,763                                |

### Note 21: Prior Period Adjustment

In 2020, the city performed an analysis of the accounts receivable activities of the city's point of sale system and determined prior year revenues and accounts receivable were overstated. An adjustment of \$1.5 million to prior year revenues and accounts receivable was entered to correct the misstatements occurring in fiscal years 2018 and 2019. This resulted in a decrease in General Fund fund balance and a decrease in governmental activities net position of \$1.5 million. The city corrected 2020 balances in current year activities.

The city made an adjustment to the eCityGov fund balance based on the results of the annual external audit of eCityGov. This adjustment was a decrease in eCityGov net position of \$3 thousand.

### Note 22: COVID-19 Pandemic

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

The impacts of COVID-19 added uncertainty and are projected to place a near term impact on city funds. In 2020, the city actively managed and took fiscally responsible corrective actions to respond to the pandemic's impact. The city will continue to monitor and take corrective actions to ensure the long-term viability of its fiscal condition. The length of time these measures will continue to be in place and the full extent of the financial impact on the City of Bellevue is unknown at this time.

### **Note 23: Subsequent Event**

On March 11, 2021, President Biden signed into law the \$1.9 trillion relief bill commonly referred to as The American Rescue Plan Act of 2021 (ARPA). The City of Bellevue was awarded \$20.1 million in funding to be distributed directly from the United States Treasury Department. The funding will be disbursed to the city in two \$10 million tranches – the first tranche was received in June 2021, the second will be received in mid-2022. Per City Council direction, the City dedicated \$8.0 million the funding received to-date toward human services programs, workforce assistance, and small business rent relief. The remaining \$2.0 million and the second tranche of \$10.1 million are being held as COVID impacts are continually evaluated. The city must obligate the total award by December 31, 2024 and funds must be spent to cover such obligations by December 31, 2026.

## **Required Supplementary Information**

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

|  | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total pension liability <sup>1</sup>                                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Service cost (Entry Age Normal Cost)                                       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Interest   | 223               | 175               | 176               | 143               | 141               | 137               | 145               | 143               | 156               | 130               |
| Changes of benefit terms   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Differences between expected and actual experience                         | (1,351)           | 84                | (889)             | 16                | (39)              | 290               | 90                | 539               | (616)             | 168               |
| Changes of assumptions   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Benefit payments, including refunds of member contributions                | (213)             | (259)             | (221)             | (201)             | (228)             | (219)             | (198)             | (356)             | (256)             | (313)             |
| Net change in total pension liability                                      | (1,341)           | -                 | (934)             | (42)              | (125)             | 208               | 37                | 327               | (716)             | (15)              |
| Total pension liability--beginning   | -                 | 5,127             | 5,127             | 4,192             | 4,150             | 4,025             | 4,233             | 4,271             | 4,598             | 3,882             |
| Total pension liability--ending (a)  | <u>\$ 5,127</u>   | <u>\$ 5,127</u>   | <u>\$ 4,192</u>   | <u>\$ 4,150</u>   | <u>\$ 4,025</u>   | <u>\$ 4,233</u>   | <u>\$ 4,271</u>   | <u>\$ 4,598</u>   | <u>\$ 3,882</u>   | <u>\$ 3,867</u>   |
| Plan fiduciary net position  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Contributions - employer   | \$ 188            | \$ 181            | \$ 196            | \$ 208            | \$ 207            | \$ 214            | \$ 216            | \$ 217            | \$ 227            | \$ 277            |
| Contributions - member   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Net investment income  | 129               | 7                 | -                 | 67                | 55                | 69                | 67                | 132               | 199               | 42                |
| Benefit payments   | (213)             | (259)             | (221)             | (201)             | (228)             | (219)             | (198)             | (356)             | (256)             | (313)             |
| Administrative expense   | -                 | -                 | (13)              | (11)              | (12)              | (3)               | (14)              | (15)              | (22)              | (7)               |
| Other  | -                 | 17                | -                 | -                 | -                 | (13)              | -                 | -                 | -                 | -                 |
| Net change in plan fiduciary net position                                  | 102               | (54)              | (38)              | 63                | 22                | 48                | 71                | (21)              | 148               | (1)               |
| Plan fiduciary net position--beginning                                     | 6,671             | 6,773             | 6,719             | 6,682             | 6,745             | 6,767             | 6,815             | 6,886             | 6,865             | 7,013             |
| Plan fiduciary net position--ending (b)                                    | <u>\$ 6,773</u>   | <u>\$ 6,719</u>   | <u>\$ 6,681</u>   | <u>\$ 6,745</u>   | <u>\$ 6,767</u>   | <u>\$ 6,815</u>   | <u>\$ 6,886</u>   | <u>\$ 6,865</u>   | <u>\$ 7,013</u>   | <u>\$ 7,012</u>   |
| City's net pension liability (asset)--ending (a) - (b)                     | <u>\$ (1,646)</u> | <u>\$ (1,592)</u> | <u>\$ (2,490)</u> | <u>\$ (2,594)</u> | <u>\$ (2,742)</u> | <u>\$ (2,581)</u> | <u>\$ (2,615)</u> | <u>\$ (2,267)</u> | <u>\$ (3,131)</u> | <u>\$ (3,145)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 132.10%           | 131.06%           | 159.39%           | 162.51%           | 168.11%           | 160.98%           | 161.23%           | 149.30%           | 180.62%           | 181.30%           |
| 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               |

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

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

Last Ten Fiscal Years  
(Dollar amounts in thousands)

|   | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution <sup>1</sup>                        | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Contributions in relation to the actuarially<br>determined contribution | 208           | 196           | 181           | 188           | 180           | 214           | 215           | 217           | 227           | 277           |
| Contribution deficiency (excess)  | <u>\$ 208</u> | <u>\$ 196</u> | <u>\$ 181</u> | <u>\$ 188</u> | <u>\$ 180</u> | <u>\$ 214</u> | <u>\$ 215</u> | <u>\$ 217</u> | <u>\$ 227</u> | <u>\$ 277</u> |
| Covered payroll   | \$ 91         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Contributions as a percentage of covered<br>payroll                     | 227.28%       | 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  |
| Inflation                 | 2.5%  |
| 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 RP-2000 Mortality Table (combined healthy) for Males, Projected to 2019 using 50% of Projection Scale AA, with ages set back one year.<br>Disabled members: The mortality rates are based on the RP-2000 Mortality Table (combined healthy) for Males, Projected to 2019 using 50% of Projection Scale AA, with ages set forward two years.<br>Spouses: The mortality rates are based on the RP-2000 Mortality Table (combined healthy) for Females, Projected to 2019 using 50% of Projection Scale AA, with ages set forward one year. |

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

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF INVESTMENT RETURNS**

**FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

(Dollar amounts in thousands)

|  | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return,<br>net of investment expense | 1.93%       | 0.36%       | 0.01%       | 1.01%       | 0.82%       | 0.82%       | 0.98%       | 1.94%       | 2.91%       | 0.61%       |

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

As of June 30, 2020

Last Ten Fiscal Years<sup>1 and 2</sup>

(Dollar amounts in thousands)

|  | <b>PERS 1</b>    |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             |
| City's proportion of the net pension liability (asset)   | 0.69%            | 0.68%            | 0.64%            | 0.65%            | 0.64%            | 0.64%            |
| City's proportionate share of the net pension liability (asset)                                      | \$ 36,327        | \$ 36,620        | \$ 30,206        | \$ 29,195        | \$ 24,714        | \$ 22,710        |
| State proportionate share of the net pension liability (asset) associated with the city              | -                | -                | -                | -                | -                | -                |
| Total  | <u>\$ 36,327</u> | <u>\$ 36,620</u> | <u>\$ 30,206</u> | <u>\$ 29,195</u> | <u>\$ 24,714</u> | <u>\$ 22,710</u> |
| City's covered payroll   | \$ 77,199        | \$ 79,404        | \$ 80,430        | \$ 85,306        | \$ 88,956        | \$ 96,434        |
| 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%            |
| Plan fiduciary net position as a percentage of the total pension liability                           | 59.0%            | 57.0%            | 61.2%            | 63.2%            | 67.1%            | 68.6%            |

|  | <b>PERS 2/3</b>  |                  |                  |                  |                 |                  |
|--|------------------|------------------|------------------|------------------|-----------------|------------------|
|  | 2015             | 2016             | 2017             | 2018             | 2019            | 2020             |
| City's proportion of the net pension liability (asset)   | 0.85%            | 0.84%            | 0.81%            | 0.81%            | 0.81%           | 0.82%            |
| City's proportionate share of the net pension liability (asset)                                      | \$ 30,425        | \$ 42,134        | \$ 28,183        | \$ 13,880        | \$ 7,877        | \$ 10,459        |
| State proportionate share of the net pension liability (asset) associated with the city              | -                | -                | -                | -                | -               | -                |
| Total  | <u>\$ 30,425</u> | <u>\$ 42,134</u> | <u>\$ 28,183</u> | <u>\$ 13,880</u> | <u>\$ 7,877</u> | <u>\$ 10,459</u> |
| City's covered payroll   | \$ 75,724        | \$ 78,251        | \$ 79,679        | \$ 84,506        | \$ 88,407       | \$ 95,958        |
| 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%            |
| Plan fiduciary net position as a percentage of the total pension liability                           | 89.0%            | 86.0%            | 91.0%            | 96.0%            | 98.0%           | 97.2%            |

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

<sup>2</sup> The amounts presented for each fiscal year were presented as of June 30.

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

As of June 30, 2020

Last Ten Fiscal Years<sup>1 and 2</sup>

(Dollar amounts in thousands)

|  | <b>PSERS 2</b> |        |        |        |         |         |
|--|----------------|--------|--------|--------|---------|---------|
|  | 2015           | 2016   | 2017   | 2018   | 2019    | 2020    |
| City's proportion of the net pension liability (asset)   | 0.25%          | 0.23%  | 0.21%  | 0.18%  | 0.15%   | 0.13%   |
| City's proportionate share of the net pension liability (asset)                                      | \$ 45          | \$ 99  | \$ 42  | \$ 2   | \$ (19) | \$ (18) |
| State proportionate share of the net pension liability (asset) associated with the city              | -              | -      | -      | -      | -       | -       |
| Total  | \$ 45          | \$ 99  | \$ 42  | \$ 2   | \$ (19) | \$ (18) |
| City's covered payroll   | \$ 724         | \$ 762 | \$ 750 | \$ 717 | \$ 661  | \$ 825  |
| 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%)  |
| Plan fiduciary net position as a percentage of the total pension liability                           | 95.1%          | 95.1%  | 96.3%  | 96.3%  | 101.9%  | 101.7%  |

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

<sup>2</sup> The amounts presented for each fiscal year were presented as of June 30.



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

As of June 30, 2020

Last Ten Fiscal Years<sup>1 and 2</sup>

(Dollar amounts in thousands)

|  | <b>LEOFF 1</b>     |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               |
| City's proportion of the net pension liability (asset)   | 0.29%              | 0.30%              | 0.31%              | 0.31%              | 0.31%              | 0.32%              |
| City's proportionate share of the net pension liability (asset)                                      | \$ (3,472)         | \$ (3,051)         | \$ (4,639)         | \$ (5,643)         | \$ (6,215)         | \$ (6,012)         |
| 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)           |
| 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> |
| 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%               |
| Plan fiduciary net position as a percentage of the total pension liability                           | 127.4%             | 123.7%             | 135.9%             | 144.4%             | 148.8%             | 146.9%             |

|  | <b>LEOFF 2</b>     |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               |
| City's proportion of the net pension liability (asset)   | 1.39%              | 1.37%              | 1.38%              | 1.44%              | 1.41%              | 1.37%              |
| City's proportionate share of the net pension liability (asset)                                      | \$ (14,240)        | \$ (7,987)         | \$ (19,186)        | \$ (29,159)        | \$ (32,676)        | \$ (27,968)        |
| 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)           |
| 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> |
| City's covered payroll   | \$ 40,277          | \$ 41,682          | \$ 43,213          | \$ 47,425          | \$ 49,311          | \$ 51,907          |
| 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%)            |
| Plan fiduciary net position as a percentage of the total pension liability                           | 111.7%             | 106.0%             | 113.4%             | 118.5%             | 119.4%             | 115.8%             |

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

<sup>2</sup> 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 CONTRIBUTIONS- PERS**

As of December 31, 2020

Last Ten Fiscal Years<sup>1</sup>

(Dollar amounts in thousands)

|   | <b>PERS 1</b> |           |           |           |           |           |
|---|---------------|-----------|-----------|-----------|-----------|-----------|
|   | 2015          | 2016      | 2017      | 2018      | 2019      | 2020      |
| Contractually required contributions                                    | \$ 8,031      | \$ 8,867  | \$ 9,965  | \$ 11,089 | \$ 11,800 | \$ 12,509 |
| Contributions in relation to the<br>contractually required contribution | (8,025)       | (8,867)   | (9,930)   | (11,035)  | (11,799)  | (12,445)  |
| Contribution deficiency (excess)  | \$ 6          | \$ -      | \$ (35)   | \$ 54     | \$ 1      | \$ 64     |
| City's covered payroll  | \$ 78,685     | \$ 79,314 | \$ 83,075 | \$ 86,598 | \$ 91,864 | \$ 97,000 |
| Contributions as a percentage of covered<br>payroll                     | 10.2%         | 11.2%     | 12.0%     | 12.7%     | 12.8%     | 12.8%     |

|   | <b>PERS 2/3</b> |           |           |           |           |           |
|---|-----------------|-----------|-----------|-----------|-----------|-----------|
|   | 2015            | 2016      | 2017      | 2018      | 2019      | 2020      |
| Contractually required contributions                                    | \$ 7,889        | \$ 8,749  | \$ 9,835  | \$ 10,970 | \$ 11,733 | \$ 12,466 |
| Contributions in relation to the<br>contractually required contribution | (7,884)         | (8,770)   | (9,834)   | (10,951)  | (11,732)  | (12,402)  |
| Contribution deficiency (excess)  | \$ 5            | \$ (21)   | \$ 1      | \$ 19     | \$ 1      | \$ 64     |
| City's covered payroll  | \$ 77,293       | \$ 78,251 | \$ 82,274 | \$ 85,937 | \$ 91,338 | \$ 96,666 |
| Contributions as a percentage of covered<br>payroll                     | 10.2%           | 11.2%     | 12.0%     | 12.7%     | 12.8%     | 12.8%     |

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

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY'S CONTRIBUTIONS- PSERS**

As of December 31, 2020

Last Ten Fiscal Years<sup>1</sup>

(Dollar amounts in thousands)

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

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

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY'S CONTRIBUTIONS- LEOFF**

As of December 31, 2020

Last Ten Fiscal Years<sup>1</sup>

(Dollar amounts in thousands)

|  | <b>LEOFF 1</b> |      |      |      |      |      |
|--|----------------|------|------|------|------|------|
|  | 2015           | 2016 | 2017 | 2018 | 2019 | 2020 |
| Contractually required contributions             | \$ -           | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the                 |                |      |      |      |      |      |
| contractually required contribution              | -              | -    | -    | -    | -    | -    |
| Contribution deficiency (excess)                 | \$ -           | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered payroll                           | \$ -           | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a percentage of covered payroll | 0%             | 0%   | 0%   | 0%   | 0%   | 0%   |

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

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

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

As of December 31, 2020

Last Ten Fiscal Years<sup>1</sup>

(Dollar amounts in thousands)

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

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

**SCHEDULE OF MODIFIED APPROACH FOR REPORTING INFRASTRUCTURE ASSETS**

For the Fiscal Year Ended December 31, 2020

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**

|                             | 2018 | 2019 | 2020 |
|-----------------------------|------|------|------|
| Arterial:                   |      |      |      |
| Percent above satisfactory  | 93%  | 85%  | 89%  |
| Overall performance rating: | 75   | 69   | 76   |
| Residential:                |      |      |      |
| Percent above satisfactory  | 100% | 100% | 100% |
| Overall performance rating: | 77   | 80   | 82   |

**COMPARISON OF NEEDED-TO-ACTUAL EXPENDITURES**

(in thousands)

|              | 2016    | 2017    | 2018    | 2019    | 2020    |
|--------------|---------|---------|---------|---------|---------|
| Arterial:    |         |         |         |         |         |
| Needed:      | \$5,181 | \$4,104 | \$2,925 | \$5,706 | \$4,150 |
| Actual:      | 3,255   | 1,473   | 3,618   | 1,973   | 4,300   |
| Residential: |         |         |         |         |         |
| Needed:      | \$1,845 | \$2,744 | \$2,943 | \$4,345 | \$2,675 |
| Actual:      | 1,543   | 2,838   | 2,179   | 3,182   | 875     |

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

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

For the Fiscal Year Ended December 31, 2020  
(in thousands)

Page 1 of 2

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|--|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                                 |                            |                         |   |   |
| Taxes and special assessments                                | \$ 170,706                 | \$ 170,706              | \$ 150,934                                | \$ 19,772                                 |
| Licenses and permits   | 509                        | 509                     | 420                                       | 89  |
| Intergovernmental  | 21,502                     | 22,604                  | 24,289                                    | (1,685)                                   |
| Service charges and fees                                     | 20,438                     | 20,438                  | 17,432                                    | 3,006                                     |
| Fines and forfeitures  | 1,960                      | 1,960                   | 1,190                                     | 770                                       |
| Interest and assessment interest                             | 653                        | 653                     | 209                                       | 444                                       |
| Net change in fair value of investments                      | -                          | -                       | 1   | (1)                                       |
| Rent   | 1,364                      | 1,364                   | 1,618                                     | (254)                                     |
| Judgements and Settlements                                   | -                          | -                       | 2   | (2)                                       |
| Premiums/contributions                                       | 1                          | 1                       | 11  | (10)                                      |
| Other  | 1,823                      | 1,823                   | 158                                       | 1,665                                     |
| Total revenues   | <u>218,956</u>             | <u>220,058</u>          | <u>196,264</u>                            | <u>23,794</u>                             |
| Expenditures   |                            |                         |   |   |
| Current:   |                            |                         |   |   |
| General government   | 28,509                     | 29,409                  | 25,140                                    | 4,269                                     |
| Public safety  | 109,318                    | 110,325                 | 104,021                                   | 6,304                                     |
| Physical environment   | 210                        | 210                     | 184                                       | 26  |
| Transportation   | 30,501                     | 30,501                  | 28,706                                    | 1,795                                     |
| Economic environment   | 10,888                     | 10,888                  | 8,607                                     | 2,281                                     |
| Health and human services                                    | 2,004                      | 2,004                   | 1,388                                     | 616                                       |
| Culture and recreation                                       | 29,299                     | 29,299                  | 24,568                                    | 4,731                                     |
| Public safety  | 111                        | 111                     | 65  | 46  |
| Transportation   | -                          | -                       | 6   | (6)                                       |
| Total expenditures   | <u>210,840</u>             | <u>212,747</u>          | <u>192,685</u>                            | <u>20,062</u>                             |
| Excess (deficiency) of revenues over (under)<br>expenditures | 8,116                      | 7,311                   | 3,579                                     | 3,732                                     |
| Other financing sources(uses)                                |                            |                         |   |   |
| Transfers in   | 565                        | 565                     | 576                                       | (11)                                      |
| Transfers out  | (6,899)                    | (6,994)                 | (7,837)                                   | 843                                       |
| Total other financing sources(uses)                          | <u>(6,334)</u>             | <u>(6,429)</u>          | <u>(7,261)</u>                            | <u>832</u>                                |
| Net change in fund balance                                   | 1,782                      | 882                     | (3,682)                                   | 4,564                                     |
| Fund balance beginning of year                               | 49,073                     | 49,973                  | 49,273                                    | 700                                       |
| Change in accounting principle                               | -                          | -                       | (699)                                     | 699                                       |
| Prior period adjustment                                      | -                          | -                       | (704)                                     | 704                                       |
| Fund balance end of year                                     | <u>\$ 50,855</u>           | <u>\$ 50,855</u>        | <u>\$ 44,188</u>                          | <u>\$ 6,667</u>                           |

City of Bellevue, Washington

**General Fund**  
For the Fiscal Year Ended December 31, 2020  
(in thousands)

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Perspective Difference Reconciliation:

|   |    |        |
|---|----|--------|
| Actual fund balance - General Fund Statement of Revenues,<br>Expenditures, and Changes in Fund Balances | \$ | 44,188 |
|---|----|--------|

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           | 920    |
| Land Purchase Revolving Fund | 2,343  |
| Development Services Fund    | 31,668 |
| Parks Fees Fund              | 882    |

|  |    |               |
|--|----|---------------|
| Total Fund Balance - General Fund Balance for Governmental Funds | \$ | <u>80,001</u> |
|--|----|---------------|



## Notes to the Required Supplementary Information

### Pensions

#### *Changes of benefit terms*

There were no material benefit term changes in 2020 for the City of Bellevue's pension plans.

#### *Changes in assumptions for Department of Retirement Pension Programs*

Actuarial results that OSA provided reflected an update in the demographic assumptions based on an updated demographic experience study, as noted above. There was an update to the Early Retirement Factors and Joint-and-Survivor Factors used in the model for the June 30, 2020 report.

The valuation used included liability and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determine contribution rates and funded status. OSA simplified the model of medial premium reimbursement for survives of duty-related deaths for LEOFF 2. OSA also changed their method in updating certain data items that change annually, including public safety duty-related lump sum and Washington state average wage.

### 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%          |

### Modified Approach

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

#### STANDARD PERFORMANCE RATING LEVELS

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

### Budget and Actual Schedules

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

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

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## **Nonmajor Governmental Funds**

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

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

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

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

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

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

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

The **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, 2020**  
(in thousands)

Page 1 of 3

|  | <b>Special Revenue</b>                 |                                       |                    |                             |
|--|--|---------------------------------------|--------------------|-----------------------------|
|  | <b>LEOFF I<br/>Medical<br/>Reserve</b> | <b>Park<br/>M &amp; O<br/>Reserve</b> | <b>Solid Waste</b> | <b>Hotel/<br/>Motel Tax</b> |
| Assets:  |  |                                       |                    |                             |
| Cash & equity in pooled investments                      | \$ 513                                 | \$ 5,769                              | \$ 2,635           | \$ 298                      |
| Receivables (net of allowances):                         |  |                                       |                    |                             |
| Taxes  | -                                      | -                                     | -                  | 320                         |
| Accounts   | -                                      | -                                     | 243                | -                           |
| Due from other governments                               | -                                      | -                                     | -                  | -                           |
| Housing rehabilitation loans receivable                  | -                                      | -                                     | -                  | -                           |
| Total assets   | <u>\$ 513</u>                          | <u>\$ 5,769</u>                       | <u>\$ 2,878</u>    | <u>\$ 618</u>               |
| Liabilities:   |  |                                       |                    |                             |
| Accounts payable   | \$ -                                   | \$ -                                  | \$ 48              | \$ -                        |
| Accrued payroll  | -                                      | -                                     | -                  | -                           |
| Deposits payable   | -                                      | -                                     | -                  | -                           |
| Total liabilities  | <u>-</u>                               | <u>-</u>                              | <u>48</u>          | <u>-</u>                    |
| Deferred Inflows   |  |                                       |                    |                             |
| For grants   | -                                      | -                                     | -                  | -                           |
| Total deferred inflows                                   | <u>-</u>                               | <u>-</u>                              | <u>-</u>           | <u>-</u>                    |
| Total liabilities and deferred inflows                   | <u>-</u>                               | <u>-</u>                              | <u>48</u>          | <u>-</u>                    |
| Fund balance:  |  |                                       |                    |                             |
| Restricted   | 513                                    | 5,769                                 | -                  | 618                         |
| Committed  | -                                      | -                                     | 2,409              | -                           |
| Assigned   | -                                      | -                                     | 421                | -                           |
| Total fund balance                                       | <u>513</u>                             | <u>5,769</u>                          | <u>2,830</u>       | <u>618</u>                  |
| Total liabilities, deferred inflows,<br>and fund balance | <u>\$ 513</u>                          | <u>\$ 5,769</u>                       | <u>\$ 2,878</u>    | <u>\$ 618</u>               |

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2020**  
(in thousands)

Page 2 of 3

|   | <b>Special Revenue</b>         |                 |                                    |
|---|--------------------------------|-----------------|------------------------------------|
|   | <b>Operating Grants</b>        |                 |                                    |
|   | <b>Donations &amp; Special</b> | <b>Housing</b>  | <b>Total Special Revenue Funds</b> |
| Assets:   |                                |                 |                                    |
| Cash & equity in pooled investments                   | \$ 3,116                       | \$ 9,645        | \$ 21,976                          |
| Receivables (net of allowances):                      |                                |                 |                                    |
| Taxes   | 6                              | 218             | 544                                |
| Accounts  | 466                            | -               | 709                                |
| Due from other governments                            | 1,446                          | -               | 1,446                              |
| Housing rehabilitation loans receivable               | 3,539                          | -               | 3,539                              |
| Total assets  | <u>\$ 8,573</u>                | <u>\$ 9,863</u> | <u>\$ 28,214</u>                   |
| Liabilities:  |                                |                 |                                    |
| Accounts payable                                      | \$ 234                         | \$ -            | \$ 282                             |
| Accrued payroll                                       | 17                             | 34              | 51                                 |
| Deposits payable                                      | 1                              | -               | 1                                  |
| Total liabilities                                     | <u>252</u>                     | <u>34</u>       | <u>334</u>                         |
| Deferred Inflows                                      |                                |                 |                                    |
| For grants  | 1,589                          | -               | 1,589                              |
| Total deferred inflows                                | <u>1,589</u>                   | <u>-</u>        | <u>1,589</u>                       |
| Total liabilities and deferred inflows                | <u>1,841</u>                   | <u>34</u>       | <u>1,923</u>                       |
| Fund balance:   |                                |                 |                                    |
| Restricted  | 1,523                          | 492             | 8,915                              |
| Committed   | -                              | 7,535           | 9,944                              |
| Assigned  | 5,209                          | 1,802           | 7,432                              |
| Total fund balance                                    | <u>6,732</u>                   | <u>9,829</u>    | <u>26,291</u>                      |
| Total liabilities, deferred inflows, and fund balance | <u>\$ 8,573</u>                | <u>\$ 9,863</u> | <u>\$ 28,214</u>                   |

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2020**  
(in thousands)

Page 3 of 3

|  | <u>Debt Service</u> |                 | <u>Total Nonmajor</u> |                     |
|--|---------------------|-----------------|-----------------------|---------------------|
|  | <u>LID</u>          | <u>LID</u>      | <u>Total Debt</u>     | <u>Governmental</u> |
|  | <u>Control</u>      | <u>Guaranty</u> | <u>Service</u>        | <u>Funds</u>        |
| Assets:  |                     |                 |                       |                     |
| Cash & equity in pooled investments                      | \$ 141              | \$ 646          | \$ 787                | \$ 22,763           |
| Receivables (net of allowances):                         |                     |                 |                       |                     |
| Taxes  | -                   | -               | -                     | 544                 |
| Accounts   | -                   | -               | -                     | 709                 |
| Due from other governments                               | -                   | -               | -                     | 1,446               |
| Housing rehabilitation loans receivable                  | -                   | -               | -                     | 3,539               |
| Total assets   | <u>\$ 141</u>       | <u>\$ 646</u>   | <u>\$ 787</u>         | <u>\$ 29,001</u>    |
| Liabilities:   |                     |                 |                       |                     |
| Accounts payable   | \$ -                | \$ -            | \$ -                  | \$ 282              |
| Accrued payroll  | -                   | -               | -                     | 51                  |
| Deposits payable   | -                   | -               | -                     | 1                   |
| Total liabilities  | <u>-</u>            | <u>-</u>        | <u>-</u>              | <u>334</u>          |
| Deferred Inflows   |                     |                 |                       |                     |
| For grants   | -                   | -               | -                     | 1,589               |
| Total deferred inflows                                   | <u>-</u>            | <u>-</u>        | <u>-</u>              | <u>1,589</u>        |
| Total liabilities and deferred inflows                   | <u>-</u>            | <u>-</u>        | <u>-</u>              | <u>1,923</u>        |
| Fund balance:  |                     |                 |                       |                     |
| Restricted   | -                   | 646             | 646                   | 9,561               |
| Committed  | -                   | -               | -                     | 9,944               |
| Assigned   | 141                 | -               | 141                   | 7,573               |
| Total fund balance                                       | <u>141</u>          | <u>646</u>      | <u>787</u>            | <u>27,078</u>       |
| Total liabilities, deferred inflows,<br>and fund balance | <u>\$ 141</u>       | <u>\$ 646</u>   | <u>\$ 787</u>         | <u>\$ 29,001</u>    |

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

Page 1 of 3

|  | <b>Special Revenue</b>                 |                                       |                    |                             |
|--|--|---------------------------------------|--------------------|-----------------------------|
|  | <b>LEOFF I<br/>Medical<br/>Reserve</b> | <b>Park<br/>M &amp; O<br/>Reserve</b> | <b>Solid Waste</b> | <b>Hotel/<br/>Motel Tax</b> |
| Revenues:  |  |                                       |                    |                             |
| Taxes and special assessments                                | \$ -                                   | \$ -                                  | \$ -               | \$ 3,139                    |
| Intergovernmental  | 48                                     | -                                     | 240                | 5,103                       |
| Service charges and fees                                     | -                                      | -                                     | 800                | -                           |
| Interest and penalties                                       | 3                                      | 36                                    | 15                 | 1                           |
| Judgments and settlements                                    | -                                      | -                                     | -                  | -                           |
| Premiums/contributions                                       | -                                      | -                                     | -                  | -                           |
| Other  | -                                      | -                                     | 290                | -                           |
| Total revenues   | <u>51</u>                              | <u>36</u>                             | <u>1,345</u>       | <u>8,243</u>                |
| Expenditures:  |  |                                       |                    |                             |
| Current:   |  |                                       |                    |                             |
| General government   | -                                      | -                                     | -                  | 5,858                       |
| Public safety  | 66                                     | -                                     | -                  | -                           |
| Physical environment   | -                                      | -                                     | 987                | -                           |
| Transportation   | -                                      | -                                     | -                  | -                           |
| Economic environment   | -                                      | -                                     | -                  | -                           |
| Health and human services                                    | -                                      | -                                     | -                  | -                           |
| Culture and recreation                                       | -                                      | -                                     | -                  | -                           |
| Capital outlay:  |  |                                       |                    |                             |
| Public safety  | -                                      | -                                     | -                  | -                           |
| Total expenditures   | <u>66</u>                              | <u>-</u>                              | <u>987</u>         | <u>5,858</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | (15)                                   | 36                                    | 358                | 2,385                       |
| Other financing sources (uses):                              |  |                                       |                    |                             |
| Transfers in   | -                                      | -                                     | -                  | -                           |
| Transfers out  | -                                      | (462)                                 | -                  | (2,008)                     |
| Total other financing sources (uses)                         | <u>-</u>                               | <u>(462)</u>                          | <u>-</u>           | <u>(2,008)</u>              |
| Net change in fund balance                                   | (15)                                   | (426)                                 | 358                | 377                         |
| Fund balance at beginning of year                            | 528                                    | 6,195                                 | 2,472              | 241                         |
| Change in accounting principle                               | -                                      | -                                     | -                  | -                           |
| Fund balance at end of year                                  | <u>\$ 513</u>                          | <u>\$ 5,769</u>                       | <u>\$ 2,830</u>    | <u>\$ 618</u>               |



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|  | <b>Special Revenue</b>   |                 |  |
|--|--|-----------------|--|
|  | <b>Operating Grants<br/>Donations &amp;<br/>Special Reserves</b> | <b>Housing</b>  | <b>Total Special<br/>Revenue<br/>Funds</b> |
| Revenues:  |  |                 |  |
| Taxes and special assessments                                | \$ -   | \$ 683          | \$ 3,822                                   |
| Intergovernmental  | 9,197  | 3,050           | 17,638                                     |
| Service charges and fees                                     | 35   | -               | 835  |
| Interest and penalties                                       | 16   | 702             | 773  |
| Judgments and settlements                                    | 6  | -               | 6  |
| Premiums/contributions                                       | 265  | 521             | 786  |
| Other  | 135  | 2,082           | 2,507                                      |
| Total revenues   | <u>9,654</u>   | <u>7,038</u>    | <u>26,367</u>                              |
| Expenditures:  |  |                 |  |
| Current:   |  |                 |  |
| General government   | 994  | -               | 6,852                                      |
| Public safety  | 3,760  | -               | 3,826                                      |
| Physical environment   | 115  | -               | 1,102                                      |
| Transportation   | 489  | -               | 489  |
| Economic environment   | 1,891  | 4,965           | 6,856                                      |
| Health and human services                                    | 587  | -               | 587  |
| Culture and recreation                                       | 2,362  | -               | 2,362                                      |
| Capital outlay:  |  |                 |  |
| Public safety  | 96   | -               | 96   |
| Total expenditures   | <u>10,294</u>  | <u>4,965</u>    | <u>22,170</u>                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | (640)  | 2,073           | 4,197                                      |
| Other financing sources (uses):                              |  |                 |  |
| Transfers in   | 1,450  | (28)            | 1,422                                      |
| Transfers out  | -  | 302             | (2,168)                                    |
| Total other financing sources (uses)                         | <u>1,450</u>   | <u>274</u>      | <u>(746)</u>                               |
| Net change in fund balance                                   | 810  | 2,347           | 3,451                                      |
| Fund balance at beginning of year                            | 5,922  | 3,943           | 19,301                                     |
| Change in accounting principle                               | -  | 3,539           | 3,539                                      |
| Fund balance at end of year                                  | <u>\$ 6,732</u>  | <u>\$ 9,829</u> | <u>\$ 26,291</u>                           |

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances****Nonmajor Governmental Funds****For the Year Ended December 31, 2020**

(in thousands)

Page 3 of 3

|  | <b>Debt Service</b> |                 | <b>Total Debt</b> | <b>Total Nonmajor</b> |
|--|---------------------|-----------------|-------------------|-----------------------|
|  | <b>LID</b>          | <b>LID</b>      | <b>Service</b>    | <b>Governmental</b>   |
|  | <b>Control</b>      | <b>Guaranty</b> | <b>Funds</b>      | <b>Funds</b>          |
| Revenues:  |                     |                 |                   |                       |
| Taxes and special assessments                                | \$ 5                | \$ -            | \$ 5              | \$ 3,827              |
| Intergovernmental  | -                   | -               | -                 | 17,638                |
| Service charges and fees                                     | -                   | -               | -                 | 835                   |
| Interest and penalties                                       | 1                   | 4               | 5                 | 778                   |
| Judgments and settlements                                    | -                   | -               | -                 | 6                     |
| Premiums/contributions                                       | -                   | -               | -                 | 786                   |
| Other  | -                   | -               | -                 | 2,507                 |
| Total revenues   | 6                   | 4               | 10                | 26,377                |
| Expenditures:  |                     |                 |                   |                       |
| Current:   |                     |                 |                   |                       |
| General government   | -                   | -               | -                 | 6,852                 |
| Public safety  | -                   | -               | -                 | 3,826                 |
| Physical environment   | -                   | -               | -                 | 1,102                 |
| Transportation   | -                   | -               | -                 | 489                   |
| Economic environment   | -                   | -               | -                 | 6,856                 |
| Health and human services                                    | -                   | -               | -                 | 587                   |
| Culture and recreation                                       | -                   | -               | -                 | 2,362                 |
| Capital outlay:  |                     |                 |                   |                       |
| Public safety  | -                   | -               | -                 | 96                    |
| Total expenditures   | -                   | -               | -                 | 22,170                |
| Excess (deficiency) of revenues<br>over (under) expenditures | 6                   | 4               | 10                | 4,207                 |
| Other financing sources (uses):                              |                     |                 |                   |                       |
| Transfers in   | -                   | -               | -                 | 1,422                 |
| Transfers out  | -                   | -               | -                 | (2,168)               |
| Total other financing sources (uses)                         | -                   | -               | -                 | (746)                 |
| Net change in fund balance                                   | 6                   | 4               | 10                | 3,461                 |
| Fund balance at beginning of year                            | 135                 | 642             | 777               | 20,078                |
| Change in accounting principle                               | -                   | -               | -                 | 3,539                 |
| Fund balance at end of year                                  | \$ 141              | \$ 646          | \$ 787            | \$ 27,078             |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Human Services Fund**  
**For the Year Ended December 31, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Taxes and special assessments                             | \$ 3,625                   | \$ 3,625                | \$ 3,625                                  | \$ -                                      |
| Intergovernmental   | 3,446                      | 5,026                   | 25  | 5,001                                     |
| Interest and assessment interest                          | -                          | -                       | 11  | (11)                                      |
| Premiums/contributions                                    | 10                         | 10                      | 504                                       | (494)                                     |
| Total revenues  | <u>7,081</u>               | <u>8,661</u>            | <u>4,165</u>                              | <u>4,496</u>                              |
| Expenditures:   |                            |                         |   |   |
| Health and human services                                 | <u>7,510</u>               | <u>9,540</u>            | <u>4,418</u>                              | <u>5,122</u>                              |
| Total expenditures  | <u>7,510</u>               | <u>9,540</u>            | <u>4,418</u>                              | <u>5,122</u>                              |
| Excess (deficiency) of revenues over (under) expenditures | (429)                      | (879)                   | (253)                                     | (626)                                     |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers in  | <u>429</u>                 | <u>879</u>              | <u>450</u>                                | <u>429</u>                                |
| Total other financing sources(uses)                       | <u>429</u>                 | <u>879</u>              | <u>450</u>                                | <u>429</u>                                |
| Net change in fund balance                                | -                          | -                       | 197                                       | (197)                                     |
| Fund balance beginning of year                            | 208                        | 208                     | 736                                       | (528)                                     |
| Change in accounting principle                            | -                          | -                       | (13)                                      | 13  |
| Fund balance end of year                                  | <u>\$ 208</u>              | <u>\$ 208</u>           | <u>\$ 920</u>                             | <u>\$ (712)</u>                           |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Land Purchase Revolving Fund**  
**For the Year Ended December 31, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Interest and assessment interest                          | \$ -                       | \$ -                    | \$ 14                                     | \$ (14)                                   |
| Rent  | 1,137                      | 1,137                   | 1,026                                     | 111                                       |
| Total revenues  | 1,137                      | 1,137                   | 1,040                                     | 97  |
| Expenditures:   |                            |                         |   |   |
| General government  | 390                        | 390                     | 408                                       | (18)                                      |
| Transportation  | 5                          | 5                       | 24  | (19)                                      |
| Culture and recreation                                    | 662                        | 662                     | 527                                       | 135                                       |
| Total expenditures  | 1,057                      | 1,057                   | 959                                       | 98  |
| Excess (deficiency) of revenues over (under) expenditures | 80                         | 80                      | 81  | (1)                                       |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers out   | (100)                      | (100)                   | (100)                                     | -   |
| Sale of capital assets                                    | -                          | -                       | 8   | (8)                                       |
| Total other financing sources(uses)                       | (100)                      | (100)                   | (92)                                      | (8)                                       |
| Net change in fund balance                                | (20)                       | (20)                    | (11)                                      | (9)                                       |
| Fund balance beginning of year                            | 1,954                      | 1,954                   | 2,395                                     | (441)                                     |
| Change in accounting principle                            | -                          | -                       | (41)                                      | 41  |
| Fund balance end of year                                  | <u>\$ 1,934</u>            | <u>\$ 1,934</u>         | <u>\$ 2,343</u>                           | <u>\$ (409)</u>                           |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Development Services Fund**  
**For the Year Ended December 31, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Licenses and permits                                      | \$ 10,622                  | \$ 10,622               | \$ 15,996                                 | \$ (5,374)                                |
| Service charges and fees                                  | 12,183                     | 12,183                  | 15,157                                    | (2,974)                                   |
| Fines and forfeitures                                     | -                          | -                       | 8   | (8)                                       |
| Interest and assessment interest                          | 210                        | 210                     | 263                                       | (53)                                      |
| Total revenues  | <u>23,015</u>              | <u>23,015</u>           | <u>31,424</u>                             | <u>(8,409)</u>                            |
| Expenditures:   |                            |                         |   |   |
| General government  | 1                          | 1                       | -   | 1   |
| Economic environment                                      | <u>29,611</u>              | <u>29,611</u>           | <u>27,704</u>                             | <u>1,907</u>                              |
| Total expenditures  | <u>29,612</u>              | <u>29,612</u>           | <u>27,704</u>                             | <u>1,908</u>                              |
| Excess (deficiency) of revenues over (under) expenditures | (6,597)                    | (6,597)                 | 3,720                                     | (10,317)                                  |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers in  | 4,989                      | 4,989                   | 4,747                                     | 242                                       |
| Transfers out   | <u>(201)</u>               | <u>(201)</u>            | <u>(167)</u>                              | <u>(34)</u>                               |
| Total other financing sources(uses)                       | <u>4,788</u>               | <u>4,788</u>            | <u>4,580</u>                              | <u>208</u>                                |
| Net change in fund balance                                | (1,809)                    | (1,809)                 | 8,300                                     | (10,109)                                  |
| Fund balance beginning of year                            | <u>22,126</u>              | <u>22,126</u>           | <u>23,368</u>                             | <u>(1,242)</u>                            |
| Fund balance end of year                                  | <u>\$ 20,317</u>           | <u>\$ 20,317</u>        | <u>\$ 31,668</u>                          | <u>\$ (11,351)</u>                        |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****Parks Fees Fund****For the Year Ended December 31, 2020**

(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Service charges and fees                                  | \$ 4,249                   | \$ 4,249                | \$ 3,522                                  | \$ 727                                    |
| Interest and assessment interest                          | 48                         | 48                      | 2   | 46  |
| Rent  | 2,256                      | 2,256                   | 1,769                                     | 487                                       |
| Other   | 13                         | 13                      | (2)                                       | 15  |
| Total revenues  | <u>6,566</u>               | <u>6,566</u>            | <u>5,291</u>                              | <u>1,275</u>                              |
| Expenditures:   |                            |                         |   |   |
| Culture and recreation                                    | <u>6,422</u>               | <u>6,422</u>            | <u>5,439</u>                              | <u>983</u>                                |
| Total expenditures  | <u>6,422</u>               | <u>6,422</u>            | <u>5,439</u>                              | <u>983</u>                                |
| Excess (deficiency) of revenues over (under) expenditures | 144                        | 144                     | (148)                                     | 292                                       |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers in  | 35                         | 35                      | 475                                       | (440)                                     |
| Transfers out   | <u>(100)</u>               | <u>(100)</u>            | <u>(3)</u>                                | <u>(97)</u>                               |
| Total other financing sources(uses)                       | <u>(65)</u>                | <u>(65)</u>             | <u>472</u>                                | <u>(537)</u>                              |
| Net change in fund balance                                | 79                         | 79                      | 324                                       | (245)                                     |
| Fund balance beginning of year                            | 1,188                      | 1,188                   | 1,413                                     | (225)                                     |
| Change in accounting principle                            | -                          | -                       | (18)                                      | 18  |
| Prior period adjustment                                   | -                          | -                       | (837)                                     | 837                                       |
| Fund balance end of year                                  | <u>\$ 1,267</u>            | <u>\$ 1,267</u>         | <u>\$ 882</u>                             | <u>\$ 385</u>                             |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****LEOFF I Medical Reserve Fund****For the Year Ended December 31, 2020**

(in thousands)

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|--|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                                 |                            |                         |   |   |
| Intergovernmental  | \$ -                       | \$ -                    | \$ 48                                     | \$ (48)                                   |
| Interest and assessment interest                             | -                          | -                       | 3   | (3)                                       |
| Total revenues   | -                          | -                       | 51  | (51)                                      |
| Expenditures:  |                            |                         |   |   |
| Public safety  | 73                         | 73                      | 66  | 7   |
| Total expenditures   | 73                         | 73                      | 66  | 7   |
| Excess (deficiency) of revenues over (under)<br>expenditures | (73)                       | (73)                    | (15)                                      | (58)                                      |
| Fund balance beginning of year                               | 397                        | 397                     | 528                                       | (131)                                     |
| Fund balance end of year                                     | <u>\$ 324</u>              | <u>\$ 324</u>           | <u>\$ 513</u>                             | <u>\$ (189)</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, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Interest and assessment interest                          | \$ 35                      | \$ 35                   | \$ 36                                     | \$ (1)                                    |
| Total revenues  | <u>35</u>                  | <u>35</u>               | <u>36</u>                                 | <u>(1)</u>                                |
| Excess (deficiency) of revenues over (under) expenditures | 35                         | 35                      | 36  | (1)                                       |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers out   | (462)                      | (462)                   | (462)                                     | -   |
| Total other financing sources(uses)                       | <u>(462)</u>               | <u>(462)</u>            | <u>(462)</u>                              | <u>-</u>                                  |
| Net change in fund balance                                | (427)                      | (427)                   | (426)                                     | (1)                                       |
| Fund balance beginning of year                            | <u>6,007</u>               | <u>6,007</u>            | <u>6,195</u>                              | <u>(188)</u>                              |
| Fund balance end of year                                  | <u>\$ 5,580</u>            | <u>\$ 5,580</u>         | <u>\$ 5,769</u>                           | <u>\$ (189)</u>                           |



**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Solid Waste Fund**  
**For the Year Ended December 31, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Intergovernmental   | \$ 289                     | \$ 289                  | \$ 240                                    | \$ 49                                     |
| Service charges and fees                                  | 777                        | 777                     | 800                                       | (23)                                      |
| Interest and assessment interest                          | 22                         | 22                      | 15  | 7   |
| Other   | 16                         | 16                      | 290                                       | (274)                                     |
| Total revenues  | <u>1,104</u>               | <u>1,104</u>            | <u>1,345</u>                              | <u>(241)</u>                              |
| Expenditures:   |                            |                         |   |   |
| Physical environment                                      | <u>1,256</u>               | <u>1,256</u>            | <u>987</u>                                | <u>269</u>                                |
| Total expenditures  | <u>1,256</u>               | <u>1,256</u>            | <u>987</u>                                | <u>269</u>                                |
| Excess (deficiency) of revenues over (under) expenditures | (152)                      | (152)                   | 358                                       | (510)                                     |
| Fund balance beginning of year                            | <u>1,604</u>               | <u>1,604</u>            | <u>2,472</u>                              | <u>(868)</u>                              |
| Fund balance end of year                                  | <u>\$ 1,452</u>            | <u>\$ 1,452</u>         | <u>\$ 2,830</u>                           | <u>\$ (1,378)</u>                         |

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Hotel/Motel Tax Fund**  
**For the Year Ended December 31, 2020**  
(in thousands)

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actuals on<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---|---|
| Revenues/operating revenues:                              |                            |                         |   |   |
| Taxes and special assessments                             | \$ 13,965                  | \$ 13,965               | \$ 3,139                                  | \$ 10,826                                 |
| Intergovernmental   | -                          | -                       | 5,103                                     | (5,103)                                   |
| Interest and assessment interest                          | -                          | -                       | 1   | (1)                                       |
| Total revenues  | <u>13,965</u>              | <u>13,965</u>           | <u>8,243</u>                              | <u>5,722</u>                              |
| Expenditures:   |                            |                         |   |   |
| General government  | <u>11,957</u>              | <u>11,957</u>           | <u>5,858</u>                              | <u>6,099</u>                              |
| Total expenditures  | <u>11,957</u>              | <u>11,957</u>           | <u>5,858</u>                              | <u>6,099</u>                              |
| Excess (deficiency) of revenues over (under) expenditures | 2,008                      | 2,008                   | 2,385                                     | (377)                                     |
| Other financing sources (uses):                           |                            |                         |   |   |
| Transfers out   | <u>(2,008)</u>             | <u>(2,008)</u>          | <u>(2,008)</u>                            | <u>-</u>                                  |
| Total other financing sources(uses)                       | <u>(2,008)</u>             | <u>(2,008)</u>          | <u>(2,008)</u>                            | <u>-</u>                                  |
| Net change in fund balance                                | -                          | -                       | 377                                       | (377)                                     |
| Fund balance beginning of year                            | -                          | -                       | 241                                       | (241)                                     |
| Fund balance end of year                                  | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 618</u>                             | <u>\$ (618)</u>                           |

## **Internal Service Funds**

**Descriptions of the Internal Service funds included in the city's Comprehensive Annual 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, 2020**  
(in thousands)

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|                                     | <u>Equipment<br/>Rental</u> | <u>Workers'<br/>Compensation</u> | <u>Unemployment<br/>Compensation</u> | <u>General<br/>Self- Insurance</u> |
|-------------------------------------|-----------------------------|----------------------------------|--------------------------------------|------------------------------------|
| Assets:                             |                             |                                  |                                      |                                    |
| Current assets:                     |                             |                                  |                                      |                                    |
| Cash & equity in pooled investments | \$ 7,551                    | \$ 3,239                         | \$ 374                               | \$ 4,734                           |
| Receivables (net of allowances):    |                             |                                  |                                      |                                    |
| Accounts                            | 8                           | -                                | -                                    | -                                  |
| Other                               | 3                           | -                                | -                                    | 15                                 |
| Due from other funds                | 71                          | -                                | -                                    | -                                  |
| Due from other governments          | 1                           | -                                | -                                    | -                                  |
| Inventory                           | 629                         | -                                | -                                    | -                                  |
| Total current assets                | <u>8,263</u>                | <u>3,239</u>                     | <u>374</u>                           | <u>4,749</u>                       |
| Noncurrent assets:                  |                             |                                  |                                      |                                    |
| Capital assets:                     |                             |                                  |                                      |                                    |
| Capital assets (net)                | 21,532                      | -                                | -                                    | 51                                 |
| Total noncurrent assets             | <u>21,532</u>               | <u>-</u>                         | <u>-</u>                             | <u>51</u>                          |
| Total assets                        | <u>29,795</u>               | <u>3,239</u>                     | <u>374</u>                           | <u>4,800</u>                       |
| Deferred Outflows                   |                             |                                  |                                      |                                    |
| For pensions                        | 171                         | -                                | -                                    | 48                                 |
| For asset retirement obligation     | 1,195                       | -                                | -                                    | -                                  |
| Total deferred outflows             | <u>1,366</u>                | <u>-</u>                         | <u>-</u>                             | <u>48</u>                          |
| Total assets and deferred outflows  | <u>\$ 31,161</u>            | <u>\$ 3,239</u>                  | <u>\$ 374</u>                        | <u>\$ 4,848</u>                    |

**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**As of December 31, 2020**  
(in thousands)

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|                                     | <b>Health<br/>Benefits</b> | <b>Information<br/>Technology</b> | <b>Facilities<br/>Services</b> | <b>Total</b>            |
|-------------------------------------|----------------------------|-----------------------------------|--------------------------------|-------------------------|
| Assets:                             |                            |                                   |                                |                         |
| Current assets:                     |                            |                                   |                                |                         |
| Cash & equity in pooled investments | \$ 3,133                   | \$ 9,198                          | \$ 3,245                       | \$ 31,474               |
| Receivables (net of allowances):    |                            |                                   |                                |                         |
| Accounts                            | -                          | 41                                | 2                              | 51                      |
| Other                               | 307                        | -                                 | -                              | 325                     |
| Due from other funds                | -                          | -                                 | -                              | 71                      |
| Due from other governments          | -                          | -                                 | -                              | 1                       |
| Inventory                           | -                          | -                                 | -                              | 629                     |
| Total current assets                | <u>3,440</u>               | <u>9,239</u>                      | <u>3,247</u>                   | <u>32,551</u>           |
| Noncurrent assets:                  |                            |                                   |                                |                         |
| Capital assets:                     |                            |                                   |                                |                         |
| Capital assets (net)                | -                          | 391                               | 983                            | 22,957                  |
| Total noncurrent assets             | <u>-</u>                   | <u>391</u>                        | <u>983</u>                     | <u>22,957</u>           |
| Total assets                        | <u>3,440</u>               | <u>9,630</u>                      | <u>4,230</u>                   | <u>55,508</u>           |
| Deferred Outflows                   |                            |                                   |                                |                         |
| For pensions                        | 15                         | 1,299                             | 154                            | 1,687                   |
| For asset retirement obligation     | -                          | -                                 | -                              | 1,195                   |
| Total deferred outflows             | <u>15</u>                  | <u>1,299</u>                      | <u>154</u>                     | <u>2,882</u>            |
| Total assets and deferred outflows  | <u><u>\$ 3,455</u></u>     | <u><u>\$ 10,929</u></u>           | <u><u>\$ 4,384</u></u>         | <u><u>\$ 58,390</u></u> |

**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**As of December 31, 2020**  
(in thousands)

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|   | <u>Equipment<br/>Rental</u> | <u>Workers'<br/>Compensation</u> | <u>Unemployment<br/>Compensation</u> | <u>General<br/>Self- Insurance</u> |
|---|-----------------------------|----------------------------------|--------------------------------------|------------------------------------|
| Liabilities:                                |                             |                                  |                                      |                                    |
| Current liabilities:                        |                             |                                  |                                      |                                    |
| Accounts payable                            | \$ 293                      | \$ 13                            | \$ 83                                | \$ 19                              |
| Estimated claims                            | -                           | 1,606                            | 102                                  | 1,662                              |
| Accrued payroll                             | 123                         | -                                | -                                    | 33                                 |
| Accrued compensated absences                | 61                          | -                                | -                                    | 27                                 |
| Accrued taxes                               | -                           | -                                | -                                    | -                                  |
| Liabilities payable from restricted assets: |                             |                                  |                                      |                                    |
| Customer deposits                           | -                           | -                                | -                                    | -                                  |
| Retainage payable                           | -                           | -                                | -                                    | -                                  |
| Total current liabilities                   | <u>477</u>                  | <u>1,619</u>                     | <u>185</u>                           | <u>1,741</u>                       |
| Noncurrent liabilities:                     |                             |                                  |                                      |                                    |
| Accrued compensated absences                | 142                         | -                                | -                                    | 63                                 |
| Estimated claims                            | -                           | 1,198                            | -                                    | 2,227                              |
| Asset retirement obligation                 | 7,957                       | -                                | -                                    | -                                  |
| Pension liability                           | 233                         | -                                | -                                    | 65                                 |
| Total noncurrent liabilities                | <u>8,332</u>                | <u>1,198</u>                     | <u>-</u>                             | <u>2,355</u>                       |
| Total liabilities                           | <u>8,809</u>                | <u>2,817</u>                     | <u>185</u>                           | <u>4,096</u>                       |
| Deferred Inflows                            |                             |                                  |                                      |                                    |
| For pensions                                | <u>221</u>                  | <u>-</u>                         | <u>-</u>                             | <u>61</u>                          |
| Total deferred inflows                      | <u>221</u>                  | <u>-</u>                         | <u>-</u>                             | <u>61</u>                          |
| Total liabilities and deferred inflows      | <u>9,030</u>                | <u>2,817</u>                     | <u>185</u>                           | <u>4,157</u>                       |
| Net position:                               |                             |                                  |                                      |                                    |
| Net investment in capital assets            | 21,326                      | -                                | -                                    | 51                                 |
| Restricted for:                             |                             |                                  |                                      |                                    |
| Customer deposits                           | -                           | -                                | -                                    | -                                  |
| Capital projects                            | -                           | -                                | -                                    | -                                  |
| Unrestricted                                | <u>805</u>                  | <u>422</u>                       | <u>189</u>                           | <u>640</u>                         |
| Total net position                          | <u>\$ 22,131</u>            | <u>\$ 422</u>                    | <u>\$ 189</u>                        | <u>\$ 691</u>                      |

**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**As of December 31, 2020**  
(in thousands)

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|   | <u>Health<br/>Benefits</u> | <u>Information<br/>Technology</u> | <u>Facilities<br/>Services</u> | <u>Total</u>     |
|---|----------------------------|-----------------------------------|--------------------------------|------------------|
| Liabilities:                                |                            |                                   |                                |                  |
| Current liabilities:                        |                            |                                   |                                |                  |
| Accounts payable                            | \$ 605                     | \$ 434                            | \$ 286                         | \$ 1,733         |
| Estimated claims                            | 1,462                      | -                                 | -                              | 4,832            |
| Accrued payroll                             | 11                         | 391                               | 105                            | 663              |
| Accrued compensated absences                | 11                         | 257                               | 46                             | 402              |
| Accrued taxes                               | -                          | -                                 | 3                              | 3                |
| Liabilities payable from restricted assets: |                            |                                   |                                |                  |
| Customer deposits                           | -                          | -                                 | 3                              | 3                |
| Retainage payable                           | -                          | 5                                 | -                              | 5                |
| Total current liabilities                   | <u>2,089</u>               | <u>1,087</u>                      | <u>443</u>                     | <u>7,641</u>     |
| Noncurrent liabilities:                     |                            |                                   |                                |                  |
| Accrued compensated absences                | 26                         | 600                               | 106                            | 937              |
| Estimated claims                            | -                          | -                                 | -                              | 3,425            |
| Asset retirement obligation                 | -                          | -                                 | -                              | 7,957            |
| Pension liability                           | 21                         | 8,034                             | 209                            | 8,562            |
| Total noncurrent liabilities                | <u>47</u>                  | <u>8,634</u>                      | <u>315</u>                     | <u>20,881</u>    |
| Total liabilities                           | <u>2,136</u>               | <u>9,721</u>                      | <u>758</u>                     | <u>28,522</u>    |
| Deferred Inflows                            |                            |                                   |                                |                  |
| For pensions                                | 20                         | 749                               | 174                            | 1,225            |
| Total deferred inflows                      | <u>20</u>                  | <u>749</u>                        | <u>174</u>                     | <u>1,225</u>     |
| Total liabilities and deferred inflows      | <u>2,156</u>               | <u>10,470</u>                     | <u>932</u>                     | <u>29,747</u>    |
| Net position:                               |                            |                                   |                                |                  |
| Net investment in capital assets            | -                          | 386                               | 983                            | 22,746           |
| Restricted for:                             |                            |                                   |                                |                  |
| Customer deposits                           | -                          | -                                 | 3                              | 3                |
| Capital projects                            | -                          | 5                                 | -                              | 5                |
| Unrestricted                                | 1,299                      | 68                                | 2,466                          | 5,889            |
| Total net position                          | <u>\$ 1,299</u>            | <u>\$ 459</u>                     | <u>\$ 3,452</u>                | <u>\$ 28,643</u> |



**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <b>Equipment<br/>Rental</b> | <b>Workers'<br/>Compensation</b> | <b>Unemployment<br/>Compensation</b> | <b>General<br/>Self-Insurance</b> |
|---|-----------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| Operating revenues:                         |                             |                                  |                                      |                                   |
| Intergovernmental                           | \$ 51                       | \$ -                             | \$ -                                 | \$ -                              |
| Service charges and fees                    | 11,813                      | -                                | -                                    | -                                 |
| Rent  | -                           | -                                | -                                    | -                                 |
| Insurance recovery                          | -                           | -                                | -                                    | 262                               |
| Premiums/contributions                      | -                           | 2,591                            | 189                                  | 4,419                             |
| Other                                       | 5                           | 155                              | -                                    | -                                 |
| Total operating revenues                    | <u>11,869</u>               | <u>2,746</u>                     | <u>189</u>                           | <u>4,681</u>                      |
| Operating expenses:                         |                             |                                  |                                      |                                   |
| Administrative and general                  | 521                         | 101                              | -                                    | 1,840                             |
| Maintenance and operations                  | 6,771                       | 28                               | -                                    | -                                 |
| Depreciation                                | 4,913                       | -                                | -                                    | 3                                 |
| Insurance costs                             | -                           | 252                              | -                                    | 1,197                             |
| Benefits and claims payments                | -                           | 1,843                            | 361                                  | 2,753                             |
| Total operating expenses                    | <u>12,205</u>               | <u>2,224</u>                     | <u>361</u>                           | <u>5,793</u>                      |
| Operating income (loss)                     | (336)                       | 522                              | (172)                                | (1,112)                           |
| Nonoperating revenues (expenses):           |                             |                                  |                                      |                                   |
| Interest income                             | 51                          | 17                               | 2                                    | 22                                |
| Gain on disposal of capital assets          | 249                         | -                                | -                                    | -                                 |
| Other nonoperating revenues                 | 5                           | -                                | -                                    | -                                 |
| Total nonoperating revenue (expenses)       | <u>305</u>                  | <u>17</u>                        | <u>2</u>                             | <u>22</u>                         |
| Income before contributions and transfers   | (31)                        | 539                              | (170)                                | (1,090)                           |
| Special items, contributions and transfers: |                             |                                  |                                      |                                   |
| Transfers in                                | 387                         | -                                | -                                    | 198                               |
| Transfers out                               | -                           | (198)                            | (6)                                  | -                                 |
| Capital contributed from external sources   | 10                          | -                                | -                                    | -                                 |
| Change in net position                      | 366                         | 341                              | (176)                                | (892)                             |
| Net position beginning of year              | 21,765                      | 81                               | 365                                  | 1,583                             |
| Net position end of year                    | <u>\$ 22,131</u>            | <u>\$ 422</u>                    | <u>\$ 189</u>                        | <u>\$ 691</u>                     |

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <b>Health<br/>Benefits</b> | <b>Information<br/>Technology</b> | <b>Facilities<br/>Services</b> | <b>Total</b> |
|---|----------------------------|-----------------------------------|--------------------------------|--------------|
| Operating revenues:                         |                            |                                   |                                |              |
| Intergovernmental                           | \$ -                       | \$ -                              | \$ 31                          | \$ 82        |
| Service charges and fees                    | 2,043                      | 15,058                            | 6,423                          | 35,337       |
| Rent  | -                          | -                                 | 629                            | 629          |
| Insurance recovery                          | -                          | -                                 | -                              | 262          |
| Premiums/contributions                      | 17,767                     | -                                 | 30                             | 24,996       |
| Other                                       | -                          | -                                 | -                              | 160          |
| Total operating revenues                    | 19,810                     | 15,058                            | 7,113                          | 61,466       |
| Operating expenses:                         |                            |                                   |                                |              |
| Administrative and general                  | 631                        | 3,942                             | 242                            | 7,277        |
| Maintenance and operations                  | -                          | 12,030                            | 6,084                          | 24,913       |
| Depreciation                                | -                          | 384                               | 117                            | 5,417        |
| Insurance costs                             | 7,091                      | -                                 | -                              | 8,540        |
| Benefits and claims payments                | 20,225                     | -                                 | -                              | 25,182       |
| Total operating expenses                    | 27,947                     | 16,356                            | 6,443                          | 71,329       |
| Operating income (loss)                     | (8,137)                    | (1,298)                           | 670                            | (9,863)      |
| Nonoperating revenues (expenses):           |                            |                                   |                                |              |
| Interest income                             | 46                         | 52                                | 17                             | 207          |
| Gain on disposal of capital assets          | -                          | -                                 | -                              | 249          |
| Other nonoperating revenues                 | 1,135                      | 29                                | -                              | 1,169        |
| Total nonoperating revenue (expenses)       | 1,181                      | 81                                | 17                             | 1,625        |
| Income before contributions and transfers   | (6,956)                    | (1,217)                           | 687                            | (8,238)      |
| Special items, contributions and transfers: |                            |                                   |                                |              |
| Transfers in                                | -                          | -                                 | 35                             | 620          |
| Transfers out                               | (10)                       | (172)                             | (100)                          | (486)        |
| Capital contributed from external sources   | -                          | -                                 | -                              | 10           |
| Change in net position                      | (6,966)                    | (1,389)                           | 622                            | (8,094)      |
| Net position beginning of year              | 8,265                      | 1,848                             | 2,830                          | 36,737       |
| Net position end of year                    | \$ 1,299                   | \$ 459                            | \$ 3,452                       | \$ 28,643    |

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <b>Equipment<br/>Rental</b> | <b>Workers'<br/>Compensation</b> | <b>Unemployment<br/>Compensation</b> | <b>General<br/>Self-Insurance</b> |
|---|-----------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| Cash flows from operating activities:                           |                             |                                  |                                      |                                   |
| Cash received from customers and users                          | \$ 11,894                   | \$ -                             | \$ -                                 | \$ (15)                           |
| Contributions received - employer/employee                      | -                           | 2,592                            | 189                                  | 4,419                             |
| Cash received from insurance proceeds                           | -                           | -                                | -                                    | 262                               |
| Cash payments to suppliers for goods & services                 | (4,743)                     | (124)                            | -                                    | (784)                             |
| Cash payments to employees for services                         | (2,446)                     | -                                | -                                    | (828)                             |
| Cash payments to claimants                                      | -                           | (1,748)                          | (195)                                | (1,130)                           |
| Cash received from other governments                            | -                           | -                                | -                                    | 73                                |
| Cash received from contracts/rent                               | -                           | -                                | -                                    | -                                 |
| Cash payments for insurance                                     | -                           | (252)                            | -                                    | (1,197)                           |
| Other receipts  | -                           | 154                              | -                                    | -                                 |
| Net cash provided (used) by operating activities                | <u>4,705</u>                | <u>622</u>                       | <u>(6)</u>                           | <u>800</u>                        |
| Cash flows from noncapital financing activities:                |                             |                                  |                                      |                                   |
| Transfers in  | 387                         | -                                | -                                    | 198                               |
| Transfers out   | -                           | (198)                            | (6)                                  | -                                 |
| Cash received from non-operating revenues                       | 5                           | -                                | -                                    | -                                 |
| Net cash provided (used) by noncapital financing activities:    | <u>392</u>                  | <u>(198)</u>                     | <u>(6)</u>                           | <u>198</u>                        |
| Cash flows from capital & related financing activities:         |                             |                                  |                                      |                                   |
| Acquisition and construction of capital assets                  | (4,923)                     | -                                | -                                    | -                                 |
| Net cash provided (used) by capital financing activities        | <u>(4,923)</u>              | <u>-</u>                         | <u>-</u>                             | <u>-</u>                          |
| Cash flows from investing activities:                           |                             |                                  |                                      |                                   |
| Interest on investments   | 78                          | 27                               | 3                                    | 35                                |
| Net cash provided (used) by investing activities                | <u>78</u>                   | <u>27</u>                        | <u>3</u>                             | <u>35</u>                         |
| Net increase (decrease) in cash balance                         | 252                         | 451                              | (9)                                  | 1,033                             |
| Cash and equity in pooled investments balance beginning of year | <u>7,299</u>                | <u>2,788</u>                     | <u>383</u>                           | <u>3,701</u>                      |
| Cash and equity in pooled investments balance end of year       | <u>\$ 7,551</u>             | <u>\$ 3,239</u>                  | <u>\$ 374</u>                        | <u>\$ 4,734</u>                   |

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <b>Health<br/>Benefits</b> | <b>Information<br/>Technology</b> | <b>Facilities<br/>Services</b> | <b>Total</b>            |
|---|----------------------------|-----------------------------------|--------------------------------|-------------------------|
| Cash flows from operating activities:                           |                            |                                   |                                |                         |
| Cash received from customers and users                          | \$ 2,004                   | \$ 15,030                         | \$ 6,456                       | \$ 35,369               |
| Contributions received - employer/employees                     | 17,767                     | -                                 | -                              | 24,967                  |
| Cash received from insurance proceeds                           | -                          | -                                 | -                              | 262                     |
| Cash payments to suppliers for goods & services                 | 4,100                      | (5,154)                           | (3,965)                        | (10,670)                |
| Cash payments to employees for services                         | (4,378)                    | (8,960)                           | (2,531)                        | (19,143)                |
| Cash payments to claimants                                      | (20,181)                   | -                                 | -                              | (23,254)                |
| Cash received from other governments                            | -                          | 35                                | -                              | 108                     |
| Cash received from contracts/rent                               | -                          | -                                 | 629                            | 629                     |
| Cash payments for insurance                                     | (7,091)                    | -                                 | -                              | (8,540)                 |
| Other receipts  | 1,135                      | -                                 | 29                             | 1,318                   |
| Net cash provided (used) by operating activities                | <u>(6,644)</u>             | <u>951</u>                        | <u>618</u>                     | <u>1,046</u>            |
| Cash flows from noncapital financing activities:                |                            |                                   |                                |                         |
| Transfers in  | -                          | -                                 | 35                             | 620                     |
| Transfers out   | (10)                       | (172)                             | (100)                          | (486)                   |
| Cash received from non-operating revenues                       | -                          | 29                                | -                              | 34                      |
| Net cash provided (used) by noncapital financing activities:    | <u>(10)</u>                | <u>(143)</u>                      | <u>(65)</u>                    | <u>168</u>              |
| Cash flows from capital & related financing activities:         |                            |                                   |                                |                         |
| Acquisition and construction of capital assets                  | -                          | (15)                              | -                              | (4,938)                 |
| Net cash provided (used) by capital financing activities        | <u>-</u>                   | <u>(15)</u>                       | <u>-</u>                       | <u>(4,938)</u>          |
| Cash flows from investing activities:                           |                            |                                   |                                |                         |
| Interest on investments   | 80                         | 81                                | 27                             | 331                     |
| Net cash provided (used) by investing activities                | <u>80</u>                  | <u>81</u>                         | <u>27</u>                      | <u>331</u>              |
| Net increase (decrease) in cash balance                         | (6,574)                    | 874                               | 580                            | (3,393)                 |
| Cash and equity in pooled investments balance beginning of year | <u>9,707</u>               | <u>8,324</u>                      | <u>2,665</u>                   | <u>34,867</u>           |
| Cash and equity in pooled investments balance end of year       | <u><u>\$ 3,133</u></u>     | <u><u>\$ 9,198</u></u>            | <u><u>\$ 3,245</u></u>         | <u><u>\$ 31,474</u></u> |

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|   | <u>Equipment<br/>Rental</u> | <u>Workers'<br/>Compensation</u> | <u>Unemployment<br/>Compensation</u> | <u>General<br/>Self-Insurance</u> |
|---|-----------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| Reconciliation of operating income to net cash<br>provided (used) by operating activities:        |                             |                                  |                                      |                                   |
| Operating income (loss)   | \$ (336)                    | \$ 522                           | \$ (172)                             | \$ (1,112)                        |
| Adjustments to reconcile operating income to net<br>cash provided (used) by operating activities: |                             |                                  |                                      |                                   |
| Depreciation  | 4,913                       | -                                | -                                    | 3                                 |
| Other receipts  | -                           | -                                | -                                    | -                                 |
| Changes in assets and liabilities:  |                             |                                  |                                      |                                   |
| (Increase) decrease in accounts receivable  | 1                           | -                                | -                                    | (15)                              |
| (Increase) decrease in due from other funds   | 23                          | -                                | -                                    | -                                 |
| (Increase) decrease in due from other governments   | -                           | -                                | -                                    | 73                                |
| (Increase) decrease in inventory  | 9                           | -                                | -                                    | -                                 |
| (Increase) decrease in asset retirement obligation  | 20                          | -                                | -                                    | -                                 |
| (Increase) decrease in deferred outflow   | 176                         | -                                | -                                    | (10)                              |
| Increase (decrease) in accounts payable   | 30                          | 5                                | 83                                   | (11)                              |
| Increase (decrease) in wages & benefits payable   | 15                          | -                                | -                                    | (5)                               |
| Increase (decrease) in compensated absences   | (2)                         | -                                | -                                    | 9                                 |
| Increase (decrease) in due to other governments   | 1                           | -                                | -                                    | -                                 |
| Increase (decrease) in estimated claims payable   | -                           | 95                               | 83                                   | 1,902                             |
| Increase (decrease) in pension liability  | 47                          | -                                | -                                    | 15                                |
| Increase (decrease) in deferred inflows   | (192)                       | -                                | -                                    | (49)                              |
| Total adjustments   | <u>5,041</u>                | <u>100</u>                       | <u>166</u>                           | <u>1,912</u>                      |
| Net cash provided (used) by operating activities  | <u>\$ 4,705</u>             | <u>\$ 622</u>                    | <u>\$ (6)</u>                        | <u>\$ 800</u>                     |

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

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|  | <b>Health<br/>Benefits</b> | <b>Information<br/>Technology</b> | <b>Facilities<br/>Services</b> | <b>Total</b>    |
|--|----------------------------|-----------------------------------|--------------------------------|-----------------|
| Reconciliation of operating income to net cash provided (used) by operating activities:        |                            |                                   |                                |                 |
| Operating income (loss)  | \$ (8,137)                 | \$ (1,298)                        | \$ 670                         | \$ (9,863)      |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |                            |                                   |                                |                 |
| Depreciation   | -                          | 384                               | 117                            | 5,417           |
| Other receipts   | 1,135                      | -                                 | -                              | 1,135           |
| Changes in assets and liabilities:   |                            |                                   |                                |                 |
| (Increase) decrease in accounts receivable   | (39)                       | (28)                              | 2                              | (79)            |
| (Increase) decrease in due from other funds  | -                          | -                                 | -                              | 23              |
| (Increase) decrease in due from other governments  | -                          | 35                                | -                              | 108             |
| (Increase) decrease in inventory   | -                          | -                                 | -                              | 9               |
| (Increase) decrease in asset retirement obligation   | -                          | -                                 | -                              | 20              |
| (Increase) decrease in deferred outflow  | (4)                        | (423)                             | (14)                           | (275)           |
| Increase (decrease) in accounts payable  | 358                        | 338                               | 39                             | 842             |
| Increase (decrease) in wages & benefits payable  | 1                          | 41                                | (12)                           | 40              |
| Increase (decrease) in compensated absences  | 5                          | 158                               | (4)                            | 166             |
| Increase (decrease) in due to other governments  | -                          | -                                 | (2)                            | (1)             |
| Increase (decrease) in estimated claims payable  | 44                         | -                                 | -                              | 2,124           |
| Increase (decrease) in pension liability   | 6                          | 2,543                             | 27                             | 2,638           |
| Increase (decrease) in deferred inflows  | (13)                       | (799)                             | (205)                          | (1,258)         |
| Total adjustments  | 1,493                      | 2,249                             | (52)                           | 10,909          |
| Net cash provided (used) by operating activities   | <u>\$ (6,644)</u>          | <u>\$ 951</u>                     | <u>\$ 618</u>                  | <u>\$ 1,046</u> |

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

**Descriptions of the pension trust funds included as supplementary information in the city's Comprehensive Annual 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, 2020**  
(in thousands)

|  | <b><u>Firefighters'</u></b><br><b><u>Pension Fund</u></b> | <b><u>Municipal</u></b><br><b><u>Employees'</u></b><br><b><u>Benefit Trust</u></b> | <b><u>Total</u></b> |
|--|---|--|---------------------|
| Assets:                                |   |  |                     |
| Cash & equity in pooled investments:   |   |  |                     |
| U.S. government and agency obligations | \$ 210  | \$ -   | \$ 210              |
| State and local obligations            | 140   | -  | 140                 |
| State investment pool                  | 6,100   | -  | 6,100               |
| Collective trust fund                  | -   | 145,085  | 145,085             |
| Mutual funds                           | -   | 732,386  | 732,386             |
| Common and preferred stocks            | -   | 104,471  | 104,471             |
| Interest-bearing bank deposits         | 562   | 1,799  | 2,361               |
| Receivables (net of allowances):       |   |  |                     |
| Interest receivable                    | -   | 1,055  | 1,055               |
| Employee contributions                 | -   | 1  | 1                   |
| Notes receivable from participants     | -   | 8,766  | 8,766               |
| Due from other governments             | -   | 44   | 44                  |
| Total assets                           | <u>\$ 7,012</u>   | <u>\$ 993,607</u>  | <u>\$ 1,000,619</u> |
| Liabilities:                           |   |  |                     |
| Accounts payable                       | \$ -  | \$ 418   | \$ 418              |
| Total liabilities                      | <u>-</u>  | <u>418</u>   | <u>418</u>          |
| Total net position                     | <u>\$ 7,012</u>   | <u>\$ 993,189</u>  | <u>\$ 1,000,201</u> |

**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Pension Funds**  
**For the Year ended December 31, 2020**  
(in thousands)

|  | <b>Firefighters'<br/>Pension Fund</b> | <b>Municipal<br/>Employees'<br/>Benefit Trust</b> | <b>Total</b>        |
|--|---------------------------------------|---|---------------------|
| Additions:                                   |                                       |   |                     |
| Investment income:                           |                                       |   |                     |
| Interest                                     | \$ 42                                 | \$ 500  | \$ 542              |
| Net change in fair value of investments      | -                                     | 97,505  | 97,505              |
| Dividends                                    | -                                     | 22,192  | 22,192              |
| Contributions:                               |                                       |   |                     |
| Contributions from employers and nonemployer | 277                                   | 21,571  | 21,848              |
| Contributions from participants and members  | -                                     | 24,752  | 24,752              |
| Rollovers                                    | -                                     | 337   | 337                 |
| Total additions                              | <u>319</u>                            | <u>166,857</u>                                    | <u>167,176</u>      |
| Deductions:                                  |                                       |   |                     |
| Benefit payments                             | 312                                   | 57,481  | 57,793              |
| Insurance premiums                           | -                                     | 2,244   | 2,244               |
| Administrative expense                       | 7                                     | 1,932   | 1,939               |
| Total deductions                             | <u>319</u>                            | <u>61,657</u>                                     | <u>61,976</u>       |
| Net increase (decrease) in net position      | -                                     | 105,200   | 105,200             |
| Net position beginning of year               | 7,012                                 | -   | 7,012               |
| Change in accounting principle               | -                                     | 887,989   | 887,989             |
| Net position end of year                     | <u>\$ 7,012</u>                       | <u>\$ 993,189</u>                                 | <u>\$ 1,000,201</u> |

## **Custodial Funds**

**Descriptions of the custodial (fiduciary) funds included as supplementary information in the city's Comprehensive Annual 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 citizens 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, 2020**  
(in thousands)

Page 1 of 2

|                                     | <b>eCityGov<br/>Alliance</b> | <b>Community<br/>Connectivity<br/>Consortium</b> | <b>Eastside<br/>Narcotics<br/>Task Force</b> | <b>Hazardous<br/>Materials</b> |
|-------------------------------------|------------------------------|--|--|--------------------------------|
| Assets:                             |                              |  |  |                                |
| Cash & equity in pooled investments | \$ 1,081                     | \$ 257   | \$ 76  | \$ 313                         |
| Capital assets (net)                | -                            | -  | 8  | 99                             |
| <b>Total assets</b>                 | <b>\$ 1,081</b>              | <b>\$ 257</b>                                    | <b>\$ 84</b>                                 | <b>\$ 412</b>                  |
| Liabilities:                        |                              |  |  |                                |
| Accounts payable                    | \$ 31                        | \$ 2   | \$ -   | \$ 5                           |
| Deposits payable                    | -                            | -  | 66   | -                              |
| <b>Total liabilities</b>            | <b>31</b>                    | <b>2</b>   | <b>66</b>                                    | <b>5</b>                       |
| <b>Total net position</b>           | <b>\$ 1,050</b>              | <b>\$ 255</b>                                    | <b>\$ 18</b>                                 | <b>\$ 407</b>                  |

**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**As of December 31, 2020**  
(in thousands)

Page 2 of 2

|                                     | <u>Custodial<br/>Fund</u> | <u>Total</u>    |
|-------------------------------------|---------------------------|-----------------|
| Assets:                             |                           |                 |
| Cash & equity in pooled investments | \$ 601                    | \$ 2,328        |
| Capital assets (net)                | -                         | 107             |
| Total assets                        | <u>\$ 601</u>             | <u>\$ 2,435</u> |
| Liabilities:                        |                           |                 |
| Accounts payable                    | \$ -                      | \$ 38           |
| Deposits payable                    | -                         | 66              |
| Total liabilities                   | <u>-</u>                  | <u>104</u>      |
| Total net position                  | <u>\$ 601</u>             | <u>\$ 2,331</u> |

**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

Page 1 of 2

|  | <b>eCityGov<br/>Alliance</b> | <b>Community<br/>Connectivity<br/>Consortium</b> | <b>Eastside<br/>Narcotics<br/>Task Force</b> | <b>Hazardous<br/>Materials</b> |
|--|------------------------------|--|--|--------------------------------|
| Additions:                               |                              |  |  |                                |
| Investment income:                       |                              |  |  |                                |
| Interest                                 | \$ 9                         | \$ 1   | \$ -   | \$ 2                           |
| Other contributions:                     |                              |  |  |                                |
| Contributions from members               | 1,618                        | 110  | -  | 121                            |
| Tax collections for other governments    | -                            | -  | -  | -                              |
| Deposits collected                       | -                            | -  | -  | -                              |
| Other                                    | 3                            | -  | -  | -                              |
| Total additions                          | <u>1,630</u>                 | <u>111</u>                                       | <u>-</u>                                     | <u>123</u>                     |
| Deductions:                              |                              |  |  |                                |
| Administrative expense                   | 1,790                        | 64   | -  | 65                             |
| Distributions to human services agencies | -                            | -  | -  | -                              |
| Payments to other governments            | -                            | -  | -  | -                              |
| Deposits released                        | -                            | -  | -  | -                              |
| Total deductions                         | <u>1,790</u>                 | <u>64</u>  | <u>-</u>                                     | <u>65</u>                      |
| Net increase (decrease) in net position  | (160)                        | 47   | -  | 58                             |
| Net position beginning of year           | -                            | -  | -  | -                              |
| Change in accounting principle           | 1,213                        | 208  | 18   | 349                            |
| Prior period addition (deduction)        | (3)                          | -  | -  | -                              |
| Net position end of year                 | <u>\$ 1,050</u>              | <u>\$ 255</u>                                    | <u>\$ 18</u>                                 | <u>\$ 407</u>                  |

**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended December 31, 2020**  
(in thousands)

Page 2 of 2

|  | <u>Custodial<br/>Fund</u> | <u>Total</u>    |
|--|---------------------------|-----------------|
| Additions:                               |                           |                 |
| Investment income:                       |                           |                 |
| Interest                                 | \$ 1                      | \$ 13           |
| Other contributions:                     |                           |                 |
| Contributions from members               | 2,661                     | 4,510           |
| Tax collections for other governments    | 859                       | 859             |
| Deposits collected                       | 2,770                     | 2,770           |
| Other                                    | -                         | 3               |
| Total additions                          | <u>6,291</u>              | <u>8,155</u>    |
| Deductions:                              |                           |                 |
| Administrative expense                   | -                         | 1,919           |
| Distributions to human services agencies | 2,686                     | 2,686           |
| Payments to other governments            | 860                       | 860             |
| Deposits released                        | 2,921                     | 2,921           |
| Total deductions                         | <u>6,467</u>              | <u>8,386</u>    |
| Net increase (decrease) in net position  | (176)                     | (231)           |
| Net position beginning of year           | -                         | -               |
| Change in accounting principle           | 777                       | 2,565           |
| Prior period addition (deduction)        | -                         | (3)             |
| Net position end of year                 | <u>\$ 601</u>             | <u>\$ 2,331</u> |



## **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<sup>(A)(B)</sup>**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        |
|                         |                                  |            |              |              |                                  |            |              |            |                                  |            |              |              |
| 2011                    | \$ 1,506,482                     | \$ 11,207  | \$ 80,770    | \$ 1,598,459 | \$ 258,754                       | \$ 102,188 | \$ 36,542    | \$ 397,484 | \$ 1,765,236                     | \$ 113,395 | \$ 117,312   | \$ 1,995,943 |
| 2012                    | 1,513,235                        | 25,690     | 58,636       | 1,597,561    | 265,524                          | 123,837    | 30,977       | 420,338    | 1,778,759                        | 149,527    | 89,613       | 2,017,900    |
| 2013                    | 1,563,631                        | 18,054     | 25,227       | 1,606,912    | 277,669                          | 138,021    | 34,103       | 449,793    | 1,841,300                        | 156,075    | 59,330       | 2,056,705    |
| 2014                    | 1,546,380                        | 47,503     | 44,716       | 1,638,599    | 289,506                          | 529        | 222,653      | 512,688    | 1,835,886                        | 48,032     | 267,369      | 2,151,287    |
| 2015                    | 1,566,471                        | 91,987     | (31,050)     | 1,627,408    | 312,700                          | 537        | 235,263      | 548,500    | 1,879,171                        | 92,524     | 204,213      | 2,175,908    |
| 2016                    | 1,605,104                        | 101,621    | (37,081)     | 1,669,644    | 336,121                          | 800        | 215,615      | 552,536    | 1,941,225                        | 102,421    | 178,534      | 2,222,180    |
| 2017                    | 1,626,502                        | 112,522    | 5,774        | 1,744,798    | 353,414                          | 804        | 249,089      | 603,307    | 1,979,916                        | 113,326    | 254,863      | 2,348,105    |
| 2018                    | 1,661,776                        | 117,031    | 27,875       | 1,806,682    | 375,075                          | 378        | 282,087      | 657,540    | 2,036,851                        | 117,409    | 309,962      | 2,464,222    |
| 2019                    | 1,707,871                        | 105,692    | 56,849       | 1,870,412    | 403,636                          | 578        | 325,907      | 730,121    | 2,111,507                        | 106,270    | 382,756      | 2,600,533    |
| 2020                    | 1,761,119                        | 120,961    | 46,419       | 1,928,499    | 431,961                          | 520        | 351,271      | 783,752    | 2,193,080                        | 121,481    | 397,690      | 2,712,251    |

<sup>(A)</sup> All amounts are reported on the accrual basis. As of 2012, certain activities have been reclassified to deferred inflows and deferred outflows.

<sup>(B)</sup> As of 2012, GASB Statement No. 63 redefined financial reporting to include the Statement of Net Position. Prior to 2012, the information above was provided on the Statement of Net Assets.

**Table 2**  
Page 1 of 3

**CHANGES IN NET POSITION <sup>(A)(B)</sup>**  
Last Ten Fiscal Years  
(in thousands)

|  | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Expenses</b>                                |            |            |            |            |            |            |            |            |            |            |
| Governmental activities                        |            |            |            |            |            |            |            |            |            |            |
| General government                             | \$ 36,450  | \$ 36,392  | \$ 28,354  | \$ 31,948  | \$ 33,611  | \$ 39,840  | \$ 27,174  | \$ 34,751  | \$ 38,187  | \$ 82,024  |
| Public safety                                  | 79,163     | 82,822     | 84,074     | 85,734     | 90,269     | 90,827     | 94,620     | 98,732     | 107,391    | 104,615    |
| Physical environment                           | 1,813      | 1,642      | 2,892      | 2,249      | 2,446      | 1,509      | 1,361      | 1,194      | 1,452      | 1,284      |
| Transportation                                 | 29,711     | 27,761     | 29,147     | 30,925     | 36,384     | 36,729     | 43,071     | 40,929     | 62,788     | 47,976     |
| Economic environment                           | 18,720     | 19,037     | 20,768     | 23,336     | 34,571     | 32,573     | 31,821     | 31,259     | 43,764     | 44,271     |
| Health and human services                      | 8,195      | 11,511     | 7,414      | 7,596      | 8,457      | 6,766      | 7,492      | 6,548      | 6,897      | 6,393      |
| Culture and recreation                         | 34,948     | 38,452     | 39,448     | 39,776     | 43,116     | 39,356     | 47,522     | 43,080     | 42,243     | 41,637     |
| Interest on long-term debt                     | 7,817      | 7,910      | 8,691      | 8,978      | 11,148     | 12,010     | 11,686     | 11,097     | 10,990     | 10,960     |
| Total governmental activities                  | 216,817    | 225,527    | 220,788    | 230,542    | 260,002    | 259,610    | 264,747    | 267,590    | 313,712    | 339,160    |
| Business-type activities                       |            |            |            |            |            |            |            |            |            |            |
| Water  | 34,897     | 38,708     | 41,218     | 46,886     | 44,529     | 48,299     | 45,722     | 49,899     | 50,474     | 51,027     |
| Sewer  | 39,571     | 41,089     | 44,099     | 44,780     | 48,683     | 49,470     | 47,913     | 50,623     | 53,173     | 53,215     |
| Storm & surface water                          | 10,661     | 10,950     | 11,208     | 11,764     | 12,699     | 14,413     | 15,020     | 11,973     | 13,622     | 14,710     |
| Marina   | 261        | 277        | 232        | 273        | 219        | 216        | 349        | 154        | 318        | 318        |
| Total business-type activities                 | 85,390     | 91,024     | 96,757     | 103,703    | 106,130    | 112,398    | 109,004    | 112,649    | 117,587    | 119,270    |
| Total primary government expenses              | \$ 302,207 | \$ 316,551 | \$ 317,545 | \$ 334,245 | \$ 366,132 | \$ 372,008 | \$ 373,751 | \$ 380,239 | \$ 431,299 | \$ 458,430 |
| <b>Program Revenues</b>                        |            |            |            |            |            |            |            |            |            |            |
| Governmental activities                        |            |            |            |            |            |            |            |            |            |            |
| Charges for services                           |            |            |            |            |            |            |            |            |            |            |
| General government                             | \$ 9,743   | \$ 3,904   | \$ 3,764   | \$ 3,686   | \$ 5,518   | \$ 3,519   | \$ 3,449   | \$ 3,295   | \$ 3,801   | \$ 4,601   |
| Public safety                                  | 16,178     | 18,569     | 16,874     | 16,553     | 19,549     | 22,274     | 22,668     | 23,994     | 23,713     | 24,395     |
| Physical environment                           | 994        | 813        | 588        | 735        | 692        | 705        | 708        | 742        | 641        | 800        |
| Transportation                                 | 1,071      | 1,930      | 1,940      | 6,391      | 10,098     | 8,518      | 11,361     | 15,224     | 7,626      | 18,876     |
| Economic environment                           | 8,564      | 11,311     | 12,545     | 17,296     | 18,797     | 19,334     | 17,444     | 17,873     | 24,502     | 28,513     |
| Health and human services                      | 463        | 496        | 530        | 545        | 555        | 2,150      | 3,015      | 3,048      | 412        | 283        |
| Culture and recreation                         | 8,922      | 8,873      | 9,186      | 9,183      | 10,220     | 11,569     | 11,258     | 11,488     | 11,992     | 7,119      |
| Operating grants and contributions             | 8,423      | 8,188      | 7,851      | 7,585      | 11,427     | 8,043      | 7,542      | 7,542      | 18,168     | 21,845     |
| Capital grants and contributions               | 6,563      | 3,919      | 5,136      | 13,373     | 17,239     | 9,811      | 20,027     | 10,969     | 28,532     | 38,193     |
| Total governmental activities program revenues | 60,921     | 58,003     | 58,414     | 75,347     | 94,095     | 85,923     | 97,472     | 94,175     | 119,387    | 144,625    |

City of Bellevue, Washington

**Table 2**  
Page 2 of 3

**CHANGES IN NET POSITION <sup>(A)(B)</sup>**

Last Ten Fiscal Years  
(in thousands)

|   | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Business-type activities                                |              |              |              |              |              |              |              |              |              |              |
| Charges for Services                                    |              |              |              |              |              |              |              |              |              |              |
| Water   | \$ 37,253    | \$ 41,686    | \$ 48,417    | \$ 52,181    | \$ 57,666    | \$ 57,215    | \$ 61,622    | \$ 64,373    | \$ 67,555    | \$ 65,993    |
| Sewer   | 46,304       | 47,202       | 51,270       | 53,359       | 56,628       | 59,678       | 61,758       | 63,479       | 66,384       | 64,244       |
| Storm & surface water                                   | 16,383       | 16,730       | 18,872       | 20,446       | 21,333       | 22,593       | 23,376       | 24,490       | 26,178       | 26,866       |
| Marina  | 538          | 564          | 575          | 585          | 625          | 624          | 606          | 653          | 715          | 680          |
| Operating grants and contributions                      | -            | -            | -            | -            | -            | -            | -            | 104          | 75           | 66           |
| Capital grants and contributions                        | 3,575        | 4,693        | 5,141        | 7,619        | 5,611        | 6,068        | 6,617        | 7,644        | 20,341       | 12,649       |
| Total business-type activities program revenues         | 104,053      | 110,875      | 124,275      | 134,190      | 141,863      | 146,178      | 153,979      | 160,743      | 181,248      | 170,498      |
| Total primary government program revenues               | \$ 164,974   | \$ 168,878   | \$ 182,689   | \$ 209,537   | \$ 235,958   | \$ 232,101   | \$ 251,451   | \$ 254,918   | \$ 300,635   | \$ 315,123   |
| <b>Net (Expense)/Revenue</b>                            |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                 | \$ (155,896) | \$ (167,524) | \$ (162,374) | \$ (155,195) | \$ (165,907) | \$ (173,687) | \$ (167,275) | \$ (173,415) | \$ (194,325) | \$ (194,535) |
| Business-type activities                                | 18,663       | 19,851       | 27,518       | 30,487       | 35,733       | 33,780       | 44,975       | 48,094       | 63,661       | 51,228       |
| Total primary government net expense                    | \$ (137,233) | \$ (147,673) | \$ (134,856) | \$ (124,708) | \$ (130,174) | \$ (139,907) | \$ (122,300) | \$ (125,321) | \$ (130,664) | \$ (143,307) |
| <b>General Revenues and Other Changes in Net Assets</b> |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                 |              |              |              |              |              |              |              |              |              |              |
| Taxes   |              |              |              |              |              |              |              |              |              |              |
| Property tax  | \$ 36,337    | \$ 37,538    | \$ 38,302    | \$ 38,379    | \$ 40,222    | \$ 41,304    | \$ 55,907    | \$ 57,754    | \$ 59,210    | \$ 61,172    |
| Retail sales and use tax                                | 46,357       | 48,596       | 53,072       | 59,278       | 66,173       | 69,686       | 72,981       | 78,251       | 83,781       | 74,150       |
| Utility tax   | 25,941       | 25,813       | 28,103       | 26,790       | 27,219       | 27,169       | 29,386       | 29,036       | 27,092       | 26,398       |
| Business and occupation tax                             | 25,753       | 27,492       | 28,783       | 34,856       | 36,551       | 38,380       | 43,530       | 47,811       | 43,012       | 41,515       |
| Excise tax  | 6,680        | 13,646       | 12,090       | 14,665       | 19,515       | 22,815       | 21,350       | 20,951       | 28,310       | 27,969       |
| Hotel/motel tax   | 6,776        | 7,469        | 9,176        | 8,975        | 10,191       | 11,214       | 11,780       | 12,645       | 12,531       | 3,139        |
| Other tax   | 515          | 476          | 446          | 590          | 474          | 1,837        | 1,969        | 2,065        | 2,115        | 264          |
| Payments from component unit                            | 31           | 20           | 10           | 10           | 9            | 11           | 9            | 11           | 10           | 8,906        |
| Grants and contributions - unrestricted                 | 1,450        | 1,700        | 1,258        | 1,424        | 1,721        | 1,202        | 2,746        | 1,398        | 1,525        | 1,166        |
| Unrestricted investment interest                        | 1,458        | 630          | 884          | 962          | 1,349        | 1,622        | 2,098        | 3,459        | 5,214        | 2,159        |
| Gain (loss) in change of fair value of investments      | 547          | (83)         | (801)        | 417          | (131)        | (304)        | (490)        | 341          | 1,124        | 2            |
| Miscellaneous   | 2,293        | 357          | 484          | 721          | 269          | 823          | 572          | 750          | 1,513        | 3,856        |
| Gain (loss) on sale of capital assets                   | 310          | 328          | 285          | 61           | (685)        | 221          | 991          | 2,682        | 283          | 304          |
| Transfers   | (134)        | (561)        | (366)        | (246)        | (141)        | (60)         | 48           | (171)        | 382          | 400          |
| Total governmental activities                           | \$ 154,314   | \$ 163,421   | \$ 171,726   | \$ 186,882   | \$ 202,736   | \$ 215,920   | \$ 242,877   | \$ 256,983   | \$ 266,102   | \$ 251,400   |

**Table 2**  
Page 3 of 3

**CHANGES IN NET POSITION <sup>(A)(B)</sup>**  
Last Ten Fiscal Years  
(in thousands)

|  | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Business-type activities                           |            |            |            |            |            |            |            |            |            |            |
| Unrestricted investment interest                   | \$ 1,529   | \$ 757     | \$ 924     | \$ 1,213   | \$ 1,581   | \$ 2,099   | \$ 2,857   | \$ 4,496   | \$ 6,830   | \$ 1,937   |
| Gain (loss) in change of fair value of investments | 542        | 167        | (911)      | 11,947     | 7,425      | (432)      | (707)      | 432        | 1,613      | 2          |
| Miscellaneous                                      | 953        | 1,519      | 1,556      | 979        | 1,054      | 1,747      | 3,658      | 1,041      | 861        | 864        |
| Gain (loss) on sale of capital assets              | -          | -          | 3          | 236        | 201        | 46         | 44         | (1)        | -          | -          |
| Transfers  | 134        | 561        | 366        | 246        | 141        | 60         | (48)       | 171        | (382)      | (400)      |
| Total business-type activities                     | 3,158      | 3,004      | 1,938      | 14,621     | 10,402     | 3,520      | 5,804      | 6,139      | 8,922      | 2,403      |
| Total primary government                           | \$ 157,472 | \$ 166,425 | \$ 173,664 | \$ 201,503 | \$ 213,138 | \$ 219,440 | \$ 248,681 | \$ 263,122 | \$ 275,024 | \$ 253,803 |
| <b>Change in Net Position</b>                      |            |            |            |            |            |            |            |            |            |            |
| Governmental activities                            | \$ (1,582) | \$ (4,103) | \$ 9,352   | \$ 31,687  | \$ 36,829  | \$ 42,233  | \$ 75,602  | \$ 83,568  | \$ 71,777  | \$ 56,865  |
| Business-type activities                           | 21,821     | 22,855     | 29,456     | 45,108     | 46,135     | 37,300     | 50,779     | 54,233     | 72,583     | 53,631     |
| Total primary government                           | \$ 20,239  | \$ 18,752  | \$ 38,808  | \$ 76,795  | \$ 82,964  | \$ 79,533  | \$ 126,381 | \$ 137,801 | \$ 144,360 | \$ 110,496 |

<sup>(A)</sup> All amounts are reported on the accrual basis.

<sup>(B)</sup> As of 2012, GASB Statement No. 63 redefined financial reporting to include the Statement of Net Position. Prior to 2012, the information above was provided on the Statement of Net Assets.

Table 3

**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**

Last Ten Fiscal Years

(in thousands)

| <b>Fiscal Year</b> | <b>Total Taxes</b> | <b>General<br/>Property<br/>Taxes</b> | <b>General Sales<br/>Taxes</b> | <b>Utility Taxes</b> | <b>Business and<br/>Occupation<br/>Taxes</b> | <b>LFR Local<br/>Option Sales<br/>and Use Tax</b> | <b>Excise Taxes</b> | <b>Other Taxes<br/>and<br/>Assessments<sup>(A)</sup></b> | <b>Memo Only<br/>Hotel/Motel<br/>Tax<sup>(B)</sup></b> |
|--------------------|--------------------|---------------------------------------|--------------------------------|----------------------|--|---|---------------------|--|--|
| 2011               | \$ 141,583         | \$ 36,337                             | \$ 46,357                      | \$ 25,941            | \$ 25,753                                    | \$ -  | \$ 6,680            | \$ 515   | \$ 6,776   |
| 2012               | 153,562            | 37,539                                | 48,596                         | 25,813               | 27,492                                       | -   | 13,646              | 476  | 7,469  |
| 2013               | 160,796            | 38,302                                | 52,757                         | 28,103               | 28,783                                       | 315   | 12,090              | 446  | 9,176  |
| 2014               | 174,558            | 38,379                                | 58,717                         | 26,790               | 34,856                                       | 561   | 14,665              | 590  | 8,975  |
| 2015               | 190,154            | 40,222                                | 65,551                         | 27,219               | 36,551                                       | 622   | 19,515              | 474  | 10,191   |
| 2016               | 201,190            | 41,303                                | 69,184                         | 27,169               | 38,380                                       | 502   | 22,815              | 1,837  | 11,214   |
| 2017               | 225,124            | 55,908                                | 72,481                         | 29,386               | 43,530                                       | 500   | 21,350              | 1,969  | 11,780   |
| 2018               | 235,868            | 57,754                                | 77,751                         | 29,036               | 47,811                                       | 500   | 20,951              | 2,065  | 12,645   |
| 2019               | 243,520            | 59,210                                | 83,281                         | 27,092               | 43,012                                       | 500   | 28,310              | 2,115  | 12,531   |
| 2020               | 231,468            | 61,172                                | 73,650                         | 26,398               | 41,515                                       | 500   | 27,969              | 264  | 3,139  |

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

**Table 4**  
Page 1 of 4

**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|                                 | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>General Fund</b>             |           |           |           |           |           |           |           |           |           |           |
| Nonspendable for:               |           |           |           |           |           |           |           |           |           |           |
| Prepays                         | \$ -      | \$ 406    | \$ 408    | \$ 391    | \$ 732    | \$ 491    | \$ 522    | \$ 2      | \$ 488    | \$ 644    |
| Total nonspendable fund balance | -         | 406       | 408       | 391       | 732       | 491       | 522       | 2         | 488       | 644       |
| Assigned for:                   |           |           |           |           |           |           |           |           |           |           |
| General government              | 1,180     | 1,454     | 701       | 980       | 1,333     | 1,640     | 1,086     | 1,050     | 1,125     | 1,045     |
| Public safety                   | -         | -         | -         | -         | -         | -         | 57        | 60        | -         | -         |
| Transportation                  | -         | -         | -         | -         | -         | -         | 716       | 3,591     | 863       | 847       |
| Economic environment            | -         | -         | -         | -         | -         | -         | -         | 16,056    | 23,368    | 31,669    |
| Health & human services         | -         | -         | -         | -         | 98        | 58        | -         | -         | 772       | 975       |
| Culture & recreation            | -         | -         | 873       | 705       | 912       | 1,132     | 914       | 1,253     | 2,126     | 1,603     |
| Debt services                   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Total assigned fund balance     | 1,180     | 1,454     | 1,574     | 1,685     | 2,343     | 2,830     | 2,773     | 22,010    | 28,254    | 36,139    |
| Restricted for:                 |           |           |           |           |           |           |           |           |           |           |
| General government              | -         | 114       | -         | -         | -         | -         | -         | 3         | -         | -         |
| Public safety                   | -         | -         | -         | -         | -         | 245       | 341       | 287       | 647       | 561       |
| Debt Service                    | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Health & human services         | 567       | -         | -         | -         | -         | 38        | 225       | 2,472     | 13        | -         |
| Total restricted fund balance   | 567       | 114       | -         | -         | -         | 283       | 566       | 2,762     | 660       | 561       |
| Unassigned                      | 20,873    | 20,873    | 23,051    | 25,978    | 31,309    | 36,907    | 44,735    | 44,193    | 47,784    | 42,657    |
| Total unassigned fund balance   | 20,873    | 20,873    | 23,051    | 25,978    | 31,309    | 36,907    | 44,735    | 44,193    | 47,784    | 42,657    |
| Fund Balance - General fund     | \$ 22,620 | \$ 22,847 | \$ 25,033 | \$ 28,054 | \$ 34,384 | \$ 40,511 | \$ 48,597 | \$ 68,967 | \$ 77,186 | \$ 80,001 |



**Table 4**  
Page 2 of 4

**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|                                 | 2011     | 2012     | 2013     | 2014     | 2015     | 2016   | 2017      | 2018      | 2019      | 2020      |
|---------------------------------|----------|----------|----------|----------|----------|--------|-----------|-----------|-----------|-----------|
| <b>Other Governmental Funds</b> |          |          |          |          |          |        |           |           |           |           |
| Assigned for:                   |          |          |          |          |          |        |           |           |           |           |
| General government              | \$ 3,579 | \$ 7,718 | \$ 1,255 | \$ 1,275 | \$ 3,043 | \$ 492 | \$ 10,648 | \$ 30,119 | \$ 36,486 | \$ 50,752 |
| Public safety                   | 11,961   | 10,429   | 8,383    | 6,719    | 5,272    | 3,900  | 1,981     | 537       | -         | -         |
| Physical environment            | 970      | 835      | 1,100    | 960      | 1,299    | 1,420  | 1,306     | 1,386     | 407       | 421       |
| Transportation                  | 243      | 864      | -        | -        | -        | 6,204  | -         | -         | 2,973     | 2,210     |
| Economic environment            | 162      | 1,687    | 4,367    | 6,160    | -        | -      | 1,627     | -         | 1,256     | -         |
| Health & human services         | 4,342    | 3,308    | 3,725    | 4,130    | 5,093    | 398    | 1,698     | 3,651     | -         | 1,802     |
| Culture & recreation            | 5,179    | 580      | 966      | -        | -        | 466    | 707       | -         | 1,148     | 1,206     |
| Debt services                   | 1,705    | 2,177    | -        | -        | -        | -      | 1,012     | 1,049     | 559       | 141       |
| Total assigned fund balance     | 28,141   | 27,598   | 19,796   | 19,244   | 14,707   | 12,880 | 18,979    | 36,742    | 42,829    | 56,532    |
| Committed for:                  |          |          |          |          |          |        |           |           |           |           |
| General government              | -        | -        | -        | -        | -        | -      | 189       | 2,201     | -         | -         |
| Physical Environment            | -        | -        | -        | -        | -        | -      | -         | -         | 2,065     | 2,409     |
| Transportation                  | -        | -        | -        | -        | -        | -      | 2,078     | -         | -         | -         |
| Health and human services       | -        | -        | -        | -        | -        | -      | -         | -         | 2,687     | 7,535     |
| Culture and recreation          | -        | -        | -        | -        | -        | -      | -         | -         | -         | 34        |
| Total committed fund balance    | -        | -        | -        | -        | -        | -      | 2,267     | 2,201     | 4,752     | 9,978     |
| Restricted for:                 |          |          |          |          |          |        |           |           |           |           |
| General government              | 23       | 681      | 50,095   | 16,006   | 51,842   | 38,975 | 19,018    | 571       | -         | -         |
| Public safety                   | 740      | 702      | 1,300    | 1,581    | 1,005    | 825    | 6,323     | 12,780    | 18,855    | 23,286    |
| Physical environment            | 367      | 823      | 109      | 538      | 94       | 394    | 595       | 1,413     | 13        | -         |
| Transportation                  | 12       | -        | 1,159    | 8,614    | 10,800   | 9,604  | 18,213    | 34,942    | 16,116    | 11,685    |
| Economic environment            | 8,325    | 6,401    | 4,082    | 755      | 8,708    | 12,386 | 12,210    | 281       | 241       | 618       |
| Health & human services         | -        | 3,102    | 3,203    | 3,202    | 3,090    | 8,387  | 5,083     | 5,372     | 10        | 492       |
| Culture & recreation            | 8,801    | 13,971   | 10,697   | 9,104    | 14,989   | 20,676 | 23,963    | 21,737    | 35,146    | 41,719    |
| Debt services                   | 6        | 10       | 1,879    | 2,479    | 1,459    | 1,867  | 110       | 103       | 642       | 4,897     |
| Total restricted fund balance   | 18,274   | 25,690   | 72,524   | 42,279   | 91,987   | 93,114 | 85,515    | 77,199    | 71,023    | 82,697    |

**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|                                 | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Governmental Funds</b>       |        |        |        |        |        |        |        |        |        |        |
| Nonspendable for:               |        |        |        |        |        |        |        |        |        |        |
| Prepays                         | \$ -   | \$ 406 | \$ 408 | \$ 391 | \$ 732 | \$ 491 | \$ 522 | \$ 2   | \$ 488 | \$ 644 |
| Total nonspendable fund balance | -      | 406    | 408    | 391    | 732    | 491    | 522    | 2      | 488    | 644    |
| Assigned for:                   |        |        |        |        |        |        |        |        |        |        |
| General government              | 4,759  | 9,172  | 1,956  | 2,255  | 4,377  | 2,132  | 11,734 | 31,169 | 37,611 | 51,797 |
| Public safety                   | 11,961 | 10,429 | 8,383  | 6,719  | 5,272  | 3,900  | 2,038  | 597    | -      | -      |
| Physical environment            | 970    | 835    | 1,100  | 960    | 1,299  | 1,420  | 2,022  | 4,977  | 1,270  | 421    |
| Transportation                  | 243    | 864    | -      | -      | -      | 6,204  | -      | 16,056 | 26,341 | 3,057  |
| Economic environment            | 162    | 1,687  | 4,367  | 6,160  | 98     | 58     | 1,627  | -      | 2,028  | 31,669 |
| Health & human services         | 4,342  | 3,308  | 4,598  | 4,835  | 6,005  | 1,530  | 2,612  | 4,904  | 2,126  | 2,777  |
| Culture & recreation            | 5,179  | 580    | 966    | -      | -      | 466    | 707    | -      | 1,148  | 2,809  |
| Debt services                   | 1,705  | 2,177  | -      | -      | -      | -      | 1,012  | 1,049  | 559    | 141    |
| Total assigned fund balance     | 29,321 | 29,052 | 21,370 | 20,929 | 17,051 | 15,710 | 21,752 | 58,752 | 71,083 | 92,671 |
| Committed for:                  |        |        |        |        |        |        |        |        |        |        |
| General government              | -      | -      | -      | -      | -      | -      | 189    | 2,201  | -      | -      |
| Physical Environment            | -      | -      | -      | -      | -      | -      | -      | -      | 2,065  | 2,409  |
| Transportation                  | -      | -      | -      | -      | -      | -      | 2,078  | -      | -      | -      |
| Health and human services       | -      | -      | -      | -      | -      | -      | -      | -      | 2,687  | 7,535  |
| Culture and recreation          | -      | -      | -      | -      | -      | -      | -      | -      | -      | 34     |
| Total committed fund balance    | -      | -      | -      | -      | -      | -      | 2,267  | 2,201  | 4,752  | 9,978  |

**Table 4**  
Page 4 of 4

**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|                                   | 2011      | 2012      | 2013       | 2014      | 2015       | 2016       | 2017       | 2017       | 2019       | 2020       |
|-----------------------------------|-----------|-----------|------------|-----------|------------|------------|------------|------------|------------|------------|
| Restricted for:                   |           |           |            |           |            |            |            |            |            |            |
| General government                | \$ 23     | \$ 795    | \$ 50,095  | \$ 16,006 | \$ 51,842  | \$ 38,975  | \$ 19,019  | \$ 574     | \$ -       | \$ -       |
| Public safety                     | 740       | 702       | 1,300      | 1,581     | 1,005      | 1,070      | 6,664      | 13,067     | 19,502     | 23,847     |
| Physical environment              | 367       | 823       | 109        | 538       | 94         | 394        | 595        | 1,413      | 13         | -          |
| Transportation                    | 12        | -         | 1,159      | 8,614     | 10,800     | 9,604      | 18,213     | 34,942     | 16,116     | 11,685     |
| Economic environment              | 8,325     | 6,401     | 4,082      | 755       | 8,708      | 12,386     | 12,210     | 281        | 241        | 618        |
| Health & human services           | 567       | 3,102     | 3,203      | 3,202     | 3,090      | 8,425      | 5,308      | 7,844      | 23         | 492        |
| Culture & recreation              | 8,801     | 13,971    | 10,697     | 9,104     | 14,989     | 20,676     | 23,963     | 21,737     | 35,146     | 41,719     |
| Debt services                     | 6         | 10        | 1,879      | 2,479     | 1,459      | 1,867      | 110        | 103        | 642        | 4,897      |
| Total restricted fund balance     | 18,841    | 25,804    | 72,524     | 42,279    | 91,987     | 93,397     | 86,082     | 79,961     | 71,683     | 83,258     |
| Unassigned                        | 20,873    | 20,873    | 23,051     | 25,978    | 31,309     | 36,907     | 44,736     | 44,193     | 47,784     | 42,657     |
| Total unassigned fund balance     | 20,873    | 20,873    | 23,051     | 25,978    | 31,309     | 36,907     | 44,736     | 44,193     | 47,784     | 42,657     |
| Fund balance - governmental funds | \$ 69,035 | \$ 76,135 | \$ 117,353 | \$ 89,577 | \$ 141,080 | \$ 146,505 | \$ 155,358 | \$ 185,109 | \$ 195,790 | \$ 229,208 |

<sup>(A)</sup> All amounts are reported on the modified accrual basis

**Table 5**  
Page 1 of 2

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|   | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Revenues</b>                         |           |           |           |           |           |           |           |           |           |           |
| Taxes and special assessments           | \$148,773 | \$163,104 | \$169,498 | \$184,381 | \$200,358 | \$211,295 | \$236,956 | \$244,132 | \$259,732 | \$234,659 |
| Licenses and permits                    | 4,606     | 5,478     | 4,718     | 9,246     | 9,308     | 11,516    | 9,969     | 10,948    | 14,536    | 16,416    |
| Intergovernmental                       | 27,430    | 29,912    | 26,462    | 31,196    | 33,826    | 44,920    | 48,611    | 34,847    | 42,423    | 80,458    |
| Service charges and fees                | 24,541    | 28,708    | 33,263    | 37,392    | 44,799    | 31,400    | 29,393    | 38,492    | 38,614    | 47,737    |
| Fines and forfeitures                   | 2,650     | 1,865     | 1,168     | 1,073     | 2,176     | 2,880     | 2,014     | 2,261     | 2,156     | 1,198     |
| Interest and penalties                  | 1,058     | 455       | 715       | 755       | 1,076     | 1,303     | 1,701     | 2,894     | 4,453     | 1,951     |
| Net change in fair value of investments | 358       | (146)     | (639)     | 354       | (133)     | (244)     | (390)     | 287       | 944       | 2         |
| Rent                                    | 5,133     | 4,820     | 4,829     | 5,249     | 6,624     | 6,419     | 4,896     | 5,184     | 7,100     | 5,664     |
| Judgements and settlements              | -         | -         | -         | -         | -         | 8         | -         | 11        | 3,631     | 8         |
| Premiums and contributions              | 686       | 434       | 2,691     | 3,332     | 4,081     | 1,721     | 4,189     | 2,378     | 4,366     | 1,435     |
| Other                                   | 921       | 306       | 876       | 843       | 709       | 1,435     | 954       | 1,321     | 1,107     | 2,663     |
| Total revenues                          | 216,156   | 234,936   | 243,581   | 273,821   | 302,824   | 312,653   | 338,293   | 342,755   | 379,062   | 392,191   |
| <b>Expenditures</b>                     |           |           |           |           |           |           |           |           |           |           |
| General government                      | 24,781    | 25,023    | 27,231    | 32,376    | 31,432    | 30,167    | 28,273    | 30,325    | 38,280    | 74,881    |
| Public safety                           | 80,143    | 83,044    | 86,634    | 87,717    | 91,040    | 90,928    | 95,476    | 102,063   | 105,768   | 108,067   |
| Physical environment                    | 1,746     | 1,544     | 2,666     | 2,191     | 2,382     | 1,330     | 1,391     | 1,207     | 1,462     | 1,299     |
| Transportation                          | 30,625    | 32,258    | 31,461    | 34,678    | 40,235    | 29,432    | 34,332    | 35,961    | 51,649    | 40,544    |
| Economic environment                    | 18,726    | 18,882    | 21,065    | 23,283    | 34,643    | 35,645    | 36,836    | 39,417    | 44,415    | 44,133    |
| Health and human services               | 8,383     | 8,328     | 7,609     | 7,864     | 8,596     | 6,786     | 7,442     | 6,586     | 6,898     | 6,393     |
| Culture and recreation                  | 33,269    | 35,446    | 37,927    | 37,762    | 40,466    | 38,524    | 36,558    | 37,896    | 40,373    | 37,373    |
| Capital outlay                          | 21,713    | 14,552    | 44,971    | 60,613    | 83,794    | 51,010    | 66,346    | 40,426    | 60,954    | 79,695    |
| Debt service                            |           |           |           |           |           |           |           |           |           |           |
| Principal                               | 4,668     | 4,208     | 20,612    | 6,387     | 6,050     | 7,192     | 9,542     | 9,875     | 10,333    | 10,793    |
| Interest and fiscal charges             | 7,866     | 7,150     | 8,987     | 9,532     | 9,250     | 15,485    | 12,804    | 12,136    | 11,680    | 11,563    |
| Total expenditures                      | 231,920   | 230,435   | 289,163   | 302,403   | 347,888   | 306,499   | 329,000   | 315,892   | 371,812   | 414,741   |

**Table 5**  
Page 2 of 2

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS<sup>(A)</sup>**

Last Ten Fiscal Years  
(in thousands)

|  | 2011       | 2012      | 2013      | 2014       | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      |
|--|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Other Financing Sources (Uses)</b>                      |            |           |           |            |           |           |           |           |           |           |
| Transfers in   | \$ 17,821  | \$ 19,481 | \$ 37,243 | \$ 21,022  | \$ 22,433 | \$ 27,193 | \$ 26,861 | \$ 30,770 | \$ 35,977 | \$ 29,940 |
| Transfers out  | (16,734)   | (16,901)  | (35,965)  | (20,241)   | (22,897)  | (27,920)  | (28,032)  | (31,669)  | (36,975)  | (29,674)  |
| Proceeds from long-term debt                               | -          | -         | -         | -          | 91        | -         | -         | 908       | 6,133     | 65,255    |
| Refunding bonds issued                                     | -          | (107,854) | 70,405    | -          | 97,935    | -         | -         | -         | -         | -         |
| Payment to refunded bond escrow agent                      | -          | 107,854   | -         | -          | (13,072)  | -         | -         | -         | -         | (13,185)  |
| Sale of capital assets                                     | -          | -         | -         | 26         | 118       | -         | 731       | 2,879     | 39        | 42        |
| Premium on issuance of long-term debt                      | -          | -         | 11,930    | -          | 11,958    | -         | -         | -         | -         | 2,368     |
| Total other financing sources (uses)                       | 1,087      | 2,580     | 83,613    | 807        | 96,566    | (727)     | (440)     | 2,888     | 5,174     | 54,746    |
| Net change in fund balance                                 | (\$14,677) | \$7,081   | \$38,031  | (\$27,775) | \$51,503  | \$5,427   | \$8,853   | \$29,751  | \$12,424  | \$32,196  |
| Debt service as a percentage of<br>noncapital expenditures | 5.96%      | 5.26%     | 12.12%    | 6.58%      | 5.79%     | 8.88%     | 8.51%     | 7.99%     | 7.12%     | 6.66%     |

<sup>(A)</sup> All amounts are reported on the modified accrual basis

Table 6

**GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE<sup>(A)</sup>**

Last Ten Fiscal Years

(in thousands)

| <b>Fiscal Year</b> | <b>Total Taxes</b> | <b>General<br/>Property<br/>Taxes</b> | <b>General<br/>Sales Taxes</b> | <b>Utility Taxes</b> | <b>Business and<br/>Occupation<br/>Taxes</b> | <b>LRF Local<br/>Option Sales<br/>and Use Tax</b> | <b>Other Taxes and<br/>Assessments <sup>(B)</sup></b> | <b>Memo Only<br/>Hotel/Motel<br/>Tax <sup>(C)</sup></b> |
|--------------------|--------------------|---------------------------------------|--------------------------------|----------------------|--|---|---|---|
| 2011               | \$ 141,996         | \$ 36,401                             | \$ 46,357                      | \$ 25,921            | \$ 26,208                                    | \$ -  | \$ 7,109  | \$ 6,776  |
| 2012               | 155,634            | 37,821                                | 48,596                         | 26,476               | 28,690                                       | -   | 14,051  | 7,469   |
| 2013               | 160,322            | 37,939                                | 52,757                         | 28,103               | 28,673                                       | 315   | 12,535  | 9,176   |
| 2014               | 175,404            | 38,440                                | 58,717                         | 26,790               | 35,880                                       | 561   | 15,016  | 8,975   |
| 2015               | 190,166            | 40,187                                | 65,551                         | 27,219               | 37,025                                       | 622   | 19,562  | 10,191  |
| 2016               | 200,081            | 41,256                                | 69,183                         | 27,169               | 38,987                                       | 502   | 22,984  | 11,214  |
| 2017               | 225,200            | 55,974                                | 72,481                         | 29,386               | 43,530                                       | 500   | 23,329  | 11,780  |
| 2018               | 231,488            | 57,667                                | 77,751                         | 29,060               | 43,506                                       | 500   | 23,002  | 12,645  |
| 2019               | 247,201            | 59,231                                | 83,281                         | 27,118               | 46,662                                       | 500   | 30,409  | 12,531  |
| 2020               | 231,520            | 60,924                                | 73,650                         | 26,421               | 41,817                                       | 500   | 28,209  | 3,139   |

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

Table 7

**TAXABLE SALES BY CATEGORY<sup>(A)</sup>**

Last Ten Fiscal Years

(in thousands)

|  | 2011               | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contracting                                      | \$569,506          | \$537,336          | \$695,970          | \$981,629          | \$1,363,843        | \$1,439,618        | \$1,579,775        | \$1,538,415        | \$1,735,586        | \$1,821,117        |
| Manufacturing                                    | 73,089             | 62,910             | 66,172             | 74,024             | 76,751             | 82,192             | 94,236             | 126,221            | 128,936            | 94,989             |
| Transportation, communications,<br>and utilities | 227,732            | 237,651            | 261,264            | 281,680            | 322,087            | 313,202            | 345,163            | 413,748            | 417,965            | 418,568            |
| Finance, insurance, and real<br>estate           | 129,894            | 141,318            | 148,445            | 145,878            | 187,217            | 261,724            | 202,781            | 192,955            | 206,034            | 198,650            |
| Wholesale trade                                  | 301,079            | 317,937            | 336,048            | 345,609            | 393,174            | 340,796            | 357,548            | 479,677            | 437,027            | 386,034            |
| Retail - building materials                      | 98,429             | 103,783            | 114,651            | 122,930            | 132,481            | 134,739            | 133,530            | 128,599            | 149,580            | 147,959            |
| Retail - general merchandise                     | 197,946            | 201,437            | 217,414            | 216,008            | 202,926            | 176,441            | 188,332            | 203,095            | 203,158            | 183,652            |
| Retail - food                                    | 80,515             | 91,170             | 96,819             | 98,556             | 100,303            | 95,884             | 99,667             | 104,032            | 101,696            | 97,088             |
| Retail - automotive                              | 783,644            | 865,344            | 937,893            | 1,002,045          | 1,059,875          | 1,147,166          | 1,252,278          | 1,446,424          | 1,362,354          | 1,245,120          |
| Retail - apparel                                 | 447,179            | 486,211            | 496,795            | 482,848            | 502,078            | 507,741            | 511,368            | 531,937            | 541,700            | 314,074            |
| Retail - furniture and accessories               | 325,897            | 380,545            | 312,593            | 336,678            | 349,400            | 392,609            | 409,314            | 442,617            | 455,356            | 432,135            |
| Retail - restaurants                             | 378,827            | 410,862            | 427,739            | 449,249            | 481,320            | 515,601            | 552,794            | 607,142            | 649,253            | 354,194            |
| Retail - miscellaneous                           | 417,755            | 447,389            | 463,937            | 497,860            | 530,147            | 561,930            | 584,338            | 641,498            | 701,579            | 687,068            |
| Services - hotels                                | 171,489            | 186,571            | 199,665            | 218,118            | 247,476            | 270,072            | 286,425            | 306,679            | 305,583            | 77,378             |
| Services - business                              | 360,918            | 339,930            | 395,436            | 479,356            | 480,886            | 611,070            | 682,897            | 744,410            | 883,585            | 880,489            |
| Services - other                                 | 252,608            | 262,115            | 267,384            | 270,096            | 282,981            | 301,751            | 308,410            | 327,476            | 339,633            | 221,783            |
| All other categories                             | 1,004              | 1,414              | 1,170              | 1,162              | 1,084              | 1,220              | 988                | 1,327              | 1,366              | 654                |
| Total sales                                      | <u>\$4,817,512</u> | <u>\$5,073,923</u> | <u>\$5,439,394</u> | <u>\$6,003,725</u> | <u>\$6,714,030</u> | <u>\$7,153,756</u> | <u>\$7,589,845</u> | <u>\$8,236,252</u> | <u>\$8,620,390</u> | <u>\$7,560,952</u> |

<sup>(A)</sup> The city is prohibited by law from reporting individual sales taxpayers

Source: Washington State Department of Revenue Quarterly Business Review reports

**Table 8**  
Page 1 of 2

**SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS**  
Last Ten Fiscal Years

|   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017    | 2018    | 2019    | 2020    |
|---|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| 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 <sup>(A)</sup>    | 0.500% | 0.500% | 0.500% | 0.500% | 0.500% | 0.500% | 0.500%  | 0.500%  | 0.500%  | 0.500%  |
| King County                                       | 0.075% | 0.075% | 0.075% | 0.075% | 0.075% | 0.075% | 0.075%  | 0.075%  | 0.075%  | 0.075%  |
| 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) <sup>(B)</sup> |        |        |        |        |        |        |         |         |         |         |
| 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) <sup>(C)</sup>                | 0.900% | 0.900% | 0.900% | 0.900% | 0.900% | 0.900% | 1.400%  | 1.400%  | 1.400%  | 1.400%  |
| Total Local Rate                                  | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% | 3.500%  | 3.500%  | 3.500%  | 3.500%  |
| City of Bellevue portion of Local Rate:           |        |        |        |        |        |        |         |         |         |         |
| Regular rate                                      | 0.425% | 0.425% | 0.425% | 0.425% | 0.425% | 0.425% | 0.425%  | 0.425%  | 0.425%  | 0.425%  |
| Optional rate                                     | 0.500% | 0.500% | 0.500% | 0.500% | 0.500% | 0.500% | 0.500%  | 0.500%  | 0.500%  | 0.500%  |
| Criminal justice (estimate)                       | 0.006% | 0.006% | 0.006% | 0.006% | 0.006% | 0.006% | 0.006%  | 0.006%  | 0.006%  | 0.006%  |
| Total City of Bellevue portion of Local Rate      | 0.931% | 0.931% | 0.931% | 0.931% | 0.931% | 0.931% | 0.931%  | 0.931%  | 0.931%  | 0.931%  |
| King County portion of Local Rate                 | 2.069% | 2.069% | 2.069% | 2.069% | 2.069% | 2.069% | 2.569%  | 2.569%  | 2.569%  | 2.569%  |
| State of Washington                               | 6.500% | 6.500% | 6.500% | 6.500% | 6.500% | 6.500% | 6.500%  | 6.500%  | 6.500%  | 6.500%  |
| Total Sales Tax Rate                              | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 10.000% | 10.000% | 10.000% | 10.000% |



**SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS**  
Last Ten Fiscal Years

- (A) Under Bellevue City Code 4.12.025 and RCW 82.14.030, the city may, at the discretion of the City Council, impose an additional sales tax up to 0.5 percent. The city collects the maximum amount allowed of this tax.
- (B) Criminal Justice tax is 0.01 percent of the gross sale. Ten percent of this is paid directly to King County, and the remaining 90 percent is shared between cities within the county. King County retains the portion for unincorporated areas within the county. In 2020, the city's estimated population was 148,100 and the County's population was 2,260,800. Bellevue represented 6. 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<br>Year | Assessed and Estimated Actual Value <sup>(A)</sup> |                      |                                     |            |                      | Grand<br>Total | Total Direct<br>Tax Rate |
|----------------|--|----------------------|-------------------------------------|------------|----------------------|----------------|--------------------------|
|                | Real<br>Property                                   | Personal<br>Property | State Public<br>Service<br>Property | Exemptions | Omits <sup>(B)</sup> |                |                          |
| 2011           | \$30,291,931                                       | \$ 1,220,536         | \$ 672,827                          | \$ 176,038 | \$ -                 | \$32,009,256   | \$ 1.13                  |
| 2012           | 29,171,374   | 1,193,494            | 659,024                             | 113,809    | -                    | 30,910,083     | 1.20                     |
| 2013           | 30,866,059   | 1,324,322            | 609,300                             | 122,721    | -                    | 32,676,960     | 1.18                     |
| 2014           | 34,292,361   | 1,275,456            | 579,835                             | 116,663    | -                    | 36,030,989     | 1.07                     |
| 2015           | 39,536,877   | 1,165,860            | 734,283                             | 110,666    | 5,452                | 41,320,902     | 0.98                     |
| 2016           | 42,830,040   | 1,095,002            | 621,096                             | 111,493    | -                    | 44,434,645     | 0.94                     |
| 2017           | 47,695,767   | 1,219,490            | 583,806                             | 128,759    | -                    | 49,370,305     | 1.14                     |
| 2018           | 54,621,525   | 1,241,081            | 624,729                             | 138,047    | -                    | 56,349,288     | 1.03                     |
| 2019           | 63,060,612   | 1,264,406            | 661,148                             | 140,984    | -                    | 64,845,181     | 0.92                     |
| 2020           | 66,388,028   | 1,310,043            | 620,331                             | 214,840    | -                    | 68,318,403     | 0.90                     |

<sup>(A)</sup> Real, personal, and state public service property have been assessed at 100 percent of the estimated value.

<sup>(B)</sup> Value of originally omitted taxes owed, found within three years, and placed on the tax roll for the particular tax year

Note: These figures represent Bellevue's total taxable 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

| <b>Fiscal Year</b> | <b>City of Bellevue</b> | <b>School District</b> | <b>King County</b> | <b>Washington State</b> | <b>Port of Seattle</b> | <b>Other</b> | <b>Total</b> |
|--------------------|-------------------------|------------------------|--------------------|-------------------------|------------------------|--------------|--------------|
| 2011               | \$ 1.13                 | \$ 2.73                | \$ 1.34            | \$ 2.28                 | \$ 0.22                | \$ 0.99      | \$ 8.69      |
| 2012               | 1.20                    | 3.00                   | 1.42               | 2.42                    | 0.23                   | 0.98         | 9.24         |
| 2013               | 1.18                    | 3.25                   | 1.54               | 2.57                    | 0.23                   | 1.01         | 9.77         |
| 2014               | 1.07                    | 3.19                   | 1.52               | 2.47                    | 0.22                   | 1.05         | 9.52         |
| 2015               | 0.98                    | 3.13                   | 1.35               | 2.29                    | 0.19                   | 0.93         | 8.87         |
| 2016               | 0.94                    | 3.14                   | 1.48               | 2.17                    | 0.17                   | 0.88         | 8.78         |
| 2017               | 1.14                    | 2.93                   | 1.38               | 2.03                    | 0.15                   | 1.09         | 8.72         |
| 2018               | 1.03                    | 2.80                   | 1.33               | 2.92                    | 0.14                   | 0.97         | 9.19         |
| 2019               | 0.92                    | 2.43                   | 1.22               | 2.63                    | 0.12                   | 0.90         | 8.22         |
| 2020               | 0.90                    | 2.50                   | 1.24               | 3.03                    | 0.12                   | 0.92         | 8.71         |

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 nine years ago

|                |   |                        | 2020  |   | 2011  |   |   |       |
|----------------|---|------------------------|---|---|-------|---|---|-------|
|                |   |                        | 2020 Assessed<br>Valuation<br>(in millions) | Percentage of<br>Total Assessed<br>Valuation <sup>(A)</sup> |       | 2011 Assessed<br>Valuation<br>(in millions) | Percentage of<br>Total Assessed<br>Valuation <sup>(A)</sup> |       |
| Rank           | Taxpayer  | Type of Business       |   |   | Rank  |   |   |       |
| 1              | Kemper Development (Bellevue Square)                      | Land Management        | \$  | 860   | 1.26% | 3   | \$ 322  | 1.04% |
| 2              | Essex Property Trust (formerly Essex Portfolio LP)        | Property management    |   | 643   | 0.94% | 9   | 112   | 0.36% |
| 3              | Kilroy Realty (formerly Three Bellevue Center LLC)        | Property management    |   | 566   | 0.83% | 8   | 149   | 0.48% |
| 4              | Bellevue Place  | Property management    |   | 588   | 0.86% | 5   | 237   | 0.76% |
| 5              | LS2 Office LLC  | Real Estate Investment |   | 512   | 0.75% | <sup>(B)</sup>                              | -   | -     |
| 6              | FSP-City Center Plaza LLC                                 | Property management    |   | 398   | 0.58% | 7   | 205   | 0.66% |
| 7              | Bravern Office Owner LLC                                  | Property management    |   | 372   | 0.54% | <sup>(B)</sup>                              | -   | -     |
| 8              | Preylock Bellevue LLC (formerly Newport Corporate Center) | Real Estate Investment |   | 369   | 0.54% | <sup>(B)</sup>                              | -   | -     |
| 9              | Puget Sound Energy-Elec/Gas                               | Utility Services       |   | 366   | 0.54% | 4   | 269   | 0.87% |
| 10             | KRE Summit 12 LLC   | Property management    |   | 325   | 0.48% | <sup>(B)</sup>                              | -   | -     |
| <sup>(B)</sup> | The Boeing Company  | Aerospace              |   | <sup>(B)</sup>  | -     | 1   | 381   | 1.23% |
| <sup>(B)</sup> | Group LP)   | Real Estate Investment |   | <sup>(B)</sup>  | -     | 2   | 377   | 1.22% |
| <sup>(B)</sup> | T-Mobile  | Telecommunications     |   | <sup>(B)</sup>  | -     | 6   | 212   | 0.68% |
| <sup>(B)</sup> | Sterling Realty Org                                       | Property management    |   | <sup>(B)</sup>  | -     | 10  | 112   | 0.36% |
|                |   |                        | \$  | 4,999   | 7.32% |   | \$ 2,376  | 7.67% |

Table 12

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

(in thousands)

| <b>Fiscal Year</b> | <b>Total Tax Levy <sup>(A)</sup></b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                   | <b>Collected in<br/>Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                   |
|--------------------|--------------------------------------|---|-------------------|--|----------------------------------|-------------------|
|                    |                                      | <b>Amount</b>   | <b>Percentage</b> |  | <b>Amount</b>                    | <b>Percentage</b> |
| 2011               | \$ 36,471                            | \$ 36,078   | 98.9%             | \$ 399                                       | \$ 36,477                        | 100.0%            |
| 2012               | 36,921                               | 36,530  | 98.9%             | 393  | 36,923                           | 100.0%            |
| 2013               | 38,339                               | 37,888  | 98.8%             | 458  | 38,346                           | 100.0%            |
| 2014               | 38,591                               | 38,183  | 98.9%             | 409  | 38,592                           | 100.0%            |
| 2015               | 39,832                               | 39,393  | 98.9%             | 445  | 39,838                           | 100.0%            |
| 2016               | 41,425                               | 40,958  | 98.9%             | 468  | 41,426                           | 100.0%            |
| 2017               | 56,024                               | 55,647  | 99.3%             | 397  | 56,044                           | 100.0%            |
| 2018               | 57,885                               | 57,400  | 99.2%             | 470  | 57,870                           | 100.0%            |
| 2019               | 59,413                               | 58,934  | 99.2%             | 360  | 59,294                           | 99.8%             |
| 2020               | 61,114                               | 60,437  | 98.9%             | -  | 60,437                           | 98.9%             |

<sup>(A)</sup> The total tax levy is the certified tax levy adopted by City ordinance.

Note: The amounts presented on this table include omits and levy changes, in addition to collections for both the prior and current year.

Source: Other data has been derived from the Annual Tax Receivable Summary prepared by the King County Finance Department.

Table 13

**RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

(in thousands, except per capita)

| Fiscal<br>Year | Governmental Activities        |                            |                                      |            |                   | Business-Type Activities       |                  |               | Total primary<br>government | Percentage<br>of personal<br>income <sup>(B)</sup> | Per capita |
|----------------|--------------------------------|----------------------------|--------------------------------------|------------|-------------------|--------------------------------|------------------|---------------|-----------------------------|--|------------|
|                | General<br>obligation<br>bonds | Special<br>assessment<br>s | Conditional<br>purchase<br>contracts | PWTF loans | Line of<br>credit | General<br>obligation<br>bonds | Revenue<br>bonds | PWTF<br>loans |                             |  |            |
| 2011           | \$ 143,970                     | \$ 100                     | \$ 450                               | \$ 598     | \$ 15,047         | \$ 2,751                       | \$ -             | \$ 103        | \$ 163,019                  | 2.26%  | \$ 1,321   |
| 2012           | 151,598                        | 55                         | -                                    | 558        | 15,047            | 2,481                          | -                | 66            | 169,805                     | 2.14%  | 1,363      |
| 2013           | 227,496                        | 10                         | -                                    | 518        | -                 | 2,168                          | -                | 29            | 230,221                     | 2.78%  | 1,743      |
| 2014           | 220,204                        | -                          | -                                    | 478        | -                 | 1,760                          | -                | -             | 222,442                     | 2.19%  | 1,655      |
| 2015           | 310,670                        | -                          | -                                    | 438        | -                 | 1,363                          | -                | -             | 312,471                     | 3.19%  | 2,089      |
| 2016           | 301,894                        | -                          | -                                    | 398        | -                 | 965                            | -                | -             | 303,257                     | 2.82%  | 2,175      |
| 2017           | 290,768                        | -                          | -                                    | 358        | -                 | 477                            | -                | -             | 291,603                     | 2.49%  | 2,175      |
| 2018           | 280,299                        | -                          | -                                    | 319        | -                 | -                              | -                | -             | 280,618                     | 2.18%  | 1,971      |
| 2019           | 274,989                        | -                          | -                                    | 279        | -                 | -                              | -                | -             | 275,268                     | 1.99%  | 1,894      |
| 2020           | 315,942                        | -                          | -                                    | 239        | -                 | -                              | -                | -             | 316,181                     | N/A <sup>(A)</sup>                                 | 2,135      |

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

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

Table 14

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years  
(in thousands, except per capita)

| <b>Fiscal Year</b> | <b>GO Bonds</b> | <b>Less Debt<br/>Service Funds</b> | <b>Net Bonded Debt</b> | <b>Percentage of estimated actual<br/>taxable value of property<sup>(A)</sup></b> | <b>Net Bonded Debt<br/>per Capita<sup>(B)</sup></b> |
|--------------------|-----------------|------------------------------------|------------------------|---|---|
| 2011               | \$ 143,970      | \$ 1,976                           | \$ 141,994             | 0.44%   | \$ 1,151  |
| 2012               | 151,598         | 2,462                              | 149,136                | 0.48%   | 1,197   |
| 2013               | 227,496         | 2,138                              | 225,358                | 0.69%   | 1,706   |
| 2014               | 220,204         | 3,018                              | 217,186                | 0.60%   | 1,616   |
| 2015               | 312,034         | 1,839                              | 310,195                | 0.68%   | 2,073   |
| 2016               | 302,860         | 1,575                              | 301,285                | 0.68%   | 2,161   |
| 2017               | 291,245         | 288                                | 290,957                | 0.59%   | 2,068   |
| 2018               | 280,299         | 103                                | 280,196                | 0.50%   | 1,968   |
| 2019               | 274,989         | 642                                | 274,347                | 0.42%   | 1,888   |
| 2020               | 315,942         | 4,897                              | 311,045                | 0.46%   | 2,100   |

<sup>(A)</sup> See Table 9: Assessed and Estimated Actual Value of Taxable Property for property value statistics

<sup>(B)</sup> See Table 18: Demographic Statistics for population statistics

Table 15

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**As of December 31, 2020**  
(in thousands)

| <b>Jurisdiction</b>               | <b>Net Outstanding Debt</b> | <b>Percentage Applicable to Bellevue <sup>(A)</sup></b> | <b>Amount Applicable to Bellevue</b> |
|-----------------------------------|-----------------------------|---|--------------------------------------|
| City of Bellevue                  | \$ 316,181                  | 100.00%   | \$ 316,181                           |
| King County                       | 663,157                     | 10.63%  | 70,494                               |
| School District #405              | 743,670                     | 81.51%  | 606,165                              |
| School District #414              | 621,175                     | 0.99%   | 6,150                                |
| School District #403              | 311,255                     | 2.59%   | 8,062                                |
| School District #411              | 724,055                     | 12.03%  | 87,104                               |
| Port of Seattle                   | 311,175                     | 10.63%  | 33,078                               |
| Hospital District #2              | 221,935                     | 0.05%   | 111                                  |
| Rural Library District            | 56,875                      | 17.90%  | 10,181                               |
| Fire District #10                 | 2,785                       | 11.15%  | 311                                  |
| Total other jurisdictions         | 3,656,082                   | 22.47%  | 821,654                              |
| Total Direct and Overlapping Debt | \$ 3,972,263                | 28.64%  | \$ 1,137,835                         |

<sup>(A)</sup> Determined by ratio of 2020 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, 2020 exclusive of refunded bonds.

Source: King County Department of Finance



**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years  
(in thousands)

|   | <u>2011</u>        | <u>2012</u>        | <u>2013</u>        | <u>2014</u>        | <u>2015</u>        | <u>2016</u>        | <u>2017</u>        | <u>2018</u>        | <u>2019</u>        | <u>2020</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Debt Limit  | \$2,405,906        | \$2,323,305        | \$2,450,772        | \$2,450,772        | \$3,099,068        | \$3,332,598        | \$3,702,773        | \$4,226,197        | \$4,863,389        | \$5,123,880        |
| Total net debt applicable to limit                                      | <u>196,897</u>     | <u>190,186</u>     | <u>187,585</u>     | <u>217,512</u>     | <u>292,461</u>     | <u>312,743</u>     | <u>299,875</u>     | <u>287,670</u>     | <u>281,143</u>     | <u>315,591</u>     |
| Legal debt margin   | <u>\$2,209,009</u> | <u>\$2,133,119</u> | <u>\$2,263,187</u> | <u>\$2,233,260</u> | <u>\$2,806,607</u> | <u>\$3,019,855</u> | <u>\$3,402,898</u> | <u>\$3,938,527</u> | <u>\$4,582,246</u> | <u>\$4,808,289</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 8.18%              | 8.19%              | 7.65%              | 8.88%              | 9.44%              | 9.38%              | 8.10%              | 6.81%              | 5.78%              | 6.16%              |

**LEGAL DEBT MARGIN INFORMATION**  
**December 31, 2020**  
(in thousands)

| Description                                     | Councilmanic<br>Debt<br>(Non-Voted) | Voted Debt        | General Purpose<br>Indebtedness <sup>(A)</sup> | Excess Levy Open<br>Space and Park | Excess Levy<br>Utility Purposes | Total Debt<br>Capacity |
|---|-------------------------------------|-------------------|--|------------------------------------|---------------------------------|------------------------|
| Assessed Value <sup>(B)</sup>                   | \$ 68,318,403                       | \$ 68,318,403     | \$ 68,318,403                                  | \$ 68,318,403                      | \$ 68,318,403                   | \$ 68,318,403          |
| Statutory debt limit percentages:               | 1.50%                               | 1.00%             | 2.50%  | 2.50%                              | 2.50%                           | 7.50%                  |
| Statutory Debt limit                            | <u>\$ 1,024,776</u>                 | <u>\$ 683,184</u> | <u>\$ 1,707,960</u>                            | <u>\$ 1,707,960</u>                | <u>\$ 1,707,960</u>             | <u>\$ 5,123,880</u>    |
| Debt applicable to limit                        |                                     |                   |  |                                    |                                 |                        |
| Bonds outstanding                               | \$ 315,942                          | \$ -              | \$ 315,942                                     | \$ -                               | \$ -                            | \$ 315,942             |
| Less:   |                                     |                   |  |                                    |                                 |                        |
| Cash on hand for debt redemption <sup>(C)</sup> | 351                                 | -                 | 351  | -                                  | -                               | 351                    |
| Total Net Debt applicable to limit              | <u>315,591</u>                      | <u>-</u>          | <u>315,591</u>                                 | <u>-</u>                           | <u>-</u>                        | <u>315,591</u>         |
| Remaining Debt Capacity                         | <u>\$ 709,185</u>                   | <u>\$ 683,184</u> | <u>\$ 1,392,369</u>                            | <u>\$ 1,707,960</u>                | <u>\$ 1,707,960</u>             | <u>\$ 4,808,289</u>    |

<sup>(A)</sup> 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.

<sup>(B)</sup> This figure represents the city's final assessed valuation for 2020, which will be used to determine the 2021 property tax levy.

<sup>(C)</sup> 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)

| Revenue Bonds             |                              |                         |  |           |          |          |                         |        | Special Assessment Bonds       |           |          |        |          |  |
|---------------------------|------------------------------|-------------------------|--|-----------|----------|----------|-------------------------|--------|--------------------------------|-----------|----------|--------|----------|--|
| Debt Service Requirements |                              |                         |  |           |          |          |                         |        | Debt Service                   |           |          |        |          |  |
| Fiscal Year               | Gross Revenue <sup>(A)</sup> | Expenses <sup>(B)</sup> | Net revenue available for debt service | Principal | Interest | Total    | Coverage <sup>(C)</sup> |        | Special Assessment Collections | Principal | Interest | Total  | Coverage |  |
| 2011                      | \$ 6,776                     | \$ -                    | \$ 6,776                               | \$ 1,550  | \$ 7,660 | \$ 9,210 | 0.74                    | \$ 425 | \$ 35                          | \$ 8      | \$ 43    | 9.88   |          |  |
| 2012                      | 7,469                        | -                       | 7,469                                  | 1,585     | 8,040    | 9,625    | 0.78                    | 412    | 45                             | 8         | 53       | 7.77   |          |  |
| 2013                      | 9,176                        | -                       | 9,176                                  | 1,150     | 3,920    | 5,070    | 1.81                    | 445    | 45                             | 6         | 51       | 8.73   |          |  |
| 2014                      | 8,975                        | -                       | 8,975                                  | 1,197     | 4,483    | 5,680    | 1.58                    | 351    | -                              | 3         | 3        | 117.00 |          |  |
| 2015                      | 10,191                       | -                       | 10,191                                 | 1,005     | 4,020    | 5,025    | 2.03                    | 47     | -                              | -         | -        | N/A    |          |  |
| 2016                      | 11,214                       | -                       | 11,214                                 | 1,246     | 5,354    | 6,600    | 1.70                    | -      | -                              | -         | -        | N/A    |          |  |
| 2017                      | 11,780                       | -                       | 11,780                                 | 1,227     | 5,817    | 7,044    | 1.67                    | -      | -                              | -         | -        | N/A    |          |  |
| 2018                      | 12,645                       | -                       | 12,645                                 | 1,204     | 6,321    | 7,525    | 1.68                    | -      | -                              | -         | -        | N/A    |          |  |
| 2019                      | 12,531                       | -                       | 12,531                                 | 1,180     | 6,795    | 7,975    | 1.57                    | -      | -                              | -         | -        | N/A    |          |  |
| 2020                      | 3,139                        | -                       | 3,139                                  | 539       | 2,901    | 3,440    | 0.91                    | -      | -                              | -         | -        | N/A    |          |  |

<sup>(A)</sup> Gross revenues as defined in applicable bond indentures for the Water and Sewer Utility Funds

<sup>(B)</sup> Total expenses excluding depreciation, amortization, bond interest, and utility taxes

<sup>(C)</sup> Average annual requirements over the remaining life of current outstanding revenue bond issues.

Note: Revenue bond information for fiscal years 2011 – 2020 represent amounts for the discretely presented component unit, Bellevue Convention Center Authority. There are no expenses for 2020 as the entire revenues collected are pledged to BCCA. Hotel/motel tax revenues from the Hotel/Motel Tax Fund are included as Gross Revenues. In addition, we excluded revenues generated by BCCA, as they are not pledged to debt coverage, and included hotel/motel tax revenues from the Hotel/Motel Tax Fund.

Table 18

**DEMOGRAPHIC STATISTICS**  
Last Ten Fiscal Years

| <b>Fiscal Year</b> | <b>Population</b> | <b>Per Capita Personal Income</b> | <b>Personal Income</b> | <b>Median Age</b> | <b>Number of Households</b> | <b>Public School Enrollment</b> | <b>Number of Jobs<sup>(A)</sup></b> | <b>Unemployment Rate</b> | <b>CPI-U%</b> |
|--------------------|-------------------|-----------------------------------|------------------------|-------------------|-----------------------------|---------------------------------|-------------------------------------|--------------------------|---------------|
| 2011               | 123,400           | \$ 59,371                         | \$ 7,326,381           | 38                | 50,933                      | 18,048                          | 133,846                             | 6.6%                     | 2.7%          |
| 2012               | 124,600           | 66,043                            | 8,228,958              | 38                | 51,493                      | 18,351                          | 138,904                             | 5.6%                     | 2.5%          |
| 2013               | 132,100           | 66,692                            | 8,810,013              | 38                | 54,422                      | 18,515                          | 136,084                             | 4.3%                     | 1.2%          |
| 2014               | 134,400           | 72,696                            | 9,770,342              | 39                | 55,644                      | 19,097                          | 148,788                             | 4.1%                     | 1.8%          |
| 2015               | 135,000           | 76,226                            | 10,290,510             | 37                | 55,922                      | 19,613                          | 150,579                             | 4.0%                     | 1.4%          |
| 2016               | 139,400           | 79,323                            | 11,057,626             | 39                | 58,058                      | 19,974                          | 146,115                             | 3.6%                     | 2.1%          |
| 2017               | 140,700           | 83,383                            | 11,731,988             | 37                | 58,293                      | 20,262                          | 147,647                             | 3.4%                     | 3.0%          |
| 2018               | 142,400           | 90,438                            | 12,878,371             | 37                | 58,939                      | 20,272                          | 150,148                             | 3.2%                     | 3.2%          |
| 2019               | 145,300           | 94,974                            | 13,799,722             | 37                | 59,566                      | 21,776                          | 160,020                             | 2.5%                     | 2.5%          |
| 2020               | 148,100           | (B)                               | (B)                    | (B)               | 60,957                      | 19,545                          | (B)                                 | 5.9%                     | 1.7%          |

(A) The methodology used in estimating jobs data was revised in December 2017; however, the data presented in this table remains as previously reported.

(B) Data not available at time of publication

Sources:

- 1) Population and number of households provided by Washington State's Office of Financial Management.
- 2) Per Capita Personal Income data was provided by US Bureau of Economic Analysis. Estimates are for King County, in which Bellevue is located. Bellevue data was not available.
- 3) Personal Income was calculated from Per Capita Personal Income and Population estimates and is presented in thousands.
- 4) Median Age was provided by the U.S. Census Bureau's annual American Community Surveys and the 2010 Census.
- 5) Public School Enrollment was provided by the Bellevue School District.
- 6) Number of Jobs was provided by the Puget Sound Regional Council.
- 7) Unemployment Rate was provided by the Bureau of Labor Statistics. Please note previous years may reflect revised inputs, re-estimation, and/or adjustment to new state control totals.
- 8) CPI-U was provided by the Bureau of Labor Statistics and is for Seattle-Tacoma-Bremerton Metropolitan Area.

Table 19

**PRINCIPAL EMPLOYERS**  
Current Year and Nine Years Ago

| Employer                         | Type of Business   | 2020 |                                    |  | 2011 |                                    |  |
|----------------------------------|--------------------|------|------------------------------------|--|------|------------------------------------|--|
|                                  |                    | Rank | Number of Employees <sup>(A)</sup> | Percentage of Total City Employment <sup>(B)</sup> | Rank | Number of Employees <sup>(A)</sup> | Percentage of Total City Employment <sup>(B)</sup> |
| Microsoft Corporation            | Technology         | 1    | 8,700                              | 5.25%  | 1    | 6,100                              | 4.65%  |
| T-Mobile USA                     | Telecommunications | 2    | 6,300                              | 3.80%  | 2    | 4,300                              | 3.28%  |
| Amazon                           | Online Retail      | 3    | 3,100                              | 1.87%  | (C)  | (C)                                | (C)  |
| Overlake Hospital Medical Center | Medical Hospital   | 4    | 2,800                              | 1.69%  | 4    | 2,700                              | 2.06%  |
| Bellevue School District         | Education K-12     | 5    | 2,500                              | 1.51%  | 6    | 2,200                              | 1.68%  |
| City of Bellevue                 | Government         | 6    | 1,900                              | 1.15%  | 8    | 1,588                              | 1.21%  |
| Bellevue College                 | Higher Education   | 7    | 1,800                              | 1.09%  | 7    | 2,000                              | 1.52%  |
| Concur                           | Online Travel      | 8    | 1,700                              | 1.03%  | (C)  | (C)                                | (C)  |
| Sales Force                      | Business Services  | 9    | 1,300                              | 0.78%  | (C)  | (C)                                | (C)  |
| Symetra Financial                | Financial Services | 10   | 1,000                              | 0.60%  | (C)  | (C)                                | (C)  |
| Boeing                           | Aerospace          | (C)  | -                                  | 0.00%  | 3    | 3,300                              | 2.52%  |
| Expedia                          | Online Travel      | (C)  | -                                  | 0.00%  | 5    | 2,100                              | 1.60%  |
| Verizon Wireless                 | Telecommunications | (C)  | -                                  | 0.00%  | 9    | 1,300                              | 0.99%  |
| Puget Sound Energy               | Utility Services   | (C)  | -                                  | 0.00%  | 10   | 1,100                              | 0.84%  |
|                                  |                    |      | <u>31,100</u>                      | <u>18.75%</u>                                      |      | <u>26,688</u>                      | <u>20.34%</u>                                      |

(A) Number of employees provided by the City of Bellevue Community Development Department. Note, estimates are rounded to the nearest 100.

(B) Percentages of total employment were based on a projection of total employment. Actual estimates of total employment citywide will not be released until June of the following year. The Puget Sound Regional Council's estimate of total employment in March of the following year was used to calculate the percentage of total employment represented by major employers nine years ago.

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

Note: Total estimated numbers of employees at the end of 2020 was 165,848. Total estimated numbers of employees at the end of 2011 was 131,180.

Source: City of Bellevue Community Development Department

Table 20

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

|                           | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Function:</b>          |              |              |              |              |              |              |              |              |              |              |
| General government        | 358          | 337          | 351          | 352          | 382          | 386          | 389          | 405          | 415          | 423          |
| Public Safety             |              |              |              |              |              |              |              |              |              |              |
| Police                    |              |              |              |              |              |              |              |              |              |              |
| Officers                  | 180          | 178          | 180          | 180          | 180          | 186          | 184          | 184          | 185          | 186          |
| Civilians                 | 35           | 35           | 35           | 35           | 41           | 41           | 41           | 41           | 46           | 47           |
| Fire                      |              |              |              |              |              |              |              |              |              |              |
| Firefighters and officers | 212          | 216          | 216          | 220          | 214          | 216          | 216          | 213          | 227          | 228          |
| Civilians                 | 31           | 29           | 27           | 25           | 28           | 28           | 28           | 28           | 24           | 31           |
| Transportation            | 115          | 112          | 116          | 117          | 122          | 129          | 140          | 142          | 143          | 144          |
| Culture and recreation    | 164          | 162          | 162          | 162          | 165          | 165          | 166          | 165          | 168          | 168          |
| Water                     | 66           | 66           | 66           | 66           | 69           | 69           | 71           | 71           | 71           | 71           |
| Sewer                     | 46           | 47           | 49           | 49           | 51           | 52           | 52           | 53           | 52           | 52           |
| Storm Drainage            | 49           | 49           | 48           | 48           | 47           | 48           | 50           | 50           | 50           | 50           |
| <b>Total</b>              | <b>1,256</b> | <b>1,231</b> | <b>1,250</b> | <b>1,252</b> | <b>1,299</b> | <b>1,321</b> | <b>1,338</b> | <b>1,355</b> | <b>1,381</b> | <b>1,400</b> |

Source: City of Bellevue Budget Office

**Table 21**  
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**OPERATING INDICATORS BY FUNCTION**  
Last Ten Fiscal Years

|                           | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Function:</b>          |        |        |        |        |        |        |        |        |        |        |
| Public safety/judicial:   |        |        |        |        |        |        |        |        |        |        |
| Police:                   |        |        |        |        |        |        |        |        |        |        |
| Offenses:                 |        |        |        |        |        |        |        |        |        |        |
| Rape                      | 23     | 26     | 20     | 25     | 25     | 15     | 24     | 25     | 28     | 21     |
| Robbery                   | 58     | 67     | 48     | 65     | 64     | 63     | 59     | 87     | 77     | 70     |
| Homicide                  | 2      | 2      | 1      | 2      | 2      | -      | -      | -      | 1      | 6      |
| Assault                   | 553    | 517    | 491    | 438    | 489    | 479    | 519    | 609    | 562    | 614    |
| Auto theft                | 157    | 169    | 249    | 314    | 221    | 323    | 331    | 386    | 351    | 305    |
| Burglary                  | 607    | 685    | 688    | 631    | 732    | 636    | 570    | 524    | 403    | 540    |
| Larceny                   | 2,775  | 2,649  | 3,013  | 3,662  | 3,484  | 3,615  | 3,568  | 3,602  | 3,565  | 3,742  |
| Citations:                |        |        |        |        |        |        |        |        |        |        |
| Traffic                   | 18,084 | 15,809 | 18,089 | 16,447 | 11,428 | 13,021 | 11,872 | 8,239  | 9,611  | 9,075  |
| Criminal                  | 2,577  | 2,695  | 2,052  | 1,752  | 1,587  | 1,827  | 2,302  | 2,618  | 2,055  | 2,304  |
| Judicial system:          |        |        |        |        |        |        |        |        |        |        |
| Handled by district court | 20,661 | 18,504 | 20,141 | 18,199 | 13,015 | 14,848 | 14,174 | 10,857 | 11,666 | 11,379 |
| Fire:                     |        |        |        |        |        |        |        |        |        |        |
| First response:           |        |        |        |        |        |        |        |        |        |        |
| Buildings                 | 86     | 117    | 135    | 170    | 162    | 198    | 192    | 178    | 172    | 153    |
| Non-Buildings             | 157    | 197    | 224    | 228    | 340    | 251    | 325    | 288    | 223    | 191    |
| Service                   | 350    | 293    | 436    | 519    | 598    | 840    | 1,252  | 1,706  | 1,845  | 2,173  |
| False alarm               | 1,342  | 1,320  | 1,429  | 1,584  | 1,507  | 1,548  | 1,702  | 1,536  | 1,756  | 1,568  |
| Other                     | 838    | 832    | 928    | 995    | 1,006  | 981    | 1,033  | 1,004  | 1,095  | 1,031  |
| Medic 1 Responses:        |        |        |        |        |        |        |        |        |        |        |
| First aid                 | 13,469 | 13,851 | 13,796 | 14,244 | 14,606 | 14,951 | 15,319 | 15,307 | 15,618 | 13,847 |
| Runs per week             | 259    | 266    | 265    | 274    | 281    | 288    | 295    | 294    | 300    | 266    |

**Table 21**  
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**OPERATING INDICATORS BY FUNCTION**  
Last Ten Fiscal Years

|  | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Function:</b>   |        |        |        |        |        |        |        |        |        |        |
| Transportation:  |        |        |        |        |        |        |        |        |        |        |
| Area of roadway repaired (sq. ft)                          | 28,999 | 48,929 | 34,518 | 50,406 | 39,073 | 29,192 | 30,407 | 20,951 | 18,239 | 12,481 |
| Miles of streets swept                                     | 3,962  | 3,601  | 2,892  | 5,182  | 5,696  | 4,856  | 3,373  | 4,812  | 6,627  | 5,326  |
| Area of sidewalk repaired (sq. ft)                         | 6,374  | 9,283  | 14,664 | 16,070 | 23,643 | 22,235 | 1,550  | 4,596  | 8,174  | 43     |
| Physical/economic environment:                             |        |        |        |        |        |        |        |        |        |        |
| Building permits issued                                    | 11,261 | 12,380 | 14,239 | 14,263 | 14,470 | 15,185 | 14,999 | 15,084 | 16,134 | 13,732 |
| Estimated value (in millions)                              | 168    | 377    | 560    | 715    | 950    | 793    | 718    | 942    | 712    | 1,161  |
| Culture and recreation:                                    |        |        |        |        |        |        |        |        |        |        |
| Number of rounds of golf played                            | 70,368 | 62,143 | 71,335 | 66,182 | 81,039 | 77,270 | 71,105 | 77,682 | 75,920 | 64,600 |
| Water utility:   |        |        |        |        |        |        |        |        |        |        |
| Water consumption (CCF in thousands)                       | 6,349  | 6,652  | 6,623  | 6,776  | 7,068  | 6,854  | 6,829  | 6,759  | 6,427  | 7,179  |
| Number of customers:                                       |        |        |        |        |        |        |        |        |        |        |
| Residential  | 34,723 | 34,797 | 34,879 | 35,004 | 35,086 | 35,150 | 34,301 | 34,352 | 34,380 | 34,421 |
| Multi-residential  | 661    | 662    | 661    | 663    | 680    | 666    | 660    | 688    | 691    | 698    |
| Commercial   | 2,087  | 2,091  | 2,071  | 2,076  | 2,070  | 2,064  | 2,062  | 2,048  | 2,053  | 1,767  |
| Total number of customers                                  | 37,471 | 37,471 | 37,611 | 37,743 | 37,836 | 37,880 | 37,023 | 37,088 | 37,124 | 36,886 |
| Water consumption peak in a day<br>(millions of gallons)   | 27     | 29     | 29     | 31     | 32     | 33     | 29     | 31     | 26     | 26     |
| Water consumption peak in a<br>month (millions of gallons) | 750    | 761    | 792    | 792    | 881    | 912    | 783    | 808    | 803    | 840    |



**OPERATING INDICATORS BY FUNCTION**  
Last Ten Fiscal Years

|   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Function:</b>                                |        |        |        |        |        |        |        |        |        |        |
| Sewer utility: <sup>(A)</sup>                   |        |        |        |        |        |        |        |        |        |        |
| Sewer consumption (CCF in thousands)            | 5,404  | 5,400  | 5,382  | 5,386  | 5,634  | 5,418  | 5,389  | 5,725  | 5,918  | 5,690  |
| Number of customers:                            |        |        |        |        |        |        |        |        |        |        |
| Residential                                     | 33,320 | 34,696 | 34,723 | 34,780 | 34,833 | 34,775 | 32,580 | 32,557 | 32,540 | 32,530 |
| Multi-residential                               | 652    | 654    | 653    | 654    | 656    | 657    | 650    | 676    | 689    | 695    |
| Commercial                                      | 1,709  | 1,734  | 1,713  | 1,705  | 1,700  | 1,682  | 1,667  | 1,663  | 1,670  | 1,645  |
| Total number of customers                       | 35,681 | 37,084 | 37,089 | 37,139 | 37,189 | 37,114 | 34,897 | 34,896 | 34,899 | 34,870 |
| Storm and surface water utility: <sup>(A)</sup> |        |        |        |        |        |        |        |        |        |        |
| Number of customers:                            |        |        |        |        |        |        |        |        |        |        |
| Residential                                     | 28,266 | 30,309 | 30,392 | 30,497 | 30,529 | 30,579 | 30,612 | 30,623 | 30,650 | 30,678 |
| Multi-residential                               | 530    | 546    | 544    | 545    | 547    | 549    | 549    | 557    | 559    | 564    |
| Commercial                                      | 1,939  | 1,960  | 1,951  | 1,931  | 1,929  | 1,923  | 1,901  | 1,899  | 1,903  | 1,887  |
| Total number of customers                       | 30,735 | 32,815 | 32,887 | 32,973 | 33,005 | 33,051 | 33,062 | 33,079 | 33,112 | 33,129 |

<sup>(A)</sup> 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

[illegible]

**Table 22**  
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**CAPITAL ASSETS BY FUNCTION**  
Last Ten Fiscal Years

|                                  | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function:</b>                 |             |             |             |             |             |             |             |             |             |             |
| Water Utility:                   |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)              | 618         | 617         | 619         | 619         | 619         | 620         | 611         | 605         | 605         | 608         |
| Vehicles                         | 32          | 34          | 35          | 36          | 40          | 45          | 44          | 45          | 46          | 47          |
| Sewer Utility:                   |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)          | 525         | 525         | 526         | 526         | 525         | 525         | 516         | 516         | 516         | 516         |
| Vehicles                         | 29          | 27          | 28          | 29          | 36          | 40          | 37          | 35          | 41          | 39          |
| Storm and surface water Utility: |             |             |             |             |             |             |             |             |             |             |
| Vehicles                         | 24          | 25          | 26          | 27          | 29          | 30          | 29          | 31          | 31          | 30          |

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

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