



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

For the fiscal year ended December 31, 2023

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**Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2023**

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

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2023
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Introductory Section



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bellevue
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



June 28, 2024

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

The City of Bellevue's (the city) Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023, 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 has 16 identified neighborhoods: BelRed, Bridle Trails, Cougar Mountain/Lakemont, Crossroads, Downtown, Eastgate, Factoria, Lake Hills, Newport, Northeast Bellevue, Northwest Bellevue, Somerset, West Bellevue, West Lake Sammamish, Wilburton, and Woodridge.

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

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

Discrete Component Unit

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

Economic Condition and Outlook

In 2023, the City of Bellevue's economic condition largely recovered to pre-pandemic levels with all sectors of the economy. Inflation has moderated from 2022 but remains elevated and a concern for the city. During the 2023-24 biennium, the city expenditures have been driven by urban growth and critical investments in city services.

In 2022 and early 2023, the construction sector was a notable contributor of the growth of tax revenues. At the end of 2023, about 7.9 million square feet of major projects were under construction within the city (Source: City of Bellevue Development Services Department). This growth moderated and reversed in later 2023, and has not yet fully recovered.

The City of Bellevue's population has grown to 154,600, a 0.5 percent increase over 2022 (Source: Washington State Office of Financial Management).

The city's economy is comprised of a variety of industries, including department stores, financial institutions, technology firms, automobile dealerships, engineering firms, and manufacturing. The city is home to several major businesses, including Amazon, T-Mobile, Meta, and Salesforce.

The unemployment rate for the city was 3.7 percent in October 2023, a slight growth from 3.1 percent in October 2022 (Source: US Bureau of Labor Statistics). Employment within Downtown Bellevue is expected to increase at a rapid pace in the coming years with an additional 30,300 jobs by 2044. Employment within the BelRed business district is expected to gain about 16,500 jobs by 2044 by adding more office, retail, hotel, and educational spaces (Source: City of Bellevue Community Development Department).

Long Term Financial Planning

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

Other guiding principles include:

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

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

Major Initiatives

With the 2023-24 budget, the city budgeted \$7.4 million towards the Environmental Stewardship Initiative (ESI), a sustainability program that oversees a range of actions designed to help the city achieve its environmental goals. The initiative continues to build upon past sustainability efforts by adding staff, resources, electric vehicle charging infrastructure, energy efficiency projects at city facilities, and programs to support residential and commercial building electrification.

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

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

- Northeast 4th Street from 116th Avenue Northeast to 120th Avenue Northeast
- 120th Avenue Northeast from Northeast 4th Street to Northeast 7th Street (Stage 1)
- 120th Avenue Northeast from Northeast 4th Street to Northeast 7th Street (Stage 2)
- 120th Avenue Northeast from Northeast 12th Street to Northeast 16th Street (Stage 3)
- Northeast Spring Boulevard from 116th Avenue Northeast to 120th Avenue Northeast (Zone 1)
- Northeast Spring Boulevard / East Link Property Acquisition of the Pine Forest Property
- Northeast Spring Boulevard from 120th Avenue Northeast to 124th Avenue Northeast (Zone 2)
- Northeast Spring Boulevard from 130th Avenue Northeast to 132nd Avenue Northeast (WB)
- 124th Avenue Northeast from Northeast Spring Boulevard to Ichigo Way (Northeast 18th Street)
- 124th Avenue Northeast, Northeast 12th St. to Northeast Spring Boulevard
- Northeast Spring Boulevard, 130th Avenue to 132 Avenue Northeast (EB)

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 records 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 2023-24 budget process, the city employed the Budgeting for Outcomes methodology (Budget One). The Budget One process strives to deliver outcomes that are important to the community, and reflects the values and priorities recognized by the City Council and city management. The Outcomes identified by the City Council as community-wide priorities include: Safe Community; Improved Mobility and Connectivity; Quality Neighborhoods/Innovative, Vibrant, and Caring Community; Healthy and Sustainable Environment; Economic Growth and Competitiveness; and Responsive Government.

Budgetary Controls

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

Biennially Budgeted Governmental Funds:

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

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

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

Other Information

Independent Audit

Washington state law requires an annual audit of the city's financial records and transactions by the Washington State Auditor, an independent elected state official. The audit of the city has now been completed and was performed in conformance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. The financial statements of all city funds and agencies have been included in this audit. The city has been given an unmodified opinion for 2023. Please see the Auditor's Opinion at the beginning of the Financial Section of this report.

Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bellevue for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. The city has earned this prestigious award for 43 out of 46 Annual Report submissions. This was the 40th consecutive annual award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting the 2023 Annual Comprehensive Financial Report to the GFOA to determine its eligibility for the certificate.

The GFOA has also awarded the Distinguished Budget Presentation Award to the City of Bellevue for its 2023-24 biennial budget document for the 25th consecutive year/biennium. The GFOA gives this award to those governments whose budget document meets the GFOA's criteria as an effective policy document, operations guide, financial plan, and communication device.

Acknowledgements

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

Respectfully submitted,



John Resha
Finance and Asset Management Director

**City Officials and Administrative Staff
As of December 31, 2023**

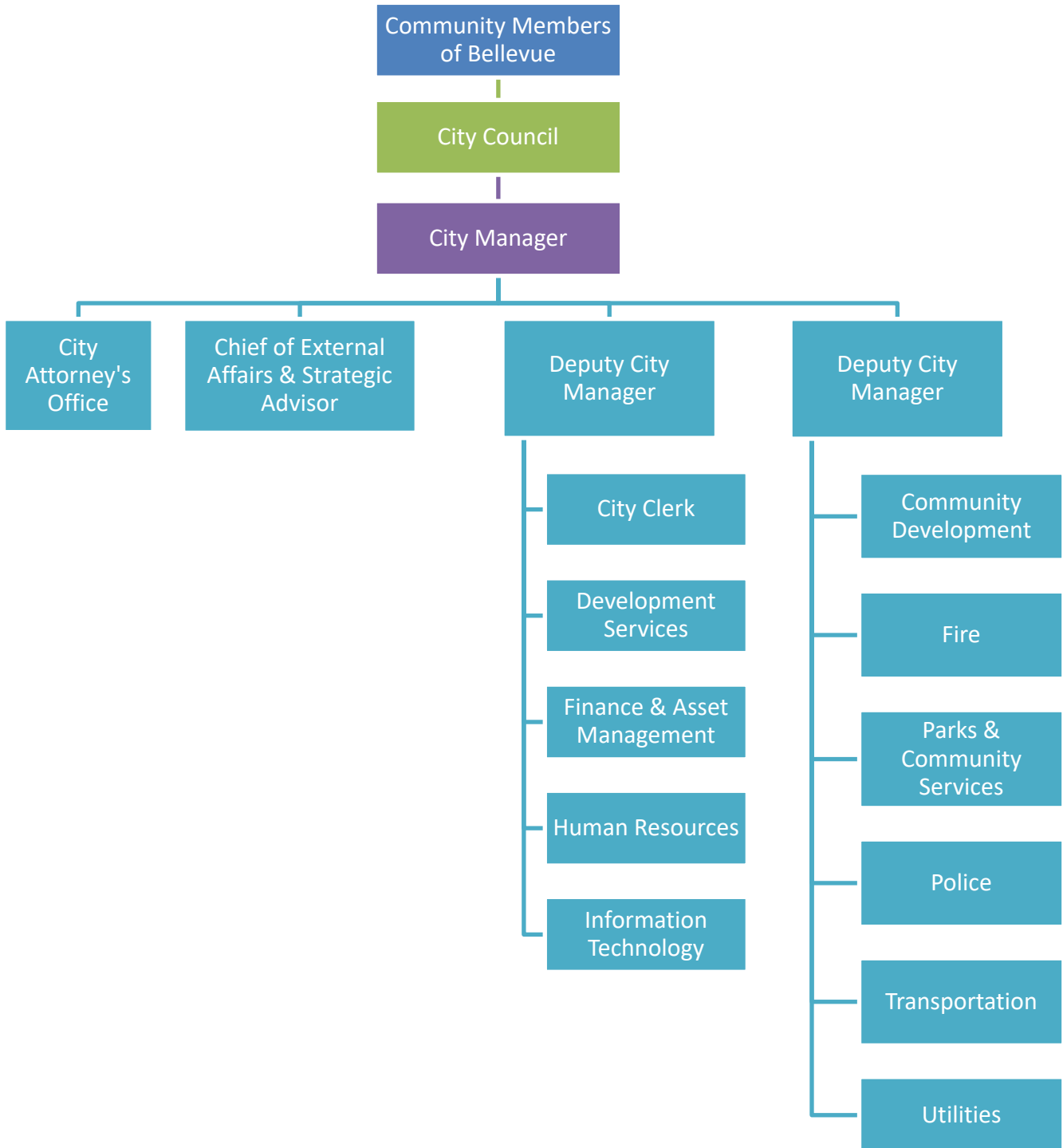
ELECTED CITY COUNCIL

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

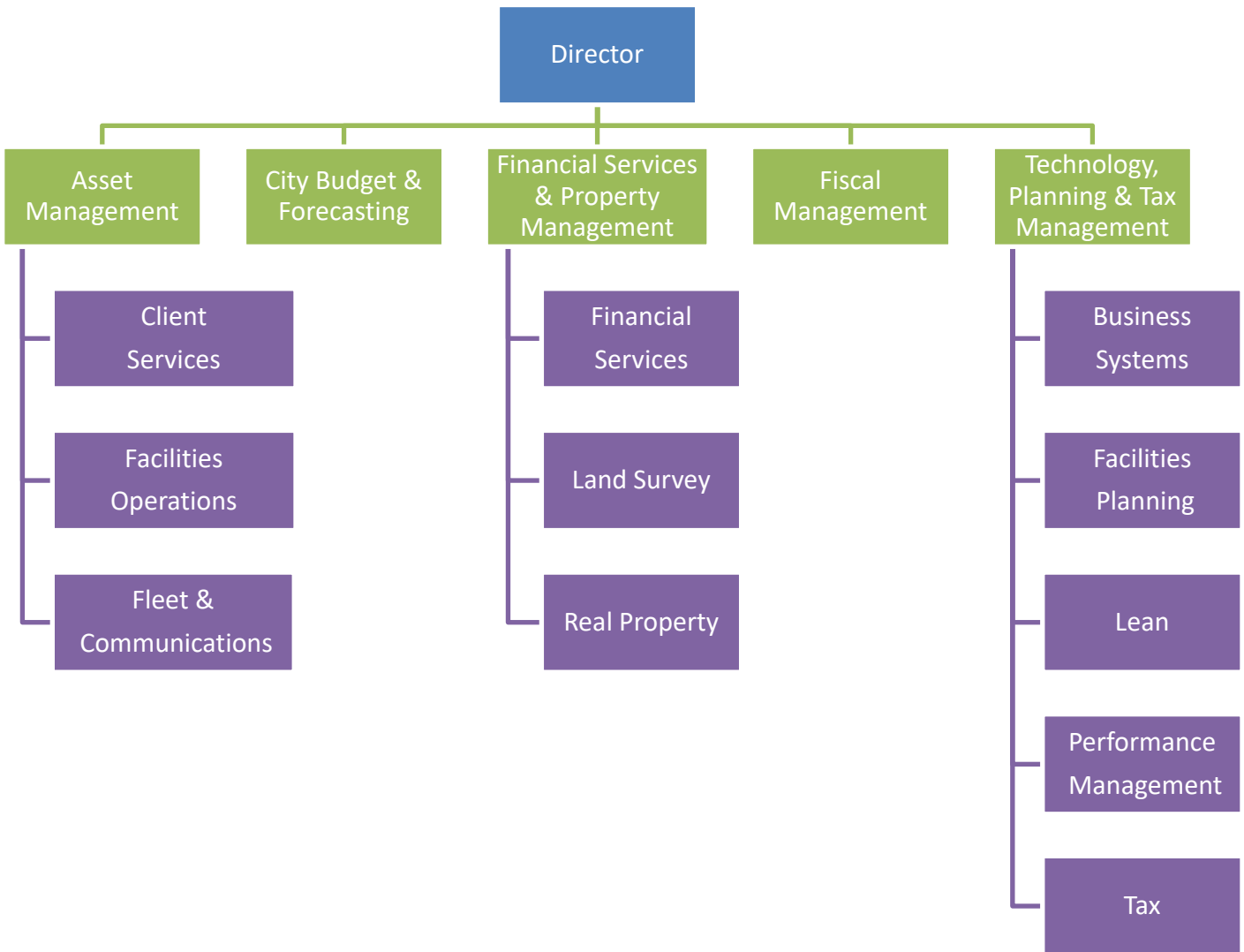
APPOINTED ADMINISTRATIVE STAFF

City Manager, Acting	Diane Carlson
Deputy City Managers	Joseph Todd Nathan McCommon
Chief Information Officer	Sabra Schneider
Chief of External Affairs.....	Genesee Adkins
City Attorney	Kathy Gerla
City Clerk.....	Charmaine Arredondo
Community Development Director	Michael Kattermann
Development Services Director	Rebecca Horner
Finance & Asset Management Director	John Resha
Fire Chief.....	Jay Hagen
Human Resources Director.....	Joy St. Germain
Parks & Community Services Director.....	Michael Shiosaki
Police Chief	Wendell Shirley
Transportation Director.....	Andrew Singelakis
Utilities Director	Lucy Liu

City Hierarchical Organization Chart



Finance and Asset Management (FAM) Department Organization Chart



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Financial Section



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

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

Council
City of Bellevue
Bellevue, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Bellevue as of and for the year then ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Bellevue, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Municipal Employees' Benefit Trust fund, which represents 84 percent, and 87 percent, respectively, of the assets and net position, of the Aggregate Remaining Funds opinion unit. Those statements were audited by the other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Municipal Employees' Benefit Trust fund, is based solely on the report of the other auditor.

Basis for Opinions

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

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

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information


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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2024, 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 that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 28, 2024

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Management's Discussion and Analysis (MD&A)

This narrative provides an overview and analysis of the City of Bellevue's financial activities for the fiscal year ended December 31, 2023. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the letter of transmittal in the introductory section, the financial statements, and the accompanying notes.

Financial Highlights

- The city's total net position increased \$212.1 million, or 6.7 percent, from 2022.
- The city's total revenues increased 8.8 percent from the prior year and expenses increased 12.1 percent.
- Tax revenues increased \$28.1 million and assessed property values increased 32.2 percent since 2022.

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 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 functions include general government, public safety, physical and economic environment, transportation, health and human services, 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 functions 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 Government-Wide Statement of Net Position presents information on the city's assets, deferred outflow of resources, liabilities, and deferred inflows of resources. The differences between these categories are reported as net position. Evaluating increases or decreases over time can serve as a useful indicator of whether the financial position of the city is improving or declining.

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

Fund Financial Statements

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

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

City of Bellevue, Washington

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

Notes to the Financial Statements

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

Other Information

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

Combining Statements

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

Statistical Section

This section includes unaudited trend information and demographics.

Government-Wide Financial Analysis

The Government-Wide Statement of Net position of the city as of December 31, 2023 and December 31, 2022 is summarized in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
	(in thousands)					
Current & other assets	\$ 680,816	\$ 597,152	\$ 463,185	\$ 423,604	\$ 1,144,001	\$ 1,020,756
Capital assets, net	2,153,172	2,100,471	517,061	492,671	2,667,842	2,593,142
Total assets	<u>2,833,988</u>	<u>2,697,623</u>	<u>980,246</u>	<u>916,275</u>	<u>3,814,234</u>	<u>3,613,898</u>
Deferred outflows	50,259	48,956	3,581	4,030	53,840	52,986
Total deferred outflows	<u>50,259</u>	<u>48,956</u>	<u>3,581</u>	<u>4,030</u>	<u>53,840</u>	<u>52,986</u>
Total assets & deferred outflows	<u>\$ 2,884,247</u>	<u>\$ 2,746,579</u>	<u>\$ 983,827</u>	<u>\$ 920,305</u>	<u>\$ 3,868,074</u>	<u>\$ 3,666,884</u>
Long-term liabilities	\$ 386,338	\$ 378,184	\$ 1,312	\$ 1,309	\$ 387,650	\$ 379,493
Other liabilities	63,150	64,520	11,295	8,571	74,445	73,091
Total liabilities	<u>449,488</u>	<u>442,704</u>	<u>12,607</u>	<u>9,880</u>	<u>462,095</u>	<u>452,584</u>
Deferred inflows	34,953	53,652	2,508	4,261	37,461	57,913
Total deferred inflows	<u>34,953</u>	<u>53,652</u>	<u>2,508</u>	<u>4,261</u>	<u>37,461</u>	<u>57,913</u>
Total liabilities & deferred inflows	<u>\$ 484,441</u>	<u>\$ 496,356</u>	<u>\$ 15,115</u>	<u>\$ 14,141</u>	<u>\$ 499,556</u>	<u>\$ 510,497</u>
Net investment in capital assets	\$ 1,882,612	\$ 1,859,753	\$ 512,304	\$ 487,560	\$ 2,394,916	\$ 2,347,313
Restricted	290,608	244,539	6,036	4,377	296,644	248,916
Unrestricted	226,586	145,931	450,372	414,227	676,958	560,158
Total net position	<u>\$ 2,399,806</u>	<u>\$ 2,250,223</u>	<u>\$ 968,712</u>	<u>\$ 906,164</u>	<u>\$ 3,368,518</u>	<u>\$ 3,156,387</u>

Governmental Activities

Governmental activities net position increased \$149.6 million, or 6.6 percent, in 2023. The restricted net position consists of \$136.4 million for capital projects, \$94.5 million for net pension assets, \$30.5 million for health and human services, \$3.7 million for prepaid expenditures, and the remaining \$26.7 million covers a variety of municipal purposes.

Factors contributing to the changes in net position include:

- Capital assets increased \$52.7 million due to major construction development and investments in infrastructure throughout the City of Bellevue. Detailed explanation of some of these projects can be found below in the Capital Asset activity section of the MD&A.
- The city participates in the Department of Retirement Services (DRS) pension funds, which impact the city's Government-Wide Statement of Net Position. The impact for 2023 included an increase in net pension assets, a decrease in net pension liability, an increase in the deferred outflows, and a decrease in deferred inflows resources for pensions. In 2023, DRS reported a liability for PERS 1 and assets for PERS 2/3, PSERS 2, LEOFF 1, and LEOFF 2. More information on these plans can be found in Note 7: Pension Plans.
- In 2023, the city implemented GASB Statement No. 96, "Subscription Based Information Technology Arrangements". The implementation created a liability for subscriptions totaling \$2.0 million.
- The unearned revenue for unspent American Rescue Plan Act (ARPA) grant funds decreased \$4.5 million.

Business-Type Activities

Business-type activities' net position increased by \$62.5 million, or 6.9 percent, in 2023. Contributing factors of the increase in net position were:

- Total cash increased \$41.2 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 \$24.4 million due to investments in infrastructure. Detailed explanation of some of these projects can be found below in the Capital Asset activity section of the MD&A.
- The city participates in the DRS pension funds, which impact the city's Government-Wide Statement of Net Position. The impact for 2023 included an increase in net pension assets, a decrease in net pension liability, an increase in the deferred outflows, and a decrease in deferred inflows resources for pensions. In 2023, DRS reported assets for PERS 2/3, PSERS 2, LEOFF 1, and LEOFF 2. More information on these plans can be found in Note 7: Pension Plans.

City of Bellevue, Washington

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	
	2023	2022	2023	2022	2023	2022
Revenues:	(in thousands)					
Program revenues:						
Charges for services	\$ 105,757	\$ 103,667	\$ 186,068	\$ 178,776	\$ 291,825	\$ 282,443
Operating grants & contributions	34,549	34,467	32	1	34,581	34,468
Capital grants & contributions	20,147	23,028	4,698	7,537	24,845	30,565
General revenues:						
Property taxes	87,675	64,392	-	-	87,675	64,392
Sales taxes	109,198	110,590	-	-	109,198	110,590
Other taxes	136,021	129,841	-	-	136,021	129,841
Investment interest	19,780	5,883	15,839	5,253	35,619	11,136
Miscellaneous	10,696	4,690	1,124	548	6,880	5,238
Total revenues	523,823	476,558	207,761	192,115	726,644	668,673
Expenses:						
General government	54,323	47,661	-	-	54,323	47,661
Public safety	132,676	113,870	-	-	132,676	113,870
Physical environment	1,549	1,578	-	-	1,549	1,578
Transportation	56,543	43,085	-	-	56,543	43,085
Economic environment	56,722	61,241	-	-	56,722	61,241
Health & human services	9,010	9,695	-	-	9,010	9,695
Culture & recreation	52,246	43,639	-	-	52,246	43,639
Unallocated interest on long-term debt	11,171	7,915	-	-	11,171	7,915
Water utility	-	-	57,436	56,462	57,436	56,462
Sewer utility	-	-	64,410	58,261	64,410	58,261
Storm & surface water utility	-	-	18,082	15,894	18,082	15,894
Marina	-	-	345	398	345	398
Total expenses	374,240	328,684	140,273	131,015	514,513	459,699
Excess (deficiency) before transfers	149,583	147,874	67,488	61,100	212,131	208,974
Transfers	4,940	131	(4,940)	(131)	-	-
Change in net position	149,583	147,874	62,548	61,100	212,131	208,974
Net position - beginning	2,250,223	2,107,627	906,164	845,047	3,156,387	2,952,674
Change in accounting principle	-	1,279	-	17	-	1,296
Prior period adjustment	-	(6,557)	-	-	-	(6,557)
Net position - ending	\$ 2,399,806	\$ 2,250,223	\$ 968,712	\$ 906,164	\$ 3,368,518	\$ 3,156,387

Governmental Activities

Net position of governmental activities increased \$149.6 million.

Total revenues increased \$47.3 million, contributing to the net position increase for governmental activities. The highlights of which are:

Charges for services increased \$2.1 million. Activities contributing to the change include:

- In 2023, the city, in conjunction with the City of Redmond, began collections of an assessment for a local tourism promotion area. This created a new revenue stream, totaling \$1.2 million.
- The city's equipment rental fund and maintenance contract collections increased \$0.5 million.

City of Bellevue, Washington

- Transportation impact fees decreased \$4.9 million from the prior year due to less development activity in impact fee eligible areas.
- In 2023, there was a decrease in electrical and mechanical inspections that was offset by an increase in building and structure inspections.
- Parks programs had an increase in participation in recreation activities for an additional \$1.5 million.

Capital grants and contributions decreased \$2.9 million. Activities contributing to the change include:

- The capital donations increased \$1.8 million. In 2023, the city received a donation of radios to be used as part of the Puget Sound Emergency Radio Network (PSERN) valued at \$8.3 million. This donation is offset by 2022 contributions of property from Sound Transit.
- Grants for transportation capital projects decreased \$3.7 million as the eligible grant projects are completing.
- In 2022, the city received a grant for park acquisition from Washington State Recreation and Conservation Office of \$1.9 million. This project was completed prior to 2023.

General revenues increased \$42.0 million. Activities contributing to the change include:

- The city increased collections of property tax of \$23.3 million; private electric and gas utility taxes of \$2.7 million; and business and occupation tax of \$8.8 million. The city had a decrease of real estate excise tax of \$7.5 million. One contributing factor to the increase of property tax collections was the start of collections on the 2022 Parks Levy, totaling \$19.9 million.
- The annexation sales and use tax collections ended in 2022, 10-years after the annexation of the Eastgate, Tamera Hills, and Horizon View areas.
- The unrestricted investment income increased \$13.9 million due to more favorable interest rates for 2023.
- The lease and subscription investment led to an increase in other revenue of \$1.2 million.

Total expenses increased \$45.6 million. Activities contributing to this change include:

- The city provides cost of living increase to staff salaries based on the consumer price index for all urban consumers (CPI-U). The increase in the CPI-U for the region resulted in a surge of expenses for personnel as well as contracts.
- Changes in pension activity for 2023 resulted in an increase of \$10.1 million to expenses for the city.
- The city recognized an increase in depreciation and amortization expense of \$0.6 million.
- Public safety expenses increased \$18.8 million due to the adding of staff for both police and fire departments, increase in jail and NORCOM contracted costs, costs for a cyber risk assessment, and a project to replace exhaust systems at the city's fire stations.
- Transportation expenses increased \$13.5 million due to increased costs for the city crosswalk program, the overlay program, and contributions to the King County Wilburton Trestle project.
- Economic environment expenses decreased \$4.5 million. In 2022, the city incurred large expenditures for completed ARCH housing projects. In addition, the projects identified to be funded by the ARPA for eviction relief and rent reduction were completed in 2023, with the majority of the expenditures incurred in the prior year.
- Culture and recreation expenses increased \$8.6 million due to increased costs of supplies used to maintain parks and increases in contracted services. The city finalized the support for the installation of public art at Downtown Park.

Business-Type Activities

Business-type activities' net position increased by \$62.5 million for utilities and marina activities in 2023.

The revenues for business-type activities increased \$15.6 million. The highlights of these activities are:

- Charges for services increased \$7.3 million due to rate increases of utilities. These increases were offset by reduced collections from developer activities.
- Capital grants and contributions decreased \$2.8 million due to exhaustion of grants and lower collections for capital development activities.
- The unrestricted investment income increased \$10.6 million due to more favorable interest rates for 2023.

Total expenses increased \$9.3 million. Activities contributing to this change include:

- The city provides cost of living increase to staff salaries based on the CPI-U. The increase in the CPI-U for the region resulted in a surge of expenses for personnel as well as contracts.
- Changes in pension activity for 2023 resulted in a decrease of \$0.7 million to expenses for the city.
- The city recognized an increase in depreciation and amortization expense of \$0.6 million.

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 \$139.2 million is an increase of \$15.4 million from the fund balance of 2022. Revenues increased \$25.4 million, and expenditures increased \$35.7 million. The main contributions to these changes were:

- Total tax revenue collections were \$210.3 million, \$16.1 million more than 2022.
- The Development Services Department permit fee collection increased.
- Ground Emergency Medical Transportation, Basic Life Saving aid, Advance Life Saving aid, and contracts with partnering communities increased public safety revenue.
- Personnel costs and contracts for services increased due to the rise in CPI-U.
- The city increased funding reserves in other city funds for future projects.
- Public safety expenditure increased with the new investment in a police body camera system and increased costs for South Correctional Entity (SCORE) and King County District Court contracts.
- Expenditures for economic environment increased in response to budget initiatives related to Environmental Stewardship Initiative (ESI) and Diversity Advantage programs. In addition, contract costs increased for the subscription of MyBuilding Permit.

The Operating Grants, Donations, and Special Reserves Fund has an ending fund balance of \$22.0 million, a \$4.8 million increase from 2022. Revenues decreased \$2.1 million while expenditures increased \$0.4 million. The main contributions to these changes were:

- The city revenues decreased in response to the timing and eligibility of operating grants.
- ARPA funds continue to be spent on projects throughout the eligibility period.

The General Capital Investment Program Fund has an ending fund balance of \$254.9 million, a \$39.2 million increase from 2022. Revenues increased \$11.1 million while expenditures increased \$25.6 million. The reasons for these changes in 2023 are:

- Total tax revenue collections were \$91.5 million, \$10.8 million more than 2022.
- Interest income increased due to the favorable interest rates.

City of Bellevue, Washington

- Transportation impact fees decreased due to less construction in eligible areas.
- Personnel costs increased due to the rise in CPI-U.
- Transportation expenses increased due to costs of the overlay program and contributions to the King County Wilburton Trestle project.
- Public safety capital outlay increased during the year for the construction of Fire Station 10.

Business-Type Funds

The Storm and Surface Water Utility Fund has an ending net position of \$269.2 million, a \$18.4 million increase from 2022. The reasons for these changes in 2023 are:

- Charges for services increased \$1.2 million due to an annual rate increase.
- Operating expenses increased \$1.8 million as a result of increases in personnel costs and depreciation expense.
- Interest income increased \$3.7 million due to the favorable interest rates.

The Water Utility Fund has an ending net position of \$370.6 million, a \$22.2 million increase from 2022. The reasons for these changes in 2023 are:

- Charges for services increased \$3.1 million due to an annual rate increase.
- Operating expenses increased \$1.0 million as a result of increases in personnel costs, depreciation expense, and pension expense.
- Interest income increased \$2.6 million due to the favorable interest rates.

The Sewer Utility Fund has an ending net position of \$318.2 million, a \$21.9 million increase from 2022. The reasons for these changes in 2023 are:

- Charges for services increased \$3.3 million due to an annual rate increase.
- Operating expenses increased \$6.6 million as a result of increases in personnel costs, sewage processing contracts, depreciation expense, and pension expense.
- Interest income increased \$4.2 million due to the favorable interest rates.

Capital Asset Activity

The City of Bellevue’s investment in capital assets for the end of 2023 was \$2.7 billion, net of depreciation, which was an increase of \$77.1 million from the previous year. The following table shows the balances by category for governmental activities, business activities, and the city as a whole.

	Governmental Activities		Business-Type Activities		Total	Total
	2023	2022	2023	2022	2023	2022
	(in thousands)					
Land	\$ 917,428	\$ 911,349	\$ 25,462	\$ 25,138	\$ 942,890	\$ 936,487
Buildings	112,577	120,344	4,461	6,314	117,038	126,658
Improvements other than buildings	79,367	61,402	-	-	79,367	61,402
Machinery & equipment	30,330	21,404	2,582	3,480	32,912	24,884
Leasehold improvements	413	826	-	-	413	826
Infrastructure	883,874	873,478	440,753	415,052	1,324,627	1,288,530
Intangible assets	918	1,131	35	36	953	1,167
Lease asset	11,257	11,907	-	-	11,257	11,907
Subscription asset	2,130	-	59	-	2,189	-
Construction in progress	113,670	98,630	42,526	42,651	156,196	141,281
Development in progress	1,208	-	1,183	-	2,391	-
Total	\$ 2,153,172	\$ 2,100,471	\$ 517,061	\$ 492,671	\$ 2,670,233	\$ 2,593,142

Capital assets from governmental activities increased \$52.7 million. Some of the changes for 2023 include:

- The city purchased land for future park locations totaling \$3.4 million.
- The road extension at NE 4th finalized during the year, adding \$1.4 million to the land previously purchased.
- Two Mountain-to-Sound Greenway Trail phases completed, creating assets totaling \$33.6 million. These assets

City of Bellevue, Washington

included bridges, retaining walls, traffic control systems, and sidewalks.

- The city completed transportation levy projects that included traffic control systems throughout the city, totaling \$3.0 million, and new sidewalks, totaling \$1.0 million.
- The city received a donation of \$8.3 million of PSERN communication radios.
- The impact of GASB Statement No. 96 was the addition of \$2.7 million in subscription assets.
- Charges to accumulated depreciation and accumulated amortization totaling \$473.7 million, an increase of \$24.4 million from 2022.

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 \$24.4 million in capital assets was related to completed infrastructure projects and construction projects currently underway, tempered by depreciation for existing assets. Highlights of some of the major changes are:

- Completion of water reservoir storage for Downtown, totaling \$3.1 million
- Completion of a water inlet for West Bellevue, totaling \$5.2 million
- Completion of the phase 3 of asbestos cement water main replacement, totaling \$4.7 million
- Ongoing projects for utilities are capitalized based on phasing. These costs include:
 - Reservoir rehabilitation and replacement of \$2.4 million.
 - Horizon View water pump station rehabilitation and replacement of \$1.5 million.
 - Flood control culvert for Valley Creek at 21st NE Street of \$3.0 million.
 - Trunk rehabilitation of sewer system of \$3.0 million.
- Charges to accumulated depreciation and accumulated amortization totaling \$260.1 million, an increase of \$14.2 million from 2022.

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 \$303.1 million in general obligation bonds outstanding.

	Governmental Activities	
	2023	2022
	(in thousands)	
General obligation bonds	\$ 303,086	\$ 293,273

Governmental Activities

Over the past five years, the city issued general obligation (GO) debt of \$205.6 million, which included \$26.4 million on the TIFIA loan in 2023. Of the bonded debt outstanding at December 31, 2023, \$18.2 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 2023 was \$99.0 billion and the total amount of additional debt the city may issue is \$7.1 billion. This debt capacity is categorized as follows, in millions:

General debt	\$ 2,178
Open space/Parks facilities	2,475
Utilities	2,475
Total	<u>\$ 7,128</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 2023 are:

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

In 2023, Standard and Poor’s and Moody’s both affirmed the AAA/Aaa rating for the Unlimited Tax General Obligation. For more detailed information about the City of Bellevue's long-term debt please refer to Note 13: Long-Term Debt.

General Fund Budgetary Highlights

In 2023, the city’s adopted budget reflects revenues of \$269.3 million and actual expenditures of \$262.6 million. The most notable impact on the original adopted budget is the high inflation rate.

Additional changes between the adopted budget and spending in 2023 involved transfer of funds out of the General Fund to other city funds to create reserves for future spending.

The city saw an increase in economic growth with the aid of ARPA funds. The General Fund is projected to continue growth at 1.5 percent in 2024 and 3.4 percent in 2025 as new businesses continue to come to Bellevue.

Request for Information

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

Basic Financial Statements

Government-Wide Statement of Net Position
As of December 31, 2023
(in thousands)

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	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Assets:				
Cash & equity in pooled investments	\$ 378,534	\$ 430,511	\$ 809,045	\$ 10,986
Receivables (net of allowances):				
Taxes	50,327	-	50,327	-
Accounts	7,536	26,072	33,608	131
Due from other governments	15,571	-	15,571	-
Leases receivable	702	34	736	-
Other	3	-	3	1,418
Internal balances	23	(23)	-	-
Inventory	887	1,180	2,067	99
Prepays	2,525	-	2,525	238
Restricted cash & equity in pooled investments:				
For debt service	5,875	-	5,875	-
For customer deposits	369	265	634	-
For capital projects	136,486	164	136,650	336
Noncurrent assets:				
Net pension asset	72,363	4,761	77,124	-
Leases receivable	5,877	128	6,005	-
Noncurrent receivables	3,738	93	3,831	-
Capital assets:				
Land	917,428	25,462	942,890	-
Depreciable capital assets (net)	223,605	7,078	230,683	30,049
Depreciable infrastructure (net)	65,579	440,753	506,332	-
Nondepreciable infrastructure	818,295	-	818,295	-
Works of art	-	-	-	156
Lease assets (net)	11,256	-	11,256	-
Subscription assets (net)	2,131	59	2,190	-
Construction in progress	113,670	42,526	156,196	667
Development in progress	1,208	1,183	2,391	-
Total assets	2,833,988	980,246	3,814,234	44,080
Deferred outflows of resources:				
Loss on debt refunding	1,773	-	1,773	-
Pensions	47,773	3,581	51,354	-
Asset retirement obligation	713	-	713	-
Total deferred outflows	50,259	3,581	53,840	-
Total assets & deferred outflows	\$ 2,884,247	\$ 983,827	\$ 3,868,074	\$ 44,080

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

Government-Wide Statement of Net Position
As of December 31, 2023
(in thousands)

Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bellevue Convention Center Authority
Liabilities:				
Accounts payable	\$ 24,011	\$ 9,835	\$ 33,846	\$ 466
Accrued payroll	10,071	1,000	11,071	247
Other accrued liabilities	8,343	31	8,374	109
Deposits payable	7,977	-	7,977	-
Unearned revenue	11,596	-	11,596	-
Other current liabilities	3	-	3	-
Accrued bond interest payable	734	-	734	-
Liabilities payable from restricted assets:				
Customer deposits	369	265	634	-
Retainage payable	46	164	210	-
Noncurrent liabilities:				
Due within one year	30,787	403	31,190	923
Due in more than one year	355,551	909	356,460	266
Total liabilities	449,488	12,607	462,095	2,011
Deferred inflows of resources:				
Debt	4,102	-	4,102	-
Pensions	25,504	2,364	27,868	-
Leases	5,347	144	5,491	-
Total deferred inflows	34,953	2,508	37,461	-
Total liabilities & deferred inflows	\$ 484,441	\$ 15,115	\$ 499,556	\$ 2,011
Net position:				
Net investment in capital assets	\$ 1,882,612	\$ 512,304	\$ 2,394,916	\$ 30,772
Restricted for:				
Debt service	5,875	-	5,875	-
Capital projects	136,440	-	136,440	-
General government	7,485	-	7,485	-
Public safety	2,688	-	2,688	-
Physical environment	426	-	426	-
Economic environment	1,925	-	1,925	-
Health & human services	30,450	-	30,450	-
Culture & recreation	8,326	-	8,326	-
Net pension asset	94,468	6,036	100,504	-
Prepaid	2,525	-	2,525	-
Unrestricted	226,586	450,372	676,958	11,297
Total net position	\$ 2,399,806	\$ 968,712	\$ 3,368,518	\$ 42,069

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

Government-Wide Statement of Activities
For the Year Ended December 31, 2023
(in thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 54,323	\$ 20,329	\$ 7,501	\$ 8,729
Public safety	132,676	27,418	10,549	286
Physical environment	1,549	863	523	58
Transportation	56,543	17,396	2,509	7,946
Economic environment	56,722	26,549	7,023	117
Health & human services	9,010	50	6,104	34
Culture & recreation	52,246	13,152	340	2,977
Interest on long-term debt	11,171	-	-	-
Total governmental activities	<u>374,240</u>	<u>105,757</u>	<u>34,549</u>	<u>20,147</u>
Business-type activities:				
Water utility	57,436	77,152	-	2,589
Sewer utility	64,410	77,961	-	1,545
Storm & surface water utility	18,082	30,262	32	564
Marina	345	693	-	-
Total business-type activities	<u>140,273</u>	<u>186,068</u>	<u>32</u>	<u>4,698</u>
Total primary government	<u>\$ 514,513</u>	<u>\$ 291,825</u>	<u>\$ 34,581</u>	<u>\$ 24,845</u>
Component unit:				
Bellevue Convention Center Authority	\$ 14,515	\$ 15,978	\$ -	\$ -
Total component unit	<u>\$ 14,515</u>	<u>\$ 15,978</u>	<u>\$ -</u>	<u>\$ -</u>

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

Government-Wide Statement of Activities
For the Year Ended December 31, 2023
(in thousands)

<u>Functions/Programs</u>	<u>Net Expense, Revenue & Changes in Net Position</u>			
	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>	<u>Bellevue</u>
<u>Activities</u>	<u>type</u>	<u>Convention</u>		
				<u>Center Authority</u>
Primary government:				
Governmental activities:				
General government	\$ (17,764)	\$ -	\$ (17,764)	\$ -
Public safety	(94,423)	-	(94,423)	-
Physical environment	(105)	-	(105)	-
Transportation	(28,692)	-	(28,692)	-
Economic environment	(23,033)	-	(23,033)	-
Health & human services	(2,822)	-	(2,822)	-
Culture & recreation	(35,777)	-	(35,777)	-
Interest on long-term debt	(11,171)	-	(11,171)	-
Total governmental activities	(213,787)	-	(213,787)	-
Business-type activities:				
Water utility	-	22,305	22,305	-
Sewer utility	-	15,096	15,096	-
Storm & surface water utility	-	12,776	12,776	-
Marina	-	348	348	-
Total business-type activities	-	50,525	50,525	-
Total primary government	(213,787)	50,525	(163,262)	-
Component unit:				
Bellevue Convention Center Authority	-	-	-	1,463
Total component unit	-	-	-	1,463
General revenues:				
Property tax	87,675	-	87,675	-
Retail sales & use tax	109,198	-	109,198	-
Utility tax	32,980	-	32,980	-
Business & occupation tax	76,160	-	76,160	-
Excise taxes	14,605	-	14,605	-
Hotel/Motel tax	11,570	-	11,570	-
Other taxes	706	-	706	-
Unrestricted grants & contributions	1,177	-	1,177	-
Unrestricted investment interest	19,780	15,839	35,619	445
Net increase (decrease) in fair value of investments	37	3	40	-
Miscellaneous	3,966	1,121	5,087	-
Gain on sale of capital assets	576	-	576	-
Transfers	4,940	(4,940)	-	-
Total general revenues & transfers	363,370	12,023	375,393	445
Change in net position	149,583	62,548	212,131	1,908
Net position at beginning of year	2,250,223	906,164	3,156,387	40,161
Net position at end of year	\$ 2,399,806	\$ 968,712	\$ 3,368,518	\$ 42,069

Balance Sheet
Governmental Funds
As of December 31, 2023
(in thousands)

	General Fund	Operating Grants, Donations & Special Reserves
Assets:		
Cash & equity in pooled investments	\$ 138,430	\$ 25,345
Receivables (net of allowances):		
Taxes	33,435	5
Accounts	4,664	1,453
Due from other governments	166	678
Prepays	2,034	-
Housing rehabilitation loans receivable	-	3,738
Lease receivable	522	-
Total assets	\$ 179,251	\$ 31,219
Liabilities:		
Accounts payable	\$ 9,380	\$ 1,712
Retainage payable	10	-
Due to other funds	92	-
Due to component unit	-	-
Due to other governments	-	7,200
Accrued payroll	9,235	21
Accrued taxes	466	-
Deposits payable	8,217	1
Other current liabilities	22	-
Unearned revenue	11,131	-
Total liabilities	38,553	8,934
Deferred inflows:		
For grants	-	314
For taxes	1,021	-
For leases	476	-
For other	5	-
Total deferred inflows	1,502	314
Total liabilities & deferred inflows	40,055	9,248
Fund balance:		
Nonspendable	2,034	-
Restricted	968	10,293
Committed	67,678	10,222
Assigned	980	1,456
Unassigned	67,536	-
Total fund balance	139,196	21,971
Total liabilities, deferred inflows, & fund balance	\$ 179,251	\$ 31,219

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

Balance Sheet
Governmental Funds
As of December 31, 2023
(in thousands)

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash & equity in pooled investments	\$ 238,466	\$ 57,541	\$ 459,782
Receivables (net of allowances):			
Taxes	13,097	3,790	50,327
Accounts	936	56	7,109
Due from other governments	14,725	-	15,569
Prepays	-	-	2,034
Housing rehabilitation loans receivable	-	-	3,738
Lease receivable	-	-	522
Total assets	\$ 267,224	\$ 61,387	\$ 539,081
Liabilities:			
Accounts payable	\$ 10,101	\$ 1,032	\$ 22,225
Retainage payable	31	-	41
Due to other funds	-	-	92
Due to component unit	-	666	666
Due to other governments	-	-	7,200
Accrued payroll	-	91	9,347
Accrued taxes	4	-	470
Deposits payable	-	-	8,218
Other current liabilities	-	-	22
Unearned revenue	446	-	11,577
Total liabilities	10,582	1,789	59,858
Deferred inflows:			
For grants	887	-	1,201
For taxes	863	55	1,939
For leases	-	-	476
For other	-	-	5
Total deferred inflows	1,750	55	3,621
Total liabilities & deferred inflows	12,332	1,844	63,479
Fund balance:			
Nonspendable	-	-	2,034
Restricted	136,440	45,914	193,615
Committed	107,685	6,442	192,027
Assigned	10,767	7,187	20,390
Unassigned	-	-	67,536
Total fund balance	254,892	59,543	475,602
Total liabilities, deferred inflows, & fund balance	\$ 267,224	\$ 61,387	\$ 539,081

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**Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
As of December 31, 2023**
(in thousands)

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

Total governmental fund balances		\$ 475,602
Capital assets used in governmental activities are not financial resources & these assets consist of:		
Land	917,428	
Depreciable capital assets	407,749	
Depreciable infrastructure	260,449	
Construction in progress	113,670	
Development in progress	1,208	
Non-depreciable infrastructure	818,295	
Lease asset	18,866	
SBITA asset	717	
Accumulated depreciation	(405,936)	
Accumulated amortization	<u>(7,781)</u>	
Total capital assets		2,124,665
Material inventory		237
Net pension assets are reported as an asset in the governmental activities & are not considered to represent a financial asset, therefore are not reported in the governmental fund balance sheet:		68,688
Deferred outflows of resources		
For debt	1,773	
For pensions	<u>43,273</u>	
Total deferred outflows of resources		45,046
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported in the funds. These long-term liabilities consist of:		
Bonds payable	(303,087)	
Notes payable	(120)	
Accrued bond interest payable	(734)	
Compensated absences	(13,992)	
OPEB obligation payable	(22,671)	
Lease liability	(11,530)	
Subscription liability	<u>(458)</u>	
Total long-term liabilities		(352,592)
Deferred inflow of resources:		
For grants	1,201	
For taxes	1,939	
For debt	(4,101)	
For pensions	(22,102)	
For other	<u>(122)</u>	
Total deferred inflows of resources		(23,185)
Internal service funds are used by management to charge the costs of certain activities, such as equipment rental, self-insurance, information technology, & facility services to individual funds. The assets & liabilities of the internal service funds are included in governmental activities in the statement of net position:		<u>61,345</u>
Net position of governmental activities		<u>\$ 2,399,806</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023
(in thousands)

Page 1 of 2

	<u>General Fund</u>	<u>Operating Grants, Donations & Special Reserves</u>
Revenues:		
Taxes & special assessments	\$ 210,259	\$ 3,823
Licenses & permits	16,838	-
Intergovernmental	31,992	10,190
Service charges & fees	40,846	237
Fines & forfeitures	761	-
Interest & penalties	5,316	958
Net change in fair value of investments	3	3
Rent	11,200	-
Judgments & settlements	118	-
Premiums/contributions	15	628
Other	440	443
Total revenues	<u>317,788</u>	<u>16,282</u>
Expenditures:		
Current:		
General government	34,589	40
Public safety	136,531	2,151
Physical environment	-	570
Transportation	35,041	341
Economic environment	46,596	5,652
Health & human services	7,872	1,139
Culture & recreation	41,873	443
Debt service:		
Principal	821	-
Interest & fiscal charges	195	-
Capital outlay:		
General government	6	24
Public safety	156	47
Physical environment	-	-
Transportation	109	-
Economic environment	-	-
Culture & recreation	56	-
Total expenditures	<u>303,845</u>	<u>10,407</u>
Excess (deficiency) of revenues over (under) expenditures	13,943	5,875
Other financing sources (uses):		
Transfers in	8,568	107
Transfers out	(7,565)	(1,215)
Sale of capital assets	240	-
Issuance of long term debt	171	-
Total other financing sources & uses	<u>1,414</u>	<u>(1,108)</u>
Net change in fund balance	15,357	4,767
Fund balance at beginning of year	123,839	17,204
Fund balance at end of year	<u>\$ 139,196</u>	<u>\$ 21,971</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023
(in thousands)

Page 2 of 2

	General CIP	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes & special assessments	\$ 91,527	\$ 26,109	\$ 331,718
Licenses & permits	-	-	16,838
Intergovernmental	10,993	1,347	54,522
Service charges & fees	5,310	2,097	48,490
Fines & forfeitures	-	-	761
Interest & penalties	9,212	2,158	17,644
Net change in fair value of investments	10	-	16
Rent	-	-	11,200
Judgments & settlements	-	-	118
Premiums/contributions	1,749	2,625	5,017
Other	-	328	1,211
Total revenues	118,801	34,664	487,535
Expenditures:			
Current:			
General government	1,051	6,613	42,293
Public safety	1,160	41	139,883
Physical environment	78	916	1,564
Transportation	13,619	-	49,001
Economic environment	1,626	4,207	58,081
Health & human services	-	-	9,011
Culture & recreation	4,051	-	46,367
Debt service:			
Principal	171	14,980	15,972
Interest & fiscal charges	6	8,105	8,306
Capital outlay:			
General government	420	-	450
Public safety	9,199	-	9,402
Physical environment	234	-	234
Transportation	41,474	-	41,583
Economic environment	79	-	79
Culture & recreation	11,975	-	12,031
Total expenditures	85,143	34,862	434,257
Excess (deficiency) of revenues over (under) expenditures	33,658	(198)	53,278
Other financing sources (uses):			
Transfers in	2,970	22,931	34,576
Transfers out	(18,499)	(7,003)	(34,282)
Sale of capital assets	-	-	240
Issuance of long term debt	21,115	-	21,286
Total other financing sources & uses	5,586	15,928	21,820
Net change in fund balance	39,244	15,730	75,098
Fund balance at beginning of year	215,648	43,813	400,504
Fund balance at end of year	\$ 254,892	\$ 59,543	\$ 475,602

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

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**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the Year Ended December 31, 2023**
(in thousands)

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

Net change in fund balances - total governmental funds	\$	75,098
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation & amortization expense. This is the difference between capital outlays & adjustments in the current period. This is comprised of:

Capital outlay	\$ 62,392	
Depreciation & amortization	<u>(8,008)</u>	
Total capital outlay		54,384

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 & assessment revenue	1,177	
Grant revenues	<u>(1,554)</u>	
Total revenues		(377)

Bond proceeds provide current financial resources to governmental funds. Issuing debt increases long-term liabilities in the statement of net assets while repayment of long-term debt is an expenditure in the governmental funds. The repayment reduces long-term liabilities in the statement of net assets:

New debt issues, TIFIA	(26,350)	
Long-term debt repayments	<u>14,980</u>	
Total debt proceeds & repayments		(11,370)

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

Amortization of bond premium	1,557	
Gain & losses on bond refunding	(418)	
Accrued interest expense	1,505	
Amortization of subscription liability	141	
Amortization of lease liability	805	
Amortization of net OPEB obligation	261	
Compensated absences	(1,376)	
Change in net pension asset	2,861	
Inventory	<u>21</u>	
Total expenses		5,357

Internal service funds are used by management to charge the costs of certain activities, such as equipment rental, self-insurance, information technology, & facility services to individual funds. The net revenue (expense) of these internal service funds is reported with governmental activities:

		<u>26,491</u>
Change in net position of governmental activities	\$	<u><u>149,583</u></u>

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2023
(in thousands)

Page 1 of 4

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 147,084	\$ 112,462	\$ 169,856
Receivables (net of allowances):			
Accounts	5,941	5,564	14,563
Leases receivable	-	34	-
Other	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	183	840	157
Prepaid items	-	-	-
Restricted cash & equity in pooled investments:			
Capital projects	152	-	12
Customer deposits	1	201	20
Total current assets	153,361	119,101	184,608
Noncurrent assets:			
Notes/contracts receivable	-	46	46
Lease receivable	-	128	-
Net pension asset	1,423	1,910	1,427
Capital assets (net)	118,142	253,053	136,247
Total noncurrent assets	119,565	255,137	137,720
Total assets	272,926	374,238	322,328
Deferred outflow of resources:			
For pensions	1,073	1,430	1,078
For asset retirement obligation	-	-	-
Total deferred outflows	1,073	1,430	1,078
Total assets & deferred outflows	\$ 273,999	\$ 375,668	\$ 323,406

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2023
(in thousands)

Page 2 of 4

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Assets:			
Current assets:			
Cash & equity in pooled investments	\$ 1,109	\$ 430,511	\$ 61,452
Receivables (net of allowances):			
Accounts	4	26,072	428
Leases receivable	-	34	695
Other	-	-	3
Due from other funds	-	-	115
Due from other governments	-	-	1
Inventory	-	1,180	650
Prepaid items	-	-	492
Restricted cash & equity in pooled investments:			
Capital projects	-	164	5
Customer deposits	43	265	-
Total current assets	1,156	458,226	63,841
Noncurrent assets:			
Notes/contracts receivable	-	92	-
Lease receivable	-	128	5,362
Net pension asset	-	4,760	3,675
Capital assets (net)	9,618	517,060	28,787
Total noncurrent assets	9,618	522,040	37,824
Total assets	10,774	980,266	101,665
Deferred outflow of resources:			
For pensions	-	3,581	4,500
For asset retirement obligation	-	-	713
Total deferred outflows	-	3,581	5,213
Total assets & deferred outflows	\$ 10,774	\$ 983,847	\$ 106,878

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

Statement of Fund Net Position
Proprietary Funds
As of December 31, 2023
(in thousands)

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,242	\$ 2,839	\$ 3,748
Estimated claims	-	-	-
Due to other funds	6	12	5
Due to other governments	-	-	-
Accrued payroll	294	379	328
Accrued compensated absences	124	152	99
Subscription liability	2	17	8
Customer deposits	1	201	20
Retainage payable	152	-	12
Total current liabilities	<u>3,821</u>	<u>3,600</u>	<u>4,220</u>
Noncurrent liabilities:			
Accrued compensated absences	290	355	232
Estimated claims	-	-	-
Asset retirement obligation	-	-	-
Net pension liability	-	-	-
Subscription liability	2	21	10
Total noncurrent liabilities	<u>292</u>	<u>376</u>	<u>242</u>
Total liabilities	<u>4,113</u>	<u>3,976</u>	<u>4,462</u>
Deferred Inflows			
For pensions	638	966	701
For leases	-	144	-
Total deferred inflows	<u>638</u>	<u>1,110</u>	<u>701</u>
Total liabilities & deferred inflows	<u>\$ 4,751</u>	<u>\$ 5,086</u>	<u>\$ 5,163</u>
Net position:			
Net investment in capital assets	\$ 115,394	\$ 251,398	\$ 135,894
Restricted for:			
Net pension asset	1,858	2,374	1,804
Prepays	-	-	-
Unrestricted	151,996	116,810	180,545
Total net position	<u>\$ 269,248</u>	<u>\$ 370,582</u>	<u>\$ 318,243</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, 2023
(in thousands)

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Liabilities:			
Current liabilities:			
Accounts payable	\$ 6	\$ 9,835	\$ 2,043
Estimated claims	-	-	6,275
Due to other funds	-	23	-
Due to other governments	31	31	6
Accrued payroll	-	1,001	725
Accrued compensated absences	-	375	462
Subscription liability	-	27	485
Customer deposits	43	265	-
Retainage payable	-	164	5
Total current liabilities	80	11,721	10,001
Noncurrent liabilities:			
Accrued compensated absences	-	877	1,074
Estimated claims	-	-	4,776
Asset retirement obligation	-	-	6,294
Net pension liability	-	-	14,018
Subscription liability	-	33	1,097
Total noncurrent liabilities	-	910	27,259
Total liabilities	80	12,631	37,260
Deferred Inflows			
For pensions	59	2,364	3,402
For leases	-	144	4,871
Total deferred inflows	59	2,508	8,273
Total liabilities & deferred inflows	\$ 139	\$ 15,139	\$ 45,533
Net position:			
Net investment in capital assets	\$ 9,618	\$ 512,304	\$ 27,156
Restricted for:			
Net pension asset	-	6,036	4,610
Prepays	-	-	492
Unrestricted	1,017	450,368	29,087
Total net position	\$ 10,635	\$ 968,708	\$ 61,345

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023
(in thousands)

Page 1 of 2

	Storm & Surface Water Utility	Water Utility	Sewer Utility
Operating revenues:			
Intergovernmental	\$ 32	\$ 191	\$ 190
Service charges & fees	30,362	77,158	77,965
Interest & assessment interest/penalties	-	-	-
Rent	-	-	-
Insurance recovery	-	-	-
Premiums/contributions	-	-	-
Other	-	-	-
Total operating revenues	<u>30,394</u>	<u>77,349</u>	<u>78,155</u>
Operating expenses:			
Administrative & general	5,073	17,247	8,764
Maintenance & operations	9,886	33,360	51,321
Depreciation	3,121	6,829	4,327
Insurance costs	-	-	-
Benefits & claims payments	-	-	-
Total operating expenses	<u>18,080</u>	<u>57,436</u>	<u>64,412</u>
Operating income (loss)	12,314	19,913	13,743
Nonoperating revenues (expenses):			
Interest income	5,539	3,932	6,325
Net change in fair value of investments	2	1	-
Rental income	30	371	502
Gain (loss) on disposal of capital assets	(100)	(6)	(4)
Other nonoperating revenues	28	164	26
Other nonoperating expenses	-	(1)	-
Total nonoperating revenue (expenses)	<u>5,499</u>	<u>4,461</u>	<u>6,849</u>
Income before contributions & transfers	17,813	24,374	20,592
Special items, contributions & transfers:			
Transfers in	-	-	-
Transfers out	-	(4,540)	-
Capital contributed from external sources	564	2,398	1,355
Total special items, contributions & transfers	<u>564</u>	<u>(2,142)</u>	<u>1,355</u>
Change in net position	18,377	22,232	21,947
Net position beginning of year	<u>250,871</u>	<u>348,350</u>	<u>296,296</u>
Net position end of year	<u>\$ 269,248</u>	<u>\$ 370,582</u>	<u>\$ 318,243</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, 2023
(in thousands)

	Nonmajor Enterprise Fund - Marina	Total	Governmental Activities - Internal Service Funds
Operating revenues:			
Intergovernmental	\$ -	\$ 413	\$ 96
Service charges & fees	-	185,485	42,523
Interest & assessment interest/penalties	-	-	92
Rent	693	693	511
Insurance recovery	-	-	384
Premiums/contributions	-	-	39,070
Other	-	-	156
Total operating revenues	693	186,591	82,832
Operating expenses:			
Administrative & general	17	31,101	7,437
Maintenance & operations	314	94,881	21,784
Depreciation	14	14,291	6,743
Insurance costs	-	-	11,271
Benefits & claims payments	-	-	26,752
Total operating expenses	345	140,273	73,987
Operating income (loss)	348	46,318	8,845
Nonoperating revenues (expenses):			
Interest income	43	15,839	2,048
Net change in fair value of investments	-	3	20
Rental income	-	903	-
Gain (loss) on disposal of capital assets	-	(110)	336
Other nonoperating revenues	-	218	2,356
Other nonoperating expenses	-	(1)	(21)
Total nonoperating revenue (expenses)	43	16,852	4,739
Income before contributions & transfers	391	63,170	13,584
Special items, contributions & transfers:			
Transfers in	-	-	7,383
Transfers out	(400)	(4,940)	(2,737)
Capital contributed from external sources	-	4,317	8,261
Total special items, contributions & transfers	(400)	(623)	12,907
Change in net position	(9)	62,547	26,491
Net position beginning of year	10,644	906,161	34,854
Net position end of year	\$ 10,635	\$ 968,708	\$ 61,345

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, 2023
(in thousands)

Page 1 of 4

	Business-Type Activities -		
	Enterprise Funds		
	Storm & Surface Water Utility	Water Utility	Sewer Utility
Cash flows from operating activities:			
Cash received from customers & users	\$ 28,510	\$ 83,216	\$ 75,241
Contributions received - employer/employees	-	-	-
Cash received from insurance proceeds	-	-	-
Cash payments to suppliers for goods & services	(8,730)	(42,878)	(53,135)
Cash payments to employees for services	(6,419)	(8,603)	(5,155)
Cash payments to claimants	-	-	-
Cash received from contracts/rent	-	-	-
Cash payments for insurance	-	-	-
Other receipts	58	535	528
Net cash provided by operating activities	<u>13,419</u>	<u>32,270</u>	<u>17,479</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Transfers out	-	(4,540)	-
Cash received from non-operating revenues	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(4,540)</u>	<u>-</u>
Cash flows from capital & related financing activities:			
Acquisition & construction of capital assets	(9,443)	(17,910)	(9,774)
Proceeds from sale of assets	-	-	-
Cash contributions in aid of construction	552	2,029	1,174
Net cash used by capital financing activities	<u>(8,891)</u>	<u>(15,881)</u>	<u>(8,600)</u>
Cash flows from investing activities:			
Interest on investments	5,550	3,984	6,369
Net cash provided (used) by investing activities	<u>5,550</u>	<u>3,984</u>	<u>6,369</u>
Net increase (decrease) in cash balance	10,078	15,833	15,248
Cash & equity in pooled investments - beginning of year	137,159	96,830	154,640
Cash & equity in pooled investments - end of year	<u>\$ 147,237</u>	<u>\$ 112,663</u>	<u>\$ 169,888</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 147,084	\$ 112,462	\$ 169,856
Restricted	153	201	32
Total cash & equity in pooled investments	<u>\$ 147,237</u>	<u>\$ 112,663</u>	<u>\$ 169,888</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, 2023
(in thousands)

Page 2 of 4

	Business-Type Activities -		Governmental Activities - Internal Service Funds
	Enterprise Funds		
	Nonmajor Enterprise Fund - Marina	Total	
Cash flows from operating activities:			
Cash received from customers & users	\$ 736	\$ 187,703	\$ 42,797
Contributions received - employer/employee	-	-	39,086
Cash received from insurance proceeds	-	-	384
Cash payments to suppliers for goods & services	(315)	(105,058)	(20,695)
Cash payments to employees for services	(17)	(20,194)	(16,562)
Cash payments to claimants	-	-	(24,595)
Cash received from contracts/rent	-	-	511
Cash payments for insurance	-	-	(11,271)
Other receipts	-	1,121	1,614
Net cash provided by operating activities	<u>404</u>	<u>63,572</u>	<u>11,269</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	7,383
Transfers out	(400)	(4,940)	(2,737)
Cash received from non-operating revenues	-	-	885
Net cash provided (used) by noncapital financing activities	<u>(400)</u>	<u>(4,940)</u>	<u>5,531</u>
Cash flows from capital & related financing activities:			
Acquisition & construction of capital assets	-	(37,127)	(6,387)
Proceeds from sale of assets	-	-	336
Cash contributions in aid of construction	-	3,755	-
Net cash used by capital financing activities	<u>-</u>	<u>(33,372)</u>	<u>(6,051)</u>
Cash flows from investing activities:			
Interest on investments	43	15,946	2,048
Net cash provided (used) by investing activities	<u>43</u>	<u>15,946</u>	<u>2,048</u>
Net increase (decrease) in cash balance	47	41,206	12,797
Cash & equity in pooled investments - beginning of year	1,105	389,734	48,655
Cash & equity in pooled investments - end of year	<u>\$ 1,152</u>	<u>\$ 430,940</u>	<u>\$ 61,452</u>
Cash & equity in pooled investments at end of year consist of:			
Unrestricted	\$ 1,109	\$ 430,511	\$ 61,447
Restricted	43	429	5
Total cash & equity in pooled investments	<u>\$ 1,152</u>	<u>\$ 430,940</u>	<u>\$ 61,452</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, 2023
(in thousands)

Page 3 of 4

	Business-Type Activities -		
	Enterprise Funds		
	Storm & Surface Water Utility	Water Utility	Sewer Utility
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 12,314	\$ 19,913	\$ 13,743
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,121	6,829	4,328
Other receipts	58	535	528
Changes in assets & liabilities:			
(Increase) decrease in accounts receivable	(1,494)	5,928	(2,332)
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in other receivables	-	(93)	-
(Increase) decrease in leases receivable	-	33	-
(Increase) decrease in contracts receivable	-	1	1
(Increase) decrease in prepaid expenses	(393)	(395)	(395)
(Increase) decrease in inventory	(7)	(124)	(4)
(Increase) decrease in pension asset	(254)	-	(41)
(Increase) decrease in lease asset	-	-	-
(Increase) decrease in asset retirement obligation	-	-	-
(Increase) decrease in deferred outflow	8	237	203
Increase (decrease) in accounts payable	221	189	2,052
Increase (decrease) in retainage payable	126	-	12
Increase (decrease) in wages & benefits payable	44	2	37
Increase (decrease) in compensated absences	59	(49)	(66)
Increase (decrease) in due to other funds	5	7	(3)
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in customer deposits	-	-	-
Increase (decrease) in estimated claims payable	-	-	-
Increase (decrease) in deferred inflows	-	(33)	-
Increase (decrease) in pension inflow	(389)	(747)	(584)
Increase (decrease) in pension liability	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in other accrued liabilities	-	37	-
Total adjustments	<u>1,105</u>	<u>12,357</u>	<u>3,736</u>
Net cash provided by operating activities	<u>\$ 13,419</u>	<u>\$ 32,270</u>	<u>\$ 17,479</u>
Noncash investing, capital & financing activities:			
Contributions of capital assets	\$ 12	\$ 370	\$ 180
Loss on asset disposal	(99)	(6)	(4)
Increase (decrease) in fair value of investments	2	1	-

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, 2023
(in thousands)

Page 4 of 4

	Business-Type Activities -		Governmental	
	Enterprise Funds			Activities -
	Nonmajor	Total		
	Enterprise Fund -		Service Funds	
	Marina	Total		
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 348	\$ 46,318	\$ 8,845	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	14	14,292	6,743	
Other receipts	-	1,121	1,471	
Changes in assets & liabilities:				
(Increase) decrease in accounts receivable	-	2,102	(33)	
(Increase) decrease in due from other funds	-	-	(23)	
(Increase) decrease in other receivables	-	(93)	(34)	
(Increase) decrease in leases receivable	-	33	1,119	
(Increase) decrease in contracts receivable	-	2	-	
(Increase) decrease in prepaid expenses	-	(1,183)	(205)	
(Increase) decrease in inventory	-	(135)	(143)	
(Increase) decrease in pension asset	-	(295)	(60)	
(Increase) decrease in lease asset	-	-	(542)	
(Increase) decrease in asset retirement obligation	-	-	(1,829)	
(Increase) decrease in deferred outflow	-	448	902	
Increase (decrease) in accounts payable	(4)	2,458	(359)	
Increase (decrease) in retainage payable	-	138	-	
Increase (decrease) in wages & benefits payable	-	83	49	
Increase (decrease) in compensated absences	-	(56)	54	
Increase (decrease) in due to other funds	-	9	-	
Increase (decrease) in due to other governments	3	3	-	
Increase (decrease) in customer deposits	43	43	-	
Increase (decrease) in estimated claims payable	-	-	2,157	
Increase (decrease) in deferred inflows	-	(33)	(2,704)	
Increase (decrease) in pension inflow	-	(1,720)	-	
Increase (decrease) in pension liability	-	-	(3,118)	
Increase (decrease) in unearned revenue	-	-	(614)	
Increase (decrease) in other accrued liabilities	-	37	(407)	
Total adjustments	56	17,254	2,424	
Net cash provided by operating activities	<u>\$ 404</u>	<u>\$ 63,572</u>	<u>\$ 11,269</u>	
Noncash investing, capital & financing activities:				
Contributions of capital assets	\$ -	\$ 562	\$ 8,261	
Loss on asset disposal	-	(109)	-	
Increase (decrease) in fair value of investments	-	3	20	

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

Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2023
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	ARCH Housing Private-Purpose Trust Fund	Custodial Funds
Assets:			
Cash & equity in pooled investments:			
State investment pool	\$ 552,362	\$ 5,520	\$ 1,842
Interest-bearing bank deposits	315,635	3,154	1,052
Supranational	49,318	493	164
US government & agency obligations	49,318	493	164
State & local obligations	19,727	197	66
Receivables (net of allowances):			
Interest receivable	1,746	-	-
Notes receivable from participants	8,228	-	-
Due from other governments/employers	-	9	95
Capital assets (net)	-	-	91
Total assets	<u>\$ 996,334</u>	<u>\$ 9,866</u>	<u>\$ 3,474</u>
Liabilities:			
Accounts payable	\$ 188	\$ 15	\$ 290
Total liabilities	<u>188</u>	<u>15</u>	<u>290</u>
Net Position:			
Net position restricted for pensions	996,146	-	-
Net position restricted for affordable housing	-	9,851	-
Net position restricted for individuals, organizations, & other governments	-	-	3,184
Total net position	<u>\$ 996,146</u>	<u>\$ 9,851</u>	<u>\$ 3,184</u>

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023
(in thousands)

	<u>Pension (and Other Employee Benefit) Trust Funds</u>	<u>ARCH Housing Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:			
Investment income:			
Interest	\$ 752	\$ 399	\$ 95
Net change in fair value of investments	99,424	-	2
Dividends	31,538	-	-
Other contributions:			
Contributions from employers & nonemployer premiums	26,511	-	-
Contributions from participants & members	29,907	4,606	5,973
Rollovers	274	-	-
Tax collections for other governments	-	-	1,569
Deposits payable	-	-	48
Total additions	<u>188,406</u>	<u>5,005</u>	<u>7,687</u>
Deductions:			
Benefit payments	71,500	-	-
Insurance premiums	2,551	-	-
Administrative expenses	1,530	1,572	2,343
Distributions to developers	-	4,509	55
Distributions to human services agencies	-	-	3,438
Payments to other governments	-	-	1,595
Deposits released	-	-	5
Total deductions	<u>75,581</u>	<u>6,081</u>	<u>7,436</u>
Net increase (decrease) in net position	112,825	(1,076)	251
Net position beginning of year	883,321	10,927	2,721
Prior period adjustment	-	-	212
Net position end of year	<u>\$ 996,146</u>	<u>\$ 9,851</u>	<u>\$ 3,184</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 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 is appointed by the Bellevue City Manager and serves at the pleasure of the City Manager and City Council. The city holds debt on behalf of the BCCA that is secured by hotel/motel taxes and other revenues 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 Statement of Net Position and Government-Wide Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component unit. To the extent possible, the effect of interfund overhead activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues. These activities are reported separately from business-type activities. Business-type activities rely significantly on fees and charges for support. The primary government is also reported separately from its legally separate component unit.

The Government-Wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

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

Basis of Accounting

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

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

Major Governmental Funds

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

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

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 proceeds, 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 in these funds result from providing services, and producing and delivering goods in connection with the funds' principal ongoing operations. Operating expenses in these funds include operating and maintenance costs, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting these categories are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources.

Enterprise Funds

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

Internal Service Funds

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

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, Community Connectivity Consortium, Eastside Narcotics Task Force, hazardous materials, and other custodial activities. These other custodial activities include 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 May 2020, GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users (governments). This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases. The city implemented this pronouncement as of December 31, 2023.

In April 2022, GASB issued Statement No. 99, “Omnibus 2022”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements, and accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, “Leases”, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, related to the determination of the public-private and public-public partnership (PPP) term and recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, “Subscription-Based Information Technology Arrangements”, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, “Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments”, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The city implemented this pronouncement as of December 31, 2023.

Budget and Basis of Accounting

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

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

Legal budgetary control is established at the fund level, where expenditures may not exceed the total appropriation amount. Fund balance at the beginning of the year is considered an available resource and included in the expenditure appropriation authority, but not necessarily appropriated at the program level and identifiable in the

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual presented in the Required Supplementary Information. The City Manager may authorize transfers of appropriations within a fund, but the City Council must approve by ordinance any increase or decrease in total fund appropriations.

Assets, Liabilities and Net Position or Fund Balance

Cash and Equity in Pooled Investments

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

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

The city is authorized by Washington State law to purchase certificates of deposit issued by Washington State depositories that participate in a state insurance pool managed by the Washington Public Deposit Protection Commission; investment deposits (Municipal Investor Account) in a qualified public depository located in the State of Washington; US Treasury and Agency securities; banker's acceptances trading in the secondary market; Washington State Treasurer's Local Government Investment Pool (LGIP); and repurchase agreements with dealers that use authorized securities as collateral. Administrative costs of the LGIP 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 Statement of Fund Net Position-Proprietary Funds include reserved for capital construction, monies reserved for payment of debt, and deposits held for utility customer accounts. Monies reserved by the BCCA are for rent, operations, and ground lease rental payments.

Receivables

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

Property Taxes

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

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

Other Receivables

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

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

Due from Other Funds and Other Governments

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

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

Interfund Loans Receivable

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

Housing Rehabilitation Loans Receivable

These loans are issued to individuals meeting designated income criteria and are supported by the city's annual Community Development Block Grant (CDBG) 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 CDBG 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.

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.

Leases

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

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

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

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

Subscription Based Information Technology Arrangements (SBITA)

The city has a variety of subscription-based information technology arrangements (SBITA). The city recognizes the right to use an intangible asset and a corresponding subscription liability.

The subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The city recognizes the amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods.

The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The city recognizes amortization of the subscription asset as an outflow of resources over the subscription term.

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 Governmental Funds Balance Sheet. However, the associated capital assets are reported in the governmental activities column of the Government-Wide Statement of Net Position.

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

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

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, development 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. Lease and subscription assets are amortized using the straight-line method over the life of the contract.

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

Asset Class	Estimated Service Life (Years)
Buildings	20-40
Improvements other than buildings	15-20
Intangible assets	15
Machinery & equipment	5-15
Leasehold improvements	10
Infrastructure	15-50
<i>Bellevue Convention Center Authority</i>	
Building Shell	50
Building Mechanical System & Roof	25-35
Equipment	5-10

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

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

Deferred Outflow of Resources

Deferred outflow of resources is the consumption of net assets that is applicable to a future reporting period. A deferred outflow of resources involves no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. It also represents access to present service capability that is under the government's control.

Pensions

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

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

Long-Term Liabilities

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

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

Compensated Absences

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

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

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

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

Deferred Inflow of Resources

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

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. In addition, net pension assets are restricted in the fund corresponding to the activity.

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

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

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

Committed fund balance results from decisions made by the City Council, the highest level of authority. These decisions, also known as ordinances, create legal constraints on city resources. Funds can only be released from the constraints with the same action.

Assigned fund balance results from an earmarking of resources for a particular purpose. Other than the general fund, the fund balance that is not considered restricted, committed, or nonspendable is assigned by the fund’s definition. These assignments can be made by the City Manager or the Finance and Asset Management Director.

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

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 and Government-Wide Statement of Activities while indirect expense allocations are eliminated. Indirect expenses are primarily charged to the various functions through the use of internal service funds for fleet maintenance, information technology, self-insurance, and facilities management. Elimination of payments to internal service funds are treated as expense reductions. No other indirect expenses are allocated to the various governmental functions. Exceptions to this rule are charges between the government’s utilities functions and various

functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note

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

Note 2: Stewardship, Compliance and Accountability

Deficits

The City of Bellevue had no funds with a material deficit as of December 31, 2023.

Total net position for the BCCA reflects an unrestricted net position balance of \$11.2 million and a total net position of \$42.1 million. Cash flows, as projected in the annual Finance Plan of BCCA, are expected to meet all obligations as they come due.

Legal Budgetary Compliance

During 2023, no city funds exceeded total authorized appropriations at the fund level. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level.

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

Note 3: Supplemental Appropriations

Operating Budget Funds

During 2023, the City Council amended the 2023 appropriations by an additional \$32.0 million to reflect previously unanticipated needs in the 2023 portion of the 2023-24 biennial budget. Amendments included \$2.6 million in the General Fund, \$0.2 million in the Housing Fund, \$27.7 million in the General CIP Fund, and \$1.5 million in the Operating Grants, Donations, and Special Reserve Fund. As explained in Note 1: Summary of Significant Accounting Policies, both original and supplemental appropriations are adopted by City Council ordinance.

Note 4: Deposits and Investments

Primary Government

Cash and equity in pooled investments are comprised of government and business-type activities. The balances as of December 31, 2023, are as follows, in thousands:

Cash on hand & in bank	\$ 6,798
Equity in pooled investments	<u>945,406</u>
Total	<u><u>\$ 952,204</u></u>

In addition, the city holds \$999.5 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, 2023, the city had a bank balance of \$0.8 million (carrying book balance amount of \$3.2 million). The city’s bank balance is insured by the FDIC up to \$0.3 million and fully collateralized by the Washington Public Deposit Protection

Commission (WPDPC) for amounts over \$0.3 million. The WPDPC constitutes a multiple financial institution collateral pool. Under RCW 39.58, public depositories are required to segregate and maintain eligible collateral for their unsecured public deposits in the form of securities having a value at least equal to their maximum liability.

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

Investments

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

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

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

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

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

City of Bellevue, Washington

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

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

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

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

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

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

Investment Type	Fair Value	Remaining Maturity					Credit Rating
		3 Months or Less	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	
US Agency Coupon Securities	\$ 129,640	\$ -	\$ 26,916	\$ 22,559	\$ 19,323	\$ 60,842	AA+/Aaa
US Treasury Debt Obligations	174,420	19,903	29,313	68,847	21,053	35,304	N/A
Interest Bearing Bank Deposits	45,140	45,140	-	-	-	-	Unrated
Municipal Bonds	17,697	-	-	-	17,697	-	Unrated
LGIP	538,901	531,387	7,514	-	-	-	Unrated
Supranational	49,713	-	21,824	-	9,126	18,763	AAA/Aaa
Total	\$ 955,511	\$ 596,430	\$ 85,567	\$ 91,406	\$ 67,199	\$114,909	

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

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

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The city’s investment policy limits the amount that may be invested in any one issuer. As of December 31, 2023, there was no concentration of credit risk exceeding the policy guidelines described above.

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

Issuer	Investment Type	Reported Amount
US Treasury	US Treasury Note	\$ 174,420
Federal Home Loan Bank	US Agency Securities	46,197
Federal Farm Credit Banks	US Agency Securities	45,009

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, 2023, all the \$79.8 million investments in US agency debt obligations and municipal bonds were registered and held by its safekeeping agent in the city’s name. Therefore, the city has no outstanding investments that were exposed to custodial credit risk.

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

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

City of Bellevue, Washington

The following table presents recurring fair value measurements as of December 31, 2023:

	December 31, 2023	Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
Debt securities			
US Agency Coupon Securities	\$ 129,640	\$ -	\$ 129,640
US Treasury Debt Obligations	174,420	174,420	-
Municipal Bonds	17,697	17,697	-
Supranational	49,713	49,713	-
Total debt securities	<u>371,470</u>	<u>241,830</u>	<u>129,640</u>
Total investments by fair value	<u>371,470</u>	<u>\$ 241,830</u>	<u>\$ 129,640</u>
Investments measured at amortized cost			
LGIP	538,901		
General Bank account	5,140		
Pacific Premier account	40,000		
Total investments measured at amortized cost	<u>584,041</u>		
Total investment measured at fair value	<u>\$ 955,511</u>		

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, 2023, are as follows, in thousands:

Cash on hand & in bank	\$ 2,147
Equity in pooled investments	<u>9,175</u>
Total	<u>\$ 11,322</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.

City of Bellevue, Washington

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, 2023, in thousands:

	<u>Rate</u>	<u>Property Taxes Collected</u>
Regular Property Taxes	\$ 0.530	\$ 50,396
Parks Levy 2008	0.044	972
Fire Facilities Levy 2016	0.100	8,525
Transportation Safety, Connectivity, Congestion Levy 2016	0.083	7,110
Parks Levy 2022	0.223	19,445
Total Levy	<u>\$ 0.980</u>	<u>\$ 86,447</u>

Under Washington State law, the city may levy up to \$3.57 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, 2023, the city has \$8.2 million in unused levy capacity.

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

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

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

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

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

Note 6: Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2023, was as follows, in thousands:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 911,349	\$ 6,079	\$ -	\$ 917,428
Construction in progress	98,630	57,930	(42,890)	113,670
Development in progress, subscription asset	-	1,208	-	1,208
Infrastructure	818,257	38	-	818,295
Total capital assets, not being depreciated	<u>1,828,236</u>	<u>65,255</u>	<u>(42,890)</u>	<u>1,850,601</u>
Capital assets, being depreciated:				
Buildings	260,227	1	-	260,228
Improvements other than buildings	87,679	23,123	(1,310)	109,492
Intangible assets	21,251	-	(74)	21,177
Machinery & equipment	77,369	16,203	(2,875)	90,697
Leasehold improvements	4,129	-	-	4,129
Infrastructure	252,298	16,843	(127)	269,014
Total capital assets, being depreciated	<u>702,953</u>	<u>56,170</u>	<u>(4,386)</u>	<u>754,737</u>
Less accumulated depreciation for:				
Buildings	(139,883)	(7,768)	-	(147,651)
Improvements other than buildings	(26,277)	(4,401)	553	(30,125)
Intangible assets	(20,120)	(169)	30	(20,259)
Machinery & equipment	(55,965)	(6,565)	2,163	(60,367)
Leasehold improvements	(3,303)	(413)	-	(3,716)
Infrastructure	(197,077)	(6,367)	9	(203,435)
Total accumulated depreciation	<u>(442,625)</u>	<u>(25,683)</u>	<u>2,755</u>	<u>(465,553)</u>
Total capital assets, being depreciated, net	<u>260,328</u>	<u>30,487</u>	<u>(1,631)</u>	<u>289,184</u>
Capital assets, being amortized				
Buildings leases	17,207	295	-	17,502
Machinery & equipment leases	1,364	-	-	1,364
Subscription assets	-	2,704	-	2,704
Total capital assets, being amortized	<u>18,571</u>	<u>2,999</u>	<u>-</u>	<u>21,570</u>
Less Accumulated amortization for:				
Buildings	(5,617)	(923)	-	(6,540)
Machinery & equipment	(1,047)	(22)	-	(1,069)
Subscription assets	-	(574)	-	(574)
Total accumulated amortization	<u>(6,664)</u>	<u>(1,519)</u>	<u>-</u>	<u>(8,183)</u>
Total capital assets, being amortized, net	<u>11,907</u>	<u>1,480</u>	<u>-</u>	<u>13,387</u>
Governmental activities capital assets, net	<u>\$ 2,100,471</u>	<u>\$ 97,222</u>	<u>\$ (44,521)</u>	<u>\$ 2,153,172</u>

City of Bellevue, Washington

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

Governmental activities:

General government	\$	8,335
Public safety		482
Transportation		5,861
Economic environment		98
Culture & recreation		5,684
Total		<u>20,460</u>

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>6,742</u>
Total depreciation & amortization - governmental activities	\$	<u>27,202</u>

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Capital asset activity for the city's proprietary funds for the year ended December 31, 2023 was as follows, in thousands:

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,138	\$ 324	\$ -	\$ 25,462
Construction in progress	42,651	36,010	(36,135)	42,526
Development in progress, subscription asset	-	1,183	-	1,183
Total capital assets, not being depreciated	<u>67,789</u>	<u>37,517</u>	<u>(36,135)</u>	<u>69,171</u>
Capital assets, being depreciated:				
Buildings	38,847	-	-	38,847
Machinery & equipment	15,787	344	(88)	16,043
Infrastructure	615,896	36,982	(102)	652,776
Intangible assets	287	-	-	287
Total capital assets, being depreciated, net	<u>670,817</u>	<u>37,326</u>	<u>(190)</u>	<u>707,953</u>
Less accumulated depreciation for:				
Buildings	(32,533)	(1,853)	-	(34,386)
Machinery & equipment	(12,307)	(1,229)	75	(13,461)
Infrastructure	(200,844)	(11,185)	6	(212,023)
Intangible assets	(251)	(1)	-	(252)
Total accumulated depreciation	<u>(245,935)</u>	<u>(14,268)</u>	<u>81</u>	<u>(260,122)</u>
Total capital assets, being depreciated, net	<u>424,882</u>	<u>23,058</u>	<u>(109)</u>	<u>447,831</u>
Capital assets, being amortized:				
Subscription assets	-	82	-	82
Total capital assets, being amortized	<u>-</u>	<u>82</u>	<u>-</u>	<u>82</u>
Less Accumulated amortization for:				
Subscription assets	-	(23)	-	(23)
Total accumulated amortization	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>(23)</u>
Total capital assets, being amortized, net	<u>-</u>	<u>59</u>	<u>-</u>	<u>59</u>
Business activities capital assets, net	<u>\$ 492,671</u>	<u>\$ 60,634</u>	<u>\$ (36,244)</u>	<u>\$ 517,061</u>

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

Business-type activities:	
Water utility	\$ 6,829
Storm & surface water utility	4,327
Sewer utility	3,121
Marina	14
Total depreciation & amortization - business-type activities	<u>\$ 14,291</u>

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Capital asset activity for the city's discretely presented component unit, BCCA, for the year ended December 31, 2023, were as follows, in thousands:

DISCRETELY PRESENTED COMPONENT UNIT
BELLEVUE CONVENTION CENTER AUTHORITY
(in thousands)

Bellevue Convention Center Authority:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Works of art	\$ 156	\$ -	\$ -	\$ 156
Construction in Progress	1,936	2,435	(3,704)	667
Total capital assets, not being depreciated	<u>2,092</u>	<u>2,435</u>	<u>(3,704)</u>	<u>823</u>
Capital assets, being depreciated:				
Building	62,764	1,579	(33)	64,310
Machinery & equipment	5,851	1,974	-	7,825
Total capital assets, being depreciated	<u>68,615</u>	<u>3,553</u>	<u>(33)</u>	<u>72,135</u>
Less accumulated depreciation for:				
Building	(35,221)	(1,722)	15	(36,928)
Machinery & equipment	(5,088)	(70)	-	(5,158)
Total accumulated depreciation	<u>(40,309)</u>	<u>(1,792)</u>	<u>15</u>	<u>(42,086)</u>
Total capital assets, being depreciated, net	<u>28,306</u>	<u>1,761</u>	<u>(18)</u>	<u>30,049</u>
Component unit activities capital assets, net	<u>\$ 30,398</u>	<u>\$ 4,196</u>	<u>\$ (3,722)</u>	<u>\$ 30,872</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' Pension	Total
Pension liabilities	\$ (14,018)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,018)
Pension assets	-	32,074	137	9,510	31,133	4,270	77,124
Deferred outflows of resources	1,744	24,127	156	-	25,327	-	51,354
Deferred inflows of resources	(1,581)	(15,690)	(106)	(631)	(9,860)	-	(27,868)
Pension expense	(173)	(3,884)	35	(687)	57	(990)	(5,642)

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

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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	905	228

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. The PERS Plan 1 member contribution rate is established in statute at 6.0 percent. The employer contribution rate is developed by the Office of the State Actuary (OSA), adopted by the Pension Funding Council, and is subject to change by the Legislature. The Plan 2/3 employer and employee contribution rates are developed by the OSA to fully fund Plan 2 and the defined benefits of Plan 3. The rates are adopted by the Pension Funding Council, and are subject to change by the Washington State Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL). As established by RCW 41.34, Plan 3 defined contribution rates are set at a minimum of 5.0 percent and a maximum of 15.0 percent. Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

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, 2023 were as follows, with contributions in thousands:

	Employer			Employee
	1/1-6/30	7/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 1	6.36%	6.36%	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	2.85%	2.97%	
Administration Fee	0.18%	0.18%	0.20%	
Total	10.39%	9.39%	9.53%	6.00%

	Employer			Employee
	1/1-6/30	7/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 2	6.36%	6.36%	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	2.85%	2.97%	
Administration Fee	0.18%	0.18%	0.20%	
Total	10.39%	9.39%	9.53%	6.36%

	Employer			Employee
	1/1-6/30	7/1-8/31	9/1-12/31	1/1-12/31
PERS Plan 3	6.36%	6.36%	6.36%	5-15%
PERS Plan 1 UAAL	3.85%	2.85%	2.97%	
Administration Fee	0.18%	0.18%	0.20%	
Total	10.39%	9.39%	9.53%	5-15%

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2023 Employer contributions

PERS 1	\$ 3,965
PERS 2	5,910
PERS 3	1,439

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

At December 31, 2023, the city reported a liability of \$14.0 million for its proportionate share of the net pension liability for PERS 1 and an asset of \$32.1 million for its proportionate share of the net pension asset for PERS 2/3. The net pension liability was measured as of June 30, 2023 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, 2023, the city's proportion for PERS 1 was 0.61 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2022. The city's proportion for PERS 2/3 was 0.78 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2022.

For the year ended December 31, 2023, the city recorded an adjustment to total pension expense of \$4.1 million for the PERS pension plans (PERS 1 decreased by \$0.2 million and PERS 2/3 decreased by \$3.9 million). As of December 31, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

	PERS 1	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ -	\$ -
Net difference between projected & actual earnings on pension plan investments	-	(1,581)
Changes in assumptions	-	-
Change in proportion & differences between city contributions & proportionate share contributions	-	-
City contributions subsequent to the measurement date	1,744	-
Total	\$ 1,744	\$ (1,581)

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	PERS 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 6,533	\$ (358)
Net difference between projected & actual earnings on pension plan investments	-	(12,087)
Changes in assumptions	13,465	(2,935)
Change in proportion & differences between city contributions & proportionate share contributions	408	(310)
City contributions subsequent to the measurement date	3,721	-
Total	\$ 24,127	\$ (15,690)

The city reported \$5.4 million (PERS 1: \$1.7 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, 2024. 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
2024	\$ (1,076)	\$ (5,747)
2025	(1,353)	(6,972)
2026	834	10,012
2027	13	3,625
2028	-	3,610
Thereafter	-	189
Total	\$ (1,582)	\$ 4,716

Sensitivity of the city's proportionate share of net pension liability to changes in the discount rate. The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	PERS 1	\$ 19,584	\$ 14,018
PERS 2/3	34,883	(32,074)	(87,082)

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>. 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	12

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.

Contributions. The PSERS Plan 2 employer and employee contribution rates are developed by the OSA to fully fund Plan 2. The rates are adopted by the Pension Funding Council, and are subject to change by the Washington State Legislature. The employer rate includes a component to address the PERS Plan 1 UAAL.

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, 2023 were as follows, with contributions in thousands:

	Employer			Employee	
	1/1-6/30	7/1-8/31	9/1-12/31	1/1-8/31	9/1-12/31
PSERS Plan 2	6.60%	6.60%	6.73%	6.60%	6.73%
PERS Plan 1 UAAL	3.85%	2.85%	2.97%		
Administration Fee	0.18%	0.18%	0.20%		
Total	10.63%	9.63%	9.90%	6.60%	6.73%

2023 Employer contributions	
PSERS	\$ 68

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

At December 31, 2023, the city reported an asset of \$137 thousand for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 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

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projected contributions of all participating local governments, actuarially determined. At June 30, 2023, the city's proportion was 0.13 percent, which was a decrease of 0.02 percent from its proportionate share measured as of June 30, 2022.

For the year ended December 31, 2023, the city recorded an adjustment decreasing total pension expense by \$35 thousand for the PSERS pension plans. As of December 31, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

	PSERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 43	\$ (35)
Net difference between projected & actual earnings on pension plan investments	-	(37)
Changes in assumptions	61	(24)
Change in proportion & differences between city contributions & proportionate share contributions	16	(10)
City contributions subsequent to the measurement date	36	-
Total	\$ 156	\$ (106)

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, 2024. 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:

<u>Year ended June 30</u>	<u>PSERS</u>
2024	\$ (22)
2025	(28)
2026	28
2027	4
2028	5
Thereafter	27
Total	<u>\$ 14</u>

Sensitivity of the city's proportionate share of net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PSERS	\$ 212	\$ (137)	\$ (413)

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>. 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	-	402

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.

Contributions. LEOFF Plan 1 had no required employer or employee contributions for the fiscal year. Employers paid only the DRS administrative expense based on covered payroll at a rate of 0.18 percent. The LEOFF Plan 2 employer and employee contribution rates are developed by the OSA to fully fund Plan 2. The rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change 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 LEOFF for the year ending December 31, 2023 were as follows, with contributions in thousands:

	Employer		Employee
	1/1-8/31	9/1-12/31	1/1-12/31
LEOFF 2 Plan	5.12%	5.12%	8.53%
Administration Fee	0.18%	0.20%	
Total	5.30%	5.32%	8.53%

2023 Employer contributions	
LEOFF 1	\$ -
LEOFF 2	3,366

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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, 2023, the state contributed \$19.9 million to LEOFF Plan. 2

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

On December 31, 2023, the city reported a total pension asset of \$40.6 million for its proportionate share of the net pension asset (LEOFF 1 was \$9.5 million and LEOFF 2 was \$31.1 million). The amount of the asset reported for LEOFF reflects a reduction for state pension support provided to the city as its proportional share of the net pension asset, the related state support, and the total portion of the net pension asset that was associated with the city were as follows, in thousands:

	LEOFF 1	LEOFF 2
City's proportionate share	\$ (9,510)	\$ (31,133)
State's proportionate share of the net pension asset associated with the employer	(64,326)	(19,881)
Total	<u>\$ (73,836)</u>	<u>\$ (51,014)</u>

At June 30, 2023, the city's proportion for LEOFF 1 was 0.32 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2022. The city's proportion for LEOFF 2 was 1.30 percent, which was a decrease of 0.06 percent from its proportionate share measured as of June 30, 2022.

For the year ended December 31, 2023, the city recorded an adjustment to total pension expense of \$630 thousand for the LEOFF pension plans (LEOFF 1 decreased by \$687 thousand and LEOFF 2 increased by \$57 thousand). As December 31, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources, in thousands:

	LEOFF 1	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ -	\$ -
Net difference between projected & actual earnings on pension plan investments	-	(631)
Changes in assumptions	-	-
Change in proportion & differences between city contributions & proportionate share contributions	-	-
City contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ (631)</u>

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	LEOFF 2	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 12,717	\$ (256)
Net difference between projected & actual earnings on pension plan investments	-	(6,588)
Changes in assumptions	7,953	(2,557)
Change in proportion & differences between city contributions & proportionate share contributions	2,805	(459)
City contributions subsequent to the measurement date	1,852	-
Total	\$ 25,327	\$ (9,860)

The city reported \$1.9 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, 2024. 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
2024	\$ (432)	\$ (2,319)
2025	(543)	(3,383)
2026	337	5,991
2027	8	2,353
2028	-	2,560
Thereafter	-	8,412
Total	\$ (631)	\$ 13,614

Sensitivity of the city's proportionate share of net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate, in thousands:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
LEOFF 1	\$ (8,433)	\$ (9,510)	\$ (10,444)
LEOFF 2	5,155	(31,133)	(60,832)

Pension plan fiduciary net position. Detailed 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>. 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 2023 with a valuation date of June 30, 2022. The actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases (including inflation)	3.25%
Investment rate of return	7.00%

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

The actuarial assumptions used in the June 30, 2022 valuation reflect the results of the 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2022 Actuarial Valuation Report (AVR). The total pension liability was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022 to June 30, 2023, reflecting each plan's normal cost (using Entry Age Cost Method), assumed interest, and actual benefit payments.

The long-term expected rate of return of 7.0 percent on pension plan investment was determined using a building-block method. The Washington State Investment Board used a best estimate of expected future rate of returns (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. To determine that rate, an asset sufficient test was completed to test whether each plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. The plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in assumptions. For purposes of the June 30, 2022 AVR, OSA made adjustments to the LEOFF Plans 1 and 2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022, measurement date.

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: a city councilmember who serves as the chairperson of the board, the City Clerk, the Director of Finance and Asset Management, one retired firefighter, and one regularly employed firefighter.

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

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

Employees covered by benefit terms. Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established. The Plan is closed to new entrants. At December 31, 2023, pension membership consisted of the following:

Retirees after March 1, 1970, currently receiving full retirement benefits through LEOFF 1 & also receiving an adjustment from the Firefighters' Pension Plan	21
Retirees after March 1, 1970, receiving LEOFF 1 pensions exceeding the Firefighters' Pension Fund &, therefore, not qualifying for excess benefit payment from the Firefighters' Pension Plan	7
Active plan members	-
Total	28

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, 2023, the state contributed \$310 thousand and neither member nor employer made contributions to the Plan. As of the last actuarial study dated January 1, 2024, 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 ensuring adequate liquidity to meet its cash flow needs. All investment activities are

City of Bellevue, Washington

in compliance with Washington State law. The following was the city’s adopted asset allocation policy as of December 31, 2023:

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

Concentrations. The Plan held the following investments in organizations that represent 5 percent or more of the Plan’s fiduciary net position and are not issued by the US Government at December 31, 2023:

Investment Type	% of Net Position
State Pool	56%
US Treasury Debt	18%
US Agency Securities	14%

Rate of return. For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments was 4.8 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, 2024 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, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2024 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.

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

Changes in the Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2022	\$ 3,696	\$ 6,976	\$ (3,280)
Changes for the year:			
Service cost	-	-	-
Interest	124	-	124
Change in benefit terms	-	-	-
Differences between expected & actual experience	(468)	-	(468)
Change of assumptions	-	-	-
Contribution - employer	-	-	-
Contributions - employee	-	-	-
Contributions - State of Washington	-	310	(310)
Net investment income	-	282	(282)
Benefit payments, including refunds	(307)	(307)	-
Administrative expenses	-	-	-
Other charges	-	54	(54)
Net changes	(651)	339	(990)
Balance at December 31, 2023	<u>\$ 3,045</u>	<u>\$ 7,315</u>	<u>\$ (4,270)</u>

The plan fiduciary net position as a percentage of the total pension liability for 2023 is 240.2 percent.

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

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
City's net pension asset	\$ (4,017)	\$ (4,270)	\$ (4,492)

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, 2023, the city recognized a pension expense of \$1.0 million. There were no deferrals of resources as the actuarial report made the assumptions and valuations as of the end of the city's fiscal year.

Municipal Employees’ Benefit Trust

Plan Description

Municipal Employees’ Benefit Trust (MEBT) is a multiple-employer, defined-contribution pension plan. MEBT is an alternative to the federal Social Security system created by the City of Bellevue on October 1, 1972. The participating entities include Bellevue, Edmonds, Federal Way, Kirkland, Mill Creek, Redmond, Woodinville and NORCOM with a total of 5,800 participants. Bellevue has 1,805 MEBT 1 participants and 208 MEBT 2 participants.

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

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

Eligibility. To participate in MEBT, an employee must be hired into one of the following classifications: regular status employee of the City of Bellevue as defined by Bellevue’s Human Resources Policies and Practices Manual 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 of 6.2 percent on compensation up to the Social Security wage base plus 100 percent of the Medicare tax rate of 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 \$10.4 million for MEBT for the year ending December 31, 2023. 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 2023 were as follows, in thousands:

	MEBT 1	MEBT 2
Participants	\$ 8,877	\$ 116

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, 2023, there were 59 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 2023 were as follows, in thousands:

Participants \$ 185

Note 8: Other Postemployment Benefits

Plan Description

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

Benefits provided

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

Employees covered by benefit terms

At December 31, 2023, the following employees were covered by the benefits terms:

Inactive employees currently receiving benefit payments	102	
Inactive employees entitled but not yet receiving benefit payments	-	
Active employees	-	
Total	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">102</td> </tr> </table>	102
102		

This plan is closed to new entrants.

Total OPEB liability

The city’s total OPEB liability of \$22.7 million was measured as of December 31, 2023 and was determined by an actuarial valuation date of December 31, 2022.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.25%
Salary increases	3.0%
Discount rate	3.8%
Healthcare cost trend rate	4.0%

The discount rate was based on the Fidelity “20 Year Municipal GO AA index” as of December 30, 2023.

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

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

Changes in the Total OPEB liability

	Total OPEB Liability (In thousands)
Balance at January 1, 2023	\$ 22,932
Changes for the year:	
Service costs	-
Interest costs	895
Changes of benefit terms	-
Differences between expected & actual experience	-
Change in assumption or other inputs	519
Contributions from employer	-
Net investment income	-
Benefit payments	(1,675)
Administration expenses	-
Net change in total OPEB liability	<u>(261)</u>
Total OPEB liability at December 31, 2023	<u>\$ 22,671</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05 percent in 2022 to 3.77 percent in 2023.

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 (2.8 percent) or 1 percentage point higher (4.8 percent) than the current discount rate, in thousands:

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1% Decrease (2.8%)	Discount Rate (3.8%)	1% Increase (4.8%)
\$ 24,702	\$ 22,671	\$ 20,906

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

The following present the total OPEB liability of the city, as well as what the city’s total OPEB liability would be if it were calculated using health cost trend rates that are 1 percentage point lower (3.0 percent) or 1 percentage point higher (5.0 percent) than the current health cost trend rate:

Healthcare Cost		
1% Decrease (3.0%)	Trend Rates (4.0%)	1% Increase (5.0%)
\$ 20,770	\$ 22,671	\$ 24,820

Assets.

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

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

For the year ended December 31, 2023, the city recognized an OPEB expense of \$1.4 million.

At December 31, 2023, the city did not have any reportable deferred outflows of resources or deferred inflows of resources related to OPEB. No amounts are to be reported as deferred inflows of resources and deferred inflows of resources related to OPEB over time.

Note 9: Compensated Absences

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

Governmental activities:	
General fund	\$ 13,654
Operating grants, donations, & special reserve fund	11
Nonmajor governmental funds	327
Internal service activities	1,536
Total governmental activities	<u>15,528</u>
Business-type activities:	
Storm & surface water utility	414
Water utility	507
Sewer utility	331
Total business-type activities	<u>1,252</u>
Total compensated absences	<u>\$ 16,780</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

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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, 2023, the city had available cash and equity in pooled investments in the self-insurance funds of \$27.8 million to provide against risk of catastrophic losses. Prior to the issuance of the financial statements, the standard requires that a liability for claim be reported if it is probable that a liability has been incurred at the date of the financial statements and can be reasonably estimated. This estimated liability is not discounted to present value.

Changes in the Internal Service Funds' claims liability amount from fiscal year ended December 31, 2022 to December 31, 2023, in thousands:

	Workers' Compensation	Unemployment Compensation	General Self-Insurance	Health Benefits
December 31, 2022:				
Unpaid claims, beginning of fiscal year	\$ 3,895	\$ 16	\$ 2,824	\$ 1,702
Incurred claims (including IBNR)	2,575	191	3,507	20,133
Claim payments	(2,277)	(176)	(3,429)	(20,067)
Unpaid claims, December 31, 2022	<u>\$ 4,193</u>	<u>\$ 31</u>	<u>\$ 2,902</u>	<u>\$ 1,768</u>
December 31, 2023:				
Unpaid claims, beginning of fiscal year	\$ 4,193	\$ 31	\$ 2,902	\$ 1,768
Incurred claims (including IBNR)	1,995	184	7,915	20,512
Claim payments	(1,885)	(180)	(5,910)	(20,474)
Unpaid claims, December 31, 2023	<u>\$ 4,303</u>	<u>\$ 35</u>	<u>\$ 4,907</u>	<u>\$ 1,806</u>
Due within one year	\$ 2,084	\$ 35	\$ 2,350	\$ 1,806
Due in more than one year	\$ 2,219	\$ -	\$ 2,557	\$ -

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.

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<u>Policy Type</u>	<u>Deductible</u>	<u>Coverage</u>	<u>Protection Type</u>
Excess Workers' Compensation Employer's Liability - All Employees	\$ 1,000,000	\$ 2,000,000	From unanticipated levels of workers' compensation claims.
Boiler & Machinery	100,000	400,000,000 ^(A)	From loss due to damage to buildings & contents from boilers & machinery.
Real & Personal Property	100,000	400,000,000 ^(A)	From loss by fire & other extended coverages.
Earth Movement	100,000 or 3% of value	25,000,000 ^(A)	From loss by earth movement.
Flood	100,000	40,000,000 ^(A)	From loss by flood.
Medical Stop Loss	350,000	Unlimited ^(B)	From excessive individual claims.
Excess Liability Coverage	5,000,000	30,000,000 ^(A)	From excessive individual liability losses.
Fiduciary Liability	None	5,000,000	From wrong doing by retirement plans' board members.
Fine Arts	None	1,619,000	From loss due to damage to its art work.
Crime & Fidelity, Employee Theft, Forgery or Alteration, Funds Transfer Fraud	10,000	1,000,000 ^(A)	From loss due to employee dishonesty & other extended coverages.
Privacy & Network Liability	250,000	5,000,000	From loss due to a data breach & other extended coverages.
Garage Keepers Liability	1,000	1,000,000 ^(A)	From loss due to its non-city owned vehicle repair operations.
Storage Tank Liability	10,000	3,000,000	From loss due to any third party liability claims resulting from underground storage tank incidents.
Terrorism or Sabotage	None	200,000,000	From loss due to an act of terrorism or sabotage.
Auto & Equipment Physical Damage	25,000	10,000,000 ^(A)	From loss due to damage to vehicles & equipment.
International Advantage	50,000	4,000,000	City employees while traveling abroad on city business.
Active Shooter	None	1,000,000	From loss due to an active shooter event.
			^(A) per occurrence
			^(B) per individual

Discretely Presented Component Unit

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

Note 11: Leases, Subscription Based Information Technology Arrangements, and Other Contractual Commitments

Leases

City as Lessee

As a lessee, the city has entered into lease agreements involving building space, and printing and imaging equipment. The total of the city's lease assets is recorded at a cost of \$18.6 million, less accumulated amortization of \$7.6 million.

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

	Principal	Interest	Total
2024	\$ 860	\$ 186	\$ 1,046
2025	568	289	857
2026	605	267	872
2027	618	255	873
2028	628	245	873
2029-2033	3,382	1,058	4,440
2034-2038	3,801	810	4,611
2039-2040	1,068	316	1,384
Total	<u>\$ 11,530</u>	<u>\$ 3,426</u>	<u>\$ 14,956</u>

City as Lessor

As a lessor, the city has entered into lease agreements involving building space, and equipment facilities. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$0.1 million.

Subscription Based Information Technology Arrangements

The city has entered into subscription-based information technology arrangements (SBITA) involving:

- Parks registration system
- Risk management information system database
- Financial reporting software
- Learning, performance, and succession planning software
- Geospatial innovations
- Financial integration software
- Budget software
- Digital forensic software

The total of the city's SBITA assts are recorded at a cost of \$2.8 million, less accumulated amortization of \$0.6 million.

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The future subscription payments under the SBITA are as follows, in thousands:

	Principal	Interest	Total
2024	\$ 643	\$ 26	\$ 669
2025	532	17	549
2026	412	10	422
2027	327	5	332
2028	106	2	108
2029-2033	80	2	82
Total	\$ 2,100	\$ 62	\$ 2,162

In addition to the amounts presented above, the city also had outflows of resources during the fiscal year totaling \$0.5 million that were not included in the measurement of the subscription liability. This total consists of payments related to arrangements that either have interminable subscription terms or that are prepaid and otherwise meet SBTIA recognition criteria but are below the city’s capitalization threshold.

The city has committed to SBITA for a customer information and billing system, and a public safety video surveillance solution. These SBITA are currently being implemented and the city has paid a total of \$2.4 million related to these agreements. The outflows were recorded as prepayments as of December 31, 2023.

Construction/Other Contractual Commitments

The city's outstanding contractual commitments by fund type as of December 31, 2023 are summarized below, in thousands:

Governmental activities:	
General Fund	\$ 625,964
Operating grants, donations & special reserve fund	7,242
General CIP	122,449
Nonmajor governmental funds	9,959
Internal service activities	20,425
Total governmental activities	786,039
Business-type activities:	
Storm & surface water utility	57,384
Water utility	85,406
Sewer utility	9,667
Nonmajor business-type funds	122
Total business-type activities	152,579
Total outstanding contractual commitments	\$ 938,618

Note 12: Interfund Receivables, Payables, and Transfers

Interfund balances as of December 31, 2023 were as follows, in thousands:

Due To/From Other Funds	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
General fund	\$ -	\$ 92
Proprietary funds:		
Storm drainage utility	-	6
Water utility	-	12
Sewer utility	-	5
Internal service funds	115	-
Total due other funds	<u>\$ 115</u>	<u>\$ 115</u>

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

Interfund transfers as of December 31, 2023 were as follows, in thousands:

Interfund Transfers	<u>In</u>	<u>Out</u>
Governmental funds:		
General fund	\$ 8,568	\$ 7,565
Operating grants, donations & special reserves	107	1,215
General CIP	2,970	18,499
Nonmajor governmental funds	22,931	7,003
Proprietary funds:		
Water utility	-	4,540
Internal service funds	7,383	2,737
Nonmajor proprietary funds	-	400
Total transfers	<u>\$ 41,959</u>	<u>\$ 41,959</u>

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 projects, or to refund debt previously issued for those purposes. Councilmanic Bonds are general obligation bonds issued by the City Council without voter approval. Under RCW Chapter 39, 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. 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 Government- Wide Statement of Net Position. These bonds are subject to federal arbitrage rules.

On June 9, 2017, the city entered a Transportation Infrastructure Finance and Innovation Act (TIFIA) limited tax general obligation (LTGO) 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 draws loan disbursement in conjunction with spending. The bond will mature in either December 2056 or 35 years post substantial completion, whichever is earlier. This bond will aid the construction of additional mobility projects to support projected growth in the BelRed, Downtown, and Wilburton areas. In 2021, the city refunded the outstanding TIFIA loan to obtain a more favorable interest rate of 1.9 percent.

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

Refunded Debt

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

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

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

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

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

The city took full ownership of the BCCA issued bonds and recorded the bond liability on its balance sheet and removed further debt obligations from the BCCA. The BCCA contributed funds from their Trustee accounts for the 1994 bonds and their debt service fund to accomplish the debt refinancing. The city will retain the hotel/motel tax

revenue to cover the related debt up to the point that the annual bond payments related to the BCCA are fully paid and then the city will transfer the excess funds to the BCCA to cover operations, destination marketing, and capital.

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

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

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

The net proceeds of \$86.9 million, after payment of \$0.3 million in underwriting fees and other debt issuance costs, were used to purchase US government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2012 LTGO bonds. The 2012 LTGO bonds are defeased and the liability for those bonds was removed from Government-Wide Statement of Net Position.

Other Long-Term Liabilities

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

City of Bellevue, Washington

LONG- TERM DEBT GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2023
(in thousands)

Description	Interest Rate	Maturity Date	Original Debt Issued	Debt Outstanding 1/1/23	Debt Issued	Debt Redeemed	Debt Outstanding 12/31/23
General Obligation Bonds-Councilmanic:							
1995 Limited G.O.	5.15-5.80%	2025	\$ 5,139	\$ 437	\$ -	\$ 155	\$ 282
2015 Limited G.O. Refunding Series 2006	3.00-5.00%	2026	3,295	1,515	-	350	1,165
2015 Limited G.O. Refunding Series 2008	3.00-5.00%	2027	7,855	4,390	-	800	3,590
2015 Limited G.O. Metro & CIP	3.00-5.00%	2034	79,140	58,605	-	3,875	54,730
2015 Limited G.O. BCCA	3.00-5.00%	2034	7,645	5,655	-	375	5,280
2020 A Limited Tax G.O. Refunding Series 2010	4.00%	2032	10,915	9,900	-	655	9,245
2020 B Limited Tax G.O. Taxable BCCA Refunding	0.3-1.7%	2032	42,730	40,910	-	2,585	38,325
2021 Limited Tax G.O. Taxable Refunding Series 2013	0.4-2.76%	2037	47,315	46,545	-	4,190	42,355
2022 Limited Tax G.O. Refunding Series 2012	4.00-5.00%	2037	72,675	70,705	-	1,995	68,710
Transportation Infrastructure Finance & Innovation Act	2.86%	2056	99,600	31,950	26,350	-	58,300
Other Long-Term Debt:							
Public Works Trust Fund Loan #06-962	0.50%	2028	750	159	-	40	119
Total			\$ 377,059	\$ 270,771	\$ 26,350	\$ 15,020	\$ 282,101

At December 31, 2023, the city's annual debt service requirements for general obligation and other debt were:

ANNUAL DEBT SERVICE REQUIREMENT TO MATURITY
(in thousands)

Year	General Obligation Bonds		Governmental Other Debt		Total Annual Requirements
	Principal	Interest	Principal	Interest	
2024	\$ 18,339	\$ 8,336	\$ 40	\$ 1	\$ 23,126
2025	20,042	8,125	40	-	25,725
2026	21,102	7,069	40	-	27,216
2027	21,206	6,559	-	-	27,220
2028	20,741	6,048	-	-	26,774
2029 -2033	86,256	21,699	-	-	115,086
2034 -2038	34,894	11,136	-	-	48,321
2039 -2043	32,361	5,895	-	-	33,054
2044 -2048	9,638	2,118	-	-	12,179
2049 -2053	10,573	1,183	-	-	6,806
2054 -2056	6,830	224	-	-	5,444
Total	\$ 281,982	\$ 78,392	\$ 120	\$ 1	\$ 350,952

CHANGES IN LONG-TERM LIABILITIES
(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 270,612	\$ 26,350	\$ (14,980)	\$ 281,982	\$ 18,339
Add: for issuance premium	22,661		(1,557)	21,104	-
Compensated absences	14,097	15,529	(14,098)	15,528	4,658
Estimated claims payable	8,894	30,606	(28,449)	11,051	6,275
Net pension liability	17,136	14,018	(17,136)	14,018	-
Total OPEB liability	22,932	-	(261)	22,671	-
Asset retirement obligation	8,124	30	(1,860)	6,294	-
Lease liability	12,047	520	(1,037)	11,530	860
Subscription liability	-	2,588	(548)	2,040	615
Other long-term debt	159	-	(40)	119	40
Total	\$ 376,662	\$ 89,641	\$ (79,966)	\$ 386,338	\$ 30,787
Business-type Activities:					
Compensated absences	\$ 1,310	\$ 1,252	\$ (1,310)	\$ 1,252	\$ 375
Subscription liability	-	83	(23)	60	28
Total	\$ 1,310	\$ 1,335	\$ (1,333)	\$ 1,312	\$ 403
Bellevue Convention Center Authority:					
Compensated absences	\$ 171	\$ 552	\$ (487)	\$ 236	\$ 24
Deposits payable	906	2,893	(2,846)	953	899
Total	\$ 1,077	\$ 3,445	\$ (3,333)	\$ 1,189	\$ 923

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

Note 14: Related Party Transactions

The city acts as a conduit for hotel/motel tax revenues, which are collected by the city and transmitted to the BCCA for operations. A total of \$6.6 million was remitted for the year ended December 31, 2023.

Note 15: Contingencies and Litigation

As of December 31, 2023, there were various claims for damages and lawsuits pending against the city. In the opinion of the City Attorney, the potential liability arising from all actions currently pending cannot be estimated at this time, and therefore, no current or long-term liability has been recorded.

Note 16: Joint Ventures

A Regional Coalition for Housing (ARCH)

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

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

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

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

The city reports ARCH activity as a private purpose trust. The ARCH net position for 2023 is \$9.9 million, a decrease of \$1 million from 2022. In 2023, the city contributed \$0.4 million for ARCH operations, and \$1.2 million to fund affordable housing projects.

Budget monitoring information can be obtained from ARCH, 16305 NE 87th St., Suite 119, 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 comprised of one Board member from each Principal Partner. Board officers are Chief Executive Officers, deputies, or equivalent.

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 withdrawal. The withdrawing Principle Partner also forfeits the Principle Partner's 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.

All Principle Partners, Subscribers, and Basic Members remit annual fees. The Principle Partners each have a proportional ownership interest in property based on the city's population as a percentage of total population of all

Principle Partner cities. The Principle Partners proportionally share in obligations and benefits, financial or otherwise, from such ownership interest. Principle Partner fees and voting are based on relative population.

The city reports eCityGov activity as custodial activity. The eCityGov net position for 2023 is \$1.3 million, an increase of \$0.1 million from 2022. The city paid \$0.6 million in annual fees in 2023.

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

Community Connectivity Consortium

The city is a participant (Member) in a joint venture with Kirkland, Federal Way, Renton, Seattle, Algona, Auburn, Kent, Pacific, Puyallup, Tukwila, Lake Washington School District, University of Washington, Bellevue College, Bellevue School District, and King County Public Hospital District No. 2 (EvergreenHealth 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. The Consortium may change the composition and number of board positions, including the number of core members and at-large members, as the needs of the Consortium may dictate.

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

The city reports the Consortium activity as custodial activity. The Consortium net position for 2023 is \$262 thousand, a decrease of \$76 thousand from 2022. The city paid \$11 thousand in user fees in 2023.

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

Hazardous Materials Response Unit and Team

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

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

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

The city reports the Hazardous Materials Response Unit and Team activity as custodial activity. The net position for 2023 is \$694 thousand, an increase of \$114 thousand from 2022. The city paid \$46 thousand in annual fees in 2023.

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

Eastside Public Safety Communications Agency (EPSCA)

The city is a participant (Principal) in a joint venture with the cities of Redmond, Kirkland, Mercer Island, and Issaquah 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 31st 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 \$285 thousand in service fees in 2023.

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

Cascade Water Alliance

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

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

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

The city paid \$1.5 million in annual dues and \$1.5 million in RCFC in 2023.

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

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

The city is a participant in a joint venture with Bothell, Clyde Hill, Kirkland, Medina, Mercer Island, Normandy Park, Snoqualmie, Eastside Fire and Rescue, King County Fire Protection District 27, King County Fire Protection District 45, King and Kittitas County Fire Protection District 51, Northshore Fire Department, Shoreline Fire Department, and Woodinville Fire and Life Safety District ("Principal agencies"). The Principal agencies operate the North East King County Regional Public Safety Communications Agency (NORCOM), a consolidated emergency service

communications center. NORCOM, a nonprofit corporation, was created to provide highly efficient emergency service communications and all related incidental functions for communicating and dispatching services between the public and the Principal agencies. NORCOM is governed by an executive board composed of one representative from each Principal agency.

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

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

The city paid \$5.6 million in user fees in 2023.

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

Note 17: Governmental Fund Balances

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

Nonspendable

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

Restricted

This fund balance category includes amounts constrained by an external party, such as those resulting from federal and state legislation, grant awards, bond covenants, and inter-local service agreements.

Committed

This fund balance category includes amounts constrained by ordinance as adopted by City Council and requires similar action to remove the constraint.

Assigned

This fund balance category includes amounts that are constrained by the city's intent to be used for a specific purpose but are not restricted or committed. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, or debt services, the government has assigned those amounts to the purpose of the respective fund.

Unassigned

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

Fund Balance Policy

Annually, the city will target 15 percent of General Fund revenues as a General Fund ending fund balance. This balance is to protect the city's essential programs during periods of economic downturn, which may temporarily

reduce actual resources or cut the growth rate of city resources below that necessary to maintain pre-existing service levels. Additionally, the ending fund balance, commonly known as a reserve, can be used in the event of a natural catastrophe, to counter cyclical basic revenue growth (property, sales, and business and occupation taxes combined) below 5 percent for the biennium, or because of unfunded federal or state mandates.

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

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

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

City of Bellevue, Washington

The following schedule presents governmental fund balances in accordance with the purposes for which those balances are constrained for the year ending December 31, 2023, in thousands:

	General Fund	Operating Grants, Donations & Special Reserves Fund	General CIP	Other Governmental Funds	Total Governmental Funds
Fund balance					
Nonspendable for:					
Prepays	\$ 2,034	\$ -	\$ -	\$ -	\$ 2,034
Total Nonspendable fund balance	<u>2,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034</u>
Assigned for:					
General government	980	1,323	9,870	-	12,173
Public safety	-	71	-	-	71
Physical environment	-	19	-	-	19
Transportation	-	-	897	-	897
Health & human services	-	-	-	7,187	7,187
Culture & recreation	-	43	-	-	43
Total assigned fund balance	<u>980</u>	<u>1,456</u>	<u>10,767</u>	<u>7,187</u>	<u>20,390</u>
Committed for:					
General government	4,255	9,453	104,668	-	118,376
Public safety	-	108	-	-	108
Physical environment	-	-	-	3,330	3,330
Transportation	4,514	1	1,947	-	6,462
Economic environment	55,012	-	-	-	55,012
Health & human services	83	-	-	3,112	3,195
Culture & recreation	3,814	660	1,070	-	5,544
Total committed fund balance	<u>67,678</u>	<u>10,222</u>	<u>107,685</u>	<u>6,442</u>	<u>192,027</u>
Restricted for:					
General government	281	7,204	269	-	7,754
Public safety	687	1,434	31,851	567	34,539
Physical environment	-	-	-	426	426
Transportation	-	-	28,905	-	28,905
Economic environment	-	-	-	1,925	1,925
Health & human services	-	72	1	30,378	30,451
Culture & recreation	-	1,583	75,414	6,743	83,740
Debt service	-	-	-	5,875	5,875
Total restricted fund balance	<u>968</u>	<u>10,293</u>	<u>136,440</u>	<u>45,914</u>	<u>193,615</u>
Unassigned	67,536	-	-	-	67,536
Total unassigned fund balance	<u>67,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,536</u>
Fund Balance	<u>\$ 139,196</u>	<u>\$ 21,971</u>	<u>\$ 254,892</u>	<u>\$ 59,543</u>	<u>\$ 475,602</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, 2023, in thousands:

	City of Bellevue		Other Governments			Total Revenue Reduction
	Multifamily Tax Exemption	King County Current Use	King County Single-family Dwelling Improvement	State of Washington High-Technology Sales & Use Tax Deferral		
Property Tax	\$ 154	\$ 42	\$ 1	\$ -		\$ 197
Sales & Use Tax	-	-	-	503		503
					Total Revenue Reduction	<u>\$ 700</u>

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

City of Bellevue, Washington

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

The city utilizes the straight-line depreciation method over a 30-year life. Annually, the city reassesses the liability in response to inflation, using CPI-U. In 2023, inflation rose increasing the liability. The city utilized the State of Washington State Department of Ecology Tanks database system for the service date.

Underground Storage Site	Asset Remaining Useful Life in Years	Liability (in thousands)	Current Year Expense (in thousands)
Fire Station 1	-	\$ 626	\$ 5
Fire Station 2	-	628	17
Fire Station 3	2	636	20
Fire Station 4	4	647	21
Fire Station 6	-	573	17
Fire Station 7	2	579	19
Fire Station 8	1	577	18
Fire Station 9	7	602	19
City Hall	11	797	25
Bellevue Golf Course	-	629	17
Total		\$ 6,294	\$ 178

Note 20: Change in Net Position

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

	Custodial Funds
Net position at December 31, 2022	\$ 649
Prior period adjustment	212
Net position at January 1, 2023, as restated	\$ 861

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)

Pg. 1 of 2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability					
Service cost (Entry Age Normal Cost)	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	143	141	137	145	143
Changes of benefit terms	-	-	-	-	-
Differences between expected & actual experience	16	(39)	290	90	539
Changes of assumptions	-	-	-	-	-
Benefit payments, including refunds of member contributions	(201)	(228)	(219)	(198)	(356)
Net change in total pension liability	(42)	(125)	208	37	327
Total pension liability--beginning	4,192	4,150	4,025	4,233	4,271
Total pension liability--ending (a)	<u>\$ 4,150</u>	<u>\$ 4,025</u>	<u>\$ 4,233</u>	<u>\$ 4,271</u>	<u>\$ 4,598</u>
Plan fiduciary net position					
Contributions - employer	\$ 208	\$ 207	\$ 214	\$ 216	\$ 217
Contributions - member	-	-	-	-	-
Net investment income	67	55	69	67	132
Benefit payments	(201)	(228)	(219)	(198)	(356)
Administrative expense	(11)	(12)	(3)	(14)	(15)
Other	-	-	(13)	-	-
Net change in plan fiduciary net position	63	22	48	71	(21)
Plan fiduciary net position--beginning	6,682	6,745	6,767	6,815	6,886
Plan fiduciary net position--ending (b)	<u>\$ 6,745</u>	<u>\$ 6,767</u>	<u>\$ 6,815</u>	<u>\$ 6,886</u>	<u>\$ 6,865</u>
City's net pension liability (asset)-ending (a) - (b)	<u>\$ (2,594)</u>	<u>\$ (2,742)</u>	<u>\$ (2,581)</u>	<u>\$ (2,615)</u>	<u>\$ (2,267)</u>
Plan fiduciary net position as a percentage of the total pension liability	162.51%	168.11%	160.98%	161.23%	149.30%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

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

Pg. 2 of 2

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total pension liability					
Service cost (Entry Age Normal Cost)	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	156	130	130	160	124
Changes of benefit terms	-	-	-	-	-
Differences between expected & actual experience	(616)	168	680	(875)	(468)
Changes of assumptions	-	-	346	-	-
Benefit payments, including refunds of member contributions	(256)	(312)	(301)	(312)	(307)
Net change in total pension liability	<u>(716)</u>	<u>(14)</u>	<u>855</u>	<u>(1,027)</u>	<u>(651)</u>
Total pension liability--beginning	<u>4,598</u>	<u>3,882</u>	<u>3,868</u>	<u>4,723</u>	<u>3,696</u>
Total pension liability--ending (a)	<u>\$ 3,882</u>	<u>\$ 3,868</u>	<u>\$ 4,723</u>	<u>\$ 3,696</u>	<u>\$ 3,045</u>
Plan fiduciary net position					
Contributions - employer	\$ 227	\$ 277	\$ 260	\$ 276	\$ 310
Contributions - member	-	-	-	-	-
Net investment income	199	42	15	40	282
Benefit payments	(256)	(313)	(302)	(312)	(307)
Administrative expense	(22)	(7)	(13)	-	-
Other	-	-	-	-	54
Net change in plan fiduciary net position	<u>148</u>	<u>(1)</u>	<u>(40)</u>	<u>4</u>	<u>339</u>
Plan fiduciary net position--beginning	<u>6,865</u>	<u>7,013</u>	<u>7,012</u>	<u>6,972</u>	<u>6,976</u>
Plan fiduciary net position--ending (b)	<u>\$ 7,013</u>	<u>\$ 7,012</u>	<u>\$ 6,972</u>	<u>\$ 6,976</u>	<u>\$ 7,315</u>
City's net pension liability (asset)-ending (a) - (b)	<u>\$ (3,131)</u>	<u>\$ (3,144)</u>	<u>\$ (2,249)</u>	<u>\$ (3,280)</u>	<u>\$ (4,270)</u>
Plan fiduciary net position as a percentage of the total pension liability	180.62%	181.30%	147.61%	147.61%	240.21%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

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

Last Ten Fiscal Years

(Dollar amounts in thousands)

Pg. 1 of 2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>188</u>	<u>180</u>	<u>214</u>	<u>215</u>	<u>217</u>
Contribution deficiency (excess)	<u>\$ 188</u>	<u>\$ 180</u>	<u>\$ 214</u>	<u>\$ 215</u>	<u>\$ 217</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	1.01%	0.82%	0.82%	0.98%	1.94%

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

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

Last Ten Fiscal Years

(Dollar amounts in thousands)

Pg. 2 of 2

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>227</u>	<u>277</u>	<u>260</u>	<u>276</u>	<u>310</u>
Contribution deficiency (excess)	<u>\$ 227</u>	<u>\$ 277</u>	<u>\$ 260</u>	<u>\$ 276</u>	<u>\$ 310</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	2.91%	0.61%	0.21%	0.58%	4.82%

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 1 of 2

	PERS 1				
	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.69%	0.68%	0.64%	0.65%	0.64%
City's proportionate share of the net pension liability (asset)	\$ 36,327	\$ 36,620	\$ 30,206	\$ 29,195	\$ 24,714
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-
Total	\$ 36,327	\$ 36,620	\$ 30,206	\$ 29,195	\$ 24,714
City's covered payroll	\$ 77,199	\$ 79,404	\$ 80,430	\$ 85,306	\$ 88,956
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%
Plan fiduciary net position as a percentage of the total pension liability (asset)	59.0%	57.0%	61.2%	63.2%	67.1%
	PERS 2/3				
	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.85%	0.84%	0.81%	0.81%	0.81%
City's proportionate share of the net pension liability (asset)	\$ 30,425	\$ 42,134	\$ 28,183	\$ 13,880	\$ 7,877
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-	-
Total	\$ 30,425	\$ 42,134	\$ 28,183	\$ 13,880	\$ 7,877
City's covered payroll	\$ 75,724	\$ 78,251	\$ 79,679	\$ 84,506	\$ 88,407
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%
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.0%	86.0%	91.0%	96.0%	98.0%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 2 of 2

	PERS 1			
	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.64%	0.63%	0.62%	0.61%
City's proportionate share of the net pension liability (asset)	\$ 22,710	\$ 7,680	\$ 17,136	\$ 14,018
State proportionate share of the net pension liability (asset) associated with the city		-	-	-
Total	\$ 22,710	\$ 7,680	\$ 17,136	\$ 14,018
City's covered payroll	\$ 96,434	\$ 95,493	\$ 100,225	\$ 109,029
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	23.5%	8.0%	17.1%	12.9%
Plan fiduciary net position as a percentage of the total pension liability (asset)	68.6%	88.7%	76.6%	80.2%

	PERS 2/3			
	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.82%	0.79%	0.79%	0.78%
City's proportionate share of the net pension liability (asset)	\$ 10,459	\$ (79,164)	\$ (29,410)	\$ (32,074)
State proportionate share of the net pension liability (asset) associated with the city		-	-	-
Total	\$ 10,459	\$ (79,164)	\$ (29,410)	\$ (32,073)
City's covered payroll	\$ 95,958	\$ 95,308	\$ 100,114	\$ 108,908
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	10.9%	(83.1%)	(29.4%)	(29.4%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.2%	120.3%	106.7%	107.0%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 1 of 2

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

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 2 of 2

	PSERS 2			
	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.13%	0.15%	0.15%	0.13%
City's proportionate share of the net pension liability (asset)	\$ (18)	\$ (347)	\$ (104)	\$ (137)
State proportionate share of the net pension liability (asset) associated with the city	-	-	-	-
Total	\$ (18)	\$ (347)	\$ (104)	\$ (137)
City's covered payroll	\$ 825	\$ 1,022	\$ 991	\$ 987
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	(2.2%)	(34.0%)	(10.5%)	(13.9%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.7%	123.7%	106.0%	107.9%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 1 of 2

	LEOFF 1				
	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.29%	0.30%	0.31%	0.31%	0.31%
City's proportionate share of the net pension liability (asset)	\$ (3,472)	\$ (3,051)	\$ (4,639)	\$ (5,643)	\$ (6,215)
State proportionate share of the net pension liability (asset) associated with the city	(23,483)	(20,638)	(31,381)	(38,171)	(42,034)
Total	\$ (26,955)	\$ (23,689)	\$ (36,020)	\$ (43,814)	\$ (48,429)
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%
Plan fiduciary net position as a percentage of the total pension liability (asset)	127.4%	123.7%	135.9%	144.4%	148.8%
	LEOFF 2				
	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	1.39%	1.37%	1.38%	1.44%	1.41%
City's proportionate share of the net pension liability (asset)	\$ (14,240)	\$ (7,987)	\$ (19,186)	\$ (29,159)	\$ (32,676)
State proportionate share of the net pension liability (asset) associated with the city	(8,191)	(5,207)	(12,445)	(18,880)	(21,399)
Total	\$ (22,431)	\$ (13,194)	\$ (31,631)	\$ (48,038)	\$ (54,075)
City's covered payroll	\$ 40,277	\$ 41,682	\$ 43,213	\$ 47,425	\$ 49,311
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%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	111.7%	106.0%	113.4%	118.5%	119.4%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

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

As of June 30, 2023

Last Ten Fiscal Years^{1 and 2}

(Dollar amounts in thousands)

Pg. 2 of 2

	LEOFF 1			
	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.32%	0.32%	0.33%	0.32%
City's proportionate share of the net pension liability (asset)	\$ (6,012)	\$ (10,911)	\$ (9,361)	\$ (9,510)
State proportionate share of the net pension liability (asset) associated with the city	(40,671)	(73,803)	(63,320)	(64,326)
Total	\$ (46,683)	\$ (84,714)	\$ (72,681)	\$ (73,836)
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%
Plan fiduciary net position as a percentage of the total pension liability (asset)	146.9%	187.5%	169.6%	176.0%
	LEOFF 2			
	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	1.37%	1.38%	1.36%	1.30%
City's proportionate share of the net pension liability (asset)	\$ (27,968)	\$ (80,400)	\$ (37,038)	\$ (31,133)
State proportionate share of the net pension liability (asset) associated with the city	(17,883)	(51,867)	(23,992)	(19,881)
Total	\$ (45,851)	\$ (132,267)	\$ (61,030)	\$ (51,014)
City's covered payroll	\$ 51,907	\$ 53,555	\$ 55,054	\$ 57,406
City's proportionate share of the net pension liability (asset) as percentage of its covered payroll	(53.9%)	(150.1%)	(67.3%)	(54.2%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	115.8%	142.0%	116.1%	113.2%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - PERS**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 1 of 2

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

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - PERS**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 2 of 2

	PERS 1			
	2020	2021	2022	2023
Contractually required contributions	\$ 12,509	\$ 11,167	\$ 10,709	\$ 11,531
Contributions in relation to the contractually required contribution	(12,445)	(11,138)	(10,656)	(11,496)
Contribution deficiency (excess)	\$ 64	\$ 29	\$ 53	\$ 35
City's covered payroll	\$ 97,000	\$ 96,107	\$ 104,007	\$ 116,083
Contributions as a percentage of covered payroll	12.8%	11.6%	10.2%	9.9%
	PERS 2/3			
	2020	2021	2022	2023
Contractually required contributions	\$ 12,466	\$ 11,155	\$ 10,698	\$ 11,519
Contributions in relation to the contractually required contribution	(12,402)	(11,126)	(10,644)	(11,483)
Contribution deficiency (excess)	\$ 64	\$ 29	\$ 54	\$ 36
City's covered payroll	\$ 96,666	\$ 95,999	\$ 103,903	\$ 115,959
Contributions as a percentage of covered payroll	12.8%	11.6%	10.2%	9.9%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - PSERS**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 1 of 2

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

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - PSERS**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 2 of 2

	PSERS 2			
	2020	2021	2022	2023
Contractually required contributions	\$ 117	\$ 108	\$ 105	\$ 105
Contributions in relation to the contractually required contribution	(117)	(115)	(105)	(105)
Contribution deficiency (excess)	\$ -	\$ (7)	\$ -	\$ -
City's covered payroll	\$ 959	\$ 959	\$ 1,004	\$ 1,024
Contributions as a percentage of covered payroll	12.2%	12.0%	10.5%	10.2%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - LEOFF**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 1 of 2

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

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - LEOFF**

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 2 of 2

	LEOFF 2			
	2020	2021	2022	2023
Contractually required contributions	\$ 2,840	\$ 2,832	\$ 2,948	\$ 3,489
Contributions in relation to the contractually required contribution	(2,840)	(2,888)	(2,947)	(3,489)
Contribution deficiency (excess)	\$ -	\$ (56)	\$ 1	\$ -
City's covered payroll	\$ 53,287	\$ 53,287	\$ 55,614	\$ 65,735
Contributions as a percentage of covered payroll	5.3%	5.4%	5.3%	5.3%

¹ GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" was implemented in 2015. Prior to 2015, the city did not report a proportionate share of these pensions.

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

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 1 of 2

	2018	2019	2020
Total OPEB liability:			
Service Cost	\$ 4	\$ 4	\$ 3
Interest	1,045	1,134	851
Changes of benefit terms	-	-	-
Difference between expected & 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	N/A	N/A	N/A
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A

¹ GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was implemented in 2018. Prior to 2018, these items were not utilized for the OPEB calculation.

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

As of December 31, 2023

Last Ten Fiscal Years¹

(Dollar amounts in thousands)

Pg. 2 of 2

	2021	2022	2023
Total OPEB liability:			
Service Cost	\$ 3	\$ -	\$ -
Interest	576	515	895
Changes of benefit terms	-	-	-
Difference between expected & actual experience	-	(1,865)	-
Changes of assumption or other inputs	434	(2,755)	519
Benefit Payments	(1,840)	(1,862)	(1,675)
Net change in total OPEB liability	(827)	(5,967)	(261)
Total OPEB liability- beginning	29,726	28,899	22,932
Total OPEB liability- ending	\$ 28,899	\$ 22,932	\$ 22,671
Covered employee payroll	N/A	N/A	N/A
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A

¹ GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was implemented in 2018. Prior to 2018, these items were not utilized for the OPEB calculation.

SCHEDULE OF MODIFIED APPROACH FOR REPORTING INFRASTRUCTURE ASSETS

For the Fiscal Year Ended December 31, 2023

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

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

CONDITION RATING OF THE CITY’S STREET SYSTEM

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Arterial:			
Percent above satisfactory	92%	89%	88%
Overall performance rating:	79	77	75
Residential:			
Percent above satisfactory	100%	98%	89%
Overall performance rating:	80	82	75

COMPARISON OF NEEDED-TO-ACTUAL EXPENDITURES

(in thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Arterial:					
Needed:	\$5,706	\$4,150	\$5,884	\$5,290	\$6,303
Actual:	1,973	4,300	7,370	-	5,283
Residential:					
Needed:	\$4,345	\$2,675	\$147	\$2,267	\$1,566
Actual:	3,182	875	137	2,405	637

Following GASB Statement No. 34 “Basic Financial Statements- Management’s Discussion and Analysis for State and Local Governments”, the city is reporting major historic infrastructure acquired in fiscal years ending after June 30, 1980.

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

For the Fiscal Year Ended December 31, 2023
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues/operating revenues:				
Taxes & special assessments	\$ 199,850	\$ 202,514	\$ 205,869	\$ (3,355)
Licenses & permits	385	385	439	(54)
Intergovernmental	29,198	29,198	31,971	(2,773)
Service charges & fees	21,284	21,284	21,018	266
Fines & forfeitures	1,787	1,787	756	1,031
Interest & assessment interest	1,136	1,136	1,881	(745)
Rent	3,678	3,678	6,221	(2,543)
Judgements & settlements	-	-	108	(108)
Premiums/contributions	6	6	-	6
Other	2,054	2,054	403	1,651
Total revenues	<u>259,378</u>	<u>262,042</u>	<u>268,666</u>	<u>(6,624)</u>
Expenditures				
Current:				
General government	40,519	38,216	34,183	4,033
Public safety	132,753	138,749	136,531	2,218
Physical environment	-	(200)	-	(200)
Transportation	33,181	33,354	35,048	(1,694)
Economic environment	14,049	14,049	13,363	686
Health & human services	1,699	1,699	1,470	229
Culture & recreation	31,689	34,473	33,168	1,305
Principal	-	-	821	(821)
Interest & fiscal charges	-	-	195	(195)
General government	-	-	6	(6)
Public safety	-	-	156	(156)
Transportation	-	-	107	(107)
Culture & recreation	-	-	56	(56)
Total expenditures	<u>253,890</u>	<u>260,340</u>	<u>255,104</u>	<u>5,236</u>
Excess (deficiency) of revenues over (under) expenditures	5,488	1,702	13,562	(11,860)
Other financing sources(uses)				
Transfers in	2,115	2,115	2,693	(578)
Transfers out	(7,603)	(7,763)	(7,310)	(453)
Lease financing	-	-	171	(171)
Total other financing sources(uses)	<u>(5,488)</u>	<u>(5,648)</u>	<u>(4,446)</u>	<u>(1,202)</u>
Net change in fund balance	-	(3,946)	9,116	(13,062)
Fund balance beginning of year	<u>59,173</u>	<u>59,173</u>	<u>62,336</u>	<u>(3,163)</u>
Fund balance end of year	<u>\$ 59,173</u>	<u>\$ 55,227</u>	<u>\$ 71,452</u>	<u>\$ (16,225)</u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund**
For the Fiscal Year Ended December 31, 2023
(in thousands)

Perspective Difference Reconciliation:

Actual fund balance - General Fund Statement of Revenues,
Expenditures, & Changes in Fund Balances \$ 71,452

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	83
Land Purchase Revolving Fund	10,633
Development Services Fund	55,012
Parks Enterprise Fund	<u>2,016</u>

Total Fund Balance - General Fund Balance for Governmental Funds \$ 139,196

Notes to the Required Supplementary Information

Firefighter Pension Plan

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

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal cost
- Amortization method: Level amortization of net pension liability as level dollar amount over five-year period
- Asset valuation method: Market value
- Salary increases: 3.0%, including inflation.
- Investment rate of return 3.5%
- Service Retirement: All members who are owed a benefit under this plan have commenced benefits.
- Mortality:
 - Active and service-retired members: The mortality rates are based on the PRI-2012 Blue Collar Retiree Amount Weighted Mortality Table, projected to 2022 using the MP-2022 projection scale.
 - Disabled members: The mortality rates are based on the PRI-2012 Total Dataset Disabled Retiree Amount Weighted Mortality Table, projected to 2022 using the MP-2022 projection scale.
 - Spouses: The mortality rates are based on the PRI-2012 Blue Collar Contingent Survivor Amount-Weighted Mortality Table, projected to 2022 using the MP-2022 projection scale.

Changes of benefit terms and assumptions. There were no material changes in 2023 for the City of Bellevue’s pension plans.

Department of Retirement System Pension Programs

Changes in assumptions. For purposes of the June 30, 2022 AVR, OSA made adjustments to the LEOFF Plans 1 and 2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022, measurement date.

OPEB

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

Year	Discount Rate
2018	4.1%
2019	2.7%
2020	2.0%
2021	1.8%
2022	4.1%
2023	3.8%

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

Modified Approach

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

STANDARD PERFORMANCE RATING LEVELS

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

Budget and Actual Schedules

The City's budget is adopted on a GAAP basis. Expenditure appropriations include ending fund balance as reserves. The General Fund, for financial reporting purposes, includes the Human Services Fund, Land Purchase Revolving Fund, Development Services Fund, and Parks Enterprise Fund. Budgets for these funds are adopted separately within the city's budget adoption ordinance. Detailed schedules for these can be found in the Nonmajor Governmental Funds section of the report.

Nonmajor Governmental Funds

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

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

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

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

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

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

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

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 **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, 2023
(in thousands)**

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Assets:			
Cash & equity in pooled investments	\$ 567	\$ 6,703	\$ 3,751
Receivables (net of allowances):			
Taxes	-	95	-
Accounts	-	-	56
Total assets	\$ 567	\$ 6,798	\$ 3,807
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 43
Due to component unit	-	-	-
Accrued payroll	-	-	8
Total liabilities	-	-	51
Deferred Inflows			
For taxes	-	55	-
Total deferred inflows	-	55	-
Total liabilities & deferred inflows	-	55	51
Fund balance:			
Restricted	567	6,743	426
Committed	-	-	3,330
Assigned	-	-	-
Total fund balance	567	6,743	3,756
Total liabilities, deferred inflows, & fund balance	\$ 567	\$ 6,798	\$ 3,807

**Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2023
(in thousands)**

	Special Revenue		Debt Service
	Hotel/ Motel Tax	Housing Fund	I&D Redemption Regular Levy
Assets:			
Cash & equity in pooled investments	\$ 1,692	\$ 38,953	\$ 5,875
Receivables (net of allowances):			
Taxes	1,666	2,029	-
Accounts	-	-	-
Total assets	\$ 3,358	\$ 40,982	\$ 5,875
Liabilities:			
Accounts payable	\$ 767	\$ 222	\$ -
Due to component unit	666	-	-
Accrued payroll	-	83	-
Total liabilities	1,433	305	-
Deferred Inflows			
For taxes	-	-	-
Total deferred inflows	-	-	-
Total liabilities & deferred inflows	1,433	305	-
Fund balance:			
Restricted	1,925	30,378	5,875
Committed	-	3,112	-
Assigned	-	7,187	-
Total fund balance	1,925	40,677	5,875
Total liabilities, deferred inflows, & fund balance	\$ 3,358	\$ 40,982	\$ 5,875

**Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2023
(in thousands)**

	Debt Service		Total Nonmajor Governmental Funds
	LID Control	LID Guaranty	
Assets:			
Cash & equity in pooled investments	\$ -	\$ -	\$ 57,541
Receivables (net of allowances):			
Taxes	-	-	3,790
Accounts	-	-	56
Total assets	\$ -	\$ -	\$ 61,387
Liabilities:			
Accounts payable	\$ -	\$ -	1,032
Due to component unit	-	-	666
Accrued payroll	-	-	91
Total liabilities	-	-	1,789
Deferred Inflows			
For taxes	-	-	55
Total deferred inflows	-	-	55
Total liabilities & deferred inflows	-	-	1,844
Fund balance:			
Restricted	-	-	45,914
Committed	-	-	6,442
Assigned	-	-	7,187
Total fund balance	-	-	59,543
Total liabilities, deferred inflows, & fund balance	\$ -	\$ -	\$ 61,387

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
(in thousands)**

	Special Revenue		
	LEOFF I Medical Reserve	Park M & O Reserve	Solid Waste
Revenues:			
Taxes & special assessments	\$ -	\$ 2,430	\$ -
Intergovernmental	42	-	-
Service charges & fees	-	-	863
Interest & penalties	22	326	137
Premiums/contributions	-	-	-
Other	-	-	289
Total revenues	<u>64</u>	<u>2,756</u>	<u>1,289</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	41	-	-
Physical environment	-	-	916
Economic environment	-	-	-
Debt service:			
Principal	-	-	-
Interest & fiscal charges	-	-	-
Total expenditures	<u>41</u>	<u>-</u>	<u>916</u>
Excess (deficiency) of revenues over (under) expenditures	23	2,756	373
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(667)	-
Total other financing sources (uses)	<u>-</u>	<u>(667)</u>	<u>-</u>
Net change in fund balance	23	2,089	373
Fund balance at beginning of year	<u>544</u>	<u>4,654</u>	<u>3,383</u>
Fund balance at end of year	<u>\$ 567</u>	<u>\$ 6,743</u>	<u>\$ 3,756</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**
(in thousands)

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>Hotel/ Motel Tax</u>	<u>Housing Fund</u>	<u>I&D Redemption Regular Levy</u>
Revenues:			
Taxes & special assessments	\$ 11,570	\$ 11,609	\$ 500
Intergovernmental	-	1,305	-
Service charges & fees	1,234	-	-
Interest & penalties	97	1,350	226
Premiums/contributions	-	2,625	-
Other	-	39	-
Total revenues	<u>12,901</u>	<u>16,928</u>	<u>726</u>
Expenditures:			
Current:			
General government	6,613	-	-
Public safety	-	-	-
Physical environment	-	-	-
Economic environment	817	3,390	-
Debt service:			
Principal	-	-	14,980
Interest & fiscal charges	-	-	8,105
Total expenditures	<u>7,430</u>	<u>3,390</u>	<u>23,085</u>
Excess (deficiency) of revenues over (under) expenditures	5,471	13,538	(22,359)
Other financing sources (uses):			
Transfers in	-	312	22,619
Transfers out	(4,748)	(789)	-
Total other financing sources (uses)	<u>(4,748)</u>	<u>(477)</u>	<u>22,619</u>
Net change in fund balance	723	13,061	260
Fund balance at beginning of year	<u>1,202</u>	<u>27,616</u>	<u>5,615</u>
Fund balance at end of year	<u>\$ 1,925</u>	<u>\$ 40,677</u>	<u>\$ 5,875</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
(in thousands)**

	Debt Service		Total Nonmajor Governmental Funds
	LID Control	LID Guaranty	
Revenues:			
Taxes & special assessments	\$ -	\$ -	\$ 26,109
Intergovernmental	-	-	1,347
Service charges & fees	-	-	2,097
Interest & penalties	-	-	2,158
Premiums/contributions	-	-	2,625
Other	-	-	328
Total revenues	-	-	34,664
Expenditures:			
Current:			
General government	-	-	6,613
Public safety	-	-	41
Physical environment	-	-	916
Economic environment	-	-	4,207
Debt service:			-
Principal	-	-	14,980
Interest & fiscal charges	-	-	8,105
Total expenditures	-	-	34,862
Excess (deficiency) of revenues over (under) expenditures	-	-	(198)
Other financing sources (uses):			
Transfers in	-	-	22,931
Transfers out	(143)	(656)	(7,003)
Total other financing sources (uses)	(143)	(656)	15,928
Net change in fund balance	(143)	(656)	15,730
Fund balance at beginning of year	143	656	43,813
Fund balance at end of year	\$ -	\$ -	\$ 59,543

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2023
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes & special assessments	\$ 4,472	\$ 4,472	\$ 4,390	\$ 82
Intergovernmental	4,248	4,248	22	4,226
Interest & assessment interest	-	-	84	(84)
Premiums/contributions	537	537	15	522
Total revenues	<u>9,257</u>	<u>9,257</u>	<u>4,511</u>	<u>4,746</u>
Expenditures:				
Economic environment	-	-	118	(118)
Health & human services	9,073	9,073	6,402	2,671
Total expenditures	<u>9,073</u>	<u>9,073</u>	<u>6,520</u>	<u>2,553</u>
Excess (deficiency) of revenues over (under) expenditures	184	184	(2,009)	2,193
Other financing sources (uses):				
Transfers in	-	-	789	(789)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>789</u>	<u>(789)</u>
Net change in fund balance	184	184	(1,220)	1,404
Fund balance beginning of year	1,612	1,612	1,303	309
Fund balance end of year	<u>\$ 1,796</u>	<u>\$ 1,796</u>	<u>\$ 83</u>	<u>\$ 1,713</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Land Purchase Revolving Fund
For the Year Ended December 31, 2023
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Interest & assessment interest	\$ -	\$ -	\$ 378	\$ (378)
Rent	1,084	1,084	1,090	(6)
Total revenues	<u>1,084</u>	<u>1,084</u>	<u>1,468</u>	<u>(384)</u>
Expenditures:				
General government	424	424	405	19
Transportation	9	9	-	9
Culture & recreation	734	734	647	87
Capital outlay:				-
Transportation	-	-	2	(2)
Total expenditures	<u>1,167</u>	<u>1,167</u>	<u>1,054</u>	<u>113</u>
Excess (deficiency) of revenues over (under) expenditures	(83)	(83)	414	(497)
Other financing sources (uses):				
Transfers in	200	200	743	(543)
Transfers out	(2,100)	(5,617)	(100)	(5,517)
Sale of capital assets	-	3,517	240	3,277
Total other financing sources (uses)	<u>(1,900)</u>	<u>(1,900)</u>	<u>883</u>	<u>(2,783)</u>
Net change in fund balance	(1,983)	(1,983)	1,297	(3,280)
Fund balance beginning of year	4,471	4,471	9,336	(4,865)
Fund balance end of year	<u>\$ 2,488</u>	<u>\$ 2,488</u>	<u>\$ 10,633</u>	<u>\$ (8,145)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Services Fund
For the Year Ended December 31, 2023**
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Licenses & permits	\$ 18,856	\$ 18,856	\$ 16,399	\$ 2,457
Service charges & fees	16,230	16,230	15,286	944
Fines & forfeitures	3	3	5	(2)
Interest & assessment interest	163	163	2,864	(2,701)
Judgements & Settlements	-	-	10	(10)
Other	-	-	1	(1)
Total revenues	<u>35,252</u>	<u>35,252</u>	<u>34,565</u>	<u>687</u>
Expenditures:				
General government	1	1	1	-
Economic environment	38,078	38,078	33,115	4,963
Total expenditures	<u>38,079</u>	<u>38,079</u>	<u>33,116</u>	<u>4,963</u>
Excess (deficiency) of revenues over (under) expenditures	(2,827)	(2,827)	1,449	(4,276)
Other financing sources (uses):				
Transfers in	4,571	4,571	4,308	263
Transfers out	(155)	(155)	(155)	-
Total other financing sources (uses)	<u>4,416</u>	<u>4,416</u>	<u>4,153</u>	<u>263</u>
Net change in fund balance	1,589	1,589	5,602	(4,013)
Fund balance beginning of year	51,938	51,938	49,410	2,528
Fund balance end of year	<u>\$ 53,527</u>	<u>\$ 53,527</u>	<u>\$ 55,012</u>	<u>\$ (1,485)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks Enterprise Fund
For the Year Ended December 31, 2023
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues/operating revenues:				
Service charges & fees	\$ 5,380	\$ 5,380	\$ 4,542	\$ 838
Interest & assessment interest	10	10	109	(99)
Rent	2,787	2,787	3,896	(1,109)
Other	14	14	36	(22)
Total revenues	<u>8,191</u>	<u>8,191</u>	<u>8,583</u>	<u>(392)</u>
Expenditures:				
Culture & recreation	<u>7,821</u>	<u>7,821</u>	<u>8,058</u>	<u>(237)</u>
Total expenditures	<u>7,821</u>	<u>7,821</u>	<u>8,058</u>	<u>(237)</u>
Excess (deficiency) of revenues over (under) expenditures	370	370	525	(155)
Other financing sources (uses):				
Transfers in	35	35	35	-
Transfers out	<u>(105)</u>	<u>(105)</u>	<u>-</u>	<u>(105)</u>
Total other financing sources (uses)	<u>(70)</u>	<u>(70)</u>	<u>35</u>	<u>(105)</u>
Net change in fund balance	300	300	560	(260)
Fund balance beginning of year	<u>1,485</u>	<u>1,485</u>	<u>1,456</u>	<u>29</u>
Fund balance end of year	<u>\$ 1,785</u>	<u>\$ 1,785</u>	<u>\$ 2,016</u>	<u>\$ (231)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
LEOFF I Medical Reserve Fund
For the Year Ended December 31, 2023
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Intergovernmental	\$ 39	\$ 39	\$ 42	\$ (3)
Interest & assessment interest	4	4	22	(18)
Total revenues	<u>43</u>	<u>43</u>	<u>64</u>	<u>(21)</u>
Expenditures:				
Public safety	63	63	41	22
Total expenditures	<u>63</u>	<u>63</u>	<u>41</u>	<u>22</u>
Excess (deficiency) of revenues over (under) expenditures	(20)	(20)	23	(43)
Fund balance beginning of year	570	570	544	26
Fund balance end of year	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ 567</u>	<u>\$ (17)</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, 2023
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes & special assessments	\$ -	\$ 2,276	\$ 2,430	\$ (154)
Interest & assessment interest	-	-	326	(326)
Total revenues	<u>-</u>	<u>2,276</u>	<u>2,756</u>	<u>(480)</u>
Excess (deficiency) of revenues over (under) expenditures	-	2,276	2,756	(480)
Other financing sources (uses):				
Transfers out	<u>(667)</u>	<u>(2,943)</u>	<u>(667)</u>	<u>(2,276)</u>
Total other financing sources (uses)	<u>(667)</u>	<u>(2,943)</u>	<u>(667)</u>	<u>(2,276)</u>
Net change in fund balance	(667)	(667)	2,089	(2,756)
Fund balance beginning of year	<u>4,704</u>	<u>4,704</u>	<u>4,654</u>	<u>50</u>
Fund balance end of year	<u>\$ 4,037</u>	<u>\$ 4,037</u>	<u>\$ 6,743</u>	<u>\$ (2,706)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Solid Waste Fund
For the Year Ended December 31, 2023**
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Service charges & fees	\$ 872	\$ 872	\$ 863	\$ 9
Interest & assessment interest	8	8	137	(129)
Other	18	18	289	(271)
Total revenues	<u>898</u>	<u>898</u>	<u>1,289</u>	<u>(391)</u>
Expenditures:				
Physical environment	<u>1,028</u>	<u>1,028</u>	<u>916</u>	<u>112</u>
Total expenditures	<u>1,028</u>	<u>1,028</u>	<u>916</u>	<u>112</u>
Excess (deficiency) of revenues over (under) expenditures	(130)	(130)	373	(503)
Fund balance beginning of year	<u>2,957</u>	<u>2,957</u>	<u>3,383</u>	<u>(426)</u>
Fund balance end of year	<u>\$ 2,827</u>	<u>\$ 2,827</u>	<u>\$ 3,756</u>	<u>\$ (929)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2023
(in thousands)

	Original Budget	Final Budget	Actuals on Budgetary Basis	Variance with Final Budget
Revenues/operating revenues:				
Taxes & special assessments	\$ 10,131	\$ 10,635	\$ 11,570	\$ (935)
Service charges & fees	-	1,456	1,234	222
Interest & assessment interest	-	-	97	(97)
Total revenues	<u>10,131</u>	<u>12,091</u>	<u>12,901</u>	<u>(810)</u>
Expenditures:				
General government	5,383	7,029	6,613	416
Economic environment	-	1,456	817	639
Total expenditures	<u>5,383</u>	<u>8,485</u>	<u>7,430</u>	<u>1,055</u>
Excess (deficiency) of revenues over (under) expenditures	4,748	3,606	5,471	(1,865)
Other financing sources (uses):				
Transfers out	(4,748)	(4,748)	(4,748)	-
Total other financing sources (uses)	<u>(4,748)</u>	<u>(4,748)</u>	<u>(4,748)</u>	<u>-</u>
Net change in fund balance	-	(1,142)	723	(1,865)
Fund balance beginning of year	-	1,142	1,202	(60)
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,925</u>	<u>\$ (1,925)</u>

Internal Service Funds

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

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

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

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

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

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

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

The **Facilities Services Fund** provides 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, 2023
(in thousands)**

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self- Insurance</u>
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 19,778	\$ 5,201	\$ 191	\$ 12,941
Receivables (net of allowances):				
Accounts	6	-	-	-
Leases receivable	-	-	-	-
Other	3	-	-	-
Due from other funds	115	-	-	-
Due from other governments	1	-	-	-
Inventory	650	-	-	-
Prepaid expenses	-	-	-	-
Restricted cash & equity in pooled investments:				
For capital projects	-	-	-	-
Total current assets	<u>20,553</u>	<u>5,201</u>	<u>191</u>	<u>12,941</u>
Noncurrent assets:				
Lease receivable	-	-	-	-
Net pension asset	594	-	-	183
Capital assets (net)	25,217	-	-	304
Total noncurrent assets	<u>25,811</u>	<u>-</u>	<u>-</u>	<u>487</u>
Total assets	<u>46,364</u>	<u>5,201</u>	<u>191</u>	<u>13,428</u>
Deferred outflows				
For pensions	445	-	-	137
For asset retirement obligation	713	-	-	-
Total deferred outflows	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>137</u>
Total assets & deferred outflows	<u>\$ 47,522</u>	<u>\$ 5,201</u>	<u>\$ 191</u>	<u>\$ 13,565</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2023
(in thousands)

	<u>Health Benefits</u>	<u>Information Technology</u>	<u>Facilities Services</u>	<u>Total</u>
Assets:				
Current assets:				
Cash & equity in pooled investments	\$ 9,472	\$ 11,819	\$ 2,050	\$ 61,452
Receivables (net of allowances):				
Accounts	363	-	59	428
Leases receivable	-	153	542	695
Other	-	-	-	3
Due from other funds	-	-	-	115
Due from other governments	-	-	-	1
Inventory	-	-	-	650
Prepaid expenses	142	350	-	492
Restricted cash & equity in pooled investments:				
For capital projects	-	5	-	5
Total current assets	<u>9,977</u>	<u>12,327</u>	<u>2,651</u>	<u>63,841</u>
Noncurrent assets:				
Lease receivable	-	1,964	3,398	5,362
Net pension asset	64	2,176	658	3,675
Capital assets (net)	-	2,622	644	28,787
Total noncurrent assets	<u>64</u>	<u>6,762</u>	<u>4,700</u>	<u>37,824</u>
Total assets	<u>10,041</u>	<u>19,089</u>	<u>7,351</u>	<u>101,665</u>
Deferred outflows				
For pensions	48	3,377	493	4,500
For asset retirement obligation	-	-	-	713
Total deferred outflows	<u>48</u>	<u>3,377</u>	<u>493</u>	<u>5,213</u>
Total assets & deferred outflows	<u>\$ 10,089</u>	<u>\$ 22,466</u>	<u>\$ 7,844</u>	<u>\$ 106,878</u>

Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2023
(in thousands)

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self- Insurance</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 637	\$ 2	\$ -	\$ 128
Estimated claims	-	2,084	35	2,350
Due to other governments	-	-	-	-
Accrued payroll	122	-	-	38
Accrued compensated absences	35	-	-	24
Subscription liability	-	-	-	75
Liabilities payable from restricted assets:				
Retainage payable	-	-	-	-
Total current liabilities	<u>794</u>	<u>2,086</u>	<u>35</u>	<u>2,615</u>
Noncurrent liabilities:				
Accrued compensated absences	81	-	-	55
Estimated claims	-	2,219	-	2,557
Asset retirement obligation	6,294	-	-	-
Pension liability	-	-	-	-
Subscription liability	-	-	-	186
Total noncurrent liabilities	<u>6,375</u>	<u>2,219</u>	<u>-</u>	<u>2,798</u>
Total liabilities	<u>7,169</u>	<u>4,305</u>	<u>35</u>	<u>5,413</u>
Deferred inflows				
For pensions	302	-	-	92
For leases	-	-	-	-
Total deferred inflows	<u>302</u>	<u>-</u>	<u>-</u>	<u>92</u>
Total liabilities & deferred inflows	<u>7,471</u>	<u>4,305</u>	<u>35</u>	<u>5,505</u>
Net position:				
Net investment in capital assets	25,168	-	-	43
Restricted for:				
Net pension asset	846	-	-	736
Prepaid	-	-	-	-
Unrestricted	14,037	896	156	7,281
Total net position	<u>\$ 40,051</u>	<u>\$ 896</u>	<u>\$ 156</u>	<u>\$ 8,060</u>

**Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2023
(in thousands)**

	<u>Health Benefits</u>	<u>Information Technology</u>	<u>Facilities Services</u>	<u>Total</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 432	\$ 499	\$ 345	\$ 2,043
Estimated claims	1,806	-	-	6,275
Due to other governments	-	-	6	6
Accrued payroll	12	413	140	725
Accrued compensated absences	12	315	76	462
Subscription liability	-	410	-	485
Liabilities payable from restricted assets:				
Retainage payable	-	5	-	5
Total current liabilities	<u>2,262</u>	<u>1,642</u>	<u>567</u>	<u>10,001</u>
Noncurrent liabilities:				
Accrued compensated absences	27	734	177	1,074
Estimated claims	-	-	-	4,776
Asset retirement obligation	-	-	-	6,294
Pension liability	-	14,018	-	14,018
Subscription liability	-	911	-	1,097
Total noncurrent liabilities	<u>27</u>	<u>15,663</u>	<u>177</u>	<u>27,259</u>
Total liabilities	<u>2,289</u>	<u>17,305</u>	<u>744</u>	<u>37,260</u>
Deferred inflows				
For pensions	32	2,671	305	3,402
For leases	-	1,881	2,990	4,871
Total deferred inflows	<u>32</u>	<u>4,552</u>	<u>3,295</u>	<u>8,273</u>
Total liabilities & deferred inflows	<u>2,321</u>	<u>21,857</u>	<u>4,039</u>	<u>45,533</u>
Net position:				
Net investment in capital assets	-	1,301	644	27,156
Restricted for:				
Net pension asset	229	80	2,719	4,610
Prepaid	142	350	-	492
Unrestricted	7,397	(1,122)	442	29,087
Total net position	<u>\$ 7,768</u>	<u>\$ 609</u>	<u>\$ 3,805</u>	<u>\$ 61,345</u>

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2023
(in thousands)**

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self-Insurance
Operating revenues:				
Intergovernmental	\$ 40	\$ -	\$ -	\$ -
Service charges & fees	14,366	-	-	-
Interest & assessment interest/penalties	-	-	-	-
Rent	-	-	-	-
Insurance recovery	-	-	-	384
Premiums/contributions	-	2,835	149	6,848
Other	5	145	-	2
Total operating revenues	14,411	2,980	149	7,234
Operating expenses:				
Administrative & general	771	235	-	2,489
Maintenance & operations	5,899	27	-	-
Depreciation	5,984	-	-	73
Insurance costs	-	647	-	3,609
Benefits & claims payments	-	1,852	214	3,412
Total operating expenses	12,654	2,761	214	9,583
Operating income (loss)	1,757	219	(65)	(2,349)
Nonoperating revenues (expenses):				
Interest income	791	191	9	302
Net change in fair value of investments	12	7	-	1
Gain on disposal of capital assets	336	-	-	-
Other nonoperating revenues	12	-	-	18
Other nonoperating expenses	-	-	-	(5)
Total nonoperating revenue (expenses)	1,151	198	9	316
Income before contributions & transfers	2,908	417	(56)	(2,033)
Special items, contributions & transfers:				
Transfers in	2,590	-	-	4,757
Transfers out	(7)	(218)	(6)	-
Capital contributed from external sources	8,261	-	-	-
Total special items, contributions & transfers	10,844	(218)	(6)	4,757
Change in net position	13,752	199	(62)	2,724
Net position beginning of year	26,299	697	218	5,336
Net position end of year	\$ 40,051	\$ 896	\$ 156	\$ 8,060

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2023
(in thousands)**

	Health Benefits	Information Technology	Facilities Services	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 56	\$ 96
Service charges & fees	2,564	17,398	8,195	42,523
Interest & assessment interest/penalties	-	31	61	92
Rent	-	-	511	511
Insurance recovery	-	-	-	384
Premiums/contributions	29,238	-	-	39,070
Other	-	4	-	156
Total operating revenues	31,802	17,433	8,823	82,832
Operating expenses:				
Administrative & general	708	2,843	391	7,437
Maintenance & operations	-	8,826	7,032	21,784
Depreciation	-	571	115	6,743
Insurance costs	7,015	-	-	11,271
Benefits & claims payments	21,274	-	-	26,752
Total operating expenses	28,997	12,240	7,538	73,987
Operating income (loss)	2,805	5,193	1,285	8,845
Nonoperating revenues (expenses):				
Interest income	266	418	71	2,048
Net change in fair value of investments	-	-	-	20
Gain on disposal of capital assets	-	-	-	336
Other nonoperating revenues	1,471	342	513	2,356
Other nonoperating expenses	-	(16)	-	(21)
Total nonoperating revenue (expenses)	1,737	744	584	4,739
Income before contributions & transfers	4,542	5,937	1,869	13,584
Special items, contributions & transfers:				
Transfers in	-	-	36	7,383
Transfers out	(10)	(26)	(2,470)	(2,737)
Capital contributed from external sources	-	-	-	8,261
Total special items, contributions & transfers	(10)	(26)	(2,434)	12,907
Change in net position	4,532	5,911	(565)	26,491
Net position beginning of year	3,236	(5,302)	4,370	34,854
Net position end of year	\$ 7,768	\$ 609	\$ 3,805	\$ 61,345

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023**
(in thousands)

	<u>Equipment Rental</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>General Self-Insurance</u>
Cash flows from operating activities:				
Cash received from customers & users	\$ 14,362	\$ -	\$ -	\$ -
Contributions received - employer/employee	-	2,835	149	6,865
Cash received from insurance proceeds	-	-	-	384
Cash payments to suppliers for goods & services	(6,163)	(488)	-	(1,722)
Cash payments to employees for services	(2,425)	-	-	(826)
Cash payments to claimants	-	(1,742)	(210)	(1,407)
Cash received from contracts/rent	-	-	-	-
Cash payments for insurance	-	(647)	-	(3,609)
Other receipts	-	144	-	-
Net cash provided (used) by operating activities	<u>5,774</u>	<u>102</u>	<u>(61)</u>	<u>(315)</u>
Cash flows from noncapital financing activities:				
Transfers in	2,590	-	-	4,757
Transfers out	(7)	(218)	(6)	-
Cash received from non-operating revenues	12	-	-	18
Net cash provided (used) by noncapital financing activities:	<u>2,595</u>	<u>(218)</u>	<u>(6)</u>	<u>4,775</u>
Cash flows from capital & related financing activities:				
Acquisition & construction of capital assets	(6,203)	-	-	-
Proceeds from sale of assets	336	-	-	-
Net cash provided (used) by capital financing activities	<u>(5,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	803	198	9	298
Net cash provided (used) by investing activities	<u>803</u>	<u>198</u>	<u>9</u>	<u>298</u>
Net increase (decrease) in cash balance	3,305	82	(58)	4,758
Cash & equity in pooled investments balance beginning of year	<u>16,473</u>	<u>5,119</u>	<u>249</u>	<u>8,183</u>
Cash & equity in pooled investments balance end of year	<u>\$ 19,778</u>	<u>\$ 5,201</u>	<u>\$ 191</u>	<u>\$ 12,941</u>
Cash & equity in pooled investments at end of year consist of:				
Unrestricted	\$ 19,778	\$ 5,201	\$ 191	\$ 12,941
Restricted	-	-	-	-
Total cash & equity in pooled investments	<u>\$ 19,778</u>	<u>\$ 5,201</u>	<u>\$ 191</u>	<u>\$ 12,941</u>

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023
(in thousands)**

	Health Benefits	Information Technology	Facilities Services	Total
Cash flows from operating activities:				
Cash received from customers & users	\$ 2,545	\$ 17,174	\$ 8,716	\$ 42,797
Contributions received - employer/employees	29,237	-	-	39,086
Cash received from insurance proceeds	-	-	-	384
Cash payments to suppliers for goods & services	(501)	(6,940)	(4,881)	(20,695)
Cash payments to employees for services	(322)	(9,773)	(3,216)	(16,562)
Cash payments to claimants	(21,236)	-	-	(24,595)
Cash received from contracts/rent	-	-	511	511
Cash payments for insurance	(7,015)	-	-	(11,271)
Other receipts	1,470	-	-	1,614
Net cash provided (used) by operating activities	<u>4,178</u>	<u>461</u>	<u>1,130</u>	<u>11,269</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	36	7,383
Transfers out	(10)	(26)	(2,470)	(2,737)
Cash received from non-operating revenues	-	342	513	885
Net cash provided (used) by noncapital financing activities:	<u>(10)</u>	<u>316</u>	<u>(1,921)</u>	<u>5,531</u>
Cash flows from capital & related financing activities:				
Acquisition & construction of capital assets	-	(184)	-	(6,387)
Proceeds from sale of assets	-	-	-	336
Net cash provided (used) by capital financing activities	<u>-</u>	<u>(184)</u>	<u>-</u>	<u>(6,051)</u>
Cash flows from investing activities:				
Interest on investments	266	402	72	2,048
Net cash provided (used) by investing activities	<u>266</u>	<u>402</u>	<u>72</u>	<u>2,048</u>
Net increase (decrease) in cash balance	4,434	995	(719)	12,797
Cash & equity in pooled investments balance				
beginning of year	5,038	10,824	2,769	48,655
Cash & equity in pooled investments balance				
end of year	<u>\$ 9,472</u>	<u>\$ 11,819</u>	<u>\$ 2,050</u>	<u>\$ 61,452</u>
Cash & equity in pooled investments at end of year consist of:				
Unrestricted	\$ 9,472	\$ 11,814	\$ 2,050	\$ 61,447
Restricted	-	5	-	5
Total cash & equity in pooled investments	<u>\$ 9,472</u>	<u>\$ 11,819</u>	<u>\$ 2,050</u>	<u>\$ 61,452</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023
(in thousands)

	Equipment Rental	Workers' Compensation	Unemployment Compensation	General Self-Insurance
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,757	\$ 219	\$ (65)	\$ (2,349)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	5,984	-	-	73
Other receipts	-	-	-	-
Changes in assets & liabilities:				
(Increase) decrease in accounts receivable	4	-	-	14
(Increase) decrease in due from other funds	(23)	-	-	-
(Increase) decrease in other receivables	(28)	-	-	-
(Increase) decrease in lease receivables	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in inventory	(143)	-	-	-
(Increase) decrease in asset retirement obligation	(1,829)	-	-	-
(Increase) decrease in deferred outflow	272	-	-	31
(Increase) decrease in pension asset	-	-	-	-
(Increase) decrease in lease asset	-	-	-	-
Increase (decrease) in accounts payable	(19)	(227)	-	80
Increase (decrease) in wages & benefits payable	8	-	-	2
Increase (decrease) in compensated absences	25	-	-	(21)
Increase (decrease) in due to other governments	(1)	-	-	-
Increase (decrease) in estimated claims payable	-	110	4	2,005
Increase (decrease) in pension liability	-	-	-	-
Increase (decrease) in deferred inflows	(233)	-	-	(79)
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in other accrued liabilities	-	-	-	(71)
Total adjustments	4,017	(117)	4	2,034
Net cash provided (used) by operating activities	\$ 5,774	\$ 102	\$ (61)	\$ (315)
Non-cash investing, capital & financing activities:				
Donated capital assets	\$ 8,261	\$ -	\$ -	\$ -
Increase (decrease) in fair value of investments	12	7	-	1

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023**
(in thousands)

	<u>Health Benefits</u>	<u>Information Technology</u>	<u>Facilities Services</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,805	\$ 5,193	\$ 1,285	\$ 8,845
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	571	115	6,743
Other receipts	1,471	-	-	1,471
Changes in assets & liabilities:				
(Increase) decrease in accounts receivable	(19)	25	(57)	(33)
(Increase) decrease in due from other funds	-	-	-	(23)
(Increase) decrease in other receivables	(6)	-	-	(34)
(Increase) decrease in lease receivables	-	57	1,062	1,119
(Increase) decrease in prepaid expenses	138	(343)	-	(205)
(Increase) decrease in inventory	-	-	-	(143)
(Increase) decrease in asset retirement obligation	-	-	-	(1,829)
(Increase) decrease in deferred outflow	5	538	56	902
(Increase) decrease in pension asset	-	-	(60)	(60)
(Increase) decrease in lease asset	-	-	(542)	(542)
Increase (decrease) in accounts payable	(232)	93	(54)	(359)
Increase (decrease) in wages & benefits payable	1	18	20	49
Increase (decrease) in compensated absences	(1)	55	(4)	54
Increase (decrease) in due to other governments	-	-	1	-
Increase (decrease) in estimated claims payable	38	-	-	2,157
Increase (decrease) in pension liability	-	(3,118)	-	(3,118)
Increase (decrease) in deferred inflows	(22)	(2,138)	(232)	(2,704)
Increase (decrease) in unearned revenue	-	(154)	(460)	(614)
Increase (decrease) in other accrued liabilities	-	(336)	-	(407)
Total adjustments	<u>1,373</u>	<u>(4,732)</u>	<u>(155)</u>	<u>2,424</u>
Net cash provided (used) by operating activities	<u>\$ 4,178</u>	<u>\$ 461</u>	<u>\$ 1,130</u>	<u>\$ 11,269</u>
Non-cash investing, capital & financing activities:				
Donated capital assets	\$ -	\$ -	\$ -	\$ 8,261
Increase (decrease) in fair value of investments	-	-	-	20

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

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

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, 2023
(in thousands)

	Firefighters' Pension Fund	Municipal Employees' Benefit Trust	Total
Assets:			
Cash & equity in pooled investments:			
State investment pool	\$ 4,097	\$ 548,265	\$ 552,362
US government & agency obligations	2,341	313,294	315,635
Interest-bearing bank deposits	366	48,952	49,318
Supnationals	366	48,952	49,318
State & local obligations	146	19,581	19,727
Interest receivable	-	1,746	1,746
Notes receivable from participants	-	8,228	8,228
Total assets	\$ 7,316	\$ 989,018	\$ 996,334
Liabilities:			
Accounts payable	\$ -	\$ 188	\$ 188
Total liabilities	-	188	188
Total net position restricted for pensions	\$ 7,316	\$ 988,830	\$ 996,146

City of Bellevue, Washington

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Funds
For the Year ended December 31, 2023
(in thousands)

	Firefighters' Pension Fund	Municipal Employees' Benefit Trust	Total
Additions:			
Investment income:			
Interest	\$ 282	\$ 470	\$ 752
Net change in fair value of investments	-	99,424	99,424
Dividends	-	31,538	31,538
Contributions:			
Employer & nonemployer premiums	310	26,201	26,511
Participants & members	-	29,907	29,907
Rollovers	-	274	274
Total additions	592	187,814	188,406
Deductions:			
Benefit payments	307	71,193	71,500
Insurance premiums	-	2,551	2,551
Administrative expense	-	1,530	1,530
Total deductions	307	75,274	75,581
Net increase (decrease) in net position	285	112,540	112,825
Net position beginning of year	7,031	876,290	883,321
Net position end of year	\$ 7,316	\$ 988,830	\$ 996,146

Custodial Funds

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

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

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

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

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

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

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
As of December 31, 2023
(in thousands)

	<u>eCityGov Alliance</u>	<u>Community Connectivity Consortium</u>	<u>Eastside Narcotics Task Force</u>
Assets:			
Cash & equity in pooled investments	\$ 1,403	\$ 266	\$ -
Due from other governments	95	-	-
Capital assets (net)	-	-	-
Total assets	<u>\$ 1,498</u>	<u>\$ 266</u>	<u>\$ -</u>
Liabilities:			
Accounts payable	\$ 212	\$ 4	\$ -
Total liabilities	<u>212</u>	<u>4</u>	<u>-</u>
Total net position restricted for individuals, organizations, & other governments	<u>\$ 1,286</u>	<u>\$ 262</u>	<u>\$ -</u>

**Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
As of December 31, 2023
(in thousands)**

	<u>Hazardous Materials</u>	<u>Custodial Fund</u>	<u>Total</u>
Assets:			
Cash & equity in pooled investments	\$ 604	\$ 1,015	\$ 3,288
Due from other governments	-	-	95
Capital assets (net)	91	-	91
Total assets	<u>\$ 695</u>	<u>\$ 1,015</u>	<u>\$ 3,474</u>
Liabilities:			
Accounts payable	\$ 1	\$ 73	\$ 290
Total liabilities	<u>1</u>	<u>73</u>	<u>290</u>
Total net position restricted for individuals, organizations, & other governments	<u>\$ 694</u>	<u>\$ 942</u>	<u>\$ 3,184</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2023
(in thousands)

	<u>eCityGov Alliance</u>	<u>Community Connectivity Consortium</u>	<u>Eastside Narcotics Task Force</u>
Additions:			
Investment income:			
Interest	\$ 56	\$ 11	\$ -
Net change in fair value of investments	-	1	-
Other contributions:			
Contributions from members	2,200	141	-
Tax collections for other governments	-	-	-
Deposits collected	-	-	-
Total additions	<u>2,256</u>	<u>153</u>	<u>-</u>
Deductions:			
Administrative expense	2,114	229	-
Distributions to developers	-	-	10
Distributions to human services agencies	-	-	-
Payments to other governments	-	-	-
Deposits released	-	-	-
Total deductions	<u>2,114</u>	<u>229</u>	<u>10</u>
Net increase (decrease) in net position	142	(76)	(10)
Net position beginning of year	1,144	338	10
Prior period addition (deduction)	-	-	-
Net position end of year	<u>\$ 1,286</u>	<u>\$ 262</u>	<u>\$ -</u>

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended December 31, 2023
(in thousands)

	Hazardous Materials	Custodial Fund	Total
Additions:			
Investment income:			
Interest	\$ 22	\$ 6	\$ 95
Net change in fair value of investments	-	1	2
Other contributions:			
Contributions from members	137	3,495	5,973
Tax collections for other governments	-	1,569	1,569
Deposits collected	-	48	48
Total additions	159	5,119	7,687
Deductions:			
Administrative expense	-	-	2,343
Distributions to developers	45	-	55
Distributions to human services agencies	-	3,438	3,438
Payments to other governments	-	1,595	1,595
Deposits released	-	5	5
Total deductions	45	5,038	7,436
Net increase (decrease) in net position	114	81	251
Net position beginning of year	580	649	2,721
Prior period addition (deduction)	-	212	212
Net position end of year	\$ 694	\$ 942	\$ 3,184

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Statistical Section

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

The **Financial Trends** provides selected information from previous years' financial statements 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 its own source revenue. This section includes the following tables:

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

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

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

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

- Demographic Statistics
- Principal Employers

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

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

Table 1

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

Year	Governmental Activities				Business-type Activities				Total - Primary Government			
	Net investment in capital assets	Restricted	Unrestricted	Total	Net investment in capital assets	Restricted	Unrestricted	Total	Net investment in capital assets	Restricted	Unrestricted	Total
2014	\$ 1,546,380	\$ 47,503	\$ 44,716	\$ 1,638,599	\$ 289,506	\$ 529	\$ 222,653	\$ 512,688	\$ 1,835,886	\$ 48,032	\$ 267,369	\$ 2,151,287
2015	1,566,471	91,987	(31,050)	1,627,408	312,700	537	235,263	548,500	1,879,171	92,524	204,213	2,175,908
2016	1,605,104	101,621	(37,081)	1,669,644	336,121	800	215,615	552,536	1,941,225	102,421	178,534	2,222,180
2017	1,626,502	112,522	5,774	1,744,798	353,414	804	249,089	603,307	1,979,916	113,326	254,863	2,348,105
2018	1,661,776	117,031	27,875	1,806,682	375,075	378	282,087	657,540	2,036,851	117,409	309,962	2,464,222
2019	1,707,871	105,692	56,849	1,870,412	403,636	578	325,907	730,121	2,111,507	106,270	382,756	2,600,533
2020	1,761,119	120,961	46,419	1,928,499	431,961	520	351,271	783,752	2,193,080	121,481	397,690	2,712,251
2021	1,809,539	203,861	94,227	2,107,627	462,545	2,520	379,982	845,047	2,272,084	206,381	474,209	2,952,674
2022	1,859,753	244,539	145,931	2,250,223	487,560	4,377	414,227	906,164	2,347,313	248,916	560,158	3,156,387
2023	1,882,612	290,608	226,586	2,399,806	512,304	6,036	450,372	968,712	2,394,916	296,644	676,958	3,368,518

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

City of Bellevue, Washington

Table 2
Page 1 of 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General government	\$ 31,948	\$ 33,611	\$ 39,840	\$ 27,174	\$ 34,751	\$ 38,187	\$ 82,024	\$ 11,811	\$ 47,661	\$ 54,323
Public safety	85,734	90,269	90,827	94,620	98,732	107,391	104,615	98,731	113,870	132,676
Physical environment	2,249	2,446	1,509	1,361	1,194	1,452	1,284	1,455	1,578	1,549
Transportation	30,925	36,384	36,729	43,071	40,929	62,788	47,976	46,400	43,085	56,543
Economic environment	23,336	34,571	32,573	31,821	31,259	43,764	44,271	46,043	61,241	56,722
Health & human services	7,596	8,457	6,766	7,492	6,548	6,897	6,393	7,455	9,695	9,010
Culture & recreation	39,776	43,116	39,356	47,522	43,080	42,243	41,637	44,730	43,639	52,246
Interest on long-term debt	8,978	11,148	12,010	11,686	11,097	10,990	10,960	10,443	7,915	11,171
Total governmental activities	230,542	260,002	259,610	264,747	267,590	313,712	339,160	267,068	328,684	374,240
Business-type activities										
Water	46,886	44,529	48,299	45,722	49,899	50,474	51,027	55,899	56,462	57,436
Sewer	44,780	48,683	49,470	47,913	50,623	53,173	53,215	53,511	58,261	64,410
Storm & surface water	11,764	12,699	14,413	15,020	11,973	13,622	14,710	14,466	15,894	18,082
Marina	273	219	216	349	154	318	318	353	398	345
Total business-type activities	103,703	106,130	112,398	109,004	112,649	117,587	119,270	124,229	131,015	140,273
Total primary government expenses	\$ 334,245	\$ 366,132	\$ 372,008	\$ 373,751	\$ 380,239	\$ 431,299	\$ 458,430	\$ 391,297	\$ 459,699	\$ 514,513
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 3,686	\$ 5,518	\$ 3,519	\$ 3,449	\$ 3,295	\$ 3,801	\$ 4,601	\$ 4,791	\$ 17,063	\$ 20,329
Public safety	16,553	19,549	22,274	22,668	23,994	23,713	24,395	25,868	26,930	27,418
Physical environment	735	692	705	708	742	641	800	810	746	863
Transportation	6,391	10,098	8,518	11,361	15,224	7,626	18,876	25,812	22,451	17,396
Economic environment	17,296	18,797	19,334	17,444	17,873	24,502	28,513	31,384	24,839	26,549
Health & human services	545	555	2,150	3,015	3,048	412	283	30	29	50
Culture & recreation	9,183	10,220	11,569	11,258	11,488	11,992	7,119	9,093	11,609	13,152
Operating grants & contributions	7,585	11,427	8,043	7,542	7,542	18,168	21,845	30,117	34,467	34,549
Capital grants & contributions	13,373	17,239	9,811	20,027	10,969	28,532	38,193	18,998	23,028	20,147
Total governmental activities program revenues	75,347	94,095	85,923	97,472	94,175	119,387	144,625	146,903	161,162	160,453

City of Bellevue, Washington

Table 2
Page 2 of 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities										
Charges for Services										
Water	\$ 52,181	\$ 57,666	\$ 57,215	\$ 61,622	\$ 64,373	\$ 67,555	\$ 65,993	\$ 75,020	\$ 74,135	\$ 77,152
Sewer	53,359	56,628	59,678	61,758	63,479	66,384	64,244	69,524	74,712	77,961
Storm & surface water	20,446	21,333	22,593	23,376	24,490	26,178	26,866	28,567	29,177	30,262
Marina	585	625	624	606	653	715	680	700	752	693
Operating grants & contributions	-	-	-	-	104	75	66	74	1	32
Capital grants & contributions	7,619	5,611	6,068	6,617	7,644	20,341	12,649	9,799	7,537	4,698
Total business-type activities program revenues	134,190	141,863	146,178	153,979	160,743	181,248	170,498	183,684	186,314	190,798
Total primary government program revenues	\$ 209,537	\$ 235,958	\$ 232,101	\$ 251,451	\$ 254,918	\$ 300,635	\$ 315,123	\$ 330,587	\$ 347,476	\$ 351,251
Net (Expense)/Revenue										
Governmental activities	\$ (155,195)	\$ (165,907)	\$ (173,687)	\$ (167,275)	\$ (173,415)	\$ (194,325)	\$ (194,535)	\$ (120,165)	\$ (167,522)	\$ (213,787)
Business-type activities	30,487	35,733	33,780	44,975	48,094	63,661	51,228	59,455	55,299	50,525
Total primary government net expense	\$ (124,708)	\$ (130,174)	\$ (139,907)	\$ (122,300)	\$ (125,321)	\$ (130,664)	\$ (143,307)	\$ (60,710)	\$ (112,223)	\$ (163,262)
General Revenues & Other Changes in Net Assets										
Governmental activities										
Taxes										
Property tax	\$ 38,379	\$ 40,222	\$ 41,304	\$ 55,907	\$ 57,754	\$ 59,210	\$ 61,172	\$ 62,581	\$ 64,392	\$ 87,675
Retail sales & use tax	59,278	66,173	69,686	72,981	78,251	83,781	74,150	100,443	110,590	109,198
Utility tax	26,790	27,219	27,169	29,386	29,036	27,092	26,398	28,140	29,834	32,980
Business & occupation tax	34,856	36,551	38,380	43,530	47,811	43,012	41,515	52,796	67,328	76,160
Excise tax	14,665	19,515	22,815	21,350	20,951	28,310	27,969	39,377	22,113	14,605
Hotel/motel tax	8,975	10,191	11,214	11,780	12,645	12,531	3,139	4,543	9,827	11,570
Other tax	590	474	1,837	1,969	2,065	2,115	264	417	739	706
Payments from component unit	10	9	11	9	11	10	8,906	11	12	-
Grants & contributions - unrestricted	1,424	1,721	1,202	2,746	1,398	1,525	1,166	1,170	1,184	1,177
Unrestricted investment interest	962	1,349	1,622	2,098	3,459	5,214	2,159	1,230	5,883	19,780
Gain (loss) in change of fair value of investments	417	(131)	(304)	(490)	341	1,124	2	(145)	(216)	37
Miscellaneous	721	269	823	572	750	1,513	3,856	2,401	3,257	3,966
Gain (loss) on sale of capital assets	61	(685)	221	991	2,682	283	304	6,329	322	576
Transfers	(246)	(141)	(60)	48	(171)	382	400	-	131	4,940
Total governmental activities	\$ 186,882	\$ 202,736	\$ 215,920	\$ 242,877	\$ 256,983	\$ 266,102	\$ 251,400	\$ 299,293	\$ 315,396	\$ 363,370

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities										
Unrestricted investment interest	\$ 1,213	\$ 1,581	\$ 2,099	\$ 2,857	\$ 4,496	\$ 6,830	\$ 1,937	\$ 874	\$ 5,253	\$ 15,839
Gain (loss) in change of fair value of investments	11,947	7,425	(432)	(707)	432	1,613	2	(146)	(187)	3
Miscellaneous	979	1,054	1,747	3,658	1,041	861	864	1,112	866	1,121
Gain (loss) on sale of capital assets	236	201	46	44	(1)	-	-	-	-	-
Transfers	246	141	60	(48)	171	(382)	(400)	-	(131)	(4,940)
Total business-type activities	14,621	10,402	3,520	5,804	6,139	8,922	2,403	1,840	5,801	12,023
Total primary government	\$ 201,503	\$ 213,138	\$ 219,440	\$ 248,681	\$ 263,122	\$ 275,024	\$ 253,803	\$ 301,133	\$ 321,197	\$ 375,393
Change in Net Position										
Governmental activities	\$ 31,687	\$ 36,829	\$ 42,233	\$ 75,602	\$ 83,568	\$ 71,777	\$ 56,865	\$ 179,128	\$ 147,874	\$ 149,583
Business-type activities	45,108	46,135	37,300	50,779	54,233	72,583	53,631	61,295	61,100	62,548
Total primary government	\$ 76,795	\$ 82,964	\$ 79,533	\$ 126,381	\$ 137,801	\$ 144,360	\$ 110,496	\$ 240,423	\$ 208,974	\$ 212,131

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

Table 3

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Taxes	General Property Taxes	General Sales Taxes	Utility Taxes	Business & Occupation Taxes	LFR Local Option Sales & Use Tax	Excise Taxes	Other Taxes & Assessments ^(A)	Memo Only Hotel/Motel Tax ^(B)
2014	\$ 174,558	\$ 38,379	\$ 58,717	\$ 26,790	\$ 34,856	\$ 561	\$ 14,665	\$ 590	\$ 8,975
2015	190,154	40,222	65,551	27,219	36,551	622	19,515	474	10,191
2016	201,190	41,303	69,184	27,169	38,380	502	22,815	1,837	11,214
2017	225,124	55,908	72,481	29,386	43,530	500	21,350	1,969	11,780
2018	235,868	57,754	77,751	29,036	47,811	500	20,951	2,065	12,645
2019	243,520	59,210	83,281	27,092	43,012	500	28,310	2,115	12,531
2020	231,468	61,172	73,650	26,398	41,515	500	27,969	264	3,139
2021	283,754	62,581	99,943	28,140	52,796	500	39,377	417	4,543
2022	294,996	64,392	110,090	29,834	67,327	500	22,113	739	9,827
2023	321,324	87,675	108,698	32,980	76,160	500	14,605	706	11,570

^(A) Includes miscellaneous tax revenue and special assessments.

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

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable for:										
Prepays	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165	\$ 1,084	\$ 2,034
Total nonspendable fund balance	391	732	491	522	2	488	644	1,165	1,084	2,034
Assigned for:										
General government	980	1,333	1,640	1,086	1,050	1,125	1,045	4,708	539	980
Public safety	-	-	-	57	60	-	-	25	-	-
Transportation	-	-	-	716	3,591	863	847	3,751	-	-
Economic environment	-	-	-	-	16,056	23,368	31,669	43,996	-	-
Health & human services	-	98	58	-	-	772	975	1,496	-	-
Culture & recreation	705	912	1,132	914	1,253	2,126	1,603	2,291	-	-
Total assigned fund balance	1,685	2,343	2,830	2,773	22,010	28,254	36,139	56,267	539	980
Committed for:										
General government	-	-	-	-	-	-	-	-	4,278	4,255
Transportation	-	-	-	-	-	-	-	-	3,740	4,514
Economic environment	-	-	-	-	-	-	-	-	49,410	55,012
Health & human services	-	-	-	-	-	-	-	-	1,303	83
Culture & recreation	-	-	-	-	-	-	-	-	3,100	3,814
Total committed fund balance	-	-	-	-	-	-	-	-	61,831	67,678
Restricted for:										
General government	-	-	-	-	3	-	-	8	188	281
Public safety	-	-	245	341	287	647	561	638	714	687
Culture & recreation	-	-	38	225	2,472	13	-	-	-	-
Total restricted fund balance	-	-	283	566	2,762	660	561	646	902	968
Unassigned	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018	59,483	67,536
Total unassigned fund balance	25,978	31,309	36,907	44,735	44,193	47,784	42,657	51,018	59,483	67,536
Fund Balance - General fund	\$ 28,054	\$ 34,384	\$ 40,511	\$ 48,597	\$ 68,967	\$ 77,186	\$ 80,001	\$ 109,096	\$ 123,839	\$ 139,196

FUND BALANCES OF GOVERNMENTAL FUNDS^(A)

Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Governmental Funds										
Assigned for:										
General government	\$ 1,275	\$ 3,043	\$ 492	\$ 10,648	\$ 30,119	\$ 36,486	\$ 50,752	\$ 68,299	\$ 4,546	\$ 11,193
Public safety	6,719	5,272	3,900	1,981	537	-	-	297	-	71
Physical environment	960	1,299	1,420	1,306	1,386	407	421	36	-	19
Transportation	-	-	6,204	-	-	2,973	2,210	830	245	897
Economic environment	6,160	-	-	1,627	-	1,256	-	-	-	-
Health & human services	4,130	5,093	398	1,698	3,651	-	1,802	632	3,124	7,187
Culture & recreation	-	-	466	707	-	1,148	1,206	1,698	2	43
Debt services	-	-	-	1,012	1,049	559	141	805	-	-
Total assigned fund balance	19,244	14,707	12,880	18,979	36,742	42,829	56,532	72,597	7,917	19,410
Committed for:										
General government	-	-	-	189	2,201	-	-	-	90,567	114,121
Public safety	-	-	-	-	-	-	-	-	132	108
Physical environment	-	-	-	-	-	2,065	2,409	2,578	2,961	3,330
Transportation	-	-	-	2,078	-	-	-	-	-	1,948
Economic environment	-	-	-	-	-	-	-	-	2,816	-
Health & human services	-	-	-	-	-	2,687	7,535	7,188	5,435	3,112
Culture & recreation	-	-	-	-	-	-	34	34	1,206	1,730
Total committed fund balance	-	-	-	2,267	2,201	4,752	9,978	9,800	103,117	124,349
Restricted for:										
General government	16,006	51,842	38,975	19,018	571	-	-	7,222	310	7,473
Public safety	1,581	1,005	825	6,323	12,780	18,855	23,286	27,831	34,498	33,852
Physical environment	538	94	394	595	1,413	13	-	530	492	426
Transportation	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008	33,827	28,905
Economic environment	755	8,708	12,386	12,210	281	241	618	579	1,229	1,925
Health & human services	3,202	3,090	8,387	5,083	5,372	10	492	11,617	25,267	30,451
Culture & recreation	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363	63,594	83,740
Debt services	2,479	1,459	1,867	110	103	642	4,897	4,247	6,414	5,875
Total restricted fund balance	42,279	91,987	93,114	85,515	77,199	71,023	82,697	139,397	165,631	192,647
Fund Balance - Other Governmental Funds	\$ 61,523	\$ 106,694	\$ 105,994	\$ 106,761	\$ 116,142	\$ 118,604	\$ 149,207	\$ 221,794	\$ 276,665	\$ 336,406

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Funds										
Nonspendable for:										
Prepays	\$ 391	\$ 732	\$ 491	\$ 522	\$ 2	\$ 488	\$ 644	\$ 1,165	\$ 1,084	\$ 2,034
Total nonspendable fund balance	391	732	491	522	2	488	644	1,165	1,084	2,034
Assigned for:										
General government	2,255	4,377	2,132	11,734	31,169	37,611	51,797	73,007	5,085	12,173
Public safety	6,719	5,272	3,900	2,038	597	-	-	322	-	71
Physical environment	960	1,299	1,420	2,022	4,977	1,270	421	36	-	19
Transportation	-	-	6,204	-	16,056	26,341	3,057	4,581	245	897
Economic environment	6,160	98	58	1,627	-	2,028	31,669	43,996	-	-
Health & human services	4,835	6,005	1,530	2,612	4,904	2,126	2,777	2,128	3,124	7,187
Culture & recreation	-	-	466	707	-	1,148	2,809	3,989	2	43
Debt services	-	-	-	1,012	1,049	559	141	805	-	-
Total assigned fund balance	20,929	17,051	15,710	21,752	58,752	71,083	92,671	128,864	8,456	20,390
Committed for:										
General government	-	-	-	189	2,201	-	-	-	94,845	118,376
Public safety	-	-	-	-	-	-	-	-	132	108
Physical environment	-	-	-	-	-	2,065	2,409	2,578	2,961	3,330
Transportation	-	-	-	2,078	-	-	-	-	6,556	6,462
Economic environment	-	-	-	-	-	-	-	-	49,410	55,012
Health & human services	-	-	-	-	-	2,687	7,535	7,188	6,738	3,195
Culture & recreation	-	-	-	-	-	-	34	34	4,306	5,544
Total committed fund balance	-	-	-	2,267	2,201	4,752	9,978	9,800	164,948	192,027

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Restricted for:										
General government	\$ 16,006	\$ 51,842	\$ 38,975	\$ 19,019	\$ 574	\$ -	\$ -	\$ 7,230	\$ 498	\$ 7,754
Public safety	1,581	1,005	1,070	6,664	13,067	19,502	23,847	28,469	35,212	34,539
Physical environment	538	94	394	595	1,413	13	-	530	492	426
Transportation	8,614	10,800	9,604	18,213	34,942	16,116	11,685	29,008	33,827	28,905
Economic environment	755	8,708	12,386	12,210	281	241	618	579	1,229	1,925
Health & human services	3,202	3,090	8,425	5,308	7,844	23	492	11,617	25,267	30,451
Culture & recreation	9,104	14,989	20,676	23,963	21,737	35,146	41,719	58,363	63,594	83,740
Debt services	2,479	1,459	1,867	110	103	642	4,897	4,247	6,414	5,875
Total restricted fund balance	42,279	91,987	93,397	86,082	79,961	71,683	83,258	140,043	166,533	193,615
Unassigned	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018	59,483	67,536
Total unassigned fund balance	25,978	31,309	36,907	44,736	44,193	47,784	42,657	51,018	59,483	67,536
Fund balance - governmental funds	\$ 89,577	\$ 141,080	\$ 146,505	\$ 155,358	\$ 185,109	\$ 195,790	\$ 229,208	\$ 330,890	\$ 400,504	\$ 475,602

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes & special assessments	\$184,381	\$200,358	\$211,295	\$236,956	\$244,132	\$259,732	\$234,659	\$288,294	\$307,786	\$331,718
Licenses & permits	9,246	9,308	11,516	9,969	10,948	14,536	16,416	21,875	12,981	16,838
Intergovernmental	31,196	33,826	44,920	48,611	34,847	42,423	80,458	64,807	49,819	54,522
Service charges & fees	37,392	44,799	31,400	29,393	38,492	38,614	47,737	54,297	51,690	48,490
Fines & forfeitures	1,073	2,176	2,880	2,014	2,261	2,156	1,198	1,480	1,570	761
Interest & penalties	755	1,076	1,303	1,701	2,894	4,453	1,951	1,158	5,171	17,644
Net change in fair value of investments	354	(133)	(244)	(390)	287	944	2	(131)	(194)	16
Rent	5,249	6,624	6,419	4,896	5,184	7,100	5,664	7,623	11,322	11,200
Judgements & settlements	-	-	8	-	11	3,631	8	4	253	118
Premiums & contributions	3,332	4,081	1,721	4,189	2,378	4,366	1,435	8,287	17,316	5,017
Other	843	709	1,435	954	1,321	1,107	2,663	1,195	1,191	1,211
Total revenues	273,821	302,824	312,653	338,293	342,755	379,062	392,191	448,889	455,905	487,535
Expenditures										
General government	32,376	31,432	30,167	28,273	30,325	38,280	74,881	31,497	38,288	42,293
Public safety	87,717	91,040	90,928	95,476	102,063	105,768	108,067	113,615	118,388	139,883
Physical environment	2,191	2,382	1,330	1,391	1,207	1,462	1,299	1,464	1,692	1,564
Transportation	34,678	40,235	29,432	34,332	35,961	51,649	40,544	42,693	39,821	49,001
Economic environment	23,283	34,643	35,645	36,836	39,417	44,415	44,133	49,749	63,477	58,081
Health & human services	7,864	8,596	6,786	7,442	6,586	6,898	6,393	7,454	9,696	9,011
Culture & recreation	37,762	40,466	38,524	36,558	37,896	40,373	37,373	38,635	40,613	46,367
Capital outlay	60,613	83,794	51,010	66,346	40,426	60,954	79,695	50,493	45,984	63,779
Debt service										
Principal	6,387	6,050	7,192	9,542	9,875	10,333	10,793	10,798	99,836	15,972
Interest & fiscal charges	9,532	9,250	15,485	12,804	12,136	11,680	11,563	11,297	10,345	8,306
Total expenditures	302,403	347,888	306,499	329,000	315,892	371,812	414,741	357,695	468,140	434,257

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Transfers in	\$ 21,022	\$ 22,433	\$ 27,193	\$ 26,861	\$ 30,770	\$ 35,977	\$ 29,940	\$ 34,545	\$ 46,756	\$ 34,576
Transfers out	(20,241)	(22,897)	(27,920)	(28,032)	(31,669)	(36,975)	(29,674)	(33,217)	(55,455)	(34,282)
Issuance of long term debt	-	91	-	-	908	6,133	65,255	50,196	10,218	21,286
Refunding bonds issued	-	97,935	-	-	-	-	-	(47,083)	72,675	-
Payment to refunded bond escrow agent	-	(13,072)	-	-	-	-	(13,185)	-	(86,692)	-
Sale of capital assets	26	118	-	731	2,879	39	42	6,047	-	240
Premium on issuance of long-term debt	-	11,958	-	-	-	-	2,368	-	14,447	-
Total other financing sources (uses)	807	96,566	(727)	(440)	2,888	5,174	54,746	10,488	1,949	21,820
Net change in fund balance	(\$27,775)	\$51,503	\$5,427	\$8,853	\$29,751	\$12,424	\$32,196	\$101,682	\$76,406	\$75,098
Debt service as a percentage of noncapital expenditures	6.58%	5.78%	8.80%	8.37%	8.01%	7.12%	6.66%	7.25%	26.88%	6.53%

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

Table 6

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE^(A)

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Taxes	General Property Taxes	General Sales Taxes	Utility Taxes	Business & Occupation Taxes	LRF Local Option Sales & Use Tax	Other Taxes & Assessments (B)	Memo Only Hotel/Motel Tax^(C)
2014	\$ 175,404	\$ 38,440	\$ 58,717	\$ 26,790	\$ 35,880	\$ 561	\$ 15,016	\$ 8,975
2015	190,166	40,187	65,551	27,219	37,025	622	19,562	10,191
2016	200,081	41,256	69,183	27,169	38,987	502	22,984	11,214
2017	225,200	55,974	72,481	29,386	43,530	500	23,329	11,780
2018	231,488	57,667	77,751	29,060	43,506	500	23,002	12,645
2019	247,201	59,231	83,281	27,118	46,662	500	30,409	12,531
2020	231,520	60,924	73,650	26,421	41,817	500	28,209	3,139
2021	283,749	62,417	99,942	28,172	52,955	500	39,763	4,543
2022	294,960	64,615	110,090	29,834	67,448	500	22,473	9,827
2023	332,259	86,447	109,240	32,980	76,211	500	15,311	11,570

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

^(B) Includes miscellaneous tax revenues and special assessments.

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

City of Bellevue, Washington

Table 7

TAXABLE SALES BY CATEGORY^(A)

Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(B)
Contracting	\$981,629	\$1,363,843	\$1,439,618	\$1,579,775	\$1,538,415	\$1,735,586	\$1,821,117	\$2,346,962	\$2,732,451	\$2,121,154
Manufacturing	74,024	76,751	82,192	94,236	126,221	128,936	94,989	97,936	108,713	82,328
Transportation, communications, & utilities	281,680	322,087	313,202	345,163	413,748	417,965	418,568	430,278	450,166	334,790
Finance, insurance, & real estate	145,878	187,217	261,724	202,781	192,955	206,034	198,650	223,255	216,433	152,774
Wholesale trade	345,609	393,174	340,796	357,548	479,677	437,027	386,034	476,985	511,766	371,979
Retail - building materials	122,930	132,481	134,739	133,530	128,599	149,580	147,959	171,030	183,485	127,123
Retail - general merchandise	216,008	202,926	176,441	188,332	203,095	203,158	183,652	190,647	171,558	112,668
Retail - food	98,556	100,303	95,884	99,667	104,032	101,696	97,088	106,242	114,529	88,865
Retail - automotive	1,002,045	1,059,875	1,147,166	1,252,278	1,446,424	1,362,354	1,245,120	1,549,064	1,664,111	1,169,249
Retail - apparel	482,848	502,078	507,741	511,368	531,937	541,700	314,074	523,425	585,487	403,781
Retail - furniture & accessories	336,678	349,400	392,609	409,314	442,617	455,356	432,135	529,160	491,543	349,833
Retail - restaurants	449,249	481,320	515,601	552,794	607,142	649,253	354,194	508,615	672,407	545,399
Retail - miscellaneous	497,860	530,147	561,930	584,338	641,498	701,579	687,068	847,088	883,676	651,007
Services - hotels	218,118	247,476	270,072	286,425	306,679	305,583	77,378	103,848	214,896	196,880
Services - business	479,356	480,886	611,070	682,897	744,410	883,585	880,489	1,070,047	1,231,903	839,959
Services - other	270,096	282,981	301,751	308,410	327,476	339,633	221,783	247,554	319,314	267,714
All other categories	1,162	1,084	1,220	988	1,327	1,366	654	1,447	1,121	642
Total sales	\$6,003,725	\$6,714,030	\$7,153,756	\$7,589,845	\$8,236,252	\$8,620,390	\$7,560,952	\$9,423,584	\$10,553,562	\$7,816,143

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

^(B) 4th Quarter 2023 data not available at the time of printing.

Source: Washington State Department of Revenue Quarterly Business Review reports

Table 8

SALES TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Local rate:										
City of Bellevue										
Base rate	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Affordable & supportive housing ^(A)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%	0.10%
King County										
Base rate	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Metro transit	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Mental health	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Criminal justice ^(B)	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transit Authority-Sound Transit ^(C)	0.90%	0.90%	0.90%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Total local rate	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.60%	3.60%	3.60%
State of Washington rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Total sales tax rate	9.50%	9.50%	9.50%	10.00%	10.00%	10.00%	10.00%	10.10%	10.10%	10.10%

- ^(A) In 2021, the City Council imposed a sales and use tax for Affordable and Supportive Housing of 0.1 percent, as detailed under Bellevue City Code 4.12.028. Pursuant to RCW 82.13.540, this tax will expire 20 years after the date on which it was first imposed.
- ^(B) Criminal Justice tax is 0.01 percent of gross sales. 10 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 2023, the city's estimated population was 154,600 and the County's population was 2,347,800. Bellevue represented 6.58 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 0.5 percent for a total RTA rate of 1.4 percent. This tax increase was approved by voters with the passage of Proposition 1 which will expand and coordinate light-rail, commuter-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

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(in thousands, except tax rate)

Fiscal Year	Assessed & Estimated Actual Value ^(A)						Grand Total	Total Direct Tax Rate
	Real Property	Personal Property	State Public Service Property	Exemptions	Omits ^(B)			
2014	\$ 34,292,361	\$ 1,275,456	\$ 579,835	\$ 116,663	\$ -	\$ 36,030,989	1.07	
2015	39,536,877	1,165,859	734,283	110,666	5,452	41,320,905	0.98	
2016	42,830,040	1,095,002	621,096	111,493	-	44,546,138	0.94	
2017	47,695,767	1,225,116	578,180	128,759	-	49,499,063	1.14	
2018	54,621,525	1,241,081	624,729	138,047	-	56,487,335	1.03	
2019	63,060,612	1,264,406	661,148	140,984	-	64,986,182	0.92	
2020	66,388,028	1,310,043	620,331	214,840	-	68,318,403	0.90	
2021	69,172,311	1,348,251	678,201	227,048	-	71,293,126	0.89	
2022	74,891,425	1,389,524	924,209	239,884	-	77,205,158	0.84	
2023	96,788,718	1,341,809	866,584	239,018	-	98,997,561	0.88	

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

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

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

Source: King County Assessor

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

Fiscal Year	City of Bellevue	School District	King County	Washington State	Port of Seattle	Other	Total
2014	\$ 1.07	\$ 3.19	\$ 1.52	\$ 2.47	\$ 0.22	\$ 1.05	\$ 9.52
2015	0.98	3.13	1.35	2.29	0.19	0.93	\$ 8.87
2016	0.94	3.14	1.48	2.17	0.17	0.88	\$ 8.78
2017	1.14	2.93	1.38	2.03	0.15	1.09	\$ 8.72
2018	1.03	2.80	1.33	2.92	0.14	0.97	\$ 9.19
2019	0.92	2.43	1.22	2.63	0.12	0.90	\$ 8.22
2020	0.90	2.50	1.24	3.03	0.12	0.92	\$ 8.71
2021	0.89	2.60	1.25	3.09	0.12	0.91	\$ 8.85
2022	0.84	2.36	1.23	2.82	0.11	0.84	\$ 8.20
2023	0.88	2.00	1.10	2.31	0.09	0.69	\$ 7.07

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

Source: King County Assessor

Table 11

PRINCIPAL PROPERTY TAXPAYERS

Current year and ten years ago

Rank	Taxpayer	Type of Business	2023		Rank	2014	
			Assessed Valuation (in millions)	Percentage of Total Assessed Valuation ^(A)		Assessed Valuation (in millions)	Percentage of Total Assessed Valuation ^(A)
1	Kemper Development Co.	Land management	\$ 951	0.96%	2	\$ 578	1.63%
2	Essex Property Trust, Inc.	Property management	704	0.71%	10	164	0.46%
3	Bellevue Investors I, LLC	Real estate investment	668	0.67%	^(B)	-	-
4	Bellevue Investors II, LLC	Real estate investment	627	0.63%	^(B)	-	-
5	1001 Office, LLC	Real estate investment	542	0.55%	^(B)	-	-
6	Avalonbay Communities, Inc.	Real estate investment	518	0.52%	^(B)	-	-
7	LS2 Office, LLC	Real estate investment	494	0.50%	^(B)	-	-
8	Preylock Bellevue, LLC	Property management	392	0.40%	^(B)	-	-
9	FSP-City Center Plaza, LLC	Property management	368	0.37%	6	298	0.84%
10	Braven Office Owner, LLC C/O	Property management	351	0.35%	^(B)	-	-
^(B)	Microsoft	Computer software	^(B)	-	1	679	1.91%
^(B)	Urban Renaissance Group	Property management	^(B)	-	3	381	1.07%
^(B)	Kilroy Realty (formerly Three Bellevue Center, LLC)	Property management	^(B)	-	4	361	1.01%
^(B)	Boeing	Aerospace	^(B)	-	5	306	0.86%
^(B)	Puget Sound Energy	Utility services	^(B)	-	7	292	0.82%
^(B)	Bellevue Place	Property management	^(B)	-	8	265	0.75%
^(B)	AAT CC Bellevue LLC	Property management	^(B)	-	9	192	0.54%
			<u>\$ 5,615</u>	5.67%		<u>\$ 3,516</u>	9.89%

^(A) Total 2023 assessed valuation, in millions, is \$98,998. Total 2014 assessed valuation, in millions, was \$35,568.

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

Source: King County Assessor

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total Tax Levy ^(A)	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount ^(B)	Percentage
2014	\$ 38,590	\$ 38,183	98.9%	\$ 409	\$ 38,592	100.0%
2015	\$ 39,821	\$ 39,393	98.9%	\$ 446	\$ 39,838	100.0%
2016	\$ 41,419	\$ 40,958	98.9%	\$ 468	\$ 41,426	100.0%
2017	\$ 56,018	\$ 55,647	99.3%	\$ 401	\$ 56,048	100.0%
2018	\$ 57,894	\$ 57,400	99.1%	\$ 492	\$ 57,893	100.0%
2019	\$ 59,414	\$ 58,934	99.2%	\$ 479	\$ 59,413	100.0%
2020	\$ 61,103	\$ 60,437	98.9%	\$ 630	\$ 61,067	99.9%
2021	\$ 62,566	\$ 61,908	98.9%	\$ 610	\$ 62,518	99.9%
2022	\$ 64,760	\$ 64,199	99.1%	\$ 434	\$ 64,633	99.8%
2023	\$ 87,048	\$ 86,220	99.0%	\$ -	\$ 86,220	99.0%

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

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

Source: King County Department of Executive Services, Finance and Business Operations Division

Table 13

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities			Total primary government	Percentage of personal income ^(A)	Per capita
	General obligation bonds	PWTF loans	Leases	Subscriptions	General obligation bonds	Leases	Subscriptions			
2014	\$ 220,204	\$ 478	\$ -	\$ -	\$ 1,760	\$ -	\$ -	\$ 222,442	2.30%	\$ 1,655
2015	310,670	438	-	-	1,363	-	-	312,471	3.07%	2,089
2016	301,894	398	-	-	965	-	-	303,257	2.76%	2,175
2017	290,768	358	-	-	477	-	-	291,603	2.49%	2,073
2018	280,299	319	-	-	-	-	-	280,618	2.23%	1,971
2019	274,989	279	-	-	-	-	-	275,268	1.99%	1,894
2020	315,942	239	-	-	-	-	-	316,181	2.14%	2,135
2021	309,145	199	-	-	-	-	-	309,344	1.88%	2,089
2022	293,273	159	12,047	-	-	-	-	297,496	1.70%	1,933
2023	303,086	119	11,530	2,040	-	-	60	316,835	N/A ^(B)	N/A ^(B)

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

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

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	GO Bonds	Less Debt Service Funds	Net Bonded Debt	Percentage of estimated actual taxable value of property^(A)	Net Bonded Debt per Capita^(B)
2014	\$ 220,204	\$ 3,018	\$ 217,186	0.60%	\$ 1,616
2015	312,034	1,839	310,195	0.68%	2,073
2016	302,860	1,575	301,285	0.68%	2,161
2017	291,245	288	290,957	0.59%	2,068
2018	280,299	103	280,196	0.50%	1,968
2019	274,989	642	274,347	0.42%	1,888
2020	315,942	4,897	311,045	0.46%	2,100
2021	309,145	4,247	304,898	0.43%	2,059
2022	293,273	6,414	286,859	0.40%	1,937
2023	303,086	5,875	297,211	0.30%	1,922

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

^(B) See Table 18: Demographic Statistics for population statistics

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of December 31, 2023
(in thousands)

Jurisdiction	Net Outstanding Debt	Percentage Applicable to Bellevue ^(A)	Amount Applicable to Bellevue
City of Bellevue	\$ 316,835	100.00%	\$ 316,835
Bellevue School District #405	671,794	80.05%	537,771
King County (1)	863,102	11.25%	97,108
Issaquah School District #411	623,788	11.83%	73,794
Port of Seattle	315,360	11.25%	35,478
Renton School District #403	538,178	1.09%	5,866
Lake Washington School District #414	457,355	0.90%	4,116
King County Rural Library District	13,938	17.47%	2,435
Fire District #10	1,442	11.63%	168
Total other jurisdictions	3,484,957	21.71%	756,736
Total Direct & Overlapping Debt	\$ 3,801,792	28.24%	\$ 1,073,571

^(A) Determined by ratio of 2023 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, 2023 exclusive of refunded bonds.

Source: King County Department of Finance

Table 16

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$2,450,772	\$3,099,068	\$3,332,598	\$3,702,773	\$4,226,197	\$4,863,389	\$5,123,880	\$5,346,984	\$5,790,387	\$7,424,817
Total net debt applicable to limit	217,512	292,461	312,743	299,875	287,670	281,143	315,591	304,882	287,658	297,211
Legal debt margin	\$2,233,260	\$2,806,607	\$3,019,855	\$3,402,898	\$3,938,527	\$4,582,246	\$4,808,289	\$5,042,102	\$5,502,729	\$7,127,606
Total net debt applicable to the limit as a percentage of debt limit	8.88%	9.44%	9.38%	8.10%	6.81%	5.78%	6.16%	5.70%	4.97%	4.00%

Description	Councilmanic Debt (Non-Voted)	Voted Debt	General Purpose Indebtedness ^(A)	Excess Levy Open Space and Park	Excess Levy Utility Purposes	Total Debt Capacity
Assessed value ^(B)	\$ 98,997,561	\$ 98,997,561	\$ 98,997,561	\$ 98,997,561	\$ 98,997,561	\$ 98,997,561
Statutory debt limit percentages:	1.50%	1.00%	2.50%	2.50%	2.50%	7.50%
Statutory debt limit	\$ 1,484,963	\$ 989,976	\$ 2,474,939	\$ 2,474,939	\$ 2,474,939	\$ 7,424,817
Debt applicable to limit						
Bonds outstanding	\$ 303,086	\$ -	\$ 303,086	\$ -	\$ -	\$ 303,086
Less: cash on hand for debt redemption ^(C)	5,875	-	5,875	-	-	5,875
Total net debt applicable to limit	297,211	-	297,211	-	-	297,211
Remaining debt capacity	\$ 1,187,752	\$ 989,976	\$ 2,177,728	\$ 2,474,939	\$ 2,474,939	\$ 7,127,606

(A) The principal portion of the Bellevue Convention Center Authority's (BCCA) capital lease is included in the city's debt calculation because the BCCA qualifies as a component unit under Section 2100 of the GASB Codification.

(B) This figure represents the city's final assessed valuation for 2023, which will be used to determine the 2023 property tax levy.

(C) Includes year-end balances available in the I&D Redemption Fund designated for future redemption of the associated bonds less bond interest payments.

Source: King County Assessor

Table 17

PLEGDED REVENUE COVERAGE

Last Ten Fiscal Years
(in thousands)

Fiscal Year	Revenue Bonds							Special Assessment Bonds					
	Gross Revenue	Expenses	Net revenue available for debt service	Debt Service Requirements				Debt Service					
				Principal	Interest	Total	Coverage	Special Assessment Collections	Principal	Interest	Total	Coverage	
2014	\$ 8,975	\$ -	\$ 8,975	\$ 1,197	\$ 4,483	\$ 5,680	1.58	\$ 351	\$ -	\$ 3	\$ 3	117	
2015	10,191	-	10,191	1,005	4,020	5,025	2.03	47	-	-	-	N/A	
2016	11,214	-	11,214	1,246	5,354	6,600	1.70	-	-	-	-	N/A	
2017	11,780	-	11,780	1,227	5,817	7,044	1.67	-	-	-	-	N/A	
2018	12,645	-	12,645	1,204	6,321	7,525	1.68	-	-	-	-	N/A	
2019	12,531	-	12,531	1,180	6,795	7,975	1.57	-	-	-	-	N/A	
2020	3,139	-	3,139	539	2,901	3,440	1.32	-	-	-	-	N/A	
2021	4,543	-	4,543	-	-	-	-	-	-	-	-	N/A	
2022	9,827	-	9,827	-	-	-	-	-	-	-	-	N/A	
2023	11,570	-	11,570	-	-	-	-	-	-	-	-	N/A	

Note: Revenue bond information for fiscal years 2014 – 2023 represent amounts for the discretely presented component unit BCCA. There are no expenses for 2023 as the entire revenues collected are pledged to BCCA. Hotel/motel tax revenues from the Hotel/Motel Tax Fund are included as Gross Revenues. In addition, the revenue generated by BCCA is excluded as they are not pledged to debt coverage and included hotel/motel tax revenues from the Hotel/Motel Tax Fund.

Table 18

DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income	Personal Income	Median Age	Number of Households	Public School Enrollment	Number of Jobs	Unemployment Rate	CPI-U%
2014	134,400	71,828	9,653,683	39	55,643	19,097	138,118	4.0%	1.8%
2015	135,000	75,376	10,175,760	37	55,920	19,613	144,472	3.7%	1.4%
2016	139,400	78,788	10,983,047	39	58,056	19,974	146,115	3.5%	2.2%
2017	140,700	83,192	11,705,114	37	58,290	20,262	147,647	3.3%	3.1%
2018	142,400	88,499	12,602,258	37	58,936	20,272	152,758	3.0%	3.2%
2019	145,300	95,083	13,815,560	37	59,562	20,295	158,805	2.5%	2.5%
2020	148,100	99,734	14,770,605	38	60,953	19,545	155,031	6.3%	1.7%
2021	151,854	108,212	16,432,425	39	61,430	18,808	150,628	3.6%	4.6%
2022	153,900	113,819	17,516,744	39	62,087	18,722	163,784	2.6%	9.0%
2023	154,600	(A)	(A)	(A)	62,226	19,200	(A)	3.1%	5.9%

(A) Data not available at time of publication.

Sources:

- 1) Population provided by Washington State's Office of Financial Management April 1 Postcensal Estimates of population.
- 2) Per Capita Personal Income data was provided by US Bureau of Economic Analysis Table CAINC1. Estimates are for King County, in which Bellevue is located. Bellevue data are not available. Please note previous years may reflect revised inputs, re-estimation, and/or adjustment to data.
 - a. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2013-2021 reflect county population estimates available as of January 2023. Metropolitan Areas are defined (geographically delineated) by the Office of Management and Budget bulletin no. 20-01 issued March 6, 2020. Note-- All dollar estimates are in thousands of current dollars (not adjusted for inflation). Calculations are performed on unrounded data.
- 3) Personal Income was calculated from Per Capita Personal Income and Population estimates and is presented in thousands.
- 4) Median Age was provided by the U.S. Census Bureau's annual American Community Survey 1-Year Estimates Table S0101 for all years except 2020. Estimates for 2020 are from the 2020 Decennial Census Table DP1.
- 5) Number of Households provided by Washington State's Office of Financial Management April 1 intercensal estimates of population and housing for 2011-2020. Data for 2021 and 2022 are calculated based on 2020 housing occupancy rates using the April 1 postcensal estimates of housing.
- 6) Public School Enrollment was provided by the Washington State Office of Superintendent of Public Instruction. The population is K-12 students.
- 7) Number of total jobs provided by the Puget Sound Regional Council. Revised September 2022.
- 8) Unemployment Rate provided by the Bureau of Labor Statistics series id LAUCT530521000000003. Estimates are the annual average of monthly rates. Please note previous years may reflect revised inputs, re-estimation, and/or adjustment to new state control totals.
- 9) CPI-U was provided by the Bureau of Labor Statistics series id CUURS49DSA0. Estimates are the percentage change in the Consumer Price Index from the prior year. Data are for Seattle-Tacoma-Bremerton Consolidated Metropolitan Statistical Area.

Table 19

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	Type of Business	2023			2014			
		Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)	Rank	Number of Employees ^(A)	Percentage of Total City Employment ^(B)	
Amazon	Online retail	1	11,000	6.62%	(C)	-	0.00%	
T-Mobile USA	Cellular telephone	2	5,200	3.13%	2	3,700	2.68%	
Meta/Facebook	Online social network	3	3,600	2.17%	(C)	-	0.00%	
Overlake Hospital Medical Center	Medical Hospital	4	3,600	2.17%	6	2,600	1.88%	
Bellevue School District	Education K-12	5	2,800	1.68%	4	3,000	2.17%	
City of Bellevue	Government	6	1,700	1.02%	8	1,500	1.09%	
Salesforce	Business services	7	1,500	0.90%	(C)	-	0.00%	
Smartsheet	Technology	8	1,100	0.66%	(C)	-	0.00%	
Bellevue College	Higher education	9	1,000	0.60%	7	2,000	1.45%	
Bungie	Video game developer	10	1,000	0.60%	(C)	-	0.00%	
Microsoft	Technology	(C)	-	0.00%	1	5,900	4.27%	
Boeing	Aviation	(C)	-	0.00%	3	3,200	2.32%	
Expedia	Online travel	(C)	-	0.00%	5	2,800	2.03%	
Puget Sound Energy	Utility services	(C)	-	0.00%	9	1,100	0.80%	
Safeway	Grocery/bakery	(C)	-	0.00%	10	900	0.65%	
			32,500	19.55%	26,700			19.33%

(A) Number of employees provided by the City of Bellevue Community Development Department. Note, estimates are rounded to the nearest hundred.
 (B) Percentages of total city employment for 2023 are derived from a projection of the most recent year of data available - 2021 - from the Puget Sound Regional Council (PSRC). To project 2023 employment, Bellevue's total employment estimate for 2021 (150,628) was adjusted by the average annual growth rate from 2010-2021.
 (C) Employer was not a principal employer in this period.

Note: Total estimated numbers of employees at the end of 2023 was 166,199. Total estimated numbers of employees at the end of 2014 was 138,118.
 Source: City of Bellevue Community Development Department

Table 20

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
General government	352	382	386	389	405	415	423	444	456	505
Public Safety										
Police										
Officers	180	180	186	184	184	185	186	186	187	199
Civilians	35	41	41	41	41	46	47	47	47	49
Fire										
Firefighters & officers	220	214	216	216	216	227	228	211	219	231
Civilians	25	28	28	28	28	24	31	50	51	57
Transportation	117	122	129	140	142	143	144	147	152	158
Culture & recreation	162	165	165	166	165	168	168	168	168	169
Water	66	69	69	71	71	71	71	71	69	66
Sewer	49	51	52	52	53	52	52	52	52	54
Storm Drainage	48	47	48	50	50	50	50	50	50	54
Total	1,252	1,299	1,321	1,338	1,355	1,382	1,400	1,427	1,452	1,542

Source: City of Bellevue Budget Office

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Public safety/judicial:										
Police:										
Offenses:										
Rape	25	25	15	24	25	28	21	13	19	14
Robbery	65	64	63	59	87	77	70	88	105	104
Homicide	2	2	-	-	-	1	6	3	2	-
Assault ^(A)	438	489	479	519	609	562	614	587	689	669
Auto theft	314	221	323	331	386	351	305	448	500	736
Burglary	631	732	636	570	524	403	540	601	735	589
Larceny	3,662	3,484	3,615	3,568	3,602	3,565	3,742	4,290	4,407	4,125
Citations:										
Traffic	16,447	11,428	13,021	11,872	8,239	9,611	9,075	18,372	10,300	4,947
Criminal ^(B)	1,752	1,587	1,827	2,302	2,618	2,055	2,304	2,061	2,073	2,311
Judicial system:										
Handled by district court	18,199	13,015	14,848	14,174	10,857	11,666	11,379	20,433	12,373	7,258
Fire:										
First response:										
Buildings	170	162	198	192	178	172	153	145	159	154
Non-Buildings	228	340	251	325	288	223	193	303	304	355
Service	519	598	840	1,252	1,706	1,845	2,179	3,340	2,513	2,697
False alarm	1,584	1,507	1,548	1,702	1,536	1,756	1,562	1,652	1,864	1,991
Other	995	1,006	981	1,033	1,004	1,095	997	1,248	1,321	1,540
Medic 1 Responses:										
First aid	14,244	14,606	14,951	15,319	15,307	15,618	13,847	15,962	17,087	16,890
Runs per week	274	281	288	295	294	300	266	307	329	325

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Transportation:										
Area of roadway repaired (sq. ft)	50,406	39,073	29,192	30,407	20,951	18,239	12,481	4,629	17,429	35,528
Miles of streets swept	5,182	5,696	4,856	3,373	4,812	6,627	5,326	2,471	3,266	3,454
Area of sidewalk repaired (sq. ft)	16,070	23,643	22,235	1,550	4,596	8,174	43	3,340	3,876	6,487
Physical/economic environment:										
Building permits issued	14,263	14,470	15,185	14,999	15,084	16,134	13,732	15,523	16,230	15,243
Estimated value (in millions)	715	950	793	718	942	712	1,161	1,656	1,152	689
Culture & recreation:										
Number of rounds of golf played	66,182	81,039	77,270	71,105	77,682	75,920	71,729	85,917	80,257	84,013
Water utility:										
Water consumption (CCF in thousands)	6,776	7,068	6,854	6,829	6,759	6,427	6,327	6,658	6,502	6,627
Number of customers:										
Residential	35,004	35,086	35,150	34,301	34,352	34,380	34,421	34,466	34,528	34,568
Multi-residential	663	680	666	660	688	691	698	699	702	704
Commercial	2,076	2,070	2,064	2,062	2,048	2,053	1,767	1,773	1,764	1,767
Total number of customers	37,743	37,836	37,880	37,023	37,088	37,124	36,886	36,938	36,994	37,039
Water consumption peak in a day										
(millions of gallons)	31	32	33	29	31	26	26	31	28	28
Water consumption peak in a month (millions of gallons)										
	792	881	912	783	808	803	840	780	779	774

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Sewer utility: ^(C)										
Sewer consumption (CCF in thousands)	5,386	5,634	5,418	5,389	5,725	5,918	5,690	5,759	5,498	5,844
Number of customers:										
Residential	34,780	34,833	34,775	32,580	32,557	32,540	32,530	32,522	32,562	32,619
Multi-residential	654	656	657	650	676	689	695	696	698	700
Commercial	1,705	1,700	1,682	1,667	1,663	1,670	1,645	1,651	1,636	1,649
Total number of customers	37,139	37,189	37,114	34,897	34,896	34,899	34,870	34,869	34,896	34,968
Storm & surface water utility: (C)										
Number of customers:										
Residential	30,497	30,529	30,579	30,612	30,623	30,650	30,678	30,714	30,735	30,740
Multi-residential	545	547	549	549	557	559	564	566	569	570
Commercial	1,931	1,929	1,923	1,901	1,899	1,903	1,887	1,883	1,881	1,881
Total number of customers	32,973	33,005	33,051	33,062	33,079	33,112	33,129	33,163	33,185	33,191

^(A) Includes aggravated assaults, simple assaults, and sexual assaults (not including rapes).

^(B) Includes declined citations.

^(C) 2017 totals declined due to South Cove area being annexed by Issaquah.

Note: No operating indicators are available for general government and marina.

Sources: City of Bellevue Departments - Development Services, Fire, Parks and Community Services, Police, Transportation, and Utilities

CAPITAL ASSETS BY FUNCTION

Last Ten Fiscal Years

Function:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Police										
Traffic/patrol units	70	68	67	67	72	79	79	80	77	72
Fire										
Fire stations	9	9	9	9	9	9	9	9	9	9
Fire apparatus	20	20	20	20	20	20	20	20	20	21
Fire aid units	15	15	15	14	14	14	14	14	14	14
Transportation:										
Paved streets (miles)	414	416	416	416	416	416	416	416	416	416
Sidewalks (miles)	346	352	358	366	359	359	363	367	368	369
Traffic signals	193	198	200	202	202	203	211	217	218	220
City of Bellevue streetlights	3,170	3,192	3,237	3,306	3,312	3,321	3,383	3,419	3,489	3,536
Puget Sound Energy streetlights	5,656	5,835	5,899	5,914	5,951	5,962	5,975	5,995	6,003	6,010
Culture & Recreation/Marina:										
Parks acreage	2,727	2,732	2,732	2,732	2,700	2,704	2,710	2,713	2,714	2,731
Parks	77	77	77	77	78	78	78	78	78	78
Maintained trails (miles)	93	93	93	98	98	98	98	98	98	98
Play areas	46	46	46	46	47	47	47	47	48	48
Tennis courts/centers	38	38	38	38	38	38	38	38	37	39
Sports fields	34	35	35	35	30	30	30	30	28	31
Sports courts	27	27	27	27	26	26	26	26	26	26
Swimming beaches/pools	7	7	7	7	7	7	8	8	8	8
Community Activity Buildings ^(A)	4	4	4	4	4	4	4	7	26	27
Community centers/recreation facilities	5	5	5	5	7	7	7	7	8	8
Golf courses	2	2	2	2	2	2	2	2	2	2
Marinas/boat launches ^(B)	2	2	2	2	2	2	2	9	9	9

CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Water Utility:										
Water mains (miles)	619	619	620	611	605	605	608	608	608	608
Vehicles	36	40	45	44	45	46	47	51	50	38
Sewer Utility:										
Sanitary sewers (miles)	526	525	525	516	516	516	516	517	517	517
Vehicles	29	36	40	37	35	41	39	45	45	33
Storm & surface water Utility:										
Vehicles	27	29	30	29	31	31	30	31	31	31

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

^(A) 2023 count includes seven visitor/interpretive Centers.

^(B) 2023 count includes seven beaches and docks.

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

