



**THE CITY OF SEATTLE, WASHINGTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**



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Annual Comprehensive Financial Report

For the Fiscal Year Ended
December 31, 2021



City of Seattle
Washington

Issued by the Department of Finance and Administrative Services

Introduction

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

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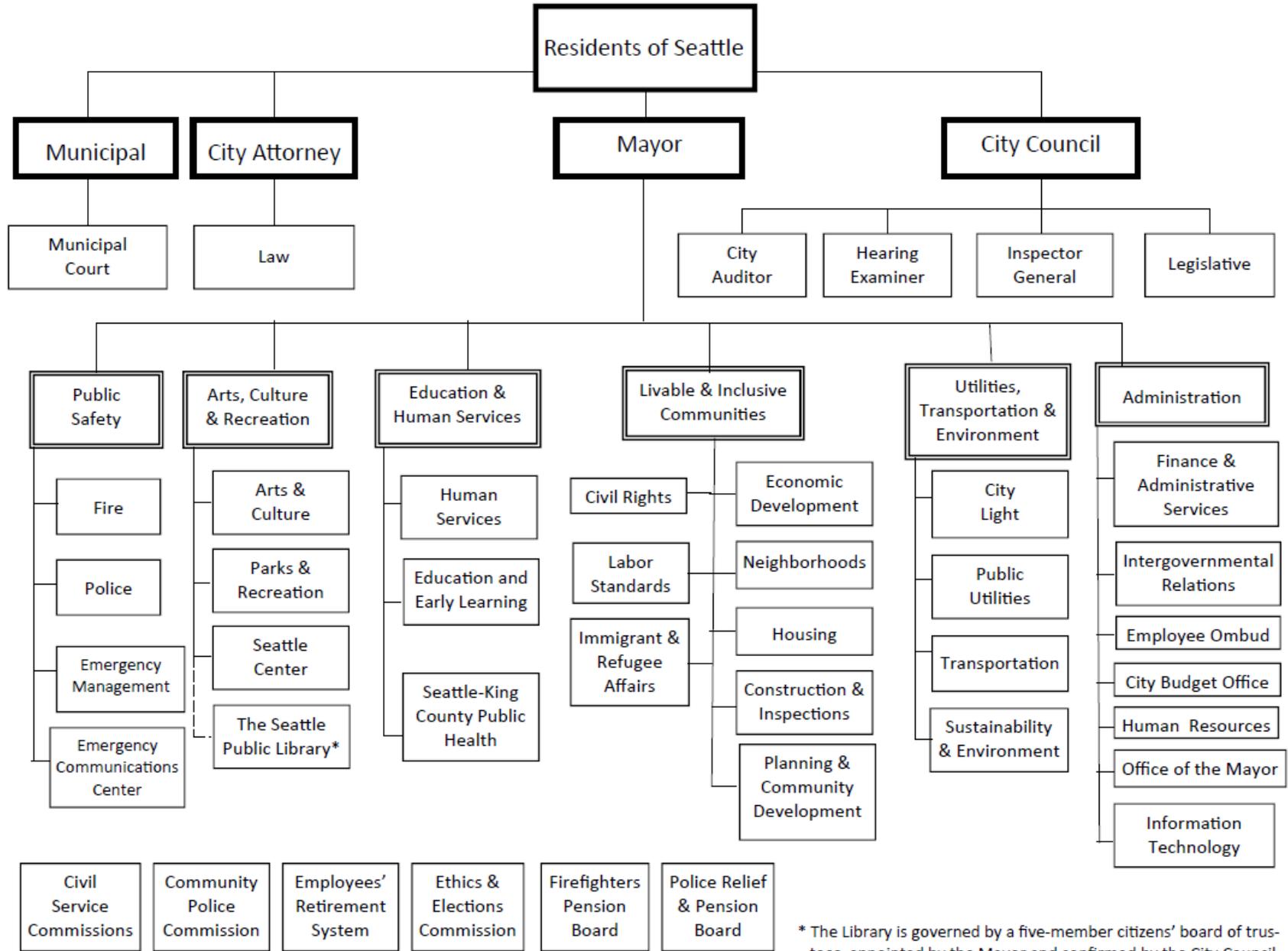
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CITY ORGANIZATIONAL CHART



OFFICIALS

MAYOR AND CITY COUNCIL

Bruce Harrell
Mayor

City Council

Lisa Herbold
District 1

Tammy J. Morales
District 2

Kshama Sawant
District 3

Alex Pedersen
District 4

Debora Juarez
District 5

Dan Strauss
District 6

Andrew J. Lewis
District 7

Teresa Mosqueda
At-large

Sara Nelson
At-large



June 28, 2022

The Honorable Mayor and
Members of the City Council:

I am pleased to submit to you the 2021 Annual Comprehensive Financial Report (Annual Report) of the City of Seattle, Washington. The Department of Finance and Administrative Services prepared this report to present the financial position of the City of Seattle as of December 31, 2021. In addition, the Annual Report describes the results of its operations, the cash flows of its proprietary fund types, and changes in plan net position of its pension and private-purpose trust funds for the year then ended. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State Auditor and the City Charter.

Washington State law requires an annual audit of the City of Seattle's (the City's) financial statements by the independently elected State Auditor. The State Auditor conducts his examination in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the City's financial position, results of operations, the cash flows of its proprietary fund types, and changes in plan net position of its pension and private-purpose trust funds. In addition to the opinion on the City's financial statements, included in this report, the State Auditor also issues separate reports on internal control and compliance with laws and regulations that meet the requirements of the Single Audit Act under Title 2 CFR Part 200 (OMB Uniform Guidance). These reports are available in the City's separately issued Single Audit Report.

The accuracy of the City's financial statements and the completeness and fairness of their presentation is the responsibility of the City's management staff. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Management's discussion and analysis (MD&A) immediately follows the State Auditor's report. It provides a summary and assessment of the City's most important financial developments to accompany the financial statements. This letter of transmittal complements the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Seattle was incorporated on December 2, 1869. The City is organized as a mayor-council form of government and operates under its City Charter adopted on March 12, 1946. In 2013, voters approved a charter amendment shifting from nine at-large City Council positions to seven City Council positions elected by district and two at-large positions. As a result, all nine City Council positions were up for election in 2015.

The City of Seattle is a primary government for financial reporting purposes. Its governing body is elected by the citizens in a general, popular election. The Annual Report includes financial summaries for all organizations and activities for which elected City officials exercise financial accountability. Certain organizations created by or related to the City, for which the City is not financially accountable, have been excluded from this report. A joint venture, component units, and contingent liabilities, which exist from relationships with organizations created by the City, are included in this report. The notes to the financial statements further discuss the City as a financial reporting entity.

The City provides a full range of services typical of local municipalities and operates four rate-funded utilities. The City constructs and maintains a street network, and electric, water, solid waste, and sewer and drainage systems. It provides police and fire protection as well as judicial services. It administers land use policy, and takes an active role in commercial and industrial development and environmental protection. The City designs and maintains many parks and golf courses, coordinates recreation activities, maintains libraries, fosters neighborhood livability, and works to preserve a satisfactory living environment for both the community and individuals.

BUDGETS AND BUDGETARY ACCOUNTING

The City Council approves the City's operating budget and two separate but related fiscal plans: the Capital Improvement Program (CIP) plan and the Community Development Block Grant (CDBG) program allocation.

The operating budget is proposed by the Mayor and adopted by the City Council at least 30 days before the beginning of the fiscal year. The Adopted Budget allocates available resources on an annual basis between the City's programs and ordains financial transactions that support the allocations and related financing decisions. Appropriations in the Budget are valid only for the fiscal year except for appropriations that support capital projects, grants, or endowments. The Budget also ordains changes to employee positions by department.

The CIP plan is proposed by the Mayor and adopted by the City Council at least 30 days before the beginning of the fiscal year. The CIP is a six-year plan for capital project expenditures and anticipated financing by funding source. It is revised and extended annually. The City Council adopts the CIP as a planning document and appropriates the multi-year expenditures identified in the CIP through the adoption of the annual budget or subsequent supplemental budgets. The CIP is consistent with the City's Comprehensive Plan and includes information required by the State's Growth Management Act.

The CDBG planning process allocates the annual grant awarded by the federal government to City departments and non-City organizations. Although this federally funded program has unique timetables and requirements, the City coordinates it with the annual budget and CIP processes to improve preparation and budget allocation decisions and streamline budget execution.

The Adopted Budget makes appropriations for operating and capital expenses at the budget control level within the departments. Grant-funded activities are controlled as prescribed by law and federal or state regulations.

NATIONAL AND LOCAL ECONOMY

U.S. Economy. The National Bureau of Economic Research (NBER) officially announced on July 19 that the COVID-19 sparked recession which began in February 2020 ended in April 2020. The two-month downturn was the shortest but also the steepest in U.S. history, it followed a 128-month long expansion – the longest on record since 1854. U.S. real GDP fell by 3.5% and payroll employment by 8.6 million jobs in 2020, the unemployment rate peaked at 14.4% in April 2020. For comparison, real GDP declined by 2.5% and the economy lost 5.9 million jobs in the last recession in 2009, the unemployment rate peaked at 10.6% in January 2010.

In response to the economic downturn, the Federal Reserve lowered its benchmark interest rate to 0% to 0.25% in March 2020 and returned to aggressive quantitative easing, increasing its balance sheet by more than \$3 trillion. In the same month, Congress passed the \$2.2 trillion economic stimulus bill, the Coronavirus

Aid, Relief and Economic Security Act authorizing cash payments, extra unemployment benefits, relief for businesses, support for the health care sector, and state and local government support. An additional \$900 billion in stimulus was approved as part of the Consolidated Appropriations Act in December 2020. In March 2021, Congress passed the \$1.9 trillion American Rescue Plan Act. The total \$5 trillion in pandemic-era stimulus is more than triple the Great Recession aid.

Boosted by massive fiscal stimulus, real GDP recovered faster than during previous recessions and surpassed its pre-recession 2019 Q4 level in 2021 Q2. Labor market recovery will however take longer. The pandemic caused large changes in workers' preferences and employers' demands for skills and exacerbated longer term demographic pressures on labor force participation. Total employment is expected to surpass pre-pandemic levels in 2022 Q3, but disruptions in some sectors will last years.

Lower consumer demand due to the COVID-19 pandemic put initially significant downward pressure on prices. But supply chain disruptions caused by the pandemic in combination with the re-opening economy and demand stimulated by fiscal stimulus caused inflation to spike sharply in 2021, reaching levels last seen four decades ago. Inflation has thus emerged as one of the main risks to economic growth. Forecasters expect that inflation will remain elevated in 2022, but as supply-chain issues are addressed, labor force continues to recover, and Fed increases interest rate more aggressively, inflation should gradually moderate. However, a large amount of uncertainty is associated with its future development.

Seattle metropolitan area economy. The regional economy has in the last decade considerably outperformed the U. S. economy in employment and income growth. Total nonfarm employment in the Seattle Metropolitan Division (MD) area (King and Snohomish Counties) accounted for 50.6% of the state's employment in 2020, after increasing by 29.1% from its post-recession low in February 2010 to the February 2020 peak. This compares to a 17.7% gain for the U.S. and a 20.4% gain for the rest of Washington state. Per capita income grew 64.3% between 2010 and 2019 in the Seattle MD area, compared to just 39.3% in the U.S. and 38.6% in the rest of Washington state, during the same period. The economic growth within the Seattle MD area has been concentrated in the city of Seattle. Although virtually all sectors in Seattle have seen employment increase in the decade after the Great Recession, the principal driver of growth has been high-technology business. Strong growth in the technology sector has supported growth in professional and business services, as well as leisure and hospitality services and health care.

Employment and population growth in the last decade boosted the demand for office space and housing, spurring a construction boom. The value of building permits issued by the City of Seattle increased from on average \$1.82 billion every year between 2000 and 2009, to on average \$3.33 billion every year between 2011 and 2019. The COVID-19 pandemic has had a large impact on all parts of the economy including real estate markets and property development. Businesses are reevaluating their office and retail space needs, while demand in the housing market has significantly shifted to single family homes, away from multifamily housing in densely populated city cores. In 2020, the total value of building permits issued by the City of Seattle fell by 36.8%, they recovered somewhat in 2021 but are still 15.1% below 2019 level. The biggest drop occurred for commercial building permits, which accounted for 56.4% of total in 2019 and ended 26.4% lower in 2021 compared to 2019. Residential permits on the other hand recovered completely, they accounted for 31.5% of total in 2019 and ended 16.1% higher in 2021 compared to 2019. Much of the recovery in residential permits is attributable to multi-family projects, indicating that developers are seeing and anticipating strong demand for housing of all types.

The regional labor market downturn caused by the pandemic was sharp, like in the rest of the nation. As a result of the stay-at-home orders imposed in March and April, the U.S. economy lost 14.4% of its jobs by April

2020 and the Seattle MD economy 12.5% jobs by May 2020. The reopening of the economy and consequently also the job recovery occurred at different speed in different parts of the country. Due to a more cautious public health approach in the Seattle area, the recovery of jobs in leisure and hospitality was slower in the region than in the national economy. In addition, the collapse in demand for travel and canceled orders have led Boeing to consolidate its two 787 assembly lines into a single location in South Carolina. Closing the assembly line in Everett where Boeing employs 30,000 workers was a large and more permanent negative shock for the local aerospace industry and the regional economy as whole.

But while the regional economy faces big challenges, there are reasons to be cautiously optimistic about the recovery and the longer-term growth in the region. After initially lagging the nation in jobs recovery, the regional economy recently caught up thanks to fast employment growth in information services, and professional and business services. As of December 2021, U.S. economy has 2.2% fewer jobs than in February 2020, and the Seattle MD area 2.5% fewer jobs. Recessions tend to speed up the adoption of new technologies and the current recession has significantly increased the demand for services related to e-commerce, telecommuting and cloud computing. With a much smaller dependence on aerospace manufacturing than in the past and a larger share of technology and e-commerce sector employment, the Seattle area certainly has a large potential for healthy economic growth.

CERTIFICATE OF ACHIEVEMENT

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 Seattle for its annual comprehensive financial report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

I would like to express my appreciation to the entire staff of Citywide Accounting Services, other members of the Department of Finance and Administrative Services, and other City departments who contributed to the preparation of this report. Finally, I thank you for your interest and continuing support in planning and conducting the City's financial operations in a responsible manner.

Sincerely,



Glen M. Lee, City Finance Director
Department of Finance and Administrative Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seattle
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Seattle

2021 Annual Comprehensive Financial Report

Department of Finance and Administrative Services

Calvin W. Goings, Director

Glen Lee, City Finance Director

Citywide Accounting and Payroll Division

Kathleen Organ, Division Director

Ken Knopp, Financial Reporting Manager

Mike Magdaleno, Accounting Operations Manager

Michelle Spruch, Internal Controls & Compliance Manager

Bill Coughlin
Chau Du
Lindsay Kurosu
Mena Nguyen
Olga Smith

Stephen Colgan
Beau Eiland
April McCraney
Jonathan Rivera
Steve Spada

Nicholas Devin
Anna Himichuk
John Moore
Parag Santhosh

Treasury Services Division

Teri Allen, Division Director

Gregg Johanson, City Cash Manager

Kellie Craine, Investment Director

Debt Management Services

Kristi Beattie, City Debt Manager

Risk Management

Bruce Hori, Division Director

Financial Section



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

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

Mayor and City Council
City of Seattle
Seattle, 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 Seattle as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, 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 Seattle, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of:

- The Light, Water, Drainage and Wastewater, and Solid Waste funds, which represent 98 percent, 99 percent and 98 percent, respectively, of the assets, net position, and revenues of the business-type activities.
- The Seattle City Employees' Retirement System and Solid Waste fund, which represent 68 percent, 75 percent and 45 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units and remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Light, Water, Drainage and Wastewater, and Solid Waste funds, and the Seattle City Employees' Retirement System, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors 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 financial statements and schedules included in the Combining and Individual Fund and Other Supplementary Information section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures as described above, and

the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

The other information comprises the 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 opinion on the basic financial statements do not cover the other information, and, we do not express opinions or provide any assurance thereon.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 28, 2022

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Seattle (the City), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2021. We encourage the reader to consider the information presented here in addition to the information presented in the Letter of Transmittal when evaluating the financial statements following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements report the operating results and financial position of the City as an economic entity, in a manner like that of private sector business. The statements provide information about the probable near-term and long-term effects of past decisions on the City's financial position.

The Statement of Net Position presents information on all City assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities presents changes in net position during the fiscal year. All changes to net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some reported revenues and expenses result in cash flows in future periods, such as for uncollected taxes and earned but unused compensated absences. This statement also distinguishes functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental functions of the City include general government activities, judicial activities, public safety, physical environment, transportation, economic environment, health and human services, and culture and recreation. The business-type activities of the City include an electric utility, a water utility, a waste disposal utility, a sewer and drainage utility, and a fund for enforcement of policies and codes that include construction and land use.

The government-wide financial statements can be found beginning on page 23 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories of City funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues,

Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains numerous governmental funds that are organized according to type (general, special revenue, debt service, capital projects, and permanent funds). The City's major governmental funds are the General Fund and Transportation Fund. Information for the two major governmental funds is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Information for the nonmajor funds is presented in the aggregate. Individual fund data for each of the nonmajor governmental funds is provided as supplementary information in the form of combining statements beginning on page 154.

The basic governmental funds financial statements can be found beginning on page 30 of this report.

Proprietary funds account for services for which the City charges outside customers and internal City departments. The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its various business-type activities and uses internal service funds to report activities that provide centralized supplies and/or services to the City. Because internal service funds largely benefit governmental rather than business-type functions, they are included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same information as shown in the government-wide financial statements, only in more detail, including the addition of cash flow statements. The proprietary funds financial statements provide separate information for the City Light, Water, and Drainage and Wastewater funds, which are considered major enterprise funds. Data for nonmajor enterprise funds is presented in the aggregate, and the data for internal service funds are presented in the aggregate as well. Information for each of the non-major enterprise funds and internal service funds is provided in the combining statements in this report, starting on page 189.

The basic proprietary fund financial statements begin on page 35 of this report.

Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support City programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary funds financial statements can be found beginning on page 42 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements and begin on page 45 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information regarding the current funding progress for, and employer contributions to, pensions and other post-employment benefits (OPEB), as well as changes in pension and OPEB liabilities. Also included are budgetary comparisons for major governmental funds and funds for which the budget has been legally adopted. The required supplementary information begins on page 128 of this report.

A statistical section provides financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained within the financial statements, notes to the financial statements, and the required supplementary information with the goal of providing the user with a better understanding of the City's economic condition. The Statistical information begins on page 202 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table A-1

CONDENSED STATEMENT OF NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and Other Assets	\$ 2,804,807	\$ 1,954,102	\$ 2,406,555	\$ 2,227,191	\$ 5,211,362	\$4,181,293
Capital Assets and Construction in Progress, Net of Accumulated	4,620,484	4,571,097	7,393,519	7,097,147	12,014,003	11,668,244
Total Assets	<u>7,425,291</u>	<u>6,525,199</u>	<u>9,800,074</u>	<u>9,324,338</u>	<u>17,225,365</u>	<u>15,849,537</u>
DEFERRED OUTFLOWS OF	<u>202,682</u>	<u>207,381</u>	<u>122,546</u>	<u>132,667</u>	<u>325,228</u>	<u>340,048</u>
LIABILITIES						
Current Liabilities	490,791	489,352	522,315	497,720	1,013,106	987,072
Noncurrent Liabilities	2,705,571	2,707,262	5,424,215	5,469,512	8,129,786	8,176,774
Total Liabilities	<u>3,196,362</u>	<u>3,196,614</u>	<u>5,946,530</u>	<u>5,967,232</u>	<u>9,142,892</u>	<u>9,163,846</u>
DEFERRED INFLOWS OF RESOURCES	<u>622,351</u>	<u>210,984</u>	<u>364,140</u>	<u>302,093</u>	<u>986,491</u>	<u>513,077</u>
NET POSITION						
Net Investment in Capital Assets	3,576,814	3,587,667	3,206,317	2,954,796	6,783,131	6,542,463
Restricted	1,134,971	983,820	67,060	59,693	1,202,031	1,043,513
Unrestricted	(902,525)	(1,246,505)	338,573	173,191	(563,952)	(1,073,314)
Total Net Position	<u>\$ 3,809,260</u>	<u>\$ 3,324,982</u>	<u>\$ 3,611,950</u>	<u>\$ 3,187,680</u>	<u>\$ 7,421,210</u>	<u>\$6,512,662</u>

Changes in net position over time may serve as a useful indicator of a government's financial position. The City's total net position was \$7.4 billion at December 31, 2021, an increase of \$908.5 million, or 14%, over fiscal year 2020. Total net position for governmental activities increased \$484.3 million while total net position for business-type activities increased \$424.3 million. The increase in net position for business-type activities was due to results of operations in 2021. See the analysis of changes in net position below.

Government-wide total current and other assets increased by \$1030.1 million in 2021, which primarily consisted of an increase in operating cash of \$205.3 million, net receivables of \$477.3 million, and net pension asset of \$354.5 million. These changes were primarily due to results of the operations in 2021.

The governmental activities net investment in capital assets decreased by \$10.9 million and business-type activities increased by \$251.5 million in 2021. This increase was due to the new capital assets additions, less any related debt used to acquire those assets. Compared to 2020, the capital assets net of accumulated depreciation went up by \$49.4 and \$296.4 million. Please refer to Capital Assets section below for the analysis of capital assets year over year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other funding sources, as capital assets cannot be used to liquidate these liabilities.

For governmental activities, total liabilities decreased by \$0.32 million in 2021. For business-type activities, the total liabilities decreased by \$20.7 million. For further explanation on the business-type activity decreases please refer to the Proprietary Funds explanation in the Financial Analysis of City Funds section after Table A-2.

An additional portion of the City's net position, \$1.2 billion, or 16.4%, represents resources that are subject to external restrictions on how they may be used. Compared to 2020, the restricted net position increased by \$158.5 million in 2021, which was primarily due to various capital and continuing programs funds, which included two new LTGO bond funds in 2021. The new funds, 2021 W Seattle Br LTGO Bond fund and 2021 Taxable LTGO Bond fund, reported a net position/fund balance of \$26 million and \$12.2 million respectively. The increase in restricted net position for business-type activities was \$7.4 million and the increase in unrestricted net

position for business-type activities was \$165.4 million. For further explanation on these increases please refer to the Analysis of Changes in Net Position section after Table A-2.

Table A-2

CONDENSED STATEMENT OF ACTIVITIES
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 426,763	\$ 329,697	\$ 2,228,585	\$ 2,057,344	\$ 2,655,348	\$ 2,387,041
Operating Grants and Contributions	341,747	372,266	13,434	22,913	355,181	395,179
Capital Grants and Contributions	3,042	8,262	75,199	64,030	78,241	72,292
General Revenues						
Property Taxes	707,660	681,235	—	—	707,660	681,235
Sales Taxes	343,318	287,402	—	—	343,318	287,402
Business Taxes	816,861	479,864	—	—	816,861	479,864
Excise Taxes	143,425	117,845	—	—	143,425	117,845
Other Revenues	56,489	104,193	(2,508)	59,748	53,981	163,941
Total Revenues	<u>2,839,305</u>	<u>2,380,764</u>	<u>2,314,710</u>	<u>2,204,035</u>	<u>5,154,015</u>	<u>4,584,799</u>
Expenses						
Governmental Activities						
General Government	251,900	346,566	—	—	251,900	346,566
Judicial	32,570	10,565	—	—	32,570	10,565
Public Safety	536,517	757,770	—	—	536,517	757,770
Physical Environment	24,830	35,341	—	—	24,830	35,341
Transportation	457,129	457,259	—	—	457,129	457,259
Economic Environment	518,602	390,442	—	—	518,602	390,442
Health and Human Services	182,952	137,099	—	—	182,952	137,099
Culture and Recreation	307,997	264,000	—	—	307,997	264,000
Interest on Long-Term Debt	45,353	44,707	—	—	45,353	44,707
Business-Type Activities						
Light	—	—	970,061	983,188	970,061	983,188
Water	—	—	237,644	246,635	237,644	246,635
Drainage and Wastewater	—	—	399,179	411,884	399,179	411,884
Solid Waste	—	—	201,043	206,649	201,043	206,649
Construction & Inspection	—	—	75,711	77,034	75,711	77,034
Total Expenses	<u>2,357,850</u>	<u>2,443,749</u>	<u>1,883,638</u>	<u>1,925,390</u>	<u>4,241,488</u>	<u>4,369,139</u>
Excess Before Special Item and Transfers	481,455	(62,985)	431,072	278,645	912,527	215,660
Special Item - Environmental Remediation	—	—	(6,802)	(3,065)	(6,802)	(3,065)
Transfers	2,594	—	—	—	2,594	—
Changes in Net Position	<u>484,049</u>	<u>(62,985)</u>	<u>424,270</u>	<u>275,580</u>	<u>908,319</u>	<u>212,595</u>
Net Position - Beginning of Year	3,324,982	3,380,550	3,187,680	2,912,100	6,512,662	6,292,650
Restatements/Prior-Year Adjustments	229	7,417	—	—	229	7,417
Net Position - Beginning of Year as Restated	<u>3,325,211</u>	<u>3,387,967</u>	<u>3,187,680</u>	<u>2,912,100</u>	<u>6,512,891</u>	<u>6,300,067</u>
Net Position - End of Year	<u>\$ 3,809,260</u>	<u>\$ 3,324,982</u>	<u>\$ 3,611,950</u>	<u>\$ 3,187,680</u>	<u>\$ 7,421,210</u>	<u>\$ 6,512,662</u>

Analysis of Changes in Net Position

In 2021, the changes in net position decreased by \$695.7 million, or 76.6%. The factors contributing to the decrease are explained in the following discussion of governmental and business-type activities.

Governmental Activities. The City's revenues for governmental activities were up 19.3%, an increase of \$458.5 million in 2021. The increase in revenues was due to the increase in non-general revenues of \$63.3 million and general revenues of \$397.2 million. The City's charges for services were the significant driver of the increase in revenues, contributing \$97.1 million increase over prior year or 29.4%; another significant driver included business taxes. A new tax on payroll expenses created a \$248m of new revenue for 2021 which aided in the increase of \$337 million or 70.2% (\$248 million of this increase is attributed to the new payroll expense tax implemented in 2021) - offsetting the operating and capital grants and contributions decreases.

The following table lists the tax revenues ranked by the amount reported in 2021 and the change in each tax revenue from 2020.

2021 Rank	General Tax Revenues	Amount (In Millions)	Percent of Change	Amount of Change (In Millions)
1	Property Taxes	\$707.7	3.9%	\$26.4
2	Business Taxes	\$816.9	70.2%	\$337.0
3	Sales Taxes	\$343.3	19.5%	\$55.9
4	Excise Taxes	\$143.4	21.7%	\$25.6

The increase in property taxes was due to the increase in the assessed value of property. Based on statistical information provided by King County, total assessed value for real property and personal property was \$262.1 billion in 2021 compared to \$258.0 billion in 2020.

The City's business taxes include general business taxes and utilities related business taxes. The change in business taxes in 2021 was the driven mainly with induction of the Payroll Expense Tax, \$248.2M. The business taxes from utilities make up 21.3% of total business tax revenues.

Program revenues supporting the City's governmental activities were \$771.6 million, or 27.2% of the City's revenues for governmental activities. The City's charges for services are the largest component of reported program revenues and comprise 55.3% of program revenue generated by governmental activities and 15.1% of total revenues. The total charges for services reported in 2021 was \$426.8 million, an increase of \$97.1 million compared to 2020.

Total expenses for governmental activities were down 3.6%, totaling a \$85.9 million decrease in 2021. The following table lists the top 5 functions and programs ranked by the size of their 2021 expenses, and highlights the change in costs between the 2020 and 2021 financial statements.

2021 Rank	Citywide Function/Program	Amount (In Millions)	Percent of Change	Amount of Change (In Millions)
1	Public Safety	\$536.5	(29.2)%	\$(221.3)
2	Economic Environment	\$518.6	32.8%	\$128.2
3	Transportation	\$457.1	0.0%	\$(0.1)
4	Culture and Recreation	\$308.0	16.7%	\$44.0
5	General Government	\$251.9	(27.3)%	\$(94.7)

The City's largest governmental expense continues to be the public safety function, totaling \$536.5 million for 2021, contributing 12.6% of all citywide expenses, and 22.8% of expense in the City's governmental activities. The year-over-year changes reflected the changes in operations of the City's various programs, and the decrease in public safety and general government were mostly attributed to the Covid-19 Pandemic expenditures of CRF to pandemic responders and the CHOP/CHAZ events that occurred in 2020 and did not happen in 2021.

The changes in net position for governmental activities increased by \$547 million year over year. In 2020 there was a reduction of \$62 million compared to a increase of \$485 million for 2021.

Business-Type Activities. The change in net position for business-type activities was \$424.3 million, an increase of 15.4% in 2021. This included the consolidation from internal service funds of \$12.5 million. Key factors for the change are described below.

City Light realized a change in net position of \$198.4 million in 2021, an increase of 10.9% from 2020. The major reasons for the higher net position are higher retail electric sales due to increased consumption, transfers from the Revenue Stabilization Account, Capital contributions combined with lower Administrative and general, Bad debt, Conservation and Amortization expenses. Offsetting the higher revenues were lower net short-term wholesale power revenues, higher other power expenses, transmission and distribution, and lower investment income. Total operating revenues were \$1,109.0 million, an increase of \$93.3 million or 9.2% from 2020. Retail power revenues at \$964.3 million increased \$37.6 million, Short-term wholesale power revenues at \$66.3 million increased \$15.0 million, Other power-related revenues at \$59.3 million increased \$18.5 million, Transfers from/(to) RSA at (\$2.6) million increased by \$20.1 million, and Other operating revenues at \$21.7 million increased by \$2.1 million. Consumption among customers was mixed with residential customers experiencing an increase of 3.3% and non-residential customers experiencing a decrease of 0.8%. Operating expenses totaled \$891.7 million, an increase of \$11.4 million or 1.3% over 2020. The increase in operating expenses were primarily due to power-related operating expenses at \$396.9 million which were higher by \$43.1 million and short-term wholesale power purchases of \$38.5 million, which increased \$28.5 million from 2020. Higher short-term wholesale power purchases of \$18.9 million were primarily because of an increase of \$18.1 million in Grant County and Lucky Peak Exchange fair value, due to unusually high prices resulting from recent June and July 2021 record setting temperatures.

The Water Utility realized a \$72.3 million change in net position for 2021, an increase of 11.3% from 2020. Operating revenues increased approximately \$24.9 million (8.9%) over 2020. The change was mainly driven by an increase in the revenue stabilization account of \$19.0 million and retail water utility service of \$5.6 million. Operating expenses increased \$8.7 million (4.1%) from 2020. Notable factors affecting this change include increases of \$5.5 million in write offs of capital projects and other expenses, \$3.2 million in services, \$1.6 million of intergovernmental payments, \$1.2 million in depreciation and amortization. These increases are offset by decreases of \$3.1 million in salaries, wages and benefits. Other expenses, net of other revenues decreased by \$0.8 million (4.0%) over 2020. The change was primarily due to a decrease in interest and debt service expenses of \$2.3 million, offset by \$5.0 million increase in recoveries and \$2.6 million increase in investment losses realized and unrealized. Capital fees, contributions and grants decreased by \$0.7 million (6.7%) over 2020. The main factors for the decrease are \$1.7 million decrease in donations offset by \$1.2 million in capital contributions.

The Drainage and Wastewater Utility realized a \$107.1 million change in net position for 2021, an increase of 20.0% over 2020. The current year operating revenues increased by \$42.2 million (9.2%) from 2020. This is due to an average rate increase of 7.2% for wastewater and 7.4% for drainage, resulting in additional revenues of \$31.1 million and \$9.8 million, respectively. Other operating revenues increased \$1.4 million. The current year operating expenses increased by \$1.3 million (0.3%) from 2020. The increase can be attributed to \$7.5 million increase in services expenses, \$2.0 million increase in intergovernmental payments, \$1.6 million in depreciation and amortization, and \$0.4 million increase in supplies. These increases were offset by a \$5.8 million decrease in other operating expenses and by a \$4.4 million decrease in salaries, wages, and personnel benefits. Non-operating revenues net expenses in 2021 decreased by \$13.9 million compared to 2020. There was a \$9.5 million decrease in contributions and grants and a \$10.3 million decrease in investment income. The decreases were offset by a \$3.4 million increase in interest expense and \$2.5 million in other, net. The Fund had an environmental remediation expense of \$6.8 million in 2021 compared to \$3.1 million in 2020 (Note 10), resulting from changes in estimated costs for remediation management and construction.

FINANCIAL ANALYSIS OF CITY FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for spending. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance measures the City's net resources available for all purpose spending at the end of the fiscal year. Governmental funds reported by the City include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

In 2021, the City's governmental funds generated \$3.1 billion in revenues and recorded \$3.0 billion in expenditures. Revenues grew by 19.1%, driven by a \$460.3 million increase in tax collections, a \$8 million increase in fines and forfeits, and a \$6.3 million increase in parking fees and space rent. Along with the growth in revenue, expenditures also grew \$201.8 million, rising 7.3%. There was a 32.3% increase in the City's governmental fund balance which totals \$1.6 billion at year-end. Table A-3 provides a summary of activities for the governmental fund types at year-end 2021.

The General Fund accounts for 64.2% of revenues and 58.3% of total governmental expenditures. The General Fund is the chief operating fund of the City.

The General Fund reported \$2.0 billion total revenue, of which, 81.2% were from tax collections. Tax revenues include property, business, sales and excises taxes. Total tax revenues increased by 17.8%, or \$460.3 million in 2021. See more discussions and analysis of tax revenue in the governmental activities above. Grants, shared revenues, and contributions decreased \$37.9 million compared to 2020. Total revenue increased 25.4% in 2021.

The General Fund reported \$1.7 billion total expenditures in 2021, an increase of 6.1% from 2020. The increase in total expenditures was primarily due to an increase in spending for general government of \$69.5 million and transportation of \$20.6 million.

The General Fund reported an excess of \$255.7 million in 2021 compared to the deficiency of \$54.8 million in 2020. Fund balance of the General Fund increased by \$202.8 million.

Consistent with prior reporting period, one of the City's special revenue funds continues to meet the criteria for reporting as major governmental funds, the Transportation Fund, which is included in the fund financial statement section of the Annual Report alongside the presentation of the General Fund and the combined non-major governmental funds.

The Transportation Fund, a special revenue fund, develops, maintains, and operates the transportation system inclusive of streets, bridges, ramps, retaining walls, seawalls, bike trails, streetlights, and other road infrastructure. At the end of the fiscal year the Transportation Fund reports a fund balance of \$55.2 million, 4.7% more than what was reported for 2020. The \$360.0 million of revenues collected include the excess property tax levy, a commercial parking tax, grants and contributions, and charges for services.

The \$20.9 million decrease in revenue was primarily due to the decrease in grants, shared revenues, and contributions. The Transportation Fund reported a total revenue of grants, shared revenues, and contributions in 2021 of \$52.5 million, a decrease of \$33.5 million from \$86.0 million. The Transportation Fund's expenditures account for 11.3% of all governmental fund expenditures, totaling \$334.1 million for 2021, a decrease of \$40.2 million from 2020. The decrease was primarily due to a reduction in COVID expenditures as well as certain capital projects were closed or near the end of their project cycle in 2020 compared to 2021. The Transportation Fund reported total expenditures for capital outlay of \$140.6 million, a decrease of \$24.8 million from 2020 and current transportation expenditures of \$192.2 million, a decrease of \$15.2 million 2020.

As a result of increases in total revenue and total expenditures, the Transportation Fund had a excess of revenues over expenditures of \$25.9 million in 2021.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in business-type activities in the government-wide financial statements, but in more detail. Therefore, the analysis of changes in net position in the government-wide financial statements provides sufficient details for changes in net position of each major proprietary fund. The discussions below focus on changes in significant balances of assets, liabilities, deferred outflows and inflows of resources, and net position for each major proprietary fund.

City Light Utility. Capital assets, net of accumulated depreciation and amortization, were \$4.4 billion in 2021, an increase of \$165.5 million over 2020. The new additions of utility plant were \$165.6 million in 2021, including the largest addition of \$126.0 million of distribution plant. The 2021 new additions were partially offset by a \$92.6 million net increase in accumulated depreciation and amortization. Another significant component of capital assets is construction work-in-progress, which increased by \$27.2 million in 2021.

Total liabilities remained unchanged from 2020 at \$3.4 billion in 2021, the majority being revenue bonds payables. The noncurrent portion of the revenue bonds payable remained steady when compared to 2020 at \$2.7 billion in 2021.

City Light's total net position was \$2.0 billion in 2021 and \$1.8 billion in 2020, an increase of \$198.4 million. The financial position of City Light improved year over year. The major reasons for the higher net position are higher retail electric sales due to increased consumption, transfers from the RSA, Capital contributions combined with lower Administrative and general, Bad debt, Conservation and Amortization expenses. Offsetting the higher revenues were lower net short-term wholesale power revenues, higher other power expenses, transmission and distribution, and lower investment income.

Water Utility. Current assets decreased \$31.6 million (-16.9%) from 2020. This is primarily due to decreases in operating cash of \$32.7 million and fair value of investments of \$5.0 million offset by increases in accounts receivable of \$4.6 million, unbilled revenue of \$0.3 million and due from other governments of \$0.9 million. The change in operating cash is primarily due to bond defeasance, in which a bond was partially defeased with operating cash, and increased spending for capital assets. The increase in accounts receivable is mostly due to slower than expected payments from customers due to the COVID-19 pandemic.

Capital assets increased \$3.5 million (0.3%) from 2020 mainly due to closed projects transferred from construction in progress.

Other assets increased \$21.7 million (16.7%) from 2020. The largest portion of the change was due to an increase in restricted cash and equity in pooled investments of \$20.1 million from proceeds of bonds.

Deferred outflows of resources decreased by \$3.5 million (-10.9%) from 2020. This change resulted mainly from assumptions related to pension accounting and differences in expected and actual experience in other post-employment benefits.

Current liabilities increased \$5.3 million (6.5%) from 2020. This change mostly resulted from increases of \$3.0 million in due to other funds, other liabilities of \$2.9 million and revenue bonds due in one year of \$1.1 million offset by a decrease of \$0.7 million in accounts payable, \$0.6 million in interest payable and \$0.5 million in salaries and benefits payable.

Noncurrent liabilities decreased \$80 million (-9.0%) over 2020. This is mainly due to a decrease of \$65.0 million in revenue bonds due to refunding and defeasance, \$14.8 million of net pension liability and \$2.0 million of loans due to scheduled payments.

Deferred inflows of resources decreased by \$7.3 million (-9.9%) from 2020. This decrease is mainly due to a decrease of \$18.2 million in the revenue stabilization account as a result of withdrawal from the account offset by increase of deferred inflows of \$6.9 million in pension and OPEB and of \$3.9 million of unamortized gain on advanced refunding on bond issuance.

Net investment in capital assets was the largest portion of the Water Utilities net position (\$662.5 million or 92.8%). This amount reflects the investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Water Utility uses these assets to provide services to customers; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2021, net investment in capital assets increased \$98.6 million from 2020 primarily from an increase in utility plant and construction in

progress. Other contributing factors are decreases in debt and debt related accounts, offset by an increase in construction cash of \$38.2 million as a result of bond issuance.

The Water Utilities restricted net position (\$16.4 million or 2.3%) represents resources that are subject to restrictions on how they may be used. Restricted net position increased slightly by \$3.2 million.

The Water Utilities unrestricted net position (\$35.1 million or 4.9%) represents resources that are not subject to external restrictions and may be used to meet the Fund's obligations to creditors. This portion decreased \$29.6 million in 2021 as compared to 2020 primarily as a result of a decrease in operating cash due to the defeasance of 2012 Bonds.

Drainage and Wastewater Utility. Current assets increased \$8.3 million (2.9%) over the prior year primarily due to a \$7.5 million increase in accounts receivable, net of allowance for doubtful accounts; a \$7.8 million increase in unbilled revenue; and a \$0.5 million increase in operating cash and equity in pooled investments. These increases were offset by a decrease of \$7.5 million in due from other governments.

Capital assets increased by \$117.5 million (8.8%) from 2020. Construction in progress and plant assets increased \$146.4 million; the increase is mostly due to infrastructure, rehabilitation, and improvements. Other property, net increased \$2.2 million. The capital asset increase was offset by \$31.1 million increase in accumulated depreciation.

Other assets increased by \$74.7 million (78.9%) from 2020. This is mostly attributable to a \$78.2 million increase in restricted cash and equity in pooled investments resulting from issuing 2021 Drainage and Wastewater System Improvement and Refunding Revenue Bonds. The increase was offset by a \$3.2 million reduction in other charges and a \$0.3 million reduction in external infrastructure costs, net.

Deferred outflows of resources decreased by \$0.9 million (-4.8%) from 2020. This decrease is attributable to a \$0.8 million reduction in pension contributions and changes in assumptions related to pension and other post-employment benefits (OPEB), and to a \$0.1 million reduction in unamortized loss on refunded debt.

Current liabilities increased by \$5.3 million (6.5%) from 2020. This is mostly attributable to a \$2.2 million increase in the current portion of bonds payable, a \$1.2 million increase in the current portion of loans payable, a \$1.2 million increase in claims payable, a \$0.8 million increase in environmental liabilities, and a \$0.8 million increase in interest payable. This increase was offset by a decrease of \$0.5 million in salaries, benefits, and payroll taxes payable; and a \$0.5 million decrease in other current liabilities.

Noncurrent liabilities increased by \$78.0 million (7.0%) from 2020. This increase is mostly attributable to an increase of \$43.8 million in revenue bonds and related liabilities due from issuing a new bond, and a \$44.1 million increase in loans. Additional increases are a \$3.4 million increase in long-term environmental liabilities because of changes in estimates, a \$3.2 million increase in claims payable, a \$0.7 million increase in compensated absences payable and a \$0.4 million increase in unfunded other post employment benefits. The increases were offset by a \$17.4 million decrease in net pension liability because of contributions and changes in assumptions, and by a \$0.2 million decrease in other noncurrent liabilities.

Deferred inflow of resources increased by \$9.2 million (59.1%) from 2020. This increase is mostly due to assumptions related to pension accounting and difference between expected and actual expense in other post-employment benefits (OPEB).

The largest portion of Drainage and Wastewater's net position (\$630.2 million or 98.0%) reflects their investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. Drainage and Wastewater use these assets to provide services to customers; consequently, these assets are not available for future spending. Although Drainage and Wastewater's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2021, net investment in capital assets increased by \$98.2 million from 2020 due to an increase in capital assets placed in service, net of depreciation offset by the related debt.

Drainage and Wastewater's restricted net position (\$22.2 million or 3.5%) represents resources that are subject to restrictions on how they may be used. This portion of net position decreased by \$1.0 million from 2020.

Drainage and Wastewater's remaining portion of the net position (negative \$9.5 million or -1.5%) represents resources that are unrestricted. The unrestricted portion of net position increased by \$7.9 million from the prior year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the Seattle City Employees' Retirement System (SCERS), the S. L. Denny Private-Purpose Trust Fund, and a Custodial fund. Due to the City's implementation of GASB 73 the City's Firemen's Pension Fund and the Police Relief and Pension Fund are reported with the City's General Fund. The net position of the combined fiduciary funds at the end of 2021 is \$4.14 billion; SCERS represents 99.86% of this amount.

SCERS assets held in trust for the payment of future benefits does not exceed its proportionate share of the total pension liability as of December 31, 2021. The fund uses the services of both active and index fund professional money managers. SCERS net position increased in value by \$460.7 million, or 12.62%, during 2021. For year ending 2021 the member and employer contributions totaled \$221.3 million; net income from investment activity totaled \$522.8 million. Total benefit payment for 2021 increased by \$8.9 million to \$223.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund in the budgetary discussion below includes the General Operating Fund and several funds that are combined into one General Fund. It is also important to note that for budgetary comparisons purposes the General Fund presentation on schedule C-1 reports actual expenditure and revenue totals without the elimination of reimbursements collected internally through the City's personnel compensation trust funds.

As reported in the budget to actuals schedules of the required supplementary information, the General Fund's original budget is comprised of the adopted budget and carryforward budgets from previous years. The final budget presentation adds the additional supplemental legislation for budget revisions and authorized budget transfers.

Original Budget Compared to Final Budget. The General Fund's final budget increased by \$281 million for budgeted expenditures from the original budget. The increase in allowance for expenditures is mainly due to the adjustments made to the public safety function, economic environment function, and culture and recreation function, which together account for roughly 99% of the increase. Budget expenditure allowances were made throughout the year: general government by \$(40.1) million; public safety by \$71.3 million; transportation by \$18.4 million; economic environment by \$114.1 million; and culture and recreation by \$95.7 million.

Final Budget Compared to Actual Results. Actual revenue was higher than the final budget by \$467.8 million. The higher amount of actual revenue was driven mainly by taxes, by far the largest revenue source, accounting for 81.2% of total actual revenue. Property taxes, sales taxes, and business taxes (which includes interfund business taxes) are the major sources of budgetary taxes for General Fund. Retail sales and use taxes provide the most opportunity for variability up or down, as it is dependent on spending, which increases or decreases with consumer confidence. Program income, interest, and miscellaneous revenues is another significant source of revenue for the general fund with 6.3% of total actual revenues. The amount received for charges for services and intergovernmental revenues are dependent on corresponding services provided, thus would fluctuate with the applicable programs and services offered.

Actual expenditures were \$563.6 million less than the final budget. General government accounts for 25.0% of the under expenditures and all other expenditures contributed to the overall under expenditure. For other financing sources, actual sales of capital assets were \$3.8 million higher than the final budget; transfers in was \$67.9 million lower than the final budget; and transfer out was \$62.0 million higher than the final budget.

CAPITAL ASSETS

The following schedule shows the City's investment in capital assets.

Table A-3 **CAPITAL ASSETS AT YEAR END, NET OF DEPRECIATION**
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 621,834	615,922	\$ 282,469	281,464	\$ 904,303	\$ 897,386
Plant in Service,	—	—	6,001,072	5,864,351	6,001,072	5,864,351
Buildings and	1,557,954	1,574,286	—	—	1,557,954	1,574,286
Machinery and	171,514	177,594	—	—	171,514	177,594
Infrastructure	1,657,040	1,608,407	—	—	1,657,040	1,608,407
Construction in Progress	537,917	518,269	1,056,952	917,779	1,594,869	1,436,048
Other Capital Assets	74,226	76,587	35,748	33,554	109,974	110,141
Total Capital Assets	\$ 4,620,485	4,571,065	\$ 7,376,241	7,097,148	\$ 11,996,726	\$ 11,668,213

Capital assets, net of depreciation for governmental activities increased by \$49.4 million in 2021. The increase was primarily driven by increases in Infrastructure (\$48.6 million) due to renovation activity on the West Seattle Bridge and in Construction in Progress (\$19.6 million) due to Telecom Updates, Municipal Court IT Replacements, Contract Management Implementation and Aquarium Expansions. These increases were offset against decreases in most other capital asset classes due to reduced project capitalization, asset retirements and increased asset depreciation.

Capital assets, net of depreciation for business-type activities increased by \$279.1 million in 2021, largely as the result of the following:

City Light's capital assets, net of accumulated depreciation and amortization, increased by \$165.5 million in 2021. Utility plant assets such as the hydroelectric production plant increased by \$38.1 million, transmission plant increased by \$11.4 million, distribution plant increased by \$126 million, general plant increased by \$8.9 million, and other intangible assets increased by \$45.5 million. The net increase in utility plant assets was offset by a \$92.6 million net increase in accumulated depreciation and amortization. Other Asset categories such as Land and Construction In Progress increased by \$27.8 million.

The Drainage and Wastewater Fund's net capital assets increased by \$117.5 million in 2021. The increase is primarily due to capital asset additions and enhancements such as pipeline rehabilitations and improvements (\$12 million), stations and force main upgrades in East Montlake (\$8.9 million), pipe replacements (\$3 million), artwork projects (\$2.2 million), and various small construction projects (\$24.2 million).

The Water Fund's net capital assets increased by \$3.5 million in 2021 compared to prior year. Major capital assets placed into service during the year included Technology projects (\$1.8 million), and city facility improvements (\$0.5 million). These additions were offset by current year depreciation and disposals.

The Solid Waste Fund's net capital assets decreased by \$6.5 million in 2021 compared to the prior year. This change is mostly due to an increase in accumulated depreciation (\$10.2 million). This decrease is offset by an increases in Construction In Progress (\$2.2 million) and Plant In Service (\$1.5 million).

More detailed financial information about the City's capital asset activities is presented in Note 6 to the financial statements.

DEBT ADMINISTRATION

At the end of the fiscal year 2021, the City had \$5.5 billion in outstanding bonded debt, net of premiums and discounts, which included general obligation and revenue bonds, comparable to \$5.6 billion in 2020. The special assessments bonds the City has

issued included one in 2006, without lending its full faith and credit but obligated in some manner for the design and construction of the South Lake Union Streetcar, had an outstanding balance of \$1.1 million. And another in 2021 for the Waterfront Improvement Project which had an outstanding balance of \$97 million. In 2021, the City issued limited tax general obligation (LTGO) bonds to carry out a current refunding of certain obligations of the City and to finance various capital improvement projects, such as the redevelopment of the central waterfront area, the repair of the West Seattle Bridge, and for the replacement and upgrading of electronic signage and readerboards at the Seattle Center. The City also issued \$360.4 million in revenue bonds for City Light to finance capital improvements and conservation programs.

The City's bond ratings remained unchanged from the previous year. Since 2017, the City's LTGO bonds have been given the highest possible ratings by the three rating agencies. As such, the City's 2021 LTGO bonds were rated Aaa by Moody's Investors Service, AAA by Fitch Ratings, and AAA by Standard & Poor's. In addition, the City's utilities have stellar credit ratings for revenue debt, reflecting sound finances and good management.

The City's limited and unlimited tax general obligation debt is capped at 7.5% of the assessed value of taxable properties by state law. The 2021 assessed value based on the latest report for the City was \$262.1 billion, providing the City a legal debt capacity of \$19.7 billion. At the end of 2021 the net outstanding general obligation debt of the City which includes bonds, compensated absences net of sick leave, and guarantees of indebtedness amounted to \$0.983 billion, well below the legal debt capacity, rendering the City's legal debt margin at \$18.7 billion. Within the 7.5% limitation, state law restricts outstanding LTGO bonds to 1.5% of assessed value, which for 2021 was a capacity of \$3.9 billion. At year end 2021 the LTGO net outstanding debt was \$701.6 million.

More detailed information about the City's long-term liabilities are presented in Note 9 to the financial statement.

RACE AND SOCIAL JUSTICE INITIATIVE

Since 2004, the City of Seattle's Race and Social Justice Initiative (RSJI) is a citywide effort to end institutional racism and race-based disparities in municipal government. As part of the 2021 Adopted Budget for the city, the following priorities were funded due to their RSJI impacts:

- BIPOC (Black, Indigenous and People of Color) Investment Taskforce - \$100 million in funding was allocated for investment in areas such as education opportunity, inclusive economic development, land acquisition/community wealth building, climate justice, and community safety/supports.
- "Prenatal to 3" Grant Program - A one-time funding of \$1.5 million to various community-based organizations that support pregnant women and infants.
- Mount Baker Allen Family Center Childcare Resources and Referrals - The City continued funding for various community-based services designed to aid homeless families such as childcare referrals, parent coaching and other training services.
- Democracy Vouchers - The City added funding for voucher payments up to \$6.8 million, voucher printing and mailing costs, and temporary staffing increases for voucher processing and outreach work.
- Secure Affordable Housing Site - Finance and Administrative Services' appropriation authority was increased by \$250,000 in order to better support operations and maintenance expenses at the Office of Housing's Rainier site.
- Wheelchair Accessible Services - Finance and Administrative Services' budget for Wheelchair Accessible Services was increased by \$1.14 million to better support populations with limited physical mobility.
- Crisis Connections One Call - The City continued funding for this program run alongside Crisis Connections, a non-profit that seeks to provide appropriate care to mental health crises.
- Generations with Pride Senior Program - The City provided \$180,000 in funding to support a LGBTQ-focused senior center in Capitol Hill.
- Legal Services for Domestic Violence / Sexual Abuse Survivors - The City continued funding for legal representation for survivors of sexual violence.
- Critical Incident Community Responders - The City continued funding for this program that is intended to serve as a community-based solution to mitigate and prevent shootings.

- Title VI Compliance - The City funded a part-time position to the Office of Civil Rights to implement, monitor, and ensure citywide compliance with Title VI federal grant requirements.
- Transportation Network Company Fare Share Program - The City funded two full-time positions to the Office of Labor Standards to oversee TNC (Lyft / Uber, etc) related ordinances that affect TNC drivers, who are disproportionately immigrants and people of color.
- Sustainable Communities - The City provided \$3.4 million in funding via the Office of Sustainability and Environment to provide emergency grocery vouchers to Seattle families in need.
- Health One Expansion - The City increased funding to Seattle Fire's Health One program that seeks to divert patients from disenfranchised communities with low-intensity health crises to more appropriate resources.
- Public Hygiene Program - The City provided \$6.3 million in funding for SPU to provide mobile and stationary hygiene stations with shower and handwashing facilities in support of Seattle's unhoused communities.

CORONAVIRUS PANDEMIC

The COVID-19 pandemic has had significant impact on the United States, and the City of Seattle has been no exception. In 2020, the City received \$131.5 million in federal funding received under the CARES Act, which provided the Coronavirus Relief Fund (CRF) for payments to State, Local, and Tribal governments. These funds were spent, in 2020 and 2021, in compliance with federal guidelines in the following manner.

Project Category	Total Expenses (In Thousands)
Continue critical support for public safety and first responders	\$76,570
Emergency management, staff redeployment and reopening costs	5,416
Hygiene for the homeless, rent assistance and sheltering	12,418
Respond to emergency COVID-19 impacts	18,832
Grocery vouchers and food security	18,274
Total CRF Life-to-Date expenses 2020-21	\$131,510

The City also received an additional distribution in the amount of \$116.2 million via the Coronavirus State and Local Fiscal Recovery Funds authorized by the American Rescue Plan Act. The \$116.2 million stimulus represents one half of the City's entire \$232.4 million allocation, with the remaining amount to be distributed in 2022. The U.S. Treasury released the Final Rule for the program that describes eligible uses spending. As of December 31, 2021, the following amounts have been obligated and spent, respectively.

Category	Obligations (In Thousands)	Expenses (In Thousands)
Administrative	\$4	\$4
Negative Economic Impacts	6,093	1,712
Premium Pay	2,943	2,943
Provision of Government Services	26,670	26,670
Public Health	791	716
Services to Disproportionately Impacted Communities	25,101	14,624
Total as of December 31, 2021	\$61,602	\$46,669

ECONOMIC FACTORS

U.S. Economy. The National Bureau of Economic Research (NBER) officially announced on July 19, 2021 that the COVID-19 sparked recession which began in February 2020 ended in April 2020. The two-month downturn was the shortest but also the steepest in

U.S. history, as it followed a 128-month long expansion from the 2009 recession – which is the longest expansion on record since 1854. U.S. real GDP fell by 3.5% and payroll employment by 8.6 million jobs in 2020, and the unemployment rate peaked at 14.4% in April 2020. For comparison, real GDP declined by 2.5% and the economy lost 5.9 million jobs in the last recession in 2009, and the unemployment rate peaked at 10.6% in January 2010.

In response to the economic downturn, the Federal Reserve lowered its benchmark interest rate to 0% from 0.25% in March 2020 and returned to aggressive quantitative easing, increasing its balance sheet by more than \$3 trillion. In the same month, Congress passed the \$2.2 trillion economic stimulus bill, the Coronavirus Aid, Relief and Economic Security Act authorizing cash payments, extra unemployment benefits, relief for businesses, support for the health care sector, and state and local government support. An additional \$900 billion in stimulus was approved as part of the Consolidated Appropriations Act in December 2020. In March 2021, Congress passed the \$1.9 trillion American Rescue Plan Act. The total \$5 trillion in pandemic-era stimulus is more than triple the Great Recession aid.

Boosted by massive fiscal stimulus, real GDP recovered faster than during previous recessions and surpassed its pre-recession 2019 Q4 level in 2021 Q2. Labor market recovery will however take longer. The pandemic caused large changes in workers' preferences and employers' demands for skills and exacerbated longer term demographic pressures on labor force participation. Total employment is expected to surpass pre-pandemic levels in 2022 Q3, but disruptions in some sectors will last years.

Lower consumer demand due to the COVID-19 pandemic put initially significant downward pressure on prices. But supply chain disruptions caused by the pandemic in combination with the re-opening economy and demand stimulated by fiscal stimulus caused inflation to spike sharply in 2021, reaching levels last seen four decades ago. Inflation has thus emerged as one of the main risks to economic growth. Forecasters expect that inflation will remain elevated in 2022, but as supply-chain issues are addressed, labor force continues to recover, and Fed increases interest rate more aggressively, inflation should gradually moderate. However, a large amount of uncertainty is associated with its future development.

Seattle metropolitan area economy. The regional economy has in the last decade considerably outperformed the U. S. economy in employment and income growth. Total nonfarm employment in the Seattle Metropolitan Division (MD) area (King and Snohomish Counties) accounted for 50.6% of the state's employment in 2020, after increasing by 29.1% from its post-recession low in February 2010 to the February 2020 peak. This compares to a 17.7% gain for the U.S. and a 20.4% gain for the rest of Washington state. Per capita income grew 64.3% between 2010 and 2019 in the Seattle MD area, compared to just 39.3% in the U.S. and 38.6% in the rest of Washington state, during the same period. The economic growth within the Seattle MD area has been concentrated in the city of Seattle. Although virtually all sectors in Seattle have seen employment increase in the decade after the Great Recession, the principal driver of growth has been high-technology business. Strong growth in the technology sector has supported growth in professional and business services, as well as leisure and hospitality services and health care.

Employment and population growth in the last decade boosted the demand for office space and housing, spurring a construction boom. The value of building permits issued by the City of Seattle increased from on average \$1.82 billion every year between 2000 and 2009, to on average \$3.33 billion every year between 2011 and 2019. The COVID-19 pandemic has had a large impact on all parts of the economy including real estate markets and property development. Businesses are reevaluating their office and retail space needs, while demand in the housing market has significantly shifted to single family homes, away from multifamily housing in densely populated city cores. In 2020, the total value of building permits issued by the City of Seattle fell by 36.8%, they recovered somewhat in 2021 but are still 15.1% below 2019 level. The biggest drop occurred for commercial building permits, which accounted for 56.4% of total in 2019 and ended 26.4% lower in 2021 compared to 2019. Residential permits on the other hand recovered completely, they accounted for 31.5% of total in 2019 and ended 16.1% higher in 2021 compared to 2019. Much of the recovery in residential permits is attributable to multi-family projects, indicating that developers are seeing and anticipating strong demand for housing of all types.

The regional labor market downturn caused by the pandemic was sharp, like in the rest of the nation. As a result of the stay-at-home orders imposed in March and April, the U.S. economy lost 14.4% of its jobs by April 2020 and the Seattle MD economy lost 12.5% jobs by May 2020. The reopening of the economy and consequently also the job recovery occurred at different speed in different parts of the country. Due to a more cautious public health approach in the Seattle area, the recovery of jobs in leisure and hospitality was slower in the region than in the national economy. In addition, the collapse in demand for travel and canceled orders have led Boeing to consolidate its two 787 assembly lines into a single location in South Carolina. Closing the assembly line in Everett where Boeing employs 30,000 workers was a large and more permanent negative shock for the local aerospace industry and the regional economy as a whole.

But while the regional economy faces big challenges, there are reasons to be cautiously optimistic about the recovery and the longer-term growth in the region. After initially lagging the nation in jobs recovery, the regional economy recently caught up thanks to fast employment growth in information services, and professional and business services. As of December 2021, U.S. economy has 2.2% fewer jobs than in February 2020, and the Seattle MD area 2.5% fewer jobs. Recessions tend to speed up the adoption of new technologies and the current recession has significantly increased the demand for services related to e-commerce, telecommuting and cloud computing. With a much smaller dependence on aerospace manufacturing than in the past and a larger share of technology and e-commerce sector employment, the Seattle area certainly has a large potential for healthy economic growth.

FINANCIAL CONTACT

The City's financial statements are designed to provide users with a general overview of the City's finances as well as to demonstrate the City's accountability to its citizens, investors, creditors, and other customers. If you have a question about the report, please contact the City of Seattle, Department of Finance and Administrative Services, Citywide Accounting and Payroll Division, P.O. Box 94669, Seattle, WA 98124-4669 (Telephone 206-233-7825).

Government-wide Financial Statements

B-1

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STATEMENT OF NET POSITION

December 31, 2021

(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	2021	
ASSETS				
Current Assets				
Operating Cash and Equity in Pooled Investments	\$ 1,408,264	\$ 727,037	\$ 2,135,301	\$ 4,297
Restricted Cash and Equity in Pooled Investments	29,131	—	29,131	—
Investments	—	—	—	93,026
Receivables, Net of Allowances	571,249	414,579	985,828	—
Internal Balances	(107,362)	107,362	—	—
Due from Other Governments	184,866	25,736	210,602	—
Inventories	6,273	52,367	58,640	—
Prepaid and Other Current Assets	18,956	417	19,373	—
Total Current Assets	2,111,377	1,327,498	3,438,875	97,323
Noncurrent Assets				
Restricted Cash and Equity in Pooled Investments	45,525	557,091	602,616	—
Contracts and Notes	17,369	2,287	19,656	—
Conservation Costs, Net	—	280,886	280,886	—
Landfill Closure and Postclosure Costs, Net	—	16,160	16,160	—
Environmental Costs and Recoveries	—	121,337	121,337	—
Net Pension Asset	630,536	—	630,536	—
Regulatory Asset	—	15,245	15,245	—
Other Charges and Noncurrent Assets	—	86,051	86,051	—
Capital Assets, Net of Accumulated Depreciation				
Land and Land Rights	621,834	282,469	904,303	—
Plant in Service, Excluding Land	—	6,001,072	6,001,072	—
Buildings and Improvements	1,557,954	—	1,557,954	—
Machinery and Equipment	171,513	—	171,513	—
Infrastructure	1,657,040	17,278	1,674,318	—
Construction in Progress	537,917	1,056,952	1,594,869	—
Other Capital Assets	74,226	35,748	109,974	8
Total Noncurrent Assets	5,313,914	8,472,576	13,786,490	8
Total Assets	7,425,291	9,800,074	17,225,365	97,331
DEFERRED OUTFLOWS OF RESOURCES				
	202,682	122,546	325,228	—
Total Assets and Deferred Outflows of Resources	\$ 7,627,973	\$ 9,922,620	\$ 17,550,593	\$ 97,331

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET POSITION
December 31, 2021
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	2021	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 139,803	\$ 104,408	\$ 244,211	\$ 1,916
Salaries, Benefits, and Taxes Payable	33,939	16,242	50,181	—
Contracts Payable	2,567	—	2,567	—
Due to Other Governments	2,841	13,554	16,395	—
Interest Payable	6,971	61,951	68,922	—
Taxes Payable	49	14,971	15,020	—
Unearned Revenues	143,439	31,885	175,324	—
Current Portion of Long-Term Debt				
Bonds Payable	71,550	207,455	279,005	—
Compensated Absences Payable	5,017	1,998	7,015	—
Notes and Contracts Payable	1,515	6,102	7,617	—
Claims Payable	48,895	18,998	67,893	—
Habitat Conservation Program Liability	—	573	573	—
Landfill Closure and Postclosure Liability	—	3,523	3,523	—
Other Current Liabilities	34,205	40,655	74,860	—
Total Current Liabilities	490,791	522,315	1,013,106	1,916
Noncurrent Liabilities				
Bonds Payable, Net of Unamortized Premiums, Discounts, and Other	971,664	4,465,991	5,437,655	—
Special Assessment Bonds with Governmental Commitment	98,486	—	98,486	—
Compensated Absences Payable	95,311	37,952	133,263	—
Claims Payable	81,772	323,921	405,693	—
Notes and Contracts Payable	12,785	117,969	130,754	—
Landfill Closure and Postclosure Liability	—	9,477	9,477	—
Vendor Deposits Payable	152	19	171	—
Habitat Conservation Program Liability	—	6,369	6,369	—
Unearned Revenues	—	50,177	50,177	—
Unfunded Other Post Employment Benefits	633,899	20,642	654,541	—
Net Pension Liability	810,641	387,578	1,198,219	—
Other Noncurrent Liabilities	861	4,120	4,981	—
Total Noncurrent Liabilities	2,705,571	5,424,215	8,129,786	—
Total Liabilities	3,196,362	5,946,530	9,142,892	1,916
DEFERRED INFLOWS OF RESOURCES				
	622,351	364,140	986,491	—

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STATEMENT OF NET POSITION
December 31, 2021
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	2021	
NET POSITION				
Net Investment in Capital Assets	\$ 3,576,814	\$ 3,206,317	\$ 6,783,131	\$ 8
Restricted for				
Debt Service	18,880	—	18,880	—
Capital Projects	403,350	—	403,350	—
Revenue Stabilization Account	—	25,000	25,000	—
Education and Development Services	130,380	—	130,380	—
Conservation and Environmental Costs	—	8,990	8,990	—
External Infrastructure Costs	—	8,024	8,024	—
Other Charges	—	25,046	25,046	—
Health Care Reserve	96,755	—	96,755	—
Transportation Programs	114,867	—	114,867	—
Low-Income Housing Programs	217,103	—	217,103	—
Other Purposes	153,586	—	153,586	65,539
Nonexpendable	50	—	50	—
Unrestricted	(902,525)	338,573	(563,952)	29,868
Total Net Position	3,809,260	3,611,950	7,421,210	95,415
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ 7,627,973	 \$ 9,922,620	 \$ 17,550,593	 \$ 97,331

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021
(In Thousands)

Functions/Programs	Program Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 251,900	\$ 11,858	\$ 48,549	\$ 2,537
Judicial	32,570	18,138	151	—
Public Safety	536,517	46,294	48,442	—
Physical Environment	24,830	4,479	1,898	—
Transportation	457,129	208,114	65,760	—
Economic Environment	518,602	93,828	95,175	505
Health and Human Services	182,952	1,783	56,888	—
Culture and Recreation	307,997	42,269	24,884	—
Interest on Long-Term Debt	45,353	—	—	—
Total Governmental Activities	2,357,850	426,763	341,747	3,042
BUSINESS-TYPE ACTIVITIES				
Light	970,061	1,108,978	(235)	65,669
Water	237,644	303,499	—	9,530
Drainage and Wastewater	399,179	502,517	12,180	—
Solid Waste	201,043	238,261	1,489	—
Construction & Inspection	75,711	75,330	—	—
Total Business-Type Activities	1,883,638	2,228,585	13,434	75,199
Total Government-Wide Activities	\$ 4,241,488	\$ 2,655,348	\$ 355,181	\$ 78,241
COMPONENT UNITS	\$ 6,226	\$ 188	\$ 5,784	\$ —

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STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021
(In Thousands)

	Net Revenue (Expense) and Changes in Net Position			Component Units
	Primary Government			
	Governmental Activities	Business-Type Activities	2021	
GOVERNMENTAL ACTIVITIES				
General Government	\$ (188,956)	\$ —	\$ (188,956)	
Judicial	(14,281)	—	(14,281)	
Public Safety	(441,781)	—	(441,781)	
Physical Environment	(18,453)	—	(18,453)	
Transportation	(183,255)	—	(183,255)	
Economic Environment	(329,094)	—	(329,094)	
Health and Human Services	(124,281)	—	(124,281)	
Culture and Recreation	(240,844)	—	(240,844)	
Interest on Long-Term Debt	(45,353)	—	(45,353)	
Total Governmental Activities	(1,586,298)	—	(1,586,298)	
BUSINESS-TYPE ACTIVITIES				
Light	—	204,351	204,351	
Water	—	75,385	75,385	
Drainage and Wastewater	—	115,518	115,518	
Solid Waste	—	38,707	38,707	
Construction & Inspection	—	(381)	(381)	
Total Business-Type Activities	—	433,580	433,580	
Total Government-Wide Activities	(1,586,298)	433,580	(1,152,718)	
				\$ (254)
COMPONENT UNITS				
General Revenues				
Property Taxes	707,660	—	707,660	—
Sales Taxes	343,318	—	343,318	—
Business Taxes	816,861	—	816,861	—
Excise Taxes	143,425	—	143,425	—
Other Taxes	51,111	—	51,111	—
Unrestricted Investment Earnings (Loss)	(2,214)	(2,508)	(4,722)	8,960
Gain on Sale of Capital Assets	7,592	—	7,592	—
Special Item - Environmental Remediation	—	(6,802)	(6,802)	—
Transfers	2,594	—	2,594	—
Total General Revenues (Loss), Special Item, and Transfers	2,070,347	(9,310)	2,061,037	8,960
Changes in Net Position	484,049	424,270	908,319	8,706
Net Position - Beginning of Year	3,324,982	3,187,680	6,512,662	86,709
Restatements/Prior-Year Adjustments	229	—	229	—
Net Position - Beginning of Year as Restated	3,325,211	3,187,680	6,512,891	86,709
Net Position - End of Year	\$ 3,809,260	\$ 3,611,950	\$ 7,421,210	\$ 95,415

Fund Financial Statements

MAJOR GOVERNMENTAL FUNDS

The **General Fund** is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund. It derives the majority of its revenues from property, sales, business, and utility taxes. Several separate funds are combined as one single general fund for reporting purposes, and all interfund activity and balances are eliminated.

The **Transportation Fund** accounts for revenues for construction, improvement, repair, or maintenance of City streets and roadways. Revenues include taxes on the sale, distribution, or use of motor vehicle fuel; property taxes, commercial parking taxes, and motor vehicle excise taxes designated for street purposes; and grants.

Descriptions for nonmajor governmental funds are provided in the Combining Statements and Other Supplementary Information section.

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021
(In Thousands)**

	General Fund	Transportation	Other Governmental	2021
ASSETS				
Cash and Equity in Pooled Investments	\$ 423,315	\$ 53,607	\$ 905,676	\$ 1,382,598
Receivables, Net of Allowances	395,167	20,525	152,682	568,374
Due from Other Funds	3,785	58	2,627	6,470
Due from Other Governments	73,144	48,042	22,429	143,615
Interfund Loans and Advances	15,500	—	25,000	40,500
Other Current Assets	7,249	—	705	7,954
Total Assets	918,160	122,232	1,109,119	2,149,511
DEFERRED OUTFLOWS OF RESOURCES				
	—	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 918,160</u>	<u>\$ 122,232</u>	<u>\$ 1,109,119</u>	<u>\$ 2,149,511</u>
LIABILITIES				
Accounts Payable	\$ 84,725	\$ 14,629	\$ 29,998	\$ 129,352
Contracts Payable	172	1,922	473	2,567
Salaries, Benefits, and Taxes Payable	20,358	4,006	4,681	29,045
Due to Other Funds	—	19	1,753	1,772
Due to Other Governments	2,842	—	(1)	2,841
Revenues Collected in Advance	13,188	20,481	109,770	143,439
Interfund Loans and Advances	65,000	24,000	15,540	104,540
Other Current Liabilities	9,410	254	23,489	33,153
Total Liabilities	195,695	65,311	185,703	446,709
DEFERRED INFLOWS OF RESOURCES				
	5,081	1,691	104,823	111,595
FUND BALANCES				
Nonspendable	\$ 75	\$ —	536	\$ 611
Restricted	296,372	52,337	786,212	1,134,921
Committed	114,846	2,893	16,027	133,766
Assigned	10,946	—	24,970	35,916
Unassigned	295,145	—	(9,152)	285,993
Total Fund Balances	717,384	55,230	818,593	1,591,207
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 918,160</u>	<u>\$ 122,232</u>	<u>\$ 1,109,119</u>	<u>\$ 2,149,511</u>

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BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021
(In Thousands)

	2021
Governmental Fund Balance	\$ 1,591,207
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 3,853,225
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	(20,305)
Internal service funds are used by management to charge the costs of Fleets and Facilities, Information Technology, and Engineering Services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. Adjustments to reflect the consolidation of internal service fund (ISF) activities related to enterprise funds and prior-year adjustment (B-6) are added back to ISF total net position, and the latter amounts are included in governmental activities.	508,762
Net Pension Asset	630,536
Deferred outflows of resources	161,739
Deferred inflows of resources	(452,490)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
Claims Payable - Current	(48,354)
Accrued Interest Payable	(5,119)
Current Portion of Long-Term Debt	(50,496)
Compensated Absences Payable	(4,256)
General Obligation Bonds Payable	(785,980)
Less Bond Discount and Premium	
Special Assessment Bonds	(98,486)
Net Pension Liability	(666,594)
Notes and Other Long-Term Liabilities	(12,785)
Compensated Absences - Long-Term	(80,857)
Claims Payable - Long-Term	(80,997)
Unfunded Other Post Employment Benefits	(626,592)
Other Liabilities	(2,898)
Net Adjustments	2,218,053
Net Position of Governmental Activities	\$ 3,809,260

**B-4 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021
(In Thousands)**

REVENUES	General Fund	Transportation	Other Governmental	2021
Taxes				
Property Taxes	\$ 363,688	\$ 106,565	\$ 237,128	\$ 707,381
Sales Taxes	301,031	163	42,123	343,317
Business Taxes	788,320	28,541	—	816,861
Excise Taxes	123,658	—	19,767	143,425
Other Taxes	27,463	—	23,648	51,111
Licenses and Permits	39,467	7,284	885	47,636
Grants, Shared Revenues, and Contributions	92,356	52,504	259,749	404,609
Charges for Services	81,734	163,456	124,011	369,201
Fines and Forfeits	22,402	2,249	8,156	32,807
Concessions, Parking Fees, and Space Rent	11,195	153	15,353	26,701
Program Income, Interest, and Miscellaneous Revenues	124,402	(896)	11,038	134,544
Total Revenues	1,975,716	360,019	741,858	3,077,593
EXPENDITURES				
Current				
General Government	323,109	—	47,381	370,490
Judicial	38,176	—	—	38,176
Public Safety	774,534	—	4,149	778,683
Physical Environment	25,230	—	351	25,581
Transportation	76,318	192,165	92,734	361,217
Economic Environment	212,425	—	308,926	521,351
Health and Human Services	47,141	—	140,066	187,207
Culture and Recreation	197,656	—	127,704	325,360
Capital Outlay				
General Government	115	—	—	115
Public Safety	2,672	—	218	2,890
Physical Environment	(166)	—	—	(166)
Transportation	5,521	140,609	18,712	164,842
Culture and Recreation	17,315	—	34,897	52,212
Debt Service				
Principal	—	1,238	77,788	79,026
Interest	—	83	39,962	40,045
Bond Issuance Cost	—	—	1,127	1,127
Other	—	—	—	—
Total Expenditures	1,720,046	334,095	894,015	2,948,156
Excess (Deficiency) of Revenues over Expenditures	255,670	25,924	(152,157)	129,437
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	—	—	240,105	240,105
Premium on Bonds Issued	—	—	34,115	34,115
Payment to Refunded Bond Escrow Agent	—	—	(38,359)	(38,359)
Sales of Capital Assets	3,775	3,775	42	7,592
Capital Leases & Installments	—	—	11	11
Transfers In	5,126	—	113,214	118,340
Transfers Out	(62,014)	(24,514)	(16,690)	(103,218)
Total Other Financing Sources (Uses)	(53,113)	(20,739)	332,438	258,586
Net Change in Fund Balance	202,557	5,185	180,281	388,023
Fund Balances - Beginning of Year	514,598	50,045	638,312	1,202,955
Restatements/Prior-Year Adjustments	229	—	—	229
Fund Balances - Beginning of Year as Restated	514,827	50,045	638,312	1,203,184
Fund Balances - End of Year	\$ 717,384	\$ 55,230	\$ 818,593	\$ 1,591,207

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**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021
(In Thousands)**

		2021
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	\$	388,023
Governmental funds report capital outlay as expenditures and proceeds from the disposition of capital assets as other financing sources. However, in the statement of activities the cost of those assets is allocated over the estimated useful life and reported as depreciation expense and the gain or loss is reported as income.		
Depreciation expense for the year		(155,565)
Capital outlay reported as expenditures		224,515
Retirement and sale of capital assets		(5,719)
Capital assets received as donations		(311)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are comprised of:		
Unavailable resources - property taxes		279
Reduction of long-term receivable		8,326
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premium, discount, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the result of the differences in the treatment of long-term debt and related items:		
Proceeds of general obligation bonds		(164,030)
Premium on general obligation bonds		(7,392)
Proceeds from loans		(5,220)
Principal payments bonds/notes		(12,590)
Amortization of bond premium		7,650
Amortization of loss on refunding		(287)
Bond interest payable		111
Bond expense		16,336
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences		3,386
Injury and damage claims		(12,724)
Workers' compensation		(2,761)
Unfunded OPEB liabilities		123,259
Environmental liability		(470)
Debt guarantee of SISC 2004 bonds		396
Pension Expense - GASB68		63,196
Internal service funds are used by management to charge the cost of Fleets and Facilities, Information Technology, and Engineering Services to individual funds. Adjustments reflect the consolidation of internal service funds activities to governmental funds:		
Operating loss (income) allocated to enterprise funds		20,991
Net revenue of internal service funds activities reported with governmental activities		(5,353)
Change in Net Position of Governmental Activities	\$	484,046

MAJOR PROPRIETARY FUNDS

The **Light Fund** (City Light) accounts for the operations of the City-owned electric utility. City Light owns and operates certain generating, transmission, and distribution facilities and supplies electricity to approximately 461,500 customers in the Seattle and certain surrounding communities. City Light also supplies electrical energy to other City agencies at rates prescribed by City ordinances.

The **Water Fund** accounts for activities of the water system operated by Seattle Public Utilities (SPU). The water system, established in 1890, provides water to the greater Seattle area through direct service to customers and through wholesale contracts. The activities of the water system include protection of available water supply, transmission of water to customers, development of water conservation programs, evaluation of new water sources, and management of the City's water system assets, which include the Tolt and Cedar River Watersheds, water pipes, pumping stations, and treatment plants.

The **Drainage and Wastewater Fund** accounts for the drainage and wastewater systems operated by SPU. Drainage activities include regulating storm water runoff, alleviating flooding, mitigating water pollution caused by runoff, and responding to federal storm water regulations, in addition to managing drainage utility assets. Wastewater activities consist of managing the City's sewer system, including the operation of sewer utility facilities and pumping stations necessary to collect the sewage of the City and discharge it into the King County Department of Natural Resources Wastewater Treatment System for treatment and disposal.

Descriptions for non-major enterprise funds and the City's internal service funds are provided in the Combining Statements and Other Supplementary Information section.

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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021
(In Thousands)

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor		Internal Service
ASSETS						
Current Assets						
Operating Cash and Equity in Pooled Investments	\$ 193,119	\$ 103,020	\$ 219,235	\$ 211,663	\$ 727,037	\$ 25,666
Restricted Cash and Equity in Pooled Investments				—	—	29,131
Receivables, Net of Allowances						
Accounts	162,671	24,300	36,483	23,620	247,074	1,098
Interest and Dividends		1,003	268	14	1,285	—
Unbilled	99,106	16,777	30,892	18,295	165,070	—
Due from Other Funds			617	533	1,150	24,088
Due from Other Governments	13,080	1,860	9,183	1,613	25,736	8,879
Materials and Supplies Inventory	42,432	7,833	1,912	190	52,367	5,752
Interfund Loan & Advances				40,000	40,000	—
Prepayments and Other Current Assets	291	72	34	20	417	11,238
Total Current Assets	510,699	154,865	298,624	295,948	1,260,136	105,852
Noncurrent Assets						
Restricted Cash and Equity in Pooled Investments	280,866	113,183	116,361	46,681	557,091	45,525
Notes and Contracts Receivable			2,287		2,287	—
Conservation Costs, Net	256,047	24,839			280,886	—
Landfill Closure and Postclosure Costs, Net				16,160	16,160	—
Environmental Costs and Recoveries	118,734		2,603		121,337	—
External Infrastructure Costs			17,278		17,278	—
Regulatory Asset		8,483	5,005	1,757	15,245	—
Other Charges	53,630	5,582	25,943	896	86,051	—
Capital Assets						
Land and Land Rights	154,562	54,362	46,662	26,883	282,469	106,233
Plant in Service, Excluding Land	5,752,136	2,183,917	1,521,835	259,882	9,717,770	—
Less Accumulated Depreciation	(2,195,638)	(952,839)	(471,558)	(96,663)	(3,716,698)	—
Buildings and Improvements				—	—	770,686
Less Accumulated Depreciation				—	—	(332,740)
Machinery and Equipment				852	852	308,988
Less Accumulated Depreciation				(852)	(852)	(194,926)
Construction in Progress	639,790	53,698	356,932	6,532	1,056,952	67,591
Other Property, Net	21,818	2,425	4,440	7,065	35,748	41,426
Total Noncurrent Assets	5,081,945	1,493,650	1,627,788	269,193	8,472,576	812,783
Total Assets	5,592,644	1,648,515	1,926,412	565,141	9,732,712	918,635
DEFERRED OUTFLOWS OF RESOURCES						
Total Assets and Deferred Outflows of Resources	\$5,650,898	\$1,676,767	\$1,945,210	\$ 582,383	\$9,855,258	\$ 959,578

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021
(In Thousands)

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor Funds		Internal Service
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 63,702	\$ 9,267	\$ 16,478	\$ 14,910	\$ 104,357	\$ 10,451
Salaries, Benefits, and Payroll Taxes Payable	7,262	3,077	3,037	2,866	16,242	4,894
Compensated Absences Payable	1,061	291	342	304	1,998	761
Due to Other Funds		3,199	51	—	3,250	—
Due to Other Governments		—	13,554	—	13,554	—
Interest Payable	38,486	10,072	11,548	1,845	61,951	1,852
Taxes Payable	12,689	888	554	840	14,971	49
General Obligation Bonds Due Within One Year				—	—	21,054
Revenue Bonds Due Within One Year	123,290	47,345	29,525	7,295	207,455	—
Claims Payable	14,103	1,405	2,773	717	18,998	541
Notes and Contracts Payable		2,050	4,052	—	6,102	—
Habitat Conservation Program Liability		573		—	573	—
Landfill Closure and Postclosure Liability				3,523	3,523	—
Unearned Revenues and Other Credits	24,850	7,035		—	31,885	—
Other Current Liabilities	34,748	1,363	4,451	93	40,655	530
Total Current Liabilities	320,191	86,565	86,365	32,393	525,514	40,132
Noncurrent Liabilities						
Compensated Absences Payable	20,167	5,526	6,493	5,766	37,952	14,454
Claims Payable	111,582	4,035	189,594	18,710	323,921	775
Public Works Trust Loan		20,677	97,292	—	117,969	—
Landfill Closure and Postclosure Liability				9,477	9,477	—
Vendor and Other Deposits Payable				19	19	152
Habitat Conservation Program Liability		6,369		—	6,369	—
Unearned Revenues and Other Credits	9,884			40,293	50,177	—
Unfunded Other Post Employment Benefits	10,103	3,385	3,537	3,617	20,642	7,307
Net Pension Liability	199,474	65,445	54,687	67,972	387,578	144,047
Other Noncurrent Liabilities	240	623	3,214	43	4,120	—
General Obligation Bonds Payable, Net of Amortized Premium, Discount and Other				—	—	185,684
Revenue Bonds Payable, Net of Amortized Premium, Discount and Other	2,747,112	703,243	836,447	179,189	4,465,991	—
Bond Interest Payable		—		—	—	—
Total Noncurrent Liabilities	3,098,562	809,303	1,191,264	325,086	5,424,215	352,419
Total Liabilities	3,418,753	895,868	1,277,629	357,479	5,949,729	392,551
DEFERRED INFLOWS OF RESOURCES	209,303	66,868	24,735	63,234	364,140	58,266

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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021
(In Thousands)

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor Funds		Internal Service
NET POSITION						
Net Investment in Capital Assets	1,886,073	662,513	630,160	27,571	3,206,317	561,235
Restricted for						
Revenue Stabilization Account	25,000			—	25,000	—
Conservation and Environmental Costs		8,990		—	8,990	—
External Infrastructure Costs			8,024	—	8,024	—
Other Charges		7,450	14,163	3,433	25,046	—
Unrestricted	111,769	35,078	(9,501)	130,666	268,012	(52,474)
Total Net Position	<u>2,022,842</u>	<u>714,031</u>	<u>642,846</u>	<u>161,670</u>	<u>3,541,389</u>	<u>508,761</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$5,650,898</u>	<u>\$1,676,767</u>	<u>\$1,945,210</u>	<u>\$ 582,383</u>	<u>\$9,855,258</u>	<u>\$ 959,578</u>
Total Net Position as above					\$3,541,389	
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Enterprise Funds					<u>70,561</u>	
Net Position of Business-type Activities					<u>\$3,611,950</u>	

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**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021
(In Thousands)**

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor Funds		Internal Service
OPERATING REVENUES						
Charges for Services and Other Revenues	\$ 1,108,978	\$ 303,499	\$ 502,517	\$ 313,591	\$ 2,228,585	\$ 407,918
OPERATING EXPENSES						
Salaries, wages and personnel benefits		57,801	51,740	22,371	131,912	—
Supplies		5,962	3,036	1,116	10,114	—
Services		47,021	52,877	125,420	225,318	—
Intergovernmental Payments		47,727	231,619	31,513	310,859	—
Operations and Maintenance	641,610		—	63,547	705,157	297,739
General and Administrative			—	12,377	12,377	15,454
City Business and Occupation Taxes			—	—	—	1
Taxes	101,478		—	—	101,478	854
Depreciation and Amortization	148,590	55,722	41,286	13,200	258,798	54,192
Other Operating Expenses		7,891	6,666	2,872	17,429	—
Total Operating Expenses	891,678	222,124	387,224	272,416	1,773,442	368,240
Operating Income (Loss)	217,300	81,375	115,293	41,175	455,143	39,678
NONOPERATING REVENUES (EXPENSES)						
Investment and Interest Income	123	(885)	729	(2,475)	(2,508)	(1,011)
Interest Expense	(88,878)	(27,853)	(18,656)	(6,567)	(141,954)	(8,609)
Amortization of Bonds Premiums and Discounts, Net				—	—	4,160
Amortization of Refunding Loss				—	—	356
Gain (Loss) on Sale of Capital Assets				—	—	(2,352)
Contributions and Grants	(235)		12,180	1,489	13,434	20,555
Others, Net	4,431	10,090	4,405	285	19,211	(12,500)
Total Nonoperating Revenues (Expenses)	(84,559)	(18,648)	(1,342)	(7,268)	(111,817)	599
Income (Loss) Before Capital Contributions and Grants, Transfers, and Special Items	132,741	62,727	113,951	33,907	343,326	40,277
Capital Contributions and Grants	65,669	9,530		—	75,199	436
Transfers In				—	—	18,592
Transfers Out				—	—	(31,121)
Environmental Remediation			(6,802)	—	(6,802)	—
Change in Net Position	198,410	72,257	107,149	33,907	411,723	28,184
Net Position - Beginning of Year	1,824,432	641,774	535,697	127,763	3,129,666	480,577
Prior-Year Adjustment				—	—	—
Net Position - Beginning of Year as Restated	1,824,432	641,774	535,697	127,763	3,129,666	480,577
Net Position - End of Year	<u>\$ 2,022,842</u>	<u>\$ 714,031</u>	<u>\$ 642,846</u>	<u>\$ 161,670</u>	<u>\$ 3,541,389</u>	<u>\$ 508,761</u>
Internal Service Fund Activities Related to Enterprise Funds					70,561	
Net Position of Business-Type Activities					<u>\$ 3,611,950</u>	
Change in Net Position as above					\$ 411,723	
Internal Service Fund Activities Related to Enterprise Funds					12,547	
Adjusted Change in Net Position of Business-Type Activities					<u>\$ 424,270</u>	

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STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021
(In Thousands)

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor Funds		Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 1,039,180	\$ 288,506	\$ 497,394	\$ 307,936	\$ 2,133,016	\$ 394,698
Cash Paid to Suppliers	(354,623)	(62,610)	(225,954)	(157,975)	(801,162)	(180,894)
Cash Paid to Employees	(165,843)	(65,308)	(61,515)	(85,824)	(378,490)	(158,448)
Cash Paid for Taxes	(97,221)	(45,659)	(65,647)	(31,224)	(239,751)	(850)
Net Cash from Operating Activities	421,493	114,929	144,278	32,913	713,613	54,506
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Principal Payments on Long-Term Debt and Interfund Loans	(9,105)	—	—	—	(9,105)	—
Interest Paid on Long-Term Debt	(8,151)	—	—	—	(8,151)	—
Operating Grants Received	(236)	3,355	3,804	1,489	8,412	20,539
Transfers In	1,774	—	—	—	1,774	18,593
Transfers Out	(54,005)	—	—	—	(54,005)	(31,121)
Bonneville Receipts for Conservation	1,057	—	—	—	1,057	—
Payments to Vendors on Behalf of Customers for Conservation	(19,405)	—	—	—	(19,405)	—
Loans Provided to Other Funds	—	—	—	(32,000)	(32,000)	(24,000)
Payments for Environmental Liabilities	—	(1)	(2,644)	—	(2,645)	—
Net Cash from Noncapital Financing Activities	(88,071)	3,354	1,160	(30,511)	(114,068)	(15,989)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Bonds and Other Long-Term Debt	380,768	107,724	189,153	—	677,645	—
Principal Payments on Long-Term Debt and Refunding	(108,560)	(155,969)	(88,521)	(9,159)	(362,209)	(1,592)
Capital Expenses and Other Charges Paid	(288,702)	(59,084)	(142,148)	(3,886)	(493,820)	(43,236)
Interest Paid on Long-Term Debt	(97,189)	(32,263)	(32,946)	(7,912)	(170,310)	(8,382)
Capital Fees and Grants Received	354	6,174	8,375	—	14,903	9,638
Payment to Trustee for Defeased Bonds	(173,250)	—	—	—	(173,250)	—
Interest Received for Suburban Infrastructure Improvements	2,474	—	—	—	2,474	—
Debt Issuance Costs	(234)	—	—	—	(234)	(2,588)
Proceeds from Sale of Capital Assets	—	191	154	42	387	—
Net Cash from Capital and Related Financing Activities	(284,339)	(133,227)	(65,933)	(20,915)	(504,414)	(46,160)
CASH FLOWS FROM INVESTING ACTIVITIES^a						
Interest and Investment Income (Loss)	(2,351)	(2,714)	(832)	396	(5,501)	(928)
Net Cash from Investing Activities	(2,351)	(2,714)	(832)	396	(5,501)	(928)
Net Increase (Decrease) in Cash and Equity in Pooled Investments	46,732	(17,658)	78,673	(18,117)	89,630	(8,571)
CASH AND EQUITY IN POOLED INVESTMENTS						
Beginning of Year	427,253	233,861	256,922	276,461	1,194,497	102,156
End of Year	\$ 473,985	\$ 216,203	\$ 335,595	\$ 258,344	\$ 1,284,127	\$ 93,585
CASH AT THE END OF THE YEAR CONSISTS OF						
Operating Cash and Equity in Pooled Investments	\$ 193,119	\$ 103,020	\$ 219,234	\$ 211,663	\$ 727,036	\$ 25,665
Current Restricted Cash and Equity in Pooled Investments	—	—	—	—	—	71,267
Noncurrent Restricted Cash and Equity in Pooled Investments	280,866	113,183	116,361	46,681	557,091	3,389
Total Cash at the End of the Year	\$ 473,985	\$ 216,203	\$ 335,595	\$ 258,344	\$ 1,284,127	\$ 100,321

^a Increases and decreases in the fair value of investments are treated as additions or deductions to cash and equity in pooled investments and long-term investments. Information on the increases or decreases in the fair value of long-term investments is shown in the Noncash Investing, Capital, and Financing Activities section of the Statement of Cash Flows.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021
(In Thousands)

	Business-Type Activities Enterprise Funds				2021	Governmental Activities
	Light	Water	Drainage and Wastewater	Nonmajor Funds		Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 217,300	\$ 81,375	\$ 115,293	\$ 41,175	\$ 455,143	\$ 39,678
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash from Operating Activities						
Depreciation and Amortization	148,590	55,722	41,286	13,200	258,798	54,192
Amortization of Other Liabilities and Other Operating Expenses	33,830	(7,150)	(8,402)	(2,330)	15,948	(46,887)
Nonoperating Revenues and Expenses	1,352	3,797	(591)	(2,625)	1,933	—
Changes in Operating Assets and Liabilities						
Accounts Receivable	23,073	(4,257)	(7,514)	(4,284)	7,018	(77)
Unbilled Receivables	(11,590)	(260)	(7,827)	(1,903)	(21,580)	(8,511)
Other Receivables	(38)	—	—	—	(38)	—
Due from Other Funds	—	63	(68)	(1)	(6)	4,248
Due from Other Governments	—	(975)	7,549	290	6,864	(8,879)
Materials and Supplies Inventory	(1,465)	(811)	(17)	—	(2,293)	3,728
Accounts Payable	1,804	(657)	33	(6,889)	(5,709)	(15,664)
Salaries, Benefits, and Payroll Taxes Payable	—	(510)	(496)	211	(795)	683
Compensated Absences Payable	51	(108)	769	160	872	231
Due to Other Funds	—	3,194	51	—	3,245	44
Due to Other Governments	—	(110)	(172)	(16)	(298)	(21)
Claims Payable	204	208	4,406	1,691	6,509	13
Taxes Payable	(288)	77	122	59	(30)	(32)
Unearned Revenues and Other Credits	—	—	—	2,143	2,143	—
Other Assets and Liabilities	6,124	3,490	(144)	(7,969)	1,501	31,760
Rate Stabilization	2,546	(18,159)	—	—	(15,613)	—
Total Adjustments	<u>204,193</u>	<u>33,554</u>	<u>28,985</u>	<u>(8,263)</u>	<u>258,469</u>	<u>14,828</u>
Net Cash from Operating Activities	<u>\$ 421,493</u>	<u>\$ 114,929</u>	<u>\$ 144,278</u>	<u>\$ 32,912</u>	<u>\$ 713,612</u>	<u>\$ 54,506</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
In-Kind Capital Contributions	\$ 667	\$ 3,252	\$ —	\$ —	\$ 3,919	\$ —
Amortization of Debt Related Costs, Net	20,725	—	—	—	20,725	3,689
Power Exchange Revenues	32,579	—	—	—	32,579	—
Power Exchange Expenses	(32,579)	—	—	—	(32,579)	—
Power Revenue Netted against Power Expenses	10,073	—	—	—	10,073	—
Power Expense Netted against Power Revenues	(8,577)	—	—	—	(8,577)	—
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 22,888</u>	<u>\$ 3,252</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 26,140</u>	<u>\$ 3,689</u>

FIDUCIARY FUNDS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

The **Employees' Retirement Fund** receives employees' payroll deductions for retirement and the City's matching contributions. It pays pension benefits to retired City employees. It also accounts for the investments and related earnings in the City's employee retirement plan.

PRIVATE-PURPOSE TRUST FUND

The **S. L. Denny Fund** holds a non-expendable gift. The investment income is available for aid to disabled firemen.

CUSTODIAL FUND

Custodial Funds are used to report fiduciary activities that are not required to be reported in pension and other employee benefit trust funds, investment trust funds, or private-purpose trust funds.

The **Custodial Fund** records the balances of five bank accounts held in a custodial capacity for external customers. The City has no legal right to or ownership of the balances. The fund includes balances for Seattle Police evidence, Municipal Court restitution and bail monies, and amounts held by City Light.

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STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021
(In Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Equity in Pooled Investments	362,118	243	5,468
Receivables			
Members	3,139	—	—
Employers	4,237	—	—
Interest and Dividends	5,507	—	—
Sales Proceeds	62,546	—	—
Total Receivables	75,429	—	—
Investments at Fair Value			
Fixed Income	933,068	—	—
Equity	2,490,585	—	—
Real Estate	488,885	—	—
Total Investments at Fair Value	3,912,538	—	—
Securities Lending Collateral	8,490	—	—
Prepaid Expenses	393	—	—
Total Assets	4,358,968	243	5,468
LIABILITIES			
Accounts Payable and Other Liabilities	4,063	—	—
Securities Lending Collateral	8,490	—	—
Investment Commitments Payable	211,632	—	—
Total Liabilities	224,185	—	—
Net Position Restricted:			
Pensions	4,134,782	—	—
Individuals and Organizations	—	243	5,468
Total Net Position	<u>\$ 4,134,782</u>	<u>\$ 243</u>	<u>\$ 5,468</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2021
(In Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions			
Employer	\$ 139,665	\$ —	\$ —
Plan Member	81,682	—	—
Total Contributions	221,347	—	—
Investment Income			
From Investment Activities			
Net Appreciation (Depreciation) in Fair Value of Investments	484,526	2	—
Interest	20,825	—	—
Dividends	19,251	—	—
Other Investment Income	12,209	—	—
Total Investment Activities Income	536,811	2	—
From Securities Lending Activities			
Securities Lending Income	55	—	—
Borrower Rebates	47	—	—
Total Securities Lending Income	102	—	—
Securities Lending Expenses			
Management Fees	25	—	—
Total Securities Lending Expenses	25	—	—
Net Income from Securities Lending Activities	77	—	—
Investment Activity Expenses	14,109	—	—
Net Income/(Loss) from Investment Activities	522,779	2	—
Other Income	—	—	258
Total Additions	744,126	2	258
DEDUCTIONS			
Benefits	223,168	—	—
Refund of Contributions	20,954	—	—
Administrative Expense	6,676	—	—
Other	—	—	333
Total Deductions	250,798	—	333
Change in Net Position	493,328	2	(75)
Net Position - Beginning of Year	3,641,454	245	5,543
Net Position - End of Year	\$ 4,134,782	\$ 247	\$ 5,468

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Seattle (the City) are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

REPORTING ENTITY

The City was incorporated in 1869 with a mayor-council form of government. From 1922 to 2013, the City's nine council members were elected at large, rather than by geographic subdivisions. As a result of a ballot measure passed on November 5, 2013, council members are now elected on a hybrid system of seven district members and two at-large members. The only other elected offices are the City Attorney and Municipal Court judges. Like some other parts of the United States, government and laws are also run by a series of ballot initiatives (allowing citizens to pass or reject laws), referenda (allowing citizens to approve or reject legislation already passed), and propositions (allowing specific government agencies to propose new laws or tax increases directly to the people).

As required by generally accepted accounting principles the financial statements present the City, the primary government and its component units. The decision to include a component unit in the reporting entity is made by applying the criteria set forth in GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 (GASB 61). Under GASB 61, a legally separate entity must be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The financial statements include the organizations for which the elected officials of the City are financially accountable. Criteria indicating financial accountability include, but are not limited to, the following:

- Appointment by the City of a majority of voting members of the governing body of an organization, and
 - Ability of the City to impose its will on the daily operations of an organization, such as the power to remove appointed members at will; to modify or approve budgets, rates, or fees; or to make other substantive decisions; or
 - Provisions by the organization of specific financial benefits to the City; or
 - Imposition by any organization of specific financial burdens on the City, such as the assumption of deficits or provision of support
- Or, fiscal dependency by the organization on the City, such as from the lack of authority to determine its budget or issue its own bonded debt without City approval.

The City presents its component units information in Note 12.

Related Organizations. The City is also responsible for appointing the members of the governing body of the following organizations, but the accountability for these organizations do not extend beyond making the appointment. These organizations are excluded from the City's financial statements:

- Housing Authority of the City of Seattle
- City of Seattle Industrial Development Corporation
- Burke-Gilman Place Public Development Authority

Joint Venture. A joint venture is an organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate activity. In addition to joint control, each participant must have either an ongoing financial interest or an ongoing financial responsibility. The City participates with King County in a joint venture with regard to the Seattle-King County Work Force Development Council. More information regarding joint ventures can be found in Note 13.

Jointly Governed Organizations. These organizations may appear similar to joint ventures as they provide goods or services to the citizenry of two or more governments. However, they do not meet the definition of a joint venture because there is no ongoing financial interest or responsibility by the participating governments. The City participates with regional local governments in jointly governed organizations regarding the King County Regional Homelessness Authority and Puget Sound Emergency Radio Network Operator. Please see note 13 for more information.

ACCOUNTING STANDARDS

In 2019, the City fully implemented GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As a result of implementation, the City created a Custodial Fund to account for monies held for external parties in a custodial capacity.

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all nonfiduciary activities of the primary government. As a rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Resources of fiduciary activities, which are not available to finance governmental programs, are excluded from the government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The difference between government-wide (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources is net position. Net position is displayed in three components: net investment in capital assets, restricted, and unrestricted.

The amount reported as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bond proceeds; deferred inflows and outflows of resources attributable to capital assets; mortgages; notes; or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints placed on its use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the amount remaining that is not “net investment in capital assets” or “restricted.”

Statement of Activities. The Statement of Activities displays the degree to which the direct expenses of a given function or segment is funded by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment, including depreciation on capital assets that are clearly associated with a given function. In general, expenses related to personnel functions are reported as indirect expenses. The City’s policy is to allocate indirect costs to a specific function or segment. Program revenues are revenues derived directly from the program itself. These revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other revenues not included as program revenues are reported as general revenues.

Interfund activities within governmental funds or within enterprise funds of the City are eliminated. The effects of interfund services provided and used between functions are not eliminated, such as the sale of utility services to the general government and to other funds. This avoids misstatement of program revenues of the selling function and expenses of the various users. Operating income or loss reported by internal service funds in the fund financial statements are allocated back to the City departments either as a reduction or addition to their expenses by function.

Fund Financial Statements. Separate fund financial statements are provided to report additional and detailed information for governmental funds, proprietary funds, and fiduciary funds. Even though fiduciary funds are excluded from the government-wide

financial statements, these funds are reported in the fund financial statements under the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Major individual governmental funds and major individual enterprise funds are presented in separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in other funds.
- The Transportation Fund accounts for revenues for construction, improvement, repair, or maintenance of City streets and waterways. Revenues include taxes on the sale, disposition, or use of motor vehicle fuel; motor vehicle excise taxes designated for street purposes; and grants.

The City reports the following major proprietary funds:

- The Light Fund accounts for operating the City's electric utility which owns and operates generating, transmission, and distribution facilities. The Light Fund supplies electricity to approximately 461,500 customers in the Seattle area as well as to other city agencies.
- The Water Fund accounts for operating the City's water utility. The fund was established to account for activities of the water system operated by Seattle Public Utilities (SPU). The water system, established in 1890, provides water to the greater Seattle area through direct service to customers and through purveyors, such as suburban water districts and municipalities. The activities of the water system include protection of available water supply, transmission of water to customers, development of water conservation programs, evaluation of new water sources, and management of the City's water system assets, which include the Tolt and Cedar River Watersheds, water pipes, pumping stations, and treatment plants.
- The Drainage and Wastewater Fund accounts for operating the City's sewer and drainage utility facilities and its pumping stations. These facilities and pumping stations collect the sewage of the City and discharge it into the King County Department of Natural Resources Wastewater Treatment System for treatment and disposal.

Additionally, the City reports the following fund types:

- Internal service funds account for support services provided to other City departments, such as motor pool, office space, financial services, managing the design and construction phases of capital improvement projects, telecommunications, data communications, and radio systems.
- Fiduciary funds account for assets held in a trustee or custodial capacity. Fiduciary funds include the Employees' Retirement Fund, S. L. Denny Fund and custodial funds. The Employees' Retirement Fund receives employees' payroll deductions for retirement and the City's matching contributions. It pays pension benefits to retired City employees. The S. L. Denny Fund, a private-purpose trust, holds a nonexpendable gift. Investment income is available to aid disabled firemen. Custodial funds are not used to support the government's own programs and so these funds are excluded from the government-wide financial statements. The City reports the following as custodial funds: Regulatory Fund, FileLocal Fund and Custodial Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide Financial Statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are measurable but not available are recorded as receivables and offset by deferred inflows of resources.

Property taxes, business and occupation taxes, and other taxpayer-assessed tax revenues that are due for the current year are considered measurable and available and are therefore recognized as revenues even though a portion of the taxes may be collected in the subsequent year. Special assessments are recognized as revenues only to the extent that those individual installments are

considered as current assets. Intergovernmental revenues received as reimbursements for specific purposes are recognized when the expenditures are recognized. Intergovernmental revenues received but not earned are recorded as unearned revenues. Licenses, fines, penalties, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are accrued as earned.

Expenditures generally are recorded when a liability is incurred, regardless of when payment is made, based on accrual accounting. However, debt service expenditure, judgments and claims, worker's compensation, and compensated absences are recorded only when payment is due.

The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year-end are no longer specifically reported as reservations of fund balances for governmental type funds. They are included in the restricted, committed, or assigned fund balance as defined by GASB Statement No. 54

Proprietary Fund Financial Statements. Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability incurred, regardless of the timing of the cash flows. Certain costs in the enterprise funds are reported as an asset and expensed in future years when costs are allocated to those years, and as the utility rates recover these costs. The revenues of the four utilities, which are based upon service rates authorized by the City Council, are determined by monthly or bimonthly billings to customers. Amounts received but not earned at year-end are reported as unearned revenues. Earned but unbilled revenues are accrued as revenues and receivable.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Light, Water, Solid Waste, Drainage and Wastewater Utilities, the Construction and Inspections Fund, and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of personnel services, contractual services, other supplies and expenses, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund Financial Statements. Financial statements for the pension trust, private-purpose trust, and custodial funds are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, and additions to and deductions from (including contributions, benefits, and refunds) plan net position of the retirement funds are recognized when the transactions or events occur. Employee and employer contributions are reported in the period in which the contributions are due. Member benefits, including refunds, are due and payable by the plan in accordance with plan terms.

Use of Estimates. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. The City used significant estimates in determining reported allowance for doubtful accounts, unbilled revenues, power exchanges, asset life, claims payable, environmental liabilities, employee benefits, post-employment benefits, and other contingencies. Actual results may differ from those estimates.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

Cash and Investments. Under the City's investment policy all temporary cash surpluses are invested, either directly or through a "sweep account." Pooled investments are reported on the combined balance sheets as Cash and Equity in Pooled Investments. Interest earned on the pooled investments is prorated to individual funds at the end of each month based on their average daily cash balances during the month when interest was earned.

Since the participating funds in the City's internal investment pool use the pool as if it were a demand deposit account, the proprietary fund equity in pooled investments is considered cash for cash flow reporting purposes.

Investments are recorded at fair value based on the market approach valuation technique. Fair value 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.

For more on the City's investment policies, see Note 3.

Receivables, Due To and Receivables, Due From Other Funds and Governments, Interfund Loans, and Advances Receivable. Taxes receivable consist of property taxes and general business and occupation taxes. See Note 4 Receivables for additional information. Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties.

Customer accounts receivable consist of amounts owed by private individuals and organizations for goods delivered or services rendered in the regular course of business operations including amounts owed for which billings have not been prepared. Notes and contracts receivable arise from written agreements or contracts with private individuals or organizations. Receivables are shown net of allowances for uncollectible accounts.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/due from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 4.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Inventories. Inventories consist of expendable materials and supplies held for consumption. These amounts are recorded as expenditures in governmental funds at the time these items are purchased. This is known as the purchase method. However, any significant inventories in a governmental fund may also be reported as assets, as allowed by GAAP, and are equally offset by a fund balance reserve to indicate that they do not constitute available spendable resources even though they are included in net position. Proprietary funds inventories are held until expensed when consumed. Unconsumed amounts are generally valued using the weighted average cost method by City Light and the moving average method by Seattle Public Utilities, which approximates the fair value.

Capital Assets. Capital assets, which include land, land rights, utility plant, buildings and improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are valued at acquisition value at the time of donation. For proprietary funds, contributions of capital assets are reported under Capital Contributions and Grants in the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset or significantly extend the asset's original estimated useful life. The costs for normal maintenance and repairs are immediately expensed.

Governmental infrastructure assets include long lived capital assets, such as roads, bridges, and tunnels that normally can be preserved for a significantly greater number of years than most capital assets. Where historical costs for certain infrastructure assets are unavailable, estimated historical costs were established via sources such as City's street reports to the state. Works of art are valued at historical cost. In cases where the historical cost is not available, the cost is estimated by deflating the current replacement cost using the appropriate price index.

Expenses related to Construction In Progress are capitalized when incurred, and only expensed if they are subsequently determined to be noncapitalizable. Upon completion, Construction In Progress assets are reclassified to their appropriate asset category.

All exhaustible capital assets are depreciated. Annual depreciation is recorded in government-wide financial statements as an expense of the governmental function for which the assets are being used. Depreciation is computed using the straightline method over estimated service lives as follows:

Utility plant	33 - 100 years
Building	25 - 50 years
Improvements other than buildings	25 - 50 years
Infrastructure	10 - 50 years
Machinery and equipment	2 - 25 years

In addition to the capital asset conventions followed by governmental funds, regulated enterprise funds use industry specific accounting techniques such as mass asset accounting and recording provisions for cost of removal of capital assets. These techniques can result in the reporting of accumulated depreciation in excess of the costs of capital assets.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

Restricted Assets. In accordance with utility bond resolutions, state law, or other agreements, separate restricted assets have been established. These assets are restricted for specific purposes including the establishment of bond reserve funds, financing the ongoing capital improvement programs of the various utilities, and other purposes. Specific debt service reserve requirements are described in Note 9 Long-term Debt.

Other Charges. Other charges include preliminary costs of projects and information systems and programmatic conservation costs. Costs related to projects that are ultimately constructed are transferred to utility plant while costs related to abandoned projects are expensed. Conservation program costs in City Light and Water Fund which result in long-term benefits and reduce or postpone other capital expenditures are capitalized and amortized over their expected useful lives due to the Utilities' capital financing plans and rate-setting methodology. Costs of administering the overall program are expensed as incurred.

Prepaid Items. Payments made in advance to vendors for certain goods or services, such as building rent, that will benefit future periods are recorded as prepaid items in both the government-wide and fund financial statements. The expenditures/expenses are recognized in the period of consumption or occupancy. Prepaids recorded in governmental type funds do not reflect current appropriated resources and shall be reported as non-spendable fund balance. The City recognizes a reserve of fund balance for prepaid items only when the amount in the fund is material to the financial statements.

Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Two items qualify for reporting in this category – deferred charge on refunding and deferred outflow for pensions and other post-employment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources for pensions and OPEB results from contributions made after the measurement date, the difference between projected and actual investment earnings, the difference between expected and actual experience, changes in actuarial assumptions, and changes in proportions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the business-type activities and proprietary funds represent sewer revenues that are reserved annually to normalize future sewer rates. The deferred inflows of resources reported in government-wide statements represent the following:

- Pensions and other post-employment benefits
 - Grants received before meeting time requirements, but after all other eligibility requirements have been met
 - Unavailable revenue from property taxes, district court receivables and abatement receivables
- These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

See Note 4 for additional information of deferred outflows and inflows of resources.

Compensated Absences. Compensated absences consist of unused vacation pay, sick pay, and other paid leaves earned by employees. Employees earn vacation based upon the date of hire and years of service and may accumulate earned vacation up to a maximum of 480 hours. Unused vacation balances remaining at retirement or termination are considered vested and payable to the employee. Employees earn up to 12 days of sick leave per year; there is no limit to the amount of sick leave an employee can accumulate. Employees terminated due to retirement can receive a portion of their unused sick leave balance as a cash benefit payable to either the City's Health Reimbursement Arrangement – Voluntary Employees' Beneficiary Association, the City's 457 Plan and Trust, or the employee.

Other compensated absences include compensatory time in lieu of overtime pay, merit credits earned by fire fighters, furlough earned by police, holiday earned by library and police employees, and other compensation earned by City employees under law or union contracts. Unused other compensated absences are vested and payable at retirement or termination. Compensated absences, including payroll taxes, are reported as current and noncurrent liabilities in the Statement of Net Position. Actual balances are accrued for all types of compensated absences except sick leave, the liability for which is generally estimated using the termination method.

More information about this liability can be found in Note 7.

Claims Payable. A liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liabilities are discounted at the City's average investment rate of return (see Note 15 Contingencies). Other Accrued Liabilities. Other accrued liabilities include deposits, interest payable on obligations, lease-purchase agreements, and revenues collected in advance.

Interfund debt is recorded in the appropriate funds even though such debt may result in a noncurrent liability for a governmental fund because the debt is not a general obligation of the City.

Unearned Revenues. Unearned revenues include amounts collected or billed in advance of providing the service. The balances consist primarily of contract revenues, grant funds received in advance of expenditures, portions of local improvement districts special assessments that are due in succeeding years in governmental funds, and the amounts loaned by the Housing and Community Development Revenue Sharing Fund, a special revenue fund, under authorized federal loan programs.

Long-Term Obligations. Long-term obligations are described in Note 9.

Fund Balances. Fund balances are based on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. Fund balances are classified according to these constraints as follows:

- Nonspendable fund balances are either not in spendable form or are legally or contractually required to remain intact;
- Restricted fund balances are restricted for specific purposes by the enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments;
- Committed fund balances can only be used for specific purposes ordained by the City Council. The Council can by ordinance establish, modify, or rescind constraints on committed fund balances;
- Assigned fund balances are constraints imposed by City Management for specific purposes. These constraints are authorized, through the budgeting process, by the Director of the City Budget Office in accordance with SMC 3.14.100. Fund balances of special revenue funds that are neither considered restricted or committed are considered an assigned fund balance; and
- Unassigned fund balances represent balances that are available for any purpose. These balances are only reported in the City's General Fund unless a deficit occurs in any other fund.

The flow assumption is to consider restricted amounts have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. The flow assumption of the City is to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

General Fund Stabilization and Other Reserves. The City created the Revenue Stabilization Account (RSA) to fund activities that would otherwise be reduced in scope, suspended, or eliminated due to unanticipated shortfalls in General Fund revenues. Any use of the RSA shall be accompanied with an ordinance approved by the City Council. The City shall replenish the RSA through (1) transfers by ordinance from other city funds; (2) automatic transfer of 0.5% of forecasted tax revenues; and (3) 50% of unanticipated excess fund balance of the General Fund. At no time shall the maximum funding level exceed 5% of the General Fund tax revenues forecast. At the end of fiscal year 2021, the RSA reported an ending fund balance of \$25.2 million.

The City maintains the Emergency Fund to pay for unanticipated or unplanned expenditures that occur during the course of the fiscal year. Any use of the Emergency Fund shall be accompanied by an ordinance approved by three-fourths of the City Council. At the beginning of each year, sufficient funds shall be appropriated to the Emergency Fund so that its balance equals thirty-seven and one-half cents per thousand dollars of assessed value, which is the maximum amount allowed by state law. The City may also choose to reimburse the Emergency Fund during the year for any expenditure incurred, by transferring unexpended and unencumbered balances from other City funds, or from other reimbursements the City may receive. At the end of fiscal year 2021, the Emergency Fund reported an ending fund balance of \$33.7 million.

A summary of governmental fund balances at December 31, 2021, is as follows:

Table 1-1

GOVERNMENTAL FUND BALANCES ^a

(In Thousands)

Fund Balances	General	Transportation	Other Governmental	Total
Nonspendable				
Not in spendable form ^a	\$ 75	\$ —	\$ 486	\$ 561
Legally or contractually required to be maintained intact	—	—	50	50
Nonspendable Subtotal	\$ 75	\$ —	\$ 536	\$ 611
Restricted				
General	2,671	—	19	\$ 2,690
Transportation	—	52,337	62,529	\$ 114,866
Animal Services	—	—	947	\$ 947
Arts & Culture	—	—	13,491	\$ 13,491
Capital & Continuing Programs	173,180	—	230,171	\$ 403,351
Community & Economic Development	231	—	7,809	\$ 8,040
Community Outreach	—	—	34	\$ 34
Educational & Development Services	—	—	130,382	\$ 130,382
Emergency Preparedness	—	—	121	\$ 121
Employee Benefits	96,282	—	—	\$ 96,282
Fire	474	—	356	\$ 830
General Bond Interest & Redemption	—	—	9,620	\$ 9,620
Health & Human Services	8,252	—	7,718	\$ 15,970
Housing Services	—	—	220,585	\$ 220,585
Library Purposes	15,282	—	23,276	\$ 38,558
Local Improvement District	—	—	9,260	\$ 9,260
Parks & Recreation	—	—	66,559	\$ 66,559
Police	—	—	3,224	\$ 3,224
Endowment	—	—	111	\$ 111
Restricted Subtotal	\$ 296,372	\$ 52,337	\$ 786,212	\$ 1,134,921
Committed				
General	5,586	—	—	\$ 5,586
Transportation	—	2,893	—	\$ 2,893
Arts & Culture	6,404	—	—	\$ 6,404
Capital & Continuing Programs	9,194	—	—	\$ 9,194
Community Outreach	1,874	—	5,596	\$ 7,470
Employee Benefits	8,565	—	—	\$ 8,565
Fire	34,075	—	—	\$ 34,075
Health & Human Services	—	—	10,431	\$ 10,431
Litigation	8,822	—	—	\$ 8,822
Police	21,140	—	—	\$ 21,140
Revenue Stabilization & Reserve	19,186	—	—	\$ 19,186
Committed Subtotal	\$ 114,846	\$ 2,893	\$ 16,027	\$ 133,766
Assigned				
General	8,589	—	—	\$ 8,589
Transportation	—	—	985	\$ 985
Animal Services	—	—	27	\$ 27
Community & Economic Development	2,357	—	—	\$ 2,357
Housing Services	—	—	6,849	\$ 6,849
Parks & Recreation	—	—	17,109	\$ 17,109
Assigned Subtotal	\$ 10,946	\$ —	\$ 24,970	\$ 35,916
Unassigned				
General	255,569	—	—	\$ 255,569
Transportation	(104)	—	—	\$ (104)
Community & Economic Development	(22)	—	(402)	\$ (424)
Emergency Preparedness	33,660	—	—	\$ 33,660
Revenue Stabilization & Reserve	6,042	—	—	\$ 6,042
Seattle Center	—	—	(8,750)	\$ (8,750)
Unassigned Subtotal	\$ 295,145	\$ —	\$ (9,152)	\$ 285,993
Total	\$ 717,384	\$ 55,230	\$ 818,593	\$ 1,591,207

^a Resource that cannot be spent due to their form, such as inventory and prepaid items.

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City budgets for the General Fund and various special revenue funds on an annual basis. The special revenue funds which have legally adopted annual budgets are the Parks and Recreation Fund, the Transportation Fund, the Seattle Center Fund, the Human Services Operating Fund, the Office of Housing Fund, and the Low-Income Housing Fund.

The City Council approves the City's operating budget through the adopted budget ordinance. In addition, the City Council annually approves two separate but related financial planning documents: the Capital Improvement Program (CIP) plan and the Community Development Block Grant (CDBG) program allocation.

The operating budget is proposed by the Mayor and adopted by the City Council at least 30 days before the beginning of the fiscal year. The budget is designed to allocate available resources on a biennial basis among the City's public services and programs and provides for associated financing decisions. The budget appropriates fiscal year expenditures and establishes employee positions by department and fund except for project-oriented, multi-year appropriations made for capital projects, grants, or endowments.

The CIP plan is also proposed by the Mayor and adopted by the City Council at least 30 days before the beginning of the fiscal year. The CIP is a six year plan for capital project expenditures and anticipated financing by funding source. It is revised and extended annually. The City Council adopts the CIP as a planning document but does not appropriate the multi-year expenditures identified in the CIP. These expenditures are legally authorized through the annual operating budget or by specific project ordinances during the year.

The CDBG planning process allocates the annual grant awarded by the federal government. Allocations are made to both City and non-city organizations. Legal authority is established each year by a separate appropriation ordinance for the Housing and Community Development Revenue Sharing Fund.

Amending the Budget. Budgetary control for the operating budget generally is maintained at the budget control level (BCL) within departments with the following exceptions: the Library Fund has its total budget set at the fund level by the City Council, but its actual expenditures are controlled by the Library Board; capital projects programmed in the CIP are controlled at the project or project-phase level or program depending on legal requirements; grant-funded activities are controlled as prescribed by law and federal regulations.

The City Council may by ordinance abrogate, decrease, or re-appropriate any unexpended budget authority during the year. The City Council, with a three-fourths vote, may also increase appropriations. Emergency Fund appropriations related to settlement of claims, emergency conditions, or laws enacted since the annual operating budget ordinance require approval by two-thirds of the City Council.

The City Budget Office may approve the transfer of appropriations. The following restrictions to budget transfers within a budget year are imposed by ordinance. Total budget transfers into a BCL may not exceed 10% of its original budgeted allowance, and in no case may they be greater than \$500,000. Total transfers out may not exceed 25% of the original budgeted allowance.

For capital items the affected budget is both the original appropriated budget for the current year and the unexpended budget carried over from prior years. Within a BCL, departments may transfer appropriations without the City Budget Office's approval.

Budgetary Reporting. Budget amounts shown in the financial statements are the authorized amounts, both original and final, as approved for 2021. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

This annual financial report includes budgetary comparisons for annually budgeted governmental operating funds only. The budgetary comparisons are presented on a budgetary basis. The budgetary basis is substantially the same as the modified accrual basis of accounting in all governmental funds except for the treatment of appropriations that do not lapse, those whose budgets

were approved by the City Budget Office to carry over to the following year. These appropriations are included with expenditures in the City's budgetary basis of accounting.

Budgetary comparisons for proprietary funds may be requested from the Department of Finance and Administrative Services.

Deficit Fund Balances and Net Position. The Seattle Center Fund reported a deficit fund balance of \$8.7 million as of December 31, 2021. Ordinance 12618 provides the Seattle Center interfund support up to \$18 million through December 31, 2033. The funds will be provided by the Real Estate Excise Tax 2 (REET II) fund. This money was provided to Seattle Center due to the COVID-19 pandemic. The pandemic prevented any events and gatherings which are essential to the Seattle Center's operations and finances for the majority of 2020. The future revenue from activity of the Seattle Center and newly built arena after the pandemic is over is how the funds are expected to be repaid before 2033.

The Coronavirus Local Fiscal Recovery Fund reported a deficit fund balance of \$402,000 as of December 31, 2021. The cause of this deficit is the result of a timing difference between year end closing processes and fund expense reporting deadlines to the U.S. Treasury. Revenues are earned by the fund as they are reported to the U.S. Treasury on a quarterly basis – which reporting was due before all year end expenses were recorded. The deficit will be removed with first quarter reporting in April 2022.

(3) CASH AND INVESTMENTS

CASH AND EQUITY IN POOLED INVESTMENTS

Per Seattle Municipal Code, SMC 5.06.010 Investment Authority, the Director of Finance and Administrative Services (FAS) is authorized to invest all moneys in the City Treasury. Cash resources of all City funds are combined into a common investment pool that is managed by FAS. Each fund's share of the pooled investments is included in the participating fund's balance sheet under the caption "Cash and Equity in Pooled Investments." The pool operates like a demand deposit account in that all City funds may deposit cash at any time and also withdraw cash up to their respective fund balance out of the pool without prior notice or penalty.

Custodial Credit Risk - Deposits. The custodial credit risk of deposits is the risk that in the event of bank failure of one of the City's depository institutions, the City's deposits or related collateral securities may not be returned in a timely manner. As of December 31, 2021, the City did not have custodial credit risk. The City's deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA) as well as protection provided by the Washington State Public Deposit Protection Commission (PDPC) as established in RCW 39.58. The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks, credit unions, and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. This secures public treasurers' deposits when they exceed the amount insured by the FDIC or NCUA by requiring banks, credit unions, and thrifts to pledge securities as collateral.

As of December 31, 2021, the City held \$95,000 in its cash vault. Additional small amounts of cash were held in departmental revolving fund accounts with the City's various custodial banks, all of which fell within the NCUA/FDIC's \$250,000 standard maximum deposit insurance amount. Any of the City's cash not held in its vault, or a local depository, was held in the City's operating fund (investment pool), and at the close of every business day, any cash remaining in the operating fund is swept into an overnight repurchase agreement that matures the next day.

CITY TREASURY INVESTMENTS

Note 1 describes the investment policies of the City. Banks or trust companies acting as the City's agents hold all the City's investments in the City's name.

The City reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is defined in Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation techniques to determine fair value should be consistent with one or more of three approaches: the market approach, cost approach, and income approach. The City uses a combination of the market and cost approach for the valuation of pooled investments.

The City's overnight repurchase agreement with Wells Fargo Bank, N.A. is accounted for at cost.

The City is authorized by Seattle Municipal Code Section 5.06.010 and Chapter 43.250 of the Revised Code of Washington to participate in the State of Washington Local Government Investment Pool (LGIP), which is managed and operated by the Washington State Treasurer. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee. Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The LGIP is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

The remainder of City's investments are purchased in the over-the-counter U.S. bond market and accounted for at market.

The City uses market pricing for its over-the-counter investments as provided by its contractual custodial agent, Wells Fargo Institutional Retirement & Trust, and the City's third-party investment accounting vendor FIS AvantGard LLC. Both Wells Fargo and FIS contract with Interactive Data Pricing and Reference Data, Inc. for securities pricing.

As a basis for considering market participant assumptions in fair value measurements, Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Department can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

The City's investments in U.S. Treasuries are Level 1 assets. The remainder of the City's investments are Level 2 assets. The City does not invest in Level 3 assets.

As of December 31, 2021, the City's investment pool held the following investments:

Table 3-1

INVESTMENTS AND MATURITIES
TREASURY RESIDUAL POOLED INVESTMENTS
(In Thousands)

Investments	Value as of December 31, 2021	Fair Value Measurements Using			Measured at Amortize d Cost	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Corporate Bonds	\$ 88,972	\$ —	\$ 88,972	\$ —	\$ —	632
International Bank for Reconstruction & Development	25,364	—	25,364	—	—	971
Local Government Investment Pool	555,141	555,141	—	—	—	3
Municipal Bonds	203,187	—	203,187	—	—	603
Repurchase Agreements	125,431	125,431	—	—	—	3
U.S. Government Agency Mortgage-Backed Securities	358,220	—	358,220	—	—	2,375
U.S. Government Agency Securities	719,409	—	719,409	—	—	950
U.S. Treasury and U.S. Government-Backed Securities	745,742	745,742	—	—	—	651
Total	\$ 2,821,466	\$1,426,314	\$1,395,152	\$ —	\$ —	
Weighted Average Maturity of the City's Pooled Investments						788

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. To mitigate interest rate risk the City intentionally immunizes its known and expected cash flow needs. To best accomplish meeting its investment objectives, the City has divided the Pool into two separate portfolios: Operating and Strategic.

The Operating Portfolio is invested to meet reasonably expected liquidity needs over a period of twelve to eighteen months. This portfolio has low duration and high liquidity. Consistent with this profile, and for the purpose of comparing earnings yield, its benchmark is the net earnings rate of the State of Washington's Local Government Investment Pool (LGIP).

The Strategic Portfolio consists of cash that is in excess of known and expected liquidity needs. Accordingly, this portfolio is invested in debt securities with longer maturities than the Operating Portfolio, which over a market cycle, is expected to provide a higher return and greater investment income. Consistent with this profile, and for the purpose of comparing duration, yield and total return, the benchmark for the Strategic portfolio is the Barclays U.S. Government 1-7 year index. The duration of the Strategic Portfolio is targeted between 75.0 percent and 125.0 percent of the benchmark.

To further mitigate interest rate risk a minimum of 60% of the Operating Portfolio and 30% of the Strategic Portfolio must be invested in asset types with high liquidity, specifically U.S. Government obligations, U.S. Government Agency obligations, LGIP, Demand Accounts, Repo, Sweep, and Commercial Paper.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investments must adhere to state statutes. State statute and the City's Statement of Investment Policy do not stipulate credit quality requirements for U.S. Government or U.S. Government Agency Obligations but provide for minimum credit ratings for investments in municipal bonds, commercial paper and corporate bonds. State statute limits the maximum maturity and percentage allocation of investments in commercial paper and corporate bonds but not for municipals. The City's investment policy limits the maximum percentage allocation that can be invested in municipal bonds, commercial paper and corporate bonds. In addition, commercial paper, and corporate bond purchases must adhere to the investment policies and procedures adopted by the Washington State Investment Board (Policy No. 2.05.500 adopted 3/16/95 and revised again 9/15/16) that includes the following credit and maximum maturity constraints:

- A commercial paper issuer must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Ratings Organizations (NRSROs), at the time of purchase (P-1, A-1+, A-1, F1+, F1, by Moody's, S&P and Fitch, respectively). If the commercial paper is rated by more than two NRSROs, it must have the highest rating from all of the organizations.
- Commercial Paper investments may not have maturities exceeding 270 days. Any Commercial Paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase in one of the two highest rating categories of a NRSRO.
- Corporate bonds at the time of purchase must have a credit rating of not less than "A" by any nationally recognized rating agency and must mature within 5.5 years.
- Commercial paper and corporate bonds combined may not exceed 25% of the total portfolio.
- No single issuer of commercial paper may exceed 3% of the total portfolio.
- No single issuer of corporate bonds rated AA or better by all rating agencies may exceed 3% of the total portfolio.
- No single issuer of corporate bonds rated single A by all rating agencies may exceed 2% of the total portfolio.
- Investments in a single credit issuer, consisting of commercial paper and corporate bonds combined, may not exceed 3% of the total portfolio.

The City subscribes to public finance research from Fitch Ratings and all fixed income asset types from Standard & Poor's Ratings Direct. The City conducts internal due diligence of all investments with credit risk and maintains an "approved list" of issuers. Finally, the City monitors the credit worthiness of its investments over time until they mature or are potentially sold.

Concentration Risk. State statute and the City's Statement of Investment Policy do not stipulate concentration limits for holdings of U.S. Government or U.S. Government Agency Obligations. However, as noted under credit risk, the City's Statement of Investment Policy outlines maximum percentage allocations for municipal securities, commercial paper as well as corporate bonds.

Table 3-2

CONCENTRATION OF CREDIT RISK
(In Thousands)

Issuer	Fair Value	Percent of Total Investments
Amazon.com, Inc	\$ 6,334	0.2 %
Apple, Inc	34,189	1.2
Federal Agriculture Mortgage Corporation	137,701	4.9
Federal Farm Credit Bank	129,090	4.6
Federal Home Loan Bank	159,614	5.7
Federal Home Loan Mortgage Corporation	196,092	7.0
Federal Home Mortgage Securities	42,140	1.5
Federal National Mortgage Association	412,992	14.6
International Bank for Reconstruction & Development	25,364	0.9
JP Morgan Chase Bank	24,337	0.9
Municipal Bonds	203,187	7.2
Pittsburgh National Corporation	24,112	0.9
Sweep Repo	125,431	4.4
U.S. Treasury and Government-Backed Securities	745,742	26.4
Washington State Treasurer'S Investment Pool	555,141	19.7
Total Investments	\$2,821,466	100.0 %

Custodial Credit Risk - Investments. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not have access to, or be able to recover, its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for its investments by having its investment securities held by the City's contractual custodial agent, Wells Fargo, rather than the trading counterparty or the trading counterparty's trust department or agent. The City mitigates counterparty risk by settling trades through its custodian on a delivery-versus-payment method.

By investment policy, the City maintains a list of approved securities dealers for transacting business. The City also conducts its own due diligence as to the financial wherewithal of its counterparties.

Foreign Currency Risk. The City's pooled investments do not include securities denominated in foreign currencies.

INVESTMENTS OF THE SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

Investments of the Seattle City Employees' Retirement System (SCERS) are accounted for in the Employees' Retirement Fund, a fiduciary fund that is not included in the Citywide financial statements because its resources belong to the retirement system and do not support City programs.

The retirement fund investments are made in accordance with the Prudent Person Rule as defined by RCW 35.39.060.

Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

- Level 1: unadjusted quoted prices for identical instruments in active markets
- Level 2: quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable
- Level 3: significant inputs are unobservable

The following schedule presents investments categorized according to the fair value hierarchy, and is preceded with additional information regarding investments measured at the net asset value as of December 31, 2021:

Table 3-3

SCERS' INVESTMENTS

(In Thousands)

INVESTMENTS BY FAIR VALUE LEVEL	Fair Value Measurements Using			
	Value as of December 31, 2021	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Public Equity Securities	\$ 1,126,958	\$ 1,126,941	\$ 1	\$ 16
Fixed Income Securities	797,625	139,588	571,677	86,360
Total Investments by fair value level	\$ 1,924,583	\$ 1,266,529	\$ 571,678	\$ 86,376

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)

Fixed Income	\$ 134,325
Infrastructure	71,523
Private Equity	516,937
Public Equity	834,168
Real Estate	407,198
Total Investments measured at the NAV	<u>1,964,151</u>
Total Investments	<u>\$ 3,888,734</u>
Securities lending collateral	\$ 8,490

INVESTMENTS	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private Equity	\$ 529,482	\$ 214,866	N/A	N/A
Public Equity	834,145	—	Daily, Monthly	1 - 60 Days
Fixed Income	135,443	17,447	Monthly, N/A	5 - 30 Days, N/A
Real Estate	412,971	120,166	Quarterly, N/A	45 Days, N/A
Infrastructure	75,914	63,463	N/A	N/A
Total investments measured at the NAV	<u>\$ 1,987,955</u>	<u>\$ 415,942</u>		

Credit Risk: Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. The Core Fixed Income asset class is primarily allocated to investment-grade securities with low credit risk. The Board provides each of the System's Core Fixed Income investment managers with a set of investment guidelines that include a minimum allocation to investment-grade securities. The Credit Fixed Income asset class is primarily allocated to below investment-grade securities with correspondingly higher credit risk.

As of December 31, 2021, the fixed income portfolio of the SCERS had the following investment maturities:

Table 3-4 **SCERS' FIXED INCOME PORTFOLIO**
(In Thousands)

Investment Type	Fair Value	Investment Maturities (In Years)			
		<1	1 - 5	6 - 10	>10
Agencies	\$ 12,091	\$ —	\$ 11,006	\$ 1,085	\$ —
Derivatives	718	708	10	—	—
Asset Backed Security	25,670	—	13,302	10,352	2,016
Foreign Sovereign	6,490	—	3,733	—	2,757
Corporate Debt	432,567	1,903	145,594	205,621	79,449
Mortgage Backed Security	173,448	—	2,863	12,286	158,300
Municipal	7,761	—	832	3,425	3,504
Treasury Notes and Bonds	138,880	—	46,311	29,178	63,392
Total Fixed Income Securities	\$ 797,625	\$ 2,611	\$ 223,651	\$ 261,947	\$ 309,418
Fixed Income Fund	135,443				
Total Fixed income	\$ 933,068				

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Market or interest rate risk is the greatest risk faced by an investor in the fixed income securities market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates. The Board provides each of the System's Core Fixed Income investment managers with a set of investment guidelines that includes a limit on the difference in duration between the portfolio and its applicable benchmark.

As of December 31, 2021, the fixed income portfolio of the SCERS had the following investment ratings:

Table 3-5 **SCERS' FIXED INCOME RATINGS BY STANDARD AND POOR'S**
(In Thousands)

Investment Type	Fair Value	AAA	AA	A	BBB	BB	B	CCC and Below	Not Rated
Agencies	\$ 12,091	\$ 12,091							
Derivatives	718								718
Asset Backed Security	25,670	16,122	6,828	1,057	476			293	894
Corporate Debt	432,567	12,272	14,425	80,659	171,820	43,834	85,266	16,908	7,384
Foreign Sovereign	6,490		2,309	2,757					1,424
Mortgage Backed Security	173,448	139,351				176			33,921
Municipal	7,761	882	5,528	1,351					
Treasury Notes and Bonds	138,880	138,880							
Total Fixed Income Securities	\$ 797,625	\$ 319,598	\$ 29,090	\$ 85,824	\$ 172,296	\$ 44,010	\$ 85,266	\$ 17,201	\$ 44,341
Fixed Income Funds	135,443								
Total Fixed Income	\$ 933,068								

Table 3-6 SCERS' ASSET ALLOCATION

Asset Class	Actual	Target Allocation
Public Equity	52.7 %	48.0 %
Private Equity	10.2	11.0
Core Fixed Income	19.2	18.0
Credit Fixed Income	7.0	7.0
Real Estate	9.5	12.0
Infrastructure	1.4	4.0
Total	100.0 %	100.0 %

Concentration of Credit Risk: The Investment Committee reviews its portfolio holdings quarterly with the Investment Consultant to ensure compliance with the specified targets and performance results. Rebalancing of the portfolio back to the target percentages is undertaken to ensure compliance with the specified targets. The Retirement Board provides its investment managers with a set of investment guidelines that specify eligible investments, minimum diversification standards, and applicable restrictions necessary for diversification. In general, these guidelines require that investments in any issuer may not exceed 5 percent of the net position value of a manager’s portfolio. Managers do not have authority to depart from these guidelines.

Custodial Credit Risk: SCERS mitigates custodial credit risk by having its investment securities held by SCERS’ custodian and registered in SCERS’ name.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates, which will adversely impact the fair value of an investment. SCERS’ currency risk exposure or exchange rate risk primarily resides within the international equity holdings. SCERS’ investment managers maintain adequately diversified portfolios to limit foreign currency and security risk.

SECURITIES LENDING TRANSACTIONS

The City's cash pool and the Seattle City Employees’ Retirement System are allowed to engage in securities lending transactions similar to that instituted by the Washington State Treasurer’s Office and other municipal corporations in the State of Washington.

Under the authority of RCW 41.28.005 and the SMC 4.36.130, the SCERS of Administration adopted investment policies that define eligible investments, which include securities lending transactions whereby securities are lent for the purpose of generating additional income to SCERS. Gross income from securities lending transactions of SCERS as well as various fees paid to the institution that oversees the lending activities is reported in the fund’s operating statements. Assets and liabilities include the value of the collateral that is being held.

The fair value of the required collateral must meet or exceed 102 percent of the fair value of the securities loaned, providing a margin against a decline in the fair value of the collateral; and is limited to a volume of less than \$75.0 million. The contractual agreement with the SCERS’ custodian provides indemnification in the event when the borrower fails to return the securities lent or fails to pay SCERS income distribution by the securities’ issuers while the securities are on loan. Cash and U.S. government securities were received as collateral for these loans.

SCERS invests cash collateral received; accordingly, any investment made with cash collateral is reported as an asset. A corresponding liability is recorded as SCERS must return the cash collateral to the borrower upon the expiration of the loan. As of December 31, 2021, the fair value of securities on loan was \$8,263,773. Associated cash collateral totaling \$8,490,397 was received. The fair market value of the reinvested collateral was \$8,490,397 at December 31, 2021.

REVERSE REPURCHASE AGREEMENTS

RCW 35.39.030 and City investment policy allow the investment of City monies in excess of current City needs in reverse repurchase agreements. At December 31, 2021, the City does not engage in this type of investment strategy.

**(4) RECEIVABLES, INTERFUND TRANSACTIONS, AND DEFERRED OUTFLOWS/
INFLOWS OF RESOURCES****TAXES RECEIVABLE**

Property Taxes. Property taxes are levied by the County Assessor and collected by the County Finance Director. Assessments are based on 100 percent of true and fair-market value. They are levied and become a lien on the first day of the levy year. They may be paid in two equal installments if the total amount exceeds \$30. The first half is due on April 30, or else the total amount becomes delinquent May 1. The balance is due October 31, becoming delinquent November 1. Delinquent taxes bear interest at the rate of one percent per month until paid and are subject to additional penalties of three percent and another eight percent on the total unpaid delinquent balance on June 1 and December 1, respectively. Foreclosure action is commenced on properties when taxes are delinquent for three years.

Taxing Powers and Limitations. State law limits the regular property tax rate for general City operations to \$3.60 per \$1,000 of assessed value. This includes \$3.375 for general municipal purposes and an additional \$0.225 for the Firemen's Pension Fund and for general municipal purposes under conditions spelled out in state law. From 1997 through 2001 state law limited the annual growth in the City's regular property tax levy to the lesser of 106 percent or the annual rate of inflation. The passage of Initiative 747 in November 2001 reduced the 106 percent to 101 percent. In early November 2007, the State Supreme Court upheld a lower court ruling that Initiative 747 was unconstitutional. This decision would have returned the growth limit factor to 106 percent. On November 29, 2007, the legislature, in special session, passed and the governor signed into law language identical to that of Initiative 747. Thus, the limit factor remains 101 percent. The growth limit does not count tax revenues from new construction or property remodeled within the last year. With simple-majority voter approval, the City can levy additional property taxes above the 101 percent annual growth limit, if the City's regular levy rate per \$1,000 of assessed value does not exceed the \$3.60 limit. Excess tax levies for capital purposes require a 60-percent approval by voters and do not fall under either of the limits.

The City levied \$1.16 per \$1,000 of assessed value for general operations and Firemen's Pension Fund in 2021. In addition, the levy included \$1.10 per \$1,000 of assessed value for debt service and other voter-approved levies. The total 2021 levy was \$2.25 per \$1,000 of assessed value. Not included in this total is the King County levy for Medic One/Emergency Medical Services, from which the City receives a direct, proportional distribution of proceeds. This was renewed by voters at election in November 2019 for collection in 2020 at \$0.265 per \$1,000 of assessed value and remained at \$0.265 in 2021. Further, this doesn't include \$0.21 per \$1,000 of assessed value attributable to the Seattle Metropolitan Park District (SMPD) levy. The SMPD is a separate taxing authority from the City.

Business Taxes. The City's business taxes include general business taxes and utilities related business taxes. The change in business taxes and receivables in 2021 was the driven mainly with induction of the Payroll Expense Tax, \$248.2M. The business taxes from utilities make up 21.3% of total business tax revenues.

The following table shows tax revenues and receivables as reported in the fund financial statements:

Table 4-1

TAX RECEIVABLES AND REVENUES
As of and for the Year Ended December 31, 2021
(In Thousands)

	Taxes Receivable	Tax Revenues
Property Taxes	\$ 17,099	\$ 707,660
Business Taxes	353,933	816,861
Totals	<u>\$ 371,032</u>	<u>\$ 1,524,521</u>

INTERFUND TRANSACTIONS

Interfund Transfers. Transfers between funds are used to (1) move revenues from the fund wherein the statute or budget requires them to be collected to the fund wherein the statute or budget requires them to be expended, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) apply unrestricted revenues collected in the General Fund to various programs accounted for in other funds in accordance with budgetary authorizations. The City eliminates or reclassifies transfers between funds in the process of aggregating data for the government-wide statements.

Transfers between governmental funds which were eliminated in the Statement of Activities were as follows:

Table 4-2

INTERFUND TRANSFERS
(In Thousands)

Transfers Out	Transfers In				
	General	Internal Service	Transportation ^a	Nonmajor Governmental	Total
General Fund	\$ —	\$ 3,895	\$ 13,791	\$ 44,306	\$ 62,014
Internal Service Fund	5,000	2,800	—	23,321	31,121
Transportation ^a	(13,791)	—	—	38,305	24,514
Nonmajor Governmental Fund	—	11,897	—	4,792	16,689
Total Transfers	<u>\$ (8,791)</u>	<u>\$ 18,592</u>	<u>\$ 13,791</u>	<u>\$ 110,724</u>	<u>\$ 134,338</u>

^a Government-Wide, Transportation Transfers In and Transfers Out net zero. Timing of Budget shift at end of year resulted in visibility of movement.

Interfund Receivables and Payables. Balances between funds not representative of lending or borrowing arrangements are reported as due to/due from other funds in the balance sheets for governmental funds and statements of net position for proprietary funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

The table below shows the interfund receivables and payables reported in the fund financial statements at December 31, 2021:

Table 4-3

**DUE FROM AND TO OTHER FUNDS
(In Thousands)**

Due From	Due To								
	General	Transportation	Nonmajor Governmental	Light	Water	Drainage and Wastewater	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ —	\$ —	\$ 1	\$ —	\$ 3,199	\$ —	\$ —	\$ —	\$ 3,200
Total Due from Other Funds	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 3,199</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,200</u>

Interfund Advances and Loans. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either interfund loans receivable/payable or advances to/from other funds. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources. Interfund debt is recorded in the appropriate funds even though such debt may result in a noncurrent liability for a governmental fund because the debt is not a general obligation of the City.

At December 31, 2021, the following interfund debt was outstanding:

Table 4-4

**ADVANCES, NOTES, AND LOANS FROM AND TO OTHER FUNDS
(In Thousands)**

Advances, Notes, and Loans From	Advances, Notes, and Loans To	Amount
Healthcare Fund	General Fund	\$ 40,000
Families Education Preschool Promise Levy	General Fund	25,000
REET I Capital Fund	General Fund	30,000
REET II Capital Fund	General Fund	25,000
REET II Capital Fund	Seattle Center Fund	15,500
Construction & Inspections Fund	2021 LTGO Bond Fund	40,000
Information Technology Fund	Transportation Fund	24,000
Total City		<u>\$ 199,500</u>

All of the interfund loans were approved by City Council ordinance 126407. Each loan is to be repaid no later than December 31, 2022, with interest on the loan at the rate of return of the City's Consolidated Cash Pool. The entire principal and interest amount of the loan drawn is intended to be repaid with future tax proceeds and other anticipated revenues.

Table 4-5

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
GOVERNMENTAL ACTIVITIES**
(In Thousands)

Deferred Outflows/Inflows of Resources	Governmental Funds	Internal Service Funds	Government- Wide Adjustment	Total
Deferred Outflows of Resources				
Charges on Advanced Refunding	\$ —	\$ 356	\$ (1,755)	\$ (1,399)
Pension and OPEB Plans	—	40,587	163,494	204,081
Total Deferred Outflows of Resources	<u>\$ —</u>	<u>\$ 40,943</u>	<u>\$ 161,739</u>	<u>\$ 202,682</u>
Deferred Inflows of Resources				
Property Taxes	\$ 11,319	\$ —	\$ (11,319)	\$ —
Special Assessment	100,276	—	(1,452)	98,824
Charges on Advanced Refunding	—	4,059	—	4,059
Unearned Revenue	—	—	—	—
Pension and OPEB Plans	—	54,207	465,261	519,468
Total Deferred Inflows of Resources	<u>\$ 111,595</u>	<u>\$ 58,266</u>	<u>\$ 452,490</u>	<u>\$ 622,351</u>

Charges on Advanced Refunding. The governmental funds record gains and losses from advanced refunding of debt as deferred inflows and outflows, respectively, on the government-wide financial statements. These amounts are amortized as a component of interest expense.

Pension and OPEB Plans. As a result of implementing GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the City recognizes deferred inflows and outflows of resources related to its pension and OPEB plans. Detailed information about these deferred inflows and outflows of resources for each pension and OPEB plan can be found in Note 11.

Property Taxes. For 2021, total taxes outstanding of \$11.3 million were recorded as a tax receivable asset within governmental funds. Unable to meet the revenue recognition criteria, the City’s governmental funds recorded the balance of the tax receivable asset as a Deferred Inflow of Resources. The reconciliation of governmental fund financial statements to government-wide financial statements shows an adjustment to remove the deferred inflow of resources recorded by the governmental funds, and to record the tax revenues to the Statement of Activities.

Special Assessment. The Local Improvement District 6750 Fund recorded a deferred inflow of resources which reflects the total expected future collections from the District. The assessment expected to be collected during the upcoming fiscal period is adjusted from the deferred inflows of resources and recognized as revenue within the government-wide presentation.

Business-Type Activities

Table 4-6 **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**
BUSINESS-TYPE ACTIVITIES
(In Thousands)

Deferred Outflows/Inflows of Resources	Seattle Public Utilities					Total
	City Light	Water	Drainage and Wastewater	Solid Waste	Construction & Inspections	
Deferred Outflows of Resources						
Pension and OPEB	\$ 41,920	\$ 12,663	\$ 13,319	\$ 4,187	\$ 11,132	\$ 83,221
Charges on Advance Refunding	16,334	15,589	5,479	1,923	—	39,325
Total Deferred Outflows of Resources	<u>\$ 58,254</u>	<u>\$ 28,252</u>	<u>\$ 18,798</u>	<u>\$ 6,110</u>	<u>\$ 11,132</u>	<u>\$ 122,546</u>
Deferred Inflows of Resources						
Pension and OPEB	\$ 82,826	\$ 21,241	\$ 23,676	\$ 7,176	\$ 15,605	\$ 150,524
Revenue Stabilization Account	74,397	41,721	—	38,606	—	154,724
Regulatory Credits	49,253	—	—	—	—	49,253
Charges/Gains on Advance Refunding	2,827	3,906	1,059	1,847	—	9,639
Total Deferred Inflows of Resources	<u>\$ 209,303</u>	<u>\$ 66,868</u>	<u>\$ 24,735</u>	<u>\$ 47,629</u>	<u>15,605</u>	<u>\$ 364,140</u>

Revenue Stabilization Account. Funding of Revenue Stabilization Accounts (RSAs) from operating cash effectively defers operating revenues. For City Light the balance of the RSA was \$74.4 million as of December 31, 2021. For Seattle Public Utilities (SPU), the balance of the RSA was \$80.3 million as of December 31, 2021, of which \$41.7 million belongs to Water and \$38.6 million belongs to Solid Waste.

Regulatory Credits. This deferral is made up of regulatory credits, which are the result of City Light (as affirmed by Seattle City Council Resolution No. 30942) recognizing the effects of reporting the fair value of exchange contracts in future periods for rate-making purposes and maintaining regulatory accounts to spread the accounting impact of these accounting adjustments. For City Light the balance of the credits was \$49.3 million as of December 31, 2021.

(5) SHORT-TERM ENERGY CONTRACTS AND DERIVATIVE INSTRUMENTS

City Light engages in an ongoing process of resource optimization, which involves the economic selection from available energy resources to serve City Light's load obligations and using these resources to capture available economic value. City Light makes frequent projections of electric loads at various points in time based on, among other things, estimates of factors such as customer usage and weather, as well as historical data and contract terms. City Light also makes recurring projections of resource availability at these points in time based on variables such as estimates of stream flows, availability of generating units, historic and forward market information, contract terms, and experience. Based on these projections, City Light purchases and sells wholesale electric capacity and energy to match expected resources to expected electric load requirements, and to realize earnings from surplus energy resources. These transactions can be up to 60 months forward. Under these forward contracts, City Light commits to purchase or sell a specified amount of energy at a specified time, or during a specified time in the future.

Except for limited intraday and interday trading to take advantage of owned hydro storage, City Light does not take market positions in anticipation of generating profit. Energy transactions in response to forecasted seasonal resource and demand variations require approval by City Light's Risk Oversight Council. In April 2020, City Light entered the California ISO Energy Imbalance Market (EIM) which is an energy market system that balances fluctuations in supply and demand by automatically finding lower cost resources to meet real-time power needs and serve consumer demand across the western region. The EIM manages congestion on transmission lines to maintain grid reliability and supports integrating renewable resources. In addition, the EIM makes excess renewable energy available to participating utilities at low cost.

It is the City's policy to apply the normal purchase and normal sales exception of Statement No. 53 of the GASB, Accounting and Financial Reporting for Derivative Instruments, as appropriate. Certain forward purchase and sale of electricity contracts meet the definition of a derivative instrument but are intended to result in the purchase or sale of electricity delivered and used in the normal course of operations. Accordingly, City Light considers these forward contracts as normal purchases and normal sales under GASB Statement No. 53. These transactions are not required to be recorded at fair value in the financial statements.

The following table presents (in millions) the aggregate contract amounts, fair value, and unrealized gain (loss) of City Light's commodity derivative instruments qualifying as normal purchases and normal sales on December 31, 2021:

Table 5-1

	Aggregate Contract Amount	Aggregate Fair Value	Unrealized Gain (Loss)
Sales	\$ 2.7	\$ 3.8	\$ (1.1)
Purchases	—	—	—
Total	\$ 2.7	\$ 3.8	\$ (1.1)

Fair value measurements as of December 31, 2021, used an income valuation technique consisting of Kiorex Forward Curves, which is considered a level 2 input in accordance with GASB 72, Fair Value Measurement and Application. All derivative instruments not considered as normal purchases and normal sales are to be recorded within the financial statements using derivative accounting according to GASB Statement No. 53. In 2010, the Seattle City Council adopted a resolution granting City Light authority to enter into certain physical put and call options that would not be considered normal purchases and normal sales under GASB Statement No. 53. City Light did not have any such activity for 2021. In addition, the Seattle City Council has deferred recognition of the effects of reporting the fair value of derivative financial instruments for ratemaking purposes, and City Light maintains regulatory accounts to defer the accounting impact of these accounting adjustments in accordance with GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (see Note 7 Other Assets and Note 17 Deferred Inflows of Resources).

Market Risk. Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk may also be influenced by the number of active, creditworthy market participants, and to the extent that

nonperformance by market participants of their contractual obligations and commitments affects the supply of, or demand for, the commodity. Because City Light is active in the wholesale energy market, it is subject to market risk.

Credit Risk. Credit risk relates to the potential losses that City Light would incur as a result of nonperformance by counterparties of their contractual obligations to deliver energy or make financial settlements. Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits are established. City Light seeks to mitigate credit risk by entering into bilateral contracts that specify credit terms and protections against default; applying credit limits and duration criteria to existing and prospective counterparties; and actively monitoring current credit exposures. City Light also seeks assurances of performance through collateral requirements in the form of letters of credit, parent company guarantees, or prepayment.

City Light has concentrations of suppliers and customers in the electric industry including electric utilities; electric generators and transmission providers; financial institutions; and energy marketing and trading companies. In addition, City Light has concentrations of credit risk related to geographic location as it operates in the western United States. These concentrations of counterparties and concentrations of geographic location may impact City Light's overall exposure to credit risk, either positively or negatively, because the counterparties may be similarly affected by changes in conditions.

Other Operational and Event Risk. There are other operational and event risks that can affect the supply of the commodity and City Light's operations. Due to City Light's primary reliance on hydroelectric generation, the weather, including springtime snow melt, runoff, and rainfall, can significantly affect City Light's operations. Other risks include regional planned and unplanned generation outages, transmission constraints or disruptions, environmental regulations that influence the availability of generation resources, and overall economic trends.

(6) CAPITAL ASSETS

Table 6-1

CHANGES IN CAPITAL ASSETS
(In Thousands)

	Restated Balance January 1	Additions	Deletions	Balance December 31
GOVERNMENTAL ACTIVITIES ^a				
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	\$ 615,922	\$ 6,072	\$ 160	\$ 621,834
Construction in Progress	518,269	282,506	262,858	537,917
Other Capital Assets	11,921	972	1,106	11,787
Total Capital Assets Not Being Depreciated	1,146,112	289,550	264,124	1,171,538
CAPITAL ASSETS BEING DEPRECIATED				
Buildings and Improvements	2,629,924	65,567	9,574	2,685,917
Machinery and Equipment	510,395	32,433	28,679	514,149
Infrastructure	2,798,603	320,638	332,782	2,786,459
Other Capital Assets	88,215	21,404	14,487	95,132
Total Capital Assets Being Depreciated	6,027,137	440,042	385,522	6,081,657
Accumulated Depreciation				
Buildings and Improvements	1,055,638	75,617	3,292	1,127,963
Machinery and Equipment	332,801	34,810	24,976	342,635
Infrastructure	1,190,196	270,382	331,159	1,129,419
Other Capital Assets	23,549	15,348	6,204	32,693
Total Accumulated Depreciation	2,602,184	396,157	365,631	2,632,710
Total Capital Assets Being Depreciated, Net	3,424,953	43,885	19,891	3,448,947
Governmental Activities Capital Assets, Net	\$ 4,571,065	\$ 333,435	\$ 284,015	\$ 4,620,485
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	\$ 281,464	\$ 1,005	\$ —	\$ 282,469
Construction in Progress	917,779	586,596	447,423	1,056,952
Other Capital Assets	9,594	2,829		12,423
Total Capital Assets Not Being Depreciated	1,208,837	590,430	447,423	1,351,844
CAPITAL ASSETS BEING DEPRECIATED				
Plant in Service, Excluding Land	9,402,432	393,229	77,891	9,717,770
Buildings				—
Machinery and Equipment	852			852
Other Capital Assets	28,269	673	507	28,435
Total Capital Assets Being Depreciated	9,431,553	393,902	78,398	9,747,057
Accumulated Depreciation				
Plant in Service, Excluding Land	3,538,081	262,889	84,272	3,716,698
Buildings				0
Machinery and Equipment	852			852
Other Capital Assets	4,309	925	124	5,110
Total Accumulated Depreciation	3,543,242	263,814	84,396	3,722,660
Total Capital Assets Being Depreciated, Net	5,888,311	130,088	(5,998)	6,024,397
Business-Type Activities Capital Assets, Net	\$ 7,097,148	\$ 720,518	\$ 441,425	\$ 7,376,241

^a The capital assets for governmental activities include the capital assets of the internal service funds.

Table 6-2

DEPRECIATION EXPENSE BY FUNCTION
(In Thousands)

GOVERNMENTAL ACTIVITIES	
General Government	\$ 10,459
Public Safety	1,134
Transportation	279,502
Economic Environment	1
Culture and Recreation	44,568
Subtotal	<u>335,664</u>
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	<u>60,493</u>
Total Governmental Activities	<u>396,157</u>
BUSINESS-TYPE ACTIVITIES	
Light	\$ 171,647
Water	47,811
Solid Waste	10,499
Drainage and Wastewater	32,932
Planning and Development	925
Total Business-Type Activities	<u>263,814</u>

(7) COMPENSATED ABSENCES

The following table presents accrued compensated absences grouped by governmental activities, business-type activities, and pension trust funds as of December 31, 2021.

Table 7-1	COMPENSATED ABSENCES	
	<i>(In Thousands)</i>	
Governmental Activities		
Governmental Funds	\$	85,113
Internal Service Funds		
Finance and Administrative Services		6,176
Information Technology		9,039
Total Internal Service Funds		<u>100,328</u>
Business-Type Activities		
Enterprise Funds		
Light		21,228
Water		5,817
Drainage and Wastewater		6,835
Solid Waste		1,891
Construction and Inspection		4,179
Total Enterprise Funds		<u>39,950</u>
Pension Trust		
Employees' Retirement		<u>284</u>
Total Compensated Absences Liability	\$	<u>140,562</u>

Note 9, Long-Term Debt, includes compensated absences in governmental activities and business-type activities in the aggregate and the amount estimated to be due within one year.

(8) LEASES**CAPITAL LEASES**

The City leases certain office equipment under various capital lease agreements. The City's capital lease obligations and related assets were recorded in the appropriate funds and government-wide financial statements. The net capital lease assets shown in the following table reflect those continuing to be financed through capital leases. The minimum capital lease payments reflect the remaining capital obligations on these assets.

Table 8-1 Capital Leases (In Thousands)

	Capital Assets		Capital Assets	
	Governmental Activities		Business-Type Activities	
Machinery and Equipment	\$	189	\$	136
Less Accumulated Depreciation		(157)		(69)
December 31, 2021	<u>\$</u>	<u>32</u>	<u>\$</u>	<u>67</u>
Minimum Capital Lease Payments	Long-Term Liabilities		Long-Term Liabilities	
	Governmental Activities		Business-Type Activities	
2022	\$	23	\$	33
2023		4		32
2024		3		22
2025		2		
2026				
Total Minimum Lease Payments	<u>\$</u>	<u>32</u>	<u>\$</u>	<u>87</u>
Less Interest		(7)		(14)
Principal	<u>\$</u>	<u>25</u>	<u>\$</u>	<u>73</u>

The outstanding principal portion of the minimum capital lease payments is also presented in Table 9-10 of Note 9, Long-Term Debt.

OPERATING LEASES

Governmental Activities. The City, through its Finance and Administrative Services Department's Facilities Operations Division, manages buildings and facilities that are owned by the City and has operating lease commitments on real property owned by private entities. Many lease commitments on private properties are for a term of five years or longer and may be renewed as required by the City tenant departments. The lease agreements show periodic schedules of rental amounts. Facilities Operations Division paid rents of approximately \$24 million in 2021 on lease commitments. There are no projected rent increases apart from lease agreements entered into by the City.

Seattle Center leases a building for office space and workshop on a type of lease called a "triple net lease" for its Technical Facilities Management. The current lease term expired on July 30, 2020, but was renewed through July 31, 2025. The lease agreement requires a fixed rent of approximately \$42,000 per month subject to increases on each July 1 by the percentage of change in the Consumer Price Index (CPI) for All Urban Consumers, United States Average for All Items (1982 - 84 = 100) published by the Bureau of Labor Statistics, United States Department of Labor CPI from last published in the preceding year, but not to exceed 5% for any lease year. When the CPI declines, the fixed rent during the succeeding year is the fixed rent during preceding year. All other amounts required by the landlord to be paid by Seattle Center on the lease shall constitute additional rent. On a triple net lease, Seattle Center will pay all impositions on the lease, insurance premiums, utilities, taxes, operating expenses, maintenance charges, repair costs, and other charges, costs, and expenses which arise or may be contemplated during the lease term. Seattle Center paid lease payments of \$512,422 in 2021. Rents are paid as they become due and payable.

Minimum payments under leases for the years ending December 31 are:

Table 8-2 **OPERATING LEASE COMMITMENTS**
GOVERNMENTAL ACTIVITIES
(In Thousands)

Minimum Lease Payments					
Year Ending December 31	Department of Finance & Admin Services	Seattle Center	Department of Parks & Recreation	Department of Transportation	Total
2022	\$ 14,324	\$ 538	\$ 1,040	\$ 59	\$ 15,961
2023	14,586	549	1,022	28	16,185
2024	14,895	560	1,069		16,524
2025	15,224	333	1,221		16,778
2026	15,630		1,253		16,883
2027-2031	84,612		6,747		91,359
Total	<u>\$ 159,271</u>	<u>\$ 1,980</u>	<u>\$ 12,352</u>	<u>\$ 87</u>	<u>\$ 173,690</u>

The following schedule shows the composition of total rental expense for all operating leases except those with terms of a month or less that were not renewed during 2021:

	For the Year Ended December 31, 2021
	<i>(In Thousand)</i>
Minimum Rentals:	\$ 25,971
Less: Sublease Rentals	<u>(32)</u>
	<u>\$ 25,939</u>

Business-Type Activities. City Light leases office equipment and smaller facilities for various purposes through long-term operating lease agreements. Expense for these operating leases totaled \$1.8 million in 2021.

Seattle Public Utilities has non-cancellable operating lease commitments for real and personal properties for its three funds: Water Fund, Drainage and Wastewater Fund, and Solid Waste Fund. The minimum payments made respectively in 2021 were \$155.0 thousand for the Water Fund; \$373.1 thousand for the Drainage and Wastewater Fund; and \$9.7 thousand for the Solid Waste Fund. Rents are paid as they become due and payable.

Seattle Department of Construction & Inspections leases office equipment for operational purposes. Minimum payments of \$64.4 thousand were made in 2021.

Minimum payments under the leases for the years ending December 31 are:

Table 8-3 **OPERATING LEASE COMMITMENTS**
BUSINESS-TYPE ACTIVITIES
(In Thousands)

Year Ending December 31	Minimum Payments					Total
	City Light	Water	Drainage & Wastewater	Solid Waste	Construction & Inspections	
2022	1,538	155	381	10	80	\$ 2,164
2023	1,553	156	389	10	80	2,188
2024	1,449	155	397	8	69	2,078
2025	4	46	362	5	35	452
2026		13	349		5	367
2027 - 2031		38	999			1,037
Total	\$ 4,544	\$ 563	\$ 2,877	\$ 33	\$ 269	\$ 8,286

LEASE REVENUES - GOVERNMENTAL ACTIVITIES

The Facilities Operations Division collects occupancy charges from the various tenants occupying real property owned or leased by the City. These tenants include other City departments, other government offices, social service agencies, and private businesses. Social service agencies frequently pay occupancy charges at reduced rates in consideration of offsetting benefits accruing to the City as a result of the services they provide to the public. Rental revenues derived from these activities are accounted for in the Finance and Administrative Services Fund, an internal service fund, and are shown in the following table.

Table 8-4 **MAJOR SOURCES OF RENTAL INCOME ON REAL PROPERTY MANAGED BY**
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
(In Thousands)

	2021
Non-City Property Occupied by City Departments	\$ 13,485
City-Owned Property Occupied by City Departments	61,210
City-Owned Property Leased to Non-City Tenants	1,536
Total	\$ 76,231

Additionally, the SeaPark Garage and the Seattle Municipal Tower Building generated \$2.9 million total parking revenues in 2021, which were recorded in the Finance and Administrative Services Fund.

(9) LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The City issues general obligation (GO) bonds to provide funding for the acquisition and the construction of major capital facilities. GO bonds have been issued for both governmental and business-type activities, are direct obligations and pledge the full faith and credit of the City. The City issues two types of GO bonds – Limited Tax General Obligation (LTGO) bonds and Unlimited Tax General Obligation (UTGO) bonds.

In May 2021, the City issued \$164.0 million of LTGO tax-exempt improvement and refunding bonds which mature from December 2021 through December 2041. The bonds were issued with an average coupon rate of 4.111%. Proceeds of the bonds will be used to pay all or part of the costs of construction and acquisition of various City capital projects, such as the Alaskan Way Corridor and Overlook Walk, chiller replacement and elevator rehabilitation at the Seattle Municipal Tower, and various information technology projects. A portion of the proceeds was used to fund the West Seattle Bridge project (\$80.4 million) and Data & Telephone Infrastructure (\$11.5 million). As a result of the refunding debt service, the City reduced total debt service requirements by \$7.1 million resulting in an net present value economic gain.

The original amount of GO bonds issued for which amounts are still outstanding at the end of 2021 was \$1.661 billion. The principal balance of those bonds as of December 31, 2021 was \$940.6 million. The following table presents the individual GO bonds outstanding as of December 31, 2021:

Table 9-1

GENERAL OBLIGATION BONDS

Page 1 of 2

(In Thousands)

Name and Purpose of Issue	Issuance Date	Last Maturity	Effective Interest Rate	Original Amount	Redemptions		Bonds Outstanding December 31, 2021
					2021	To Date ^A	
LIMITD TAX GENERAL OBLIGATION (LTGO) BONDS - NON-VOTED							
2009 Improvement and Refunding	03/25/09	5/1/2034	3.574 %	\$ 99,860	\$ —	\$ 99,860	\$ —
2010 Improvement and Refunding, Series A	03/31/10	8/1/2030	3.039	66,510	5,215	19,365	47,145
2010 Improvement and Refunding, Series B ^B	03/31/10	8/1/2031	3.125	135,395	—	135,395	—
2011 Improvement	03/16/11	3/1/2031	3.650	79,185	41,790	79,185	—
2012 Improvement and Refunding	05/16/12	9/1/2032	2.688	75,590	4,025	33,700	41,890
2013 Improvement, Series A	06/04/13	10/1/2033	2.375	42,315	1,285	25,725	16,590
2013 Improvement and Refunding, Series B (Taxable)	06/04/13	1/1/2025	1.427	55,075	940	51,125	3,950
2014 Improvement and Refunding	04/10/14	5/1/2034	2.497	62,770	1,935	41,510	21,260
2015 Improvement and Refunding, Series A	05/21/15	6/1/2035	2.401	160,945	20,185	67,650	93,295
2015 Improvement, Series B (Taxable)	05/21/15	4/1/2035	3.452	28,175	1,200	6,920	21,255
2016 Improvement and Refunding, Series A	05/25/16	4/1/2036	2.188	103,660	10,290	38,440	65,220
2016 Improvement, Series B (Taxable)	05/25/16	4/1/2036	2.801	6,070	265	1,265	4,805
2017 Improvement, Series A	06/14/17	11/1/2047	2.964	73,080	3,810	14,175	58,905
2017 Improvement and Refunding, Series B (Taxable)	06/14/17	11/1/2037	3.038	12,400	800	3,080	9,320
2018 Improvement, Series A	05/22/18	12/1/2038	2.705	23,230	2,095	5,995	17,235
2018 Improvement, Series B (Taxable)	05/22/18	12/1/2038	3.594	26,745	1,245	3,585	23,160
2019 Improvement, Series A	08/08/19	5/1/2049	2.208	35,870	2,465	4,810	31,060
2019 Improvement, Series B (Taxable)	08/08/19	5/1/2039	2.736	11,100	450	890	10,210
2020 Improvement and Refunding, Series A	09/22/20	8/1/2040	0.930	79,625	7,345	7,345	72,280
2021 Improvement and Refunding, Series A	05/20/21	12/1/2041	1.570	142,860	—	—	142,860
2021 Improvement and Refunding, Series B	05/20/21	12/1/2041	1.880	21,170	—	—	21,170
Total Limited Tax General Obligation Bonds				<u>\$ 1,341,630</u>	<u>\$ 105,340</u>	<u>\$ 640,020</u>	<u>\$ 701,610</u>

Table 9-1

GENERAL OBLIGATION BONDS (continued)

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(In Thousands)

Name and Purpose of Issue	Issuance Date	Last Maturity	Effective Interest Rate	Original Amount	Redemptions		Bonds Outstanding December 31, 2021
					2021	To Date ^A	
UNLIMITED TAX GENERAL OBLIGATION (UTGO) BONDS - VOTED							
2012 Refunding	05/16/12	12/1/2021	1.276 %	\$ 46,825	\$ 6,145	\$ 46,825	\$ —
2013 Improvement	06/04/13	12/1/2042	3.281	50,000	1,190	8,250	41,750
2014 Improvement	04/10/14	12/1/2043	3.673	16,400	385	2,425	13,975
2015 Improvement	05/21/15	12/1/2044	3.575	169,135	3,695	19,700	149,435
2016 Improvement	05/25/16	12/1/2045	3.084	36,740	790	2,935	33,805
Total Unlimited Tax General Obligation Bonds				<u>\$ 319,100</u>	<u>\$ 12,205</u>	<u>\$ 80,135</u>	<u>\$ 238,965</u>
Total General Obligation Bonds				<u>\$1,660,730</u>	<u>\$ 117,545</u>	<u>\$ 720,155</u>	<u>\$ 940,575</u>

^A Includes all bonds that matured to date and all called, refunded, and defeased bonds on issues that had outstanding balances at the beginning of the year.

^B Issued as direct-pay Build America Bonds, created under Section 1531 of the American Recovery and Reinvestment Act of 2009 whereby state or local governmental issuers of this type of bonds receive a federal subsidy through Treasury Department and the Internal Revenue Service in an amount equal to 35 percent of the total coupon interest payable to investors or buyers of the bonds. However, starting in fiscal year 2014, the subsidy payments have been reduced as a result of sequestration mandated by the U.S Congress. The subsidy cuts are expected to last through fiscal year 2024.

The requirements to amortize the general obligation bonds as of December 31, 2021, are presented in the following table. Debt service for the LTGO bonds is met by transfers from the General Fund and certain special revenue funds and by reimbursements from proprietary funds of the City. Debt service for the UTGO bonds is covered by property tax levies that authorized the bond issuance and were approved by at least 60% of voters. In such cases, the number of voters approving the bond issuance and tax levy must exceed 40% of the voters in the most recent election preceding the vote on the bonds.

Table 9-2
ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS
(In Thousands)

Year Ending December 31	Governmental Activities		Total
	Principal	Interest	
2022	\$ 71,550	\$ 39,669	\$ 111,219
2023	75,080	36,448	111,528
2024	80,245	32,913	113,158
2025	80,200	29,214	109,414
2026	64,665	25,415	90,080
2027 - 2031	241,115	91,549	332,664
2032 - 2036	158,695	49,925	208,620
2037 - 2041	118,165	23,443	141,608
2042 - 2046	48,695	4,704	53,399
2047 - 2049	2,165	99	2,264
Total	<u>\$ 940,575</u>	<u>\$ 333,379</u>	<u>\$ 1,273,954</u>

SPECIAL ASSESSMENTS BONDS WITH GOVERNMENTAL COMMITMENT

The City is obligated to make payment on special assessment bonds, the debt service of which is paid from collections of related Local Improvement District (LID) assessments levied against the benefited properties located within the boundaries of the LID. Though guaranteed by the City’s LID Guaranty Fund, this type of special assessment bonds does not constitute an obligation of any political subdivision thereof other than the City, and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The City redeemed \$1.4 million of special assessment bonds in 2021, and the amount of bonds outstanding at the end of 2021 was \$1.1 million, all of which represents the remaining principal on bonds issued for the South Lake Union LID 6750.

The following tables provide more detail on the outstanding special assessment bonds and the assessment revenues levied to pay for the bonds:

Table 9-3 SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT
(In Thousands)

Name of Issue	Issuance	Last	Effective Interest	Original Issuance	Redemptions		Bonds Outstanding
	Date ^a	Maturity	Rate	Amount	2021	To Date	December 31, 2021
Local Improvement District No. 6750 Bonds, 2006	09/16/06	12/15/2026	4.260 %	\$ 21,925	\$ 1,420	\$ 20,800	\$ 1,125

^a Updated issuance date to reflect actual issuance date. Prior reporting of 12/13/06 was initial outgoing payment

Table 9-4 Local Improvement District No. 6750 Assessment Collection Information

Calendar/Fiscal Year End Dec. 31	Installment Payments Billed ^A	Installment Payments Collected ^B	Unpaid Principal Balance of Assessments ^C	Installments that are Delinquent ^D
2012	\$1,194,120	\$1,900,225	14,265,404	\$194,705
2013	1,189,621	2,046,315	13,038,066	264,692
2014	1,186,600	1,781,162	11,819,398	249,080
2015	1,186,600	1,996,091	10,572,835	291,124
2016	1,148,384	1,768,274	9,153,197	287,510
2017	1,126,841	1,492,796	7,854,542	359,974
2018	1,122,696	1,561,443	7,192,381	378,532
2019	1,451,992	1,535,808	5,860,549	404,062
2020	1,388,604	1,337,357	4,357,624	398,015
2021	1,340,707	1,395,685	3,072,493	472,106

^A Represents installment payments due and billed in the calendar year.

^B Represents total amount received in respect of assessments in calendar year, including payments of assessment installments (consisting of both principal and interest) due and billed in current calendar year, plus amounts received as prepayments of outstanding principal balances of unpaid assessments and amounts received in respect of delinquent installments.

^C Represents principal balance of assessments that is outstanding and unpaid, including amounts that are not yet due and payable at year- end.

^D Represents cumulative amount of the principal portion of installment payments that were due and billed in any calendar year, but which remained unpaid at year-end.

The requirements to amortize the special assessments with governmental commitment as of December 31, 2021 are shown below:

Table 9-5 **ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY
SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT**
(In Thousands)

Year Ending December 31	Principal	Interest	Total
2022	\$ —	\$ 3,026	\$ 3,026
2023	—	3,026	3,026
2024	—	3,026	3,026
2025	—	3,026	3,026
2026	1,125	3,026	4,151
2027 - 2043	97,361	50,626	147,987
Total	<u>\$ 98,486</u>	<u>\$ 65,756</u>	<u>\$ 164,242</u>

NOTES AND CONTRACTS PAYABLE – GOVERNMENTAL ACTIVITIES

The Seattle Department of Transportation (SDOT) has outstanding loans drawn in several years from the Washington State Public Works Trust Fund loan program. The loans were drawn at varying annual interest rates ranging from 0.25% to 3.0%. The proceeds of the loans support city road and bridge improvements. The City paid \$1.2 million principal and \$0.1 million interest in 2021. The outstanding balance on the loans was \$14.3 million as of December 31, 2021. The following table presents the annual debt service requirements to maturity on the loans as of December 31.

Table 9-6 **ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY
SEATTLE DEPARTMENT OF TRANSPORTATION
PUBLIC WORKS TRUST FUND LOANS**
(In Thousands)

December 31	Principal	Interest	Total
2022	\$ 1,490	\$ 170	\$ 1,660
2023	1,490	163	1,653
2024	924	150	1,074
2025	924	139	1,063
2026	924	129	1,053
2027 - 2031	4,511	486	4,997
2032 - 2036	2,858	237	3,095
2037 - 2039	1,143	28	1,171
Total	<u>\$ 14,264</u>	<u>\$ 1,502</u>	<u>\$ 15,766</u>

REVENUE BONDS

The City issues revenue bonds to provide financing for the capital programs of the four utilities – City Light, Water, Drainage and Wastewater, and Solid Waste. Payment of debt service on the bonds issued for each utility is derived solely from the revenues generated by the related utility. The City does not pledge its full faith and credit for the payment of debt service on revenue bonds. The original amount of revenue bonds issued for which amounts were still outstanding at the end of 2021 was approximately \$5.3 billion. The outstanding principal balance on December 31, 2021, was \$4.2 billion.

The following table presents revenue bonds outstanding as of December 31, 2021:

Table 9-7
Page 1 of 2

REVENUE BONDS
(In Thousands)

Name and Purpose of Issue	Issuance Date	Last Maturity	Effective Interest Rates ^E	Original Amount	Redemptions		Bonds Outstanding December 31, 2021
					2021	To Date ^A	
MUNICIPAL LIGHT AND POWER BONDS							
2010 Improvement, Series A ^B	05/26/10	2/1/2040	3.57 %	181,625	4,570	4,570	177,055
2010 Improvement and Refunding, Series B	05/26/10	2/1/2026	3.41	596,870	—	596,870	—
2010 Improvement, Series C ^C	05/26/10	2/1/2040	3.11	13,275	—	—	13,275
2011 Improvement and Refunding, Series A	02/08/11	2/1/2036	4.54	296,315	46,050	296,315	—
2011 Improvement, Series B ^D	02/08/11	2/1/2027	1.96	10,000	—	—	10,000
2012 Improvement and Refunding, Series A	07/17/12	6/1/2041	3.15	293,280	41,480	175,465	117,815
2012 Improvement, Series C ^D	07/17/12	06/01/33	0.59	43,000	—	—	43,000
2013 Improvement and Refunding	07/09/13	07/01/43	4.05	190,755	48,255	120,670	70,085
2014 Improvement and Refunding	11/05/14	09/01/44	3.10	265,210	18,310	98,545	166,665
2015 Improvement, Series A	07/09/15	05/01/45	3.57	171,850	5,545	34,160	137,690
2016 Improvement, Series A ^D	01/28/16	01/01/41	1.03	31,870	—	—	31,870
2016 Refunding, Series B	01/28/16	04/01/29	2.08	116,875	10,825	22,655	94,220
2016 Improvement and Refunding, Series C	09/28/16	10/01/46	2.93	160,815	12,530	21,720	139,095
2017 Improvement and Refunding, Series C	09/28/17	09/01/47	3.16	385,530	4,525	18,070	367,460
2018 Improvement, Series A	06/19/18	01/01/48	3.53	263,755	4,675	12,995	250,760
2018 Refunding, Series B-1 ^G	09/04/18	05/01/45	.37% - 5.49%	50,135	50,135	50,135	—
2018 Refunding, Series B-2 ^G	09/04/18	05/01/45	.37% - 5.49%	50,135	50,135	50,135	—
2018 Refunding, Series C-1 ^G	09/04/18	11/01/46	.28% - 5.69%	49,245	1,055	4,360	44,885
2018 Refunding, Series C-2 ^G	09/04/18	11/01/46	.28% - 5.69%	49,245	1,055	4,360	44,885
2019 Improvement, Series A	10/16/19	04/01/49	3.20	210,540	3,250	6,770	203,770
2019 Refunding, Series B	11/05/19	02/01/26	1.29	140,275	21,795	21,795	118,480
2020 Improvement, Series A ^F	08/05/20	07/01/50	2.10	198,305	2,410	2,410	195,895
2021 Parity, Series A	07/15/21	07/01/51	2.48	259,795	—	—	259,795
2021 Parity, Series B	08/10/21	05/01/45	.27% - .36%	100,620	—	—	100,620
Total Light and Power Bonds				\$ 4,129,320	\$ 326,600	\$1,542,000	\$ 2,587,320

^A Includes all bonds that matured to date and all called, refunded, and defeased bonds on issues that had outstanding balances at the beginning of the year.

^B Issued as taxable direct-pay Build America Bonds, created under Section 1531 of the American Recovery and Reinvestment Act of 2009 whereby state or local governmental issuers of this type of bonds receive a federal subsidy through Treasury Department and the Internal Revenue Service in an amount equal to 35 percent of the total coupon interest payable to investors or buyers of the bonds. However, starting in fiscal year 2014, the subsidy payments have been reduced as a result of sequestration mandated by the U.S Congress. The subsidy cuts are expected to last through fiscal year 2024.

^C Issued as taxable Recovery Zone Economic Development Bonds, a third type of Build America Bonds which provides for a deeper federal subsidy through a refundable tax credit paid to state or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors or buyers of the bonds.

^D Issued as taxable direct-pay New Clean Renewable Energy Bonds, treated as "specified tax credit bonds" for which the City will be allowed a credit payable by the United States Treasury equal to all or a portion of interest payable on each payment date, subject to sequestration mandated by the U.S. Congress..

^E Interest rates for fixed rate Bonds are the True Interest Costs. Interest rates for variable rate Bonds are the minimum and maximum rates for the reporting year.

Table 9-7
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REVENUE BONDS
(In Thousands)

Name and Purpose of Issue	Issuance Date	Last Maturity	Effective Interest Rates ^E	Original Amount	Redemptions		Bonds Outstanding December 31, 2021
					2021	To Date ^A	
MUNICIPAL WATER BONDS							
2010 Improvement, Series A ^B	01/21/10	8/1/2040	0.037	109,080	3,575	10,400	98,680
2010 Improvement and Refunding, Series B	01/21/10	8/1/2027	0.033	81,760	28,215	81,760	—
2012 Refunding	05/30/12	9/1/2034	0.026	238,770	90,815	176,110	62,660
2015 Improvement and Refunding	06/10/15	11/1/2045	0.032	340,840	17,995	93,590	247,250
2017 Improvement and Refunding	01/25/17	8/1/2046	0.030	194,685	5,655	21,040	173,645
2021 Improvement and Refunding	06/17/21	8/1/2034	0.010	82,220	—	—	82,220
Total Water Bonds				1,047,355	146,255	382,900	664,455
MUNICIPAL DRAINAGE AND WASTEWATER BONDS							
2009 Improvement, Series A ^B	12/17/09	11/1/2039	3.538	102,535	3,390	16,005	86,530
2009 Improvement and Refunding, Series B	12/17/09	11/1/2027	2.907	36,680	8,545	36,680	—
2012 Improvement and Refunding	06/27/12	9/1/2042	3.327	222,090	57,220	115,955	106,135
2014 Improvement and Refunding	07/10/14	5/1/2044	3.578	133,180	4,485	19,915	113,265
2016 Improvement and Refunding	06/22/16	10/1/2046	2.921	160,910	4,115	15,180	145,730
2017 Improvement and Refunding	06/28/17	7/1/2047	3.148	234,125	5,395	26,905	207,220
2021 Improvement and Refunding	05/19/21	9/1/2051	2.110	111,010	—	—	111,010
Total Drainage and Wastewater Bonds				1,000,530	83,150	230,640	769,890
MUNICIPAL SOLID WASTE BONDS							
2011 Improvement	06/22/11	8/1/2036	4.227	45,750	35,165	45,750	—
2014 Improvement and Refunding	06/12/14	5/1/2039	3.337	95,350	4,445	20,335	75,015
2015 Improvement	06/25/15	2/1/2040	3.650	35,830	980	5,075	30,755
2016 Improvement and Refunding	06/30/16	12/1/2041	2.793	35,335	460	2,095	33,240
2021 Improvement and Refunding	07/01/21	8/1/2036	1.337	25,670	—	—	25,670
Total Solid Waste Bonds				237,935	41,050	73,255	164,680
Total Utility Revenue Bonds				<u>\$ 6,415,140</u>	<u>\$ 597,055</u>	<u>\$2,228,795</u>	<u>\$ 4,186,345</u>

^A Includes all bonds that matured to date and all called, refunded, and defeased bonds on issues that had outstanding balances at the beginning of the year.

^B Issued as taxable direct-pay Build America Bonds, created under Section 1531 of the American Recovery and Reinvestment Act of 2009 whereby state or local governmental issuers of this type of bonds receive a federal subsidy through Treasury Department and the Internal Revenue Service in an amount equal to 35 percent of the total coupon interest payable to investors or buyers of the bonds. However, starting in fiscal year 2014, the subsidy payments have been reduced as a result of sequestration mandated by the U.S Congress. The subsidy cuts are expected to last through fiscal year 2024.

^C Issued as taxable Recovery Zone Economic Development Bonds, a third type of Build America Bonds which provides for a deeper federal subsidy through a refundable tax credit paid to state or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors or buyers of the bonds.

^D Issued as taxable direct-pay New Clean Renewable Energy Bonds, treated as "specified tax credit bonds" for which the City will be allowed a credit payable by the United States Treasury equal to all or a portion of interest payable on each payment date, subject to sequestration mandated by the U.S. Congress..

^E Interest rates for fixed rate Bonds are the True Interest Costs. Interest rates for variable rate Bonds are the minimum and maximum rates for the reporting year.

The requirements to amortize the revenue bonds as of December 31, 2021 are presented below:

Table 9-8 ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY REVENUE BONDS
(In Thousands)

Year Ending December 31	Light		Water		Drainage and Wastewater		Solid Waste		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 123,290	\$ 106,961	\$ 47,345	\$ 31,003	\$ 29,525	\$ 33,878	\$ 7,295	\$ 7,345	\$ 386,642
2023	125,595	101,265	50,465	28,614	29,605	32,399	7,760	6,875	382,578
2024	129,495	95,009	43,715	26,062	31,060	30,910	8,160	6,478	370,889
2025	119,655	88,537	45,850	23,838	32,585	29,344	8,585	6,061	354,455
2026	115,445	83,312	43,400	21,577	33,045	27,798	9,020	5,623	339,220
2027 - 2031	448,960	348,331	189,810	77,933	168,720	114,685	51,740	21,073	1,421,252
2032 - 2036	468,725	257,153	129,180	40,916	163,525	77,419	47,890	9,668	1,194,476
2037 - 2041	506,740	158,842	77,500	16,012	147,130	43,005	24,230	1,885	975,344
2042 - 2046	400,240	70,772	37,190	4,142	107,310	16,634	—	—	636,288
2047 - 2051	149,175	12,484	—	—	27,385	2,545	—	—	191,589
Total	<u>\$ 2,587,320</u>	<u>\$ 1,322,666</u>	<u>\$ 664,455</u>	<u>\$ 270,097</u>	<u>\$ 769,890</u>	<u>\$ 408,617</u>	<u>\$ 164,680</u>	<u>\$ 65,008</u>	<u>\$ 6,252,733</u>

NOTES AND CONTRACTS PAYABLE – BUSINESS-TYPE ACTIVITIES

Seattle Public Utilities (SPU) has various construction projects that are financed by low-interest loans issued by the State of Washington. The loan agreements require that SPU finance a portion of these projects from other sources. SPU’s Water Fund as well as its Drainage & Wastewater Fund have availed of these loans to enhance and protect the City’s water, drainage, and wastewater systems.

In 2021, the Drainage and Wastewater Fund entered into a 20-year loan agreement with the Washington State Department of Ecology to borrow up to \$25.0 million to support the Ship Canal Water Quality Project for protecting Lake Washington Ship Canal from combined sewer overflow from Ballard, Fremont, Wallingford, and North Queen Anne. Amounts borrowed under this agreement accrue interest at the rate of 1.2% per annum and estimated initiation of operation date is January 1, 2025. As of December 31, 2021, the Fund had drawn \$36.0 million on the loan.

Amounts paid to all loans in 2021 were \$3.0 million principal and \$0.9 million in interest. Total loans outstanding as of December 31, 2021, are \$101.3 million. The annual debt service requirements to maturity are provided in the following table.

Table 9-9

**ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY
SEATTLE PUBLIC UTILITIES
PUBLIC WORKS TRUST LOAN AND OTHER NOTES
(In Thousands)**

Year Ending December 31	Water		Drainage and Wastewater		Total
	Principal	Interest	Principal	Interest	
2022	\$ 2,050	\$ 321	\$ 4,052	\$ 935	\$ 7,358
2023	2,050	292	4,061	1,233	7,636
2024	2,050	263	4,125	1,158	7,596
2025	2,050	234	5,804	1,292	9,380
2026	1,825	205	5,479	1,412	8,921
2027 - 2031	7,104	691	27,729	5,582	41,106
2032 - 2036	4,992	257	26,714	3,115	35,078
2037 - 2041	606	9	16,929	1,058	18,602
2042 - 2046	—	—	6,451	131	6,582
Total	<u>\$ 22,727</u>	<u>\$ 2,272</u>	<u>\$ 101,344</u>	<u>\$ 15,916</u>	<u>\$ 142,259</u>

Table 9-10

CHANGES IN LONG-TERM LIABILITIES ^A
(In Thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable					
General Obligation Bonds	\$ 894,090	\$ 164,030	\$ 117,545	\$ 940,575	\$ 71,550
Issuance Premiums and Discounts, Net	78,945	37,368	13,675	102,638	10,919
Special Assessment Bonds with Governmental Commitment ^B	2,545	97,361	1,420	98,486	498
Total Bonds Payable	975,580	298,759	132,640	1,141,699	82,967
Notes and Contracts					
Capital Leases	44	11	23	32	23
Other Notes and Contracts	10,283	5,220	1,238	14,265	1,490
Total Notes and Contracts	10,327	5,231	1,261	14,297	1,513
Compensated Absences	103,482	112,403	115,557	100,328	5,016
Claims Payable					
General Contamination Cleanup ^C	11,605	5,615	5,145	12,075	82
Workers' Compensation	36,353	16,570	13,796	39,127	16,088
General Liability	53,763	17,454	11,271	59,946	13,206
Health Care Claims	12,978	288,752	282,212	19,518	19,518
Total Claims Payable ^D	114,699	328,391	312,424	130,666	48,894
Unfunded Other Post Employment Benefits	654,749	—	20,851	633,898	—
Net Pension Liability	970,318	—	159,676	810,642	—
Other Noncurrent Liabilities	1,697	—	396	1,301	440
Total Long-Term Liabilities from Governmental Activities	\$ 2,830,852	\$ 744,784	\$ 742,805	\$ 2,832,831	\$ 138,830
BUSINESS-TYPE ACTIVITIES					
Bonds Payable					
Revenue Bonds	4,152,530	360,415	597,055	3,915,890	207,455
Issuance Premiums and Discounts, Net	439,585	54,936	40,274	454,247	—
Total Bonds Payable	4,592,115	415,351	637,329	4,370,137	207,455
Notes and Contracts					
Capital Leases	124	—	51	73	25
Other Notes and Contracts	80,832	48,141	4,902	124,071	6,102
Total Notes and Contracts	80,956	48,141	4,953	124,144	6,127
Compensated Absences	39,620	43,661	43,333	39,948	1,997
Claims Payable					
General Contamination Cleanup ^C	304,180	13,347	5,532	311,995	10,273
Workers' Compensation	10,693	5,198	4,326	11,565	4,759
General Liability	14,643	10,515	5,708	19,450	4,057
Total Claims Payable ^D	329,516	29,060	15,566	343,010	19,089
Unearned Revenues	81,787	243,063	242,678	82,172	31,885
Habitat Conservation Program Liability	7,062	40	158	6,944	573
Landfill Closure and Postclosure Costs	16,180	859	4,039	13,000	3,523
Arbitrage Rebate Liability	743	160	663	240	—
Unfunded Other Post Employment Benefits	18,337	2,305	—	20,642	—
Net Pension Liability	501,102	—	113,524	387,578	—
Other Noncurrent Liabilities	3,714	2,151	2,213	3,652	—
Total Long-Term Liabilities from Business-Type Activities	\$ 5,671,132	\$ 784,791	\$ 1,064,456	\$ 5,391,467	\$ 270,649

^A Some amounts may have rounding differences with the Statement of Net Position.

^B The Special Assessment Bonds carry neither premiums nor discounts.

^C See Note 10, Environmental Liabilities for a detailed discussion.

^D See Note 15, Contingencies, for a discussion of risk management, environmental, and other matters. The table in Note 16 also includes information on workers' compensation and health care.

The City's internal service funds predominantly serve governmental funds. For this reason, the above totals for governmental activities include the long-term liabilities for these funds. At the end of the year compensated absences and claims payable of these funds amounted to approximately \$15.0 million and \$1.0 million, respectively, and are liquidated from each fund's own resources. Notes and contracts (including public works trust fund loans), compensated absences, and workers' compensation other than those pertaining to the internal service funds are liquidated using the respective governmental funds of operating City departments, including those funded by the General Fund. General liability and health care claims relating to internal service funds are liquidated using the General Fund. Liabilities for compensated absences for governmental activities in governmental funds that have department operating budgets, though they are reported as a general obligation of the City, are paid from these funds when these compensated absences are used by the employees or cashed out by them at termination or retirement. Arbitrage rebate liabilities in governmental activities are paid as they become due and usually come from available resources in governmental funds that received the related bond proceeds and investment earnings from the proceeds.

In addition to paying for debt service on the bond issues for business-type City operations, each business-type fund liquidates its respective other long-term liabilities with the exception of the Department of Construction and Inspections (DCI) for general liability. The General Fund pays for DCI's general liability, if any. Environmental liabilities of governmental activity funds are paid from the governmental funds while environmental liabilities of business-type activity funds are paid respectively from the utility funds. Purchased power obligations are obligations of City Light and therefore paid from City Light. For further discussion on purchased power, see Note 14, Commitments.

ADVANCE AND CURRENT REFUNDINGS

To lower interest costs, the City may on occasion refund and defease certain bonds by issuing new refunding bonds and/or using existing resources to repay certain outstanding bond issues prior to their original maturity dates. In most cases, City resources and the proceeds of refunding bonds are deposited into irrevocable trusts for the purchase of federal, state, and local government securities to provide for all future debt service on the old bonds. As a result, the old bonds are considered defeased, and the corresponding liabilities are not included in the statement of net position.

In May 2020, the City refunded and defeased in substance \$38.0 million of outstanding 2011 Series limited tax general obligation (LTGO) bonds, carrying an average interest rate of 4.3%, with \$29.8 million of 2021 LTGO bonds issued at an average interest rate of 5.0%. The City deposited bond proceeds of \$38.4 million with an escrow agent, comprised of the par value of the new bonds and an additional \$8.8 million in original issue premiums. The escrow agent used the proceeds to pay issue costs of \$0.3 million and purchase state and local government securities of \$38.7 million to provide for repayment of the old bonds at their May 2021 call date. The difference between the reacquisition price and carrying amount of the old bonds resulted in a refunding gain of \$1.8 million which will be amortized over the life of the old bonds through 2031.

The debt service on the 2021A Bonds requires a cash flow over the life of the bonds of \$435.9 million, including \$176.1 million in interest and the 2021B Bonds requires a cash flow over the life of the bonds of \$163.2 million, including \$62.6 million in interest. The refunding gain on the 2021A Bonds was \$2.2 million. The difference between the cash flows required to service the old and new debt and to complete the refunding for the 2021A Bonds totaled \$3.9 million and the aggregate economic gain on refunding totaled \$3.9 million at present value. Bonds defeased in August 2021 partially refunded certain 2012A Bonds and 2013 Bonds on an advanced refunding basis. Advance refunding is a refunding in which the refunded issue(s) remains outstanding for a period of more than 90 days after a bond defeasance transaction, the proceeds of which are held in escrow invested in securities and used to pay principal and interest on the refunded issue(s). The source of refunding for the 2012A and 2013 bonds was from operating cash whereby \$80.4 million of open market securities were purchased and placed in escrow to pay principal and interest on the refunded bonds. The accounting loss on refunding for 2021 was \$0.1 million.

The following is a schedule of outstanding bonds that are either refunded or defeased:

Table 9-11

REFUNDED/DEFEASED BONDS
(In Thousands)

Name of Issue	Issuance Date	Last Maturity	Effective Interest Rate	Original Amount	LTD Amount Transferred To Trustee	Trustee Redemptions To Date 2021	Defeased Outstanding December 31, 2021
GENERAL OBLIGATION BONDS							
Limited Tax (Non-Voted)							
2010 Improvement and Refunding, Series B	03/31/10	8/1/2031	3.125	135,395	37,990	37,990	—
REVENUE BONDS							
Municipal Light and Power							
2011 Improvement and Refunding, Series A	02/08/11	02/01/36	4.540	296,315	145,115	145,115	—
2012 Improvement and Refunding, Series A	07/17/12	06/01/41	3.150	293,280	66,355	—	66,355
2013 Improvement and Refunding	07/09/13	07/01/43	4.050	190,755	98,175	—	98,175
Municipal Water							
N/A							
Municipal Drainage and Wastewater							
N/A							
Municipal Solid Waste							
N/A							
Total Refunded/Defeased Bonds				\$ 915,745	\$ 347,635	\$ 183,105	\$ 164,530

ARBITRAGE

The City reviews arbitrage rebate liability on its outstanding tax-exempt bonds and certificates of participation under Section 148(f) of the Internal Revenue Code. Such reviews are conducted when bonds have reached their installment computation dates (bonds outstanding for five years initially and every five years thereafter until the last of the bond issue matures). As of December 31, 2021, the City reported no arbitrage rebate liability on its general obligation bonds and \$0.2 million on its revenue bonds.

(10) ENVIRONMENTAL LIABILITIES

The following list of liabilities are split between the Drainage and Wastewater fund and the Solid Waste fund. For purposes of this section all liabilities will be listed in regard to The City of Seattle or The City.

Duwamish sites. The U.S. Environmental Protection Agency (EPA) has indicated that it will require the clean-up and remediation of certain Duwamish sites under its Superfund authority. In order to manage the liability, the City has worked with the EPA and other PRPs to complete a Remedial Investigation (RI) and Feasibility Study (FS). On November 2, 2012, the EPA and Ecology approved the Lower Duwamish Waterway Group’s FS. The EPA announced their proposed cleanup plan in February 2013 for public comment. The remaining scope of cleanup by potentially responsible parties (PRPs) has been decided by the EPA in the 2014 Record of Decision. The City recorded an estimate of its share of the estimated total cost. Remedial design work began in 2019.

Specific “early action sites” have been cleaned up separately under Administrative Orders on Consent (AOC). The City, together with other PRPs, has completed two early action sites identified during the RI under EPA issued AOC: Slip 4 and T-117.

East Waterway Site. In 2006 the EPA issued an AOC for a Supplemental RI and FS for the East Waterway, an operable unit of the Harbor Island Superfund Site. The Port of Seattle (the Port) alone signed the AOC. Both the City and King County signed a Memorandum of Agreement with the Port to participate as cost share partners in the RI/FS work required by the EPA. The RI and FS

are complete. The FS identifies a range of alternatives for cleanup construction that range in cost from \$256 million to \$411 million (2016 dollars). EPA is currently developing the Proposed Plan, which will be followed by a Record of Decision. The schedule for release of EPA's Proposed Plan is 2022. The Record of Decision is expected in 2023. Remedial design activities would start in late 2023 at the earliest. The City recorded an estimate of its share of the estimated total cost.

Gas Works Park Sediment Site. In April 2002, the Department of Ecology (DOE) named the City and another party, Puget Sound Energy, as PRPs for contamination at the Gas Works Sediments Site in North Lake Union. The City and Puget Sound Energy signed an Agreed Order with the DOE in 2005 to initiate two RIs and FSs for the sediment site: one in the western portion of the site led by the City, and another in the eastern portion of the site led by Puget Sound Energy. Subsequently, in fall of 2012, the City and Puget Sound Energy entered into a Settlement, Release, and Cost Allocation Agreement that puts Puget Sound Energy in the lead for all additional cleanup work at the site; the east-west split is no longer in place. Based on the 2012 Agreement, the City pays for 20% of the Shared Costs incurred by Puget Sound Energy for the cleanup work. A revised draft RI/FS was submitted to DOE in late 2021. A Clean-up Action Plan, which is the State's equivalent to a Record of Decision under the Model Toxics Control Act, is expected in 2023.

North Boeing Field/Georgetown Steam Plant. The City, King County, and Boeing signed an Administrative Order issued by the Washington State Department of Ecology (Ecology) requiring them to investigate and possibly remove contamination in an area that encompasses North Boeing Field, the Department's Georgetown Steam Plant (GTSP), and the King County Airport. This site was also the subject of the lawsuit brought by the City against Boeing. Boeing agreed to pay 67% of the costs for Ecology's implementation of the current order. The order requires completion and then implementation of a Remedial Investigation (RI) and feasibility study. The final RI work plan was issued in November 2013. In January 2015, all parties executed the First Amendment to the North Boeing Field/Georgetown Steam Plant Agreed Order, making the PRPs responsible for conducting and completing remedial action at the site. The City is responsible for one third of the costs, with the Department's share at 90% and SPU's share at 10%. The draft RI was submitted in June 2016. Ecology directed additional investigation in offsite areas following the submittal of RI. The additional investigation and negotiation on RI comments has delayed the submittal of the revised draft RI until 2020. Furthermore, conditions related to COVID-19 pandemic further delayed the Ecology engagement and negotiations in 2020 and 2021. The draft RI is now anticipated to be submitted in 2022. The FS process will begin following approval of RI. The timing of the approval is currently unknown. Boeing and the City will each pay 100% of costs for remedial action at their own facilities. Storm drain sampling conducted during the RI revealed presence of chemicals in the storm lines that drain the GTSP roof. City Light agreed with Department of Ecology that it will replace the GTSP roof as an interim action prior to finalization of the RI/FS. Roof replacement began in December 2020 and was completed in early 2021. The City recorded a liability of \$0.5 Million as of December 31, 2021 and the ultimate liability is indeterminate.

7th Avenue South Pump Station. The City acquired land in the South Park area of Seattle to construct the 7th Ave South Pump Station. The land was determined to be contaminated subsequent to the purchase. The City has voluntarily agreed to clean up the contamination in order to continue with the planned construction of the pump station. The cleanup was completed in 2012; however, the City has ongoing monitoring activities it must perform.

Terminal 108. EPA notified the City in 2019 that it is a Potentially Responsible Party for a site adjacent to the Lower Duwamish Waterway that is known as Terminal 108 or T108. The City's potential liability arises from a former sewage treatment plant that was located there. Other PRPs include the Port of Seattle, which is the current owner of the site, King County, the United States and several private entities. In 2020, the Port of Seattle, City of Seattle (SPU), and King County entered into an agreed Administrative Order with EPA and a cost-sharing agreement among themselves to complete an Engineering Evaluation and Cost Analysis (EE/CA). Work has begun on the investigative phase of the EE/CA at the T108 site in accordance with the Administrative Order, which will lead to a recommended removal or cleanup action. Liabilities are estimated through the EE/CA. The City's ultimate liability is indeterminate.

South Park Marina. The Washington Department of Ecology notified the City in 2016 that it is a Potentially Liable Party for contamination at the South Park Marina, which is adjacent to Terminal 117. City Light Department is the lead department for the City at this site. The Potentially Liable Parties (PLPs), which are the City, the Port and South Park Marina (SPM), signed a final Agreed Order for a Remedial Investigation (RI) in April 2019. A Common Interest and Cost Sharing Agreement among the PLPs was signed in 2019 with an interim cost share of one-third each. In 2019, the City contracted with a consultant to complete the RI. The City's share is split between City Light (97.5%) and SPU (2.5%). The City's ultimate liability is indeterminate.

South Park Landfill. The City of Seattle and a private developer are under a Consent Decree with the Washington State Department of Ecology (Ecology) to implement a Cleanup Action Plan for the historic South Park Landfill site under the State Model Toxics Control

Act. Previously the City was advancing a design based on an Interim Action Workplan approved by Ecology. The City delayed the project to re-define the project scope. The delay caused the City to fall behind the schedule in the Consent Decree and Ecology has determined that the City must amend the existing Consent Decree and Cleanup Action Plan to reflect the revised project and new timeline. At the same time two additional parties will be added to the Consent Decree, King County and Kenyon Business Park.

As of March 2021, a redefined scope has been approved by The City. Amendments to the Consent Decree and Cleanup Action Plan were completed in 2021. Project design is occurring between 2021 and 2022. Project construction is scheduled to start in 2023 and be completed in 2026.

In 2012, The City executed an agreement regarding the developer's interim action that settles City liabilities for the interim cleanup costs but not City liabilities for the permanent cleanup. In 2015, the developer completed Ecology-approved interim cleanup action on its portion of the site.

Newhalem. This project is comprised of three sites.

Ladder Creek Settling Tank – this project is one of three sites within City Light's Skagit River Hydroelectric Project being conducted under a 2019 Settlement Agreement with the National Park Service (NPS). The project is located near Newhalem, WA and is a cleanup of contaminated debris and soil resulting from the incineration of a building structure that covered a large water settling tank during the 2015 Goodell Creek Forest Fire. The removal work was completed in 2018 to comply with CERCLA requirements under a Time Critical Removal Action (TCRA) administered by NPS. The final TCRA Completion Report has been approved, and a final reporting of two years of post-TCRA vegetative restoration monitoring has been approved. NPS will keep the project open while conducting periodic vegetative restoration monitoring through approximately 2023. NPS owns the land.

Newhalem Penstock. This project is the second of three sites within City Light's Skagit River Hydroelectric Project being conducted under the 2019 Settlement Agreement with NPS. The project is also located near Newhalem and currently includes preparation of an Engineering Evaluation and Cost Analysis (EE/CA) to comply with CERCLA requirements under a Non-time Critical Removal Action administered by NPS. The draft EE/CA was started in 2020 and the final is anticipated to be approved in Q1 or Q2 2022. Floyd|Snider(F|S) is under contract to provide City Light with consulting services related to the EE/CA, and cleanup planning if necessary. NPS owns the land.

Diablo Dry Dock. This project is the third of three sites within City Light's Skagit River Hydroelectric Project being conducted under the 2019 Settlement Agreement with NPS. The project is located near Diablo, WA and includes preparation of an EE/CA to comply with CERCLA requirements under a Nontime Critical Removal Action administered by the NPS. GeoSyntec is under contract to provide City Light with consulting services related to the EE/CA. The EE/CA field investigation was completed in October 2021, and the draft and final EE/CA Reports are planned for 2021-2023. NPS owns the land.

The City has included in its estimated liability those portions of the environmental remediation work that are currently deemed to be reasonably estimable. Cost estimates were developed using the expected cash flow technique in accordance with GASB 49. For most of the sites, estimated outlays were based on current cost and no adjustments were made for discounting or inflation. The Duwamish site cost estimates were adjusted to remove discounting and to record the costs in 2018 dollars. Cost scenarios were developed for a given site based on data available at the time of estimation and will be adjusted for changes in circumstance. Scenarios consider the relevant potential requirements and are adjusted when benchmarks are met or when new information revises estimated outlays, such as changes in the remediation plan or operating conditions. Costs were calculated on a weighted average that was based on the probabilities of each scenario being selected and reflected cost-sharing agreements in effect. In addition, certain estimates were derived from independent engineers and consultants. The estimates were made with the latest information available; however, as new information becomes available, estimates may vary significantly due to price fluctuations, technological advances, or applicable laws.

The City is pursuing other third parties that may have contributed to the contamination of the sites noted.

The changes in the provision for environmental liability (in thousands) at December 31, 2021 are as follows:

	<u>2021</u>
Beginning Environmental Liability, Net of Recovery	\$ 315,784
Payments or Amortization	(10,015)
Incurred Environmental Liability	<u>18,301</u>
Ending Environmental Liability, Net of Recovery	<u><u>\$ 324,070</u></u>

The provision for environmental liability (in thousands) included in current and noncurrent liability at December 31, 2021 are as follows:

	<u>2021</u>
Environmental Liability, Current	\$ 10,355
Environmental Liability, Noncurrent	<u>313,715</u>
Total	<u><u>\$ 324,070</u></u>

Information on the City's environmental liability is also presented in Table 9-10 of Note 9, Long-Term Debt.

(11) PENSIONS, DEFERRED COMPENSATION, AND OTHER POSTEMPLOYMENT BENEFITS

City employees are covered in one of the following defined benefit pension plans: Seattle City Employees’ Retirement System (SCERS), Firemen’s Pension Fund, Police Relief and Pension Fund, and Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF). The first three plans with (SCERS) are considered part of the City’s reporting entity and are reported as pension trust funds. The City has determined that the Fireman’s Pension and Police Relief Funds are not reported as trust funds, and therefore accounted for as part of the General Fund. The State of Washington, through the Department of Retirement Systems (DRS), administers and reports LEOFF Plans 1 and 2. The following table represents the aggregate pension amounts for all plans for the year 2020:

Table 11-1 Aggregate Pension Amounts - All Plans
(In Thousands)

Pension liabilities	\$	1,198,220
Pension assets		630,536
Deferred outflows of resources		267,904
Deferred inflows of resources		648,880
Pension expense		(61,841)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

Plan Description

The Seattle City Employees’ Retirement System (SCERS) is a cost sharing multiple employer defined benefit public employee retirement plan. SCERS is established and administered by the City in accordance with Seattle Municipal Code (SMC) 4.36. SCERS is a pension trust fund of the City.

SCERS is administered by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Human Resources Director, two active members and one retired member of the System who are elected by other SCERS members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

All employees of the City are eligible for membership in SCERS except uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of METRO and the King County Health Department who established membership in SCERS when these organizations were formerly City of Seattle departments were allowed to continue their membership (there are currently fewer than 20 active members in this category). There are currently 7,138 retirees and beneficiaries receiving benefits, and 9,410 active members of the System. There are 1,366 terminated, vested employees entitled to future benefits, based on the 2020 audited financial report issued by SCERS.

SCERS provides retirement, death, and disability benefits. Retirement benefits vest after 5 years of credited service, while death and disability benefits vest after 10 years of credited service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement. SCERS provides post-retirement benefit increases including an automatic 1.5% annual Cost-of-Living Adjustment (COLA) increase and a 65% restoration of purchasing power benefit.

The City of Seattle adopted a second tier (Tier II) for the System in 2016. Starting January 1, 2017, new eligible employees join this second tier. Tier II is a defined benefit plan much like the original tier but has a lower contribution rate for members and calculates

final average salary based on the highest 60 consecutive months of service. Other changes related to the second tier can be found in the Seattle Municipal Code 4.36.

Refer to the Other Postemployment Benefits section of this note for discussion of the City's implicit rate subsidies to retirees for health care coverage.

SCERS issues an independent financial report. A copy of the report is available from the SCERS office, located at 720 Third Avenue, Suite 900, Seattle, WA, 98104. The report can also be requested by telephone at (206) 386-1293 or by accessing the website http://www.seattle.gov/retirement/annual_report.htm.

Summary of Significant Accounting Policies

Basis of Accounting. SCERS is accounted for as a pension trust fund. The financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, and additions to and deductions from plan net position (including contributions, benefits, and refunds) are recognized when the transactions or events occur. Employee and employer contributions are reported in the period in which the contributions are due. Member benefits, including refunds, are due and payable by the plan in accordance with plan terms.

Plan investments, including securities lending transactions as discussed in Note 3, are reported at fair value. Fair value is defined as the amount at which an investment could be exchanged in a current arm's length transaction between willing parties in which the parties each act knowledgeably and prudently. All investments are valued based on objective, observable, unadjusted quoted market prices in an active market on the measurement date, if available. In the absence of such data, valuations are based upon those of comparable securities in active markets. For illiquid or hard to value investments such as real estate, private equity, and other private investments, valuations are based upon data provided by the respective investment managers. These private asset valuations are generally based upon estimated current values and/or independent appraisals.

Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest and dividend income earned, less investment expense, plus income from securities lending activities, less deduction for security lending expenses. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Investments are made in accordance with the Prudent Person Rule as defined by the State of Washington RCW 35.39.060.

Contributions and Reserves. Member and employer contribution rates are established by SMC 4.36. The employer contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. The formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total required contributions, including amounts necessary to pay administrative costs, are determined through annual actuarial valuations.

Tier I members are those who joined the plan prior to January 1, 2017 and contribute a fixed 10.03% of pay. The City of Seattle adopted a second tier (Tier II) of the System for new eligible employees starting January 1, 2017. And these members contribute 7.00% of pay.

Minimum actuarial determined employer contributions outstanding rates were 16.14% and 14.55% for 2020 and 2019, respectively. In 2020, a blended employer contribution rate of 16.14% was adopted as a combination of a 16.20% rate for Tier I members and 15.76% for Tier II members. In 2019, the employer contribution rates were 15.23% for Tier I members and 14.42% for Tier II members.

As of December 31, 2020, SCERS reported total pension liability of \$4.6 billion, plan fiduciary net position of \$3.6 billion, the net pension liability 0.9 billion, and the funded ratio of 78.81% based on the actuarial valuation as of January 1, 2020.

An actuarial report with valuation date of January 1, 2021, is presently underway, and expected to be available at the Retirement Office after June 1, 2022.

Information about the Net Pension Liability

Assumptions and Other Inputs. The City’s total pension liability under SCERS was determined by the actuarial valuation as of January 1, 2020, with the results rolled forward to the December 31, 2020 measurement date. The actuarial assumptions were based on the Investigation of Experience study perform in 2018, which were adopted for use in the January 1, 2019 actuarial valuation. Actuarial assumptions used were as follows:

- a. Inflation: 2.75%
- b. Salary Increases: 3.50%
- c. Investment rate of return: 7.25% compounded annually, net of expenses
- d. Mortality rates: Various rates based on RP-2014 mortality tables and using generation projection of improvement using MP-2014 Ultimate project scale. See the 2018 Investigation of Experience report for details.
- e. Long-term expected rate of return on pension plan investments: Determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return and target allocation for each major asset class as of December 31, 2019 are summarized in the following table:

Table 11-2 Estimated Real Rates of Return by Asset Class

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Equity: Public	4.25%	48.0%
Equity: Private	7.32	11.0
Fixed Income: Core	-0.1	18.0
Fixed Income: Credit	3.26	7.0
Real Assets: Real Estate	3.41	12.0
Real Assets: Infrastructure	3.85	4.0
Diversifying Strategies	N/A	—
		100.0%

The above table reflects the expected (30 year) real rate of return for each major asset class. The expected inflation rate is projected at 2.75% for the same time periods.

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to apply the discount rate assumed that plan member contributions will be made at the current contribution rate and the participating governmental entity contribution will be made at rates equal to the difference between actuarial determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was 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 on projected benefit payment to determine the total pension liability

Sensitivity of the 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 7.25%, as well as what the City’s proportionate share of the net pension liability would be when the discount rate moves one percentage point lower and higher (in thousands):

Table 11-3 Sensitivity of the Net Pension Liability to Changes in the

	1% Lower	Current Discount Rate	1% Higher
	6.25 %	7.25 %	8.25 %
Net Pension Liability	\$ 1,544,900	\$ 978,646	\$ 505,224

There were no significant changes in assumptions since the last valuation including the inflation rate, growth rate and discount rate.

Changes in the Net Pension Liability. On December 31, 2020, SCERS reported the collective net pension liability of \$0.9 billion, of which the City recorded \$1.3 billion for its proportionate share of the collective net pension liability. The City’s proportion is based on the City’s contributions to the plan. The following table shows the changes in the City’s proportionate share of the net pension liability for the year ended December 31, 2020, which was rolled forward to come up with the net pension liability as of December 31, 2021 (in thousands):

Table 11-4 SCHEDULE OF CHANGES IN NET PENSION LIABILITY^a

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	4,404,518	3,148,332	1,256,186
Changes for the Year			
Service Cost	118,337		118,337
Interest on Total Pension Liability	319,783		319,783
Effect of Plan Changes			—
Effect of Economic/ Demographic	4,735		4,735
Effect of Assumptions Changes or Inputs			—
Benefit Payments	(214,148)	(214,148)	—
Refund Contributions	(15,023)	(15,023)	—
Administrative Expenses		(7,219)	7,219
Member Contributions		82,883	(82,883)
Employers Contributions		141,365	(141,365)
Net Investment Income		503,548	(503,548)
Balance at December 31, 2020	<u>\$ 4,618,202</u>	<u>\$ 3,639,738</u>	<u>\$ 978,464</u>

^a Reported difference between Actuary Report due to Annual Report excluding King County Valuation.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

The City recognized its proportionate share of pension expense in the amount of \$51.3 million for 2021. The City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the pension plan at December 31, 2021 as follows (in thousands):

Table 11-5 Proportionate Share of Deferred Outflows and Inflows of Resources ^a

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,890	\$ 28,136
Change of Assumption	46,441	
Net Difference Between Projected and Actual Earnings Contributions and Proportionate Share of Pension Expense	20,495	295,389
Contributions Made Subsequent to Measurement Date	139,282	20,833
Total	\$ 210,108	\$ 344,358

^a Reported difference between Actuary Report due to Annual Report excluding King County Valuation.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in pension expense in the fiscal years ended December 31 as follows (in thousands):

Table 11-6 Recognized Pension Plan Expense ^a

Year Ended December 31	
2021	\$ (79,335)
2022	(35,301)
2023	(102,761)
2024	(56,626)
2025	492
Thereafter	—

^a Reported difference between Actuary Report due to Annual Report excluding King County Valuation.

FIREMEN’S PENSION AND POLICE RELIEF AND PENSION FUNDS

Plan Description

The Firemen’s Pension and the Police Relief and Pension Funds are single-employer defined-benefit pension plans that were established by the City in compliance with the requirements of the Revised Code of Washington (RCW) 41.18 and 41.20.

Since the effective date of the state LEOFF plan on March 1, 1970, no payroll for employees was covered under these pension plans, and the primary liability for pension benefits for these plans shifted from the City to the state LEOFF. However, the City was still liable for all benefits in pay status at that time plus any future benefits payable to active law enforcement officers and firefighters on March 1, 1970, under the old City plans in excess of current LEOFF benefits. Generally, benefits under the LEOFF system are greater than or equal to the benefits under the old City plans when payment begins. However, LEOFF retirement benefits increase with the consumer price index (CPI - Seattle) while some City benefits increase with wages of current active members. If wages go up faster than the CPI, the City becomes liable for this residual amount. Due to this leveraging effect, projection of the City’s liabilities is especially sensitive to the difference between wage and CPI increase assumptions.

All law enforcement officers and firefighters of the City who served before March 1, 1970, are participants of these pension plans and may be eligible for a supplemental retirement benefit plus disability benefits under these plans. Those officers and firefighters hired between March 1, 1970, and September 30, 1977, are not eligible for a supplemental retirement benefit, but may be eligible

for disability benefits under these plans. Eligible law enforcement officers may retire with full benefits after 25 years of service at any age and fire fighters at age 50 after completing 25 years of service. These pension plans provide death benefits for eligible active and retired employees. In addition, these plans provide medical benefits in accordance with state statutes and City ordinances to active and retired members from the City. As of January 1, 2021, 590 firefighters and surviving spouses and 638 police retirees and surviving spouses met the eligibility requirements. The City fully reimburses the amount of valid claims for medical and hospitalization costs incurred by active members and pre-Medicare retirees. The City also reimburses the full amount of premiums for part B of Medicare for each retiree eligible for Medicare.

The Seattle Firefighters' Pension Board is a five-member quasi-judicial body chaired by the Mayor or his/her designee, which formulates policy, rules on disability applications, and provides oversight of the Firefighters' Pension Fund. Four staff employees of the board handle all of its operational functions. Staff positions associated with Firefighter's Pension Fund are not reflected in the City's position list.

The Seattle Police Pension Board is a seven-member quasi-judicial body chaired by the Mayor or his/her designee, which formulates policy, rules on disability applications, and provides oversight of the Police Pension Fund. Three staff employees of the board handle all of its operational functions. Staff positions associated with Police Relief and Pension are reflected in the City's position list.

Refer to the Other Postemployment Benefits (OPEB) section of this note for discussion of the City's implicit rate subsidies to retirees for health care coverage as well as medical benefits for retirees under the Firemen's Pension and Police Relief and Pension plans.

The Firemen's Pension and Police Relief and Pension benefit provisions are established in the state statute, RCW 41.16, 41.18, and 41.20, and may be amended only by the state legislature. Retirement benefits are determined under RCW 41.18 and 41.26 for Firemen's Pension and RCW 41.20 and 41.26 for Police Relief and Pension. Medical benefit payments for both plans are based on estimates of current and expected experience.

These pension plans do not issue separate financial reports.

Current membership in Firemen's Pension and Police Relief and Pension consisted of the following at December 31, 2021:

Table 11-7 Membership in Firemen's Pension and Police Relief and Pension

	Firemen's Pension	Police Relief and Pension
Retirees and Beneficiaries Receiving Benefits	560	638
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	—	—
Active Plan Members, Vested	—	—
Active Plan Members, Non-vested	—	—

Summary of Significant Accounting Policies

Basis of Accounting. The City fully implemented GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, Amendments to Certain Provisions of GASB Statements 67 and 68 (GASB 73), in 2017. The City has determined that the Fireman's Pension and Police Relief Funds are not reported as trust funds, and therefore accounted for as part of the General Fund. The City does not collect contributions or hold assets in trust for the Firemen's Pension and Police Relief and Pension plans. Any monies provided by the City for future benefit payments are not legally protected from creditors and are not dedicated to the provision of pensions to plan members. Per GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the plans do not meet the criteria for pension plans administered through trusts. Therefore, the plans are accounted for as part of the General Fund.

The financial statements for the Firemen's Pension and Police Relief and Pension Funds were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Investments are recorded at fair value as shown in Note 3. Fair value of investments is based on quoted market prices.

Contributions and Reserves. Since both pension plans were closed to new members effective October 1, 1977, the City is not required to adopt a plan to fund the actuarial accrued liability (AAL). An actuarial fund was established for the Firemen's Pension in July 1994 and is discussed in more detail below; the City funds the Police Relief and Pension Fund as benefits become due. Contributions are no longer required from plan members or the City departments they represent. Under state law, partial funding of the Firemen's Pension Fund may be provided by an annual tax levy of up to \$0.225 per \$1,000 of assessed value of all taxable property of the City. The Firemen's Pension Fund also receives a share of the state tax on fire insurance premiums. Additional funding through the General Fund adopted budget is provided to both pension funds as necessary. The Police Relief and Pension Fund also receives police auction proceeds of unclaimed property. Administrative costs for the Firemen's Pension are financed by the General Fund and fire insurance premium tax. Administrative costs for the Police Relief and Pension Fund are financed by police auction proceeds and the General Fund. Contribution rates are not applicable to these plans.

There are no securities held by the City for these pension funds except for the Firemen's Pension Actuarial Account described below. No loans are provided by the funds to the City or other related parties.

In July 1994, the City adopted a funding policy under Ordinance 117216 that is designed to fully fund the AAL of the Firemen's Pension Fund by the year 2018 plus additional contributions, if necessary, to fund benefit payments in excess of contributions, thus creating the Firemen's Pension Actuarial Account. In 2006, the Board of Directors amended the fully funded date from 2018 to December 31, 2023. The funding policy does not fund for future medical liabilities. The employer contributions for retiree medical are set equal to the disbursements for medical benefits and administration. All other contributions are considered pension contributions. The fair value of the net assets of Firemen's pension was \$35.0 million as of December 31, 2021. No similar program has been established for the Police Relief and Pension Fund.

The Total Pension Liability (TPL) as of December 31, 2021, based on the actuarial valuation as of January 1, 2021, was \$118.3 million for Firemen's Pension and \$101.3 million for Police Relief and Pension. The Police Relief and Pension AAL is funded on a pay-as-you-go basis. Annual requirements are funded through the City's adopted budget, and any budget requirements exceeding the adopted budget are fully covered by supplemental appropriations.

Trend information on employer contributions for the Firemen's Pension and the Police Relief and Pension plans is presented in the Required Supplementary Information section.

Information about the Total Pension Liability

Assumptions and Other Inputs. The total pension liability was determined by an actuarial valuation as of the valuation date (January 1, 2021), calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date (December 31, 2021). Actuarial assumptions used were as follows:

- Inflation: 2.50%
- Salary Increases: 3.25%
- Investment rate of return: 2.0% compounded annually, net of expenses
- Mortality rates: Calculated and projected based on the RP-2000 Mortality Table and using generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)

Discount Rate. The discount rate used to measure total pension liability was 2.0%. GASB 73 requires the discount rate used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method) to be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years was 2.06% as of December 31, 2021. Rounding this to the nearest 1/4% results in a discount rate of 2.00% as of the December 31, 2021 measurement date.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate. The following presents the Total Pension Liability, calculated using the discount rate of 2.00%, as well as what the Total Pension Liability would be when the discount rate moves one percentage point lower and higher (in thousands):

Table 11-8 Discount Rate Sensitivity of Pension Liability

	1% Lower	Current Discount Rate	1% Higher
	1.00%	2.00%	3.00%
Fireman's Pension Plan	\$ 129,990	\$ 118,294	\$ 108,222
Police Relief and Pension Plan	110,871	101,279	93,058

Changes in the Total Pension Liability. At December 31, 2021, the Firemen’s Pension and the Police Relief and Pension plans reported the pension liability of \$114.6 million and \$100.5 million respectively.

**Table 11-9 Changes in Total Pension Liability
(In Thousands)**

	Firemen’s Pension	Police Relief and Pension
Balance at December 31, 2020	\$ 114,601	\$ 100,482
Changes for the Year		
Service Cost		
Interest on Total Pension Liability	2,205	1,927
Effect of Plan Changes		
Effect of Economic/Demographic gains or losses	2,206	2,428
Effect of Assumptions Changes or Inputs	7,583	4,534
Benefit Payments	(8,299)	(8,092)
Balance at December 31, 2021	<u>\$ 118,296</u>	<u>\$ 101,279</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the City recognized an increase of pension expenses in the amount of \$12 million for the Firemen’s Pension and \$8.9 million for the Police Relief Pension plans, respectively. On December 31, 2021, there were no deferred outflows of resources or deferred inflows of resources related to these pension plans.

LAW ENFORCEMENT OFFICERS’ AND FIRE FIGHTERS’ RETIREMENT SYSTEM

The Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF) is administered by the Washington State Department of Retirement Systems (DRS). Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans – Plan 1 and Plan 2 – both of which are cost-sharing, multiple-employer public employee defined benefit retirement plans.

The Washington State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. The DRS, a department within the primary government of the State of Washington, issues a publicly available annual financial report (AFR) that includes financial statements and required supplementary information for each LEOFF plan. The

DRS AFR may be obtained by writing to Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98540-8380. It may also be downloaded from the DRS website at www.drs.wa.gov.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

Table 11-10 **LEOFF Plan 1**

<u>Years of Service</u>	<u>Percent of FAS</u>
20+	2.0 %
10 - 19	1.5
5 - 9	1.0

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions: Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute nothing, as long as the plan remains fully funded. LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the final average salary (FAS) per year of service based on the highest consecutive 60 months. Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarial reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% annually, and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions: LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18%. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the plan's Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

LEOFF Plan 2 required contribution rates for 2021 were as follows:

Table 11-11 **LEOFF Plan 2 Required Contribution Rates**
As a Percentage of Covered Payroll

Actual Contribution Rates	Employer	Employee
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	8.77%	8.59%

The City's actual contributions to LEOFF Plan 2 were \$17.4 million for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the State's General Fund to supplement the current service liability and fund the prior service costs of 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 could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed \$78.2 million to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount was \$11.3 million.

Information about the Total Pension Liability

Actuarial Assumptions. The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Experience Study and the 2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. Actuarial assumptions used were as follows:

- Inflation: 2.75% total economic inflation
- Salary increases: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.4%
- Mortality rates: Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA’s 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate. The discount rate used to measure the total pension liability for all DRS plans was 7.4%. To determine that rate, an asset sufficiency test included an assumed 7.5% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5% except LEOFF 2, which has assumed 7.4%). Consistent with the long-term expected rate of return, a 7.4% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates. Based on these assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4% was used to determine the total liability.

Long-Term Expected Rate of Return. The long-term expected rate of return on the DRS pension plan investments of 7.4% was determined using a building-block method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by 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, 2021, are summarized in the table below. The inflation component used to create the table is 2.2% and represents WSIB’s most recent long-term estimate of broad economic inflation.

Table 11-12 Estimated Rates of Return by Asset Class

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

Sensitivity of the Total Pension Liability/(Asset) to Changes in the Discount Rate. The table below presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.4%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.4%) or 1-percentage point higher (8.4%) than the current rate (in thousands):

Table 11-13 Sensitivity of Net Pension Assets to Changes in the Discount Rate

	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
LEOFF Plan 1	\$ 109,961	\$ 122,142	\$ 132,682
LEOFF Plan 2	320,593	508,394	662,165

Pension Plan Fiduciary Net Position. Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Asset or Liability. At December 31, 2021, the City reported a pension asset of \$630.5 million for its proportionate share of the net pension assets (in thousands) as follows:

Table 11-14 City's Proportionate Share of Net Pension Asset

	Share in Dollars
LEOFF 1	\$ 122,142
LEOFF 2	508,394
Total	\$ 630,536

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate 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):

Table 11-15 Proportionate Share of Plant 1 and Plan 2 Net Pension Asset

	Share in Dollars	
	LEOFF 1	LEOFF 2
Employer's Proportionate Share	\$ 122,142	\$ 508,394
State's Proportionate Share of the net pension asset associated with the Employer	826,169	327,969
Total	\$ 948,311	\$ 836,363

At June 30, the City's proportionate share of the collective net pension asset was as follows:

Table 11-16 Proportionate Share of the Collective Net Pension Asset

	2021	2020	
	Aas of June 30, 2021	As of June 30, 2020	Change in Proportion
LEOFF 1	3.56 %	3.56 %	— %
LEOFF 2	8.75 %	10.24 %	(1.49)%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2021, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39.2 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.8 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense. For the year ended December 31, 2021, the City recognized its proportionate share of pension expense as follows:

Table 11-17	<u>Pension Expense</u>
LEOFF 1	\$ (18,331)
LEOFF 2	<u>(99,166)</u>
Total	\$ (117,497)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (In Thousands):

Table 11-18 Proportionate Share of Deferred Outflows and Inflows of Resources

	LEOFF 1		LEOFF 2	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —	\$ 23,060	\$ 2,687
Net difference between projected and actual investment earnings on pension plan investments	—	37,322	—	242,406
Changes of assumptions	—	—	220	24,179
Changes in proportion and differences between contributions and proportionate share of contributions	—	—	25,896	(2,071)
Contributions subsequent to the measurement date	—	—	8,621	—
TOTAL	\$ —	\$ 37,322	\$ 57,797	\$ 267,201

Deferred outflows of resources related to pensions resulting from the City contributions made after the measurement date but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Table 11-19 Recognized Pension Plan Expense

Year ended December 31:	LEOFF 1	LEOFF 2
2022	\$ (9,914)	\$ (63,760)
2023	(9,068)	(59,351)
2024	(8,557)	(56,019)
2025	(9,783)	(63,193)
2026	—	20
Thereafter	—	6,571

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is payable to employees upon termination, retirement, death, or unforeseen emergency.

Beginning in 2006 the Deferred Compensation Plan (DCP) was amended to allow separating employees to cash out accrued vacation balances into their DCP accounts. Eligible retiring employees may also cash out up to 35% of their sick leave balances into their DCP

accounts. Vacation and sick leave cash-outs made to the DCP are considered contributions and are subject to the maximum annual contribution limit.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrator, which is under contract with the City to manage the plan. Investment selection by a participant may be changed from time to time. The City manages none of the investment selections.

The City placed the Deferred Compensation Plan assets into trust for the exclusive benefit of plan participants and beneficiaries in accordance with GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

The City has little administrative involvement and does not perform the investing function for the plan. The City does not hold the assets in a trustee capacity and does not perform fiduciary accountability for the plan. Therefore, the City employees' Deferred Compensation Plan, created in accordance with IRC 457, is not reported in the financial statements of the City.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City has three other postemployment benefits (OPEB) plans – Health Care Blended Premium Subsidy, OPEB benefits under Firemen’s Pension, and Police Relief and Pension. In 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting of Postemployment Benefit Other Than Pensions (GASB 75), which concerns the accounting for and disclosure of OPEB. The following table represents the aggregate OPEB amounts for all OPEB plans subject to the requirements of GASB 75 for the year 2021.

Table 11-20 **Aggregate OPEB amounts for all OPEB plans subject to GASB 75**
(In Thousands)

	<u>Healthcare Blended Premium Subsidy</u>	<u>Firemen’s Pension</u>	<u>Police Relief and Pension</u>	<u>All Plans</u>
OPEB liabilities	\$ 70,258	\$ 290,597	\$ 293,685	\$ 654,540
OPEB assets	—	—	—	—
Deferred outflows of resources	19,398	—	—	19,398
Deferred inflows of resources	21,113	—	—	21,113
OPEB expenses/ expenditures	1,732	(10,264)	(14,915)	(23,447)

Plan Description

Health Care Blended Premium Subsidy is a single employer defined benefit public employee health care plan. Employees retiring under City of Seattle or the LEOFF 2 retirement plans may continue their health insurance coverage under the City’s health insurance plans for active employees. LEOFF 1 employees retiring under Washington State PERS are covered under the LEOFF 1 retiree health plan but are eligible to have their spouses and/or dependents covered under the City health insurance plans. When a retired participant dies, the spouse remains fully covered until age 65 and covered by the Medicare supplement plan thereafter. Employees that retire with disability retirement under the City of Seattle, Washington LEOFF 2 plan or Social Security may continue their health coverage through the City with same coverage provisions as other retirees. Eligible retirees self-pay 100% of the premium based on blended rates which were established by including the experience of retirees with the experience of active employees for underwriting purposes. The City provides implicit subsidy of the post-retirement health insurance costs and funds the subsidy on a pay-as-you-go basis. The postemployment benefit provisions are established and may be amended by City ordinances.

OPEB under Firemen’s Pension and Police Relief and Pension Plans - the City’s implicit rate subsidies to retirees for health care coverage as well as medical benefits for retirees under the Firemen’s Pension and Police Relief and Pension plans are single employer defined benefit OPEB plans and provide medical benefits for eligible retirees. The benefits are authorized under state statute, RCW 41.18 and 41.26 for Firemen’s Pension, and RCW 41.20 and 41.26 for Police Relief and Pension and may be amended by the state legislature. The City funds these benefits on a pay-as-you go basis.

On December 31, 2021, the following employees were covered by the benefit terms:

Table 11-21

**OTHER POST-EMPLOYMENT BENEFITS
Employees Covered by Benefit Terms**

	Health Care Blended Premium Subsidy	Firemen’s Pension	Police Relief and Pension Plan
Inactive employees or beneficiaries currently receiving benefits	466	635	546
Inactive employees entitled to but not yet receiving benefits			
Active employees	11,853	4	2
Total	<u>12,319</u>	<u>639</u>	<u>548</u>

OPEB plans under Firemen’s Pension and Police Relief and Pension were closed to new entrants.

All OPEB plans are funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Actuarial Methods and Assumptions

The total OPEB liability for each OPEB plan in their actuarial valuation was determined using the following actuarial assumptions and other inputs:

Table 11-22 OTHER POST-EMPLOYMENT BENEFITS Actuarial Assumptions

Description	Healthcare Blended Premium Subsidy	Firemen’s Pension (LEOFF1)	Police Relief and Pension (LEOFF1)
Actuarial Valuation Date	1/1/2021	1/1/2021	1/1/2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation rate	---	0.025	0.025
Salary Increases	---	0.0325	0.0325
Discount rate	2.12%, based on 20-year municipal bond yields	2.0%, based on 20-year municipal bond yields	2.0%, based on 20-year municipal bond yields
Healthcare cost trend rates	The trend rates were based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by the City of Seattle. 7.00% in 2018, decreasing to 6.77% in 2019, and decreasing by varying amounts until 2030 thereafter.	The Modeling is based on the published report by the Society of Actuaries (SOA) on long-term medical trend. For pre-65, trend is 6.40% in 2019, decreasing to 5.80% in 2020, and decreasing to 5.1% in 2021 through 2022. For post-65, trend is 5.70% in 2019, decreasing to 5.40% in 2020, and decreasing by varying amounts until 2073 thereafter.	The Modeling is based on the published report by the Society of Actuaries (SOA) on long-term medical trend. For pre-65, trend is 6.40% in 2019, decreasing to 5.80% in 2020, and decreasing by varying amounts until 2028. For post-65, trend is 5.70% in 2019, decreasing to 5.40% in 2020, and decreasing by varying amounts until 2073 thereafter.
Mortality rates	For actives, males: PR-2014 Employees Table for Males, adjusted by 60%; female: PR-2014 Employees Table for Females, adjusted by 95%. For Retirees, males: PR-2014 Healthy Annuitant Males, adjusted by 95%; female: PR-2014 Healthy Annuitant Females, adjusted by 95%. Rates are projected generationally using Scale MP-2014 ultimate rates.	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017
Others		Effective January 1, 2020, the long-term care policy has been expanded to include a \$150 per day coverage for assisted living, including basic room and board.	

The following table presents the sensitivity of total OPEB liability calculation to a 1 percent increase and a 1 percent decrease in the discount rates used to measure the total OPEB liability for each plan:

Table 11-23 **Discount Rate Sensitivity of OPEB Liability**
(In Thousands)

	Total OPEB Liability at Rate		
	1% Decrease	Current Rate	1% Increase
City of Seattle Health Care Blended Premium Subsidy Plan	76,719	70,258	64,329
Firemen’s Pension Plan	327,658	290,597	259,571
Policy Relief and Pension Plan	329,350	293,685	263,747

The following table presents the sensitivity of total OPEB liability calculation to a 1 percent increase and a 1 percent decrease in the healthcare cost trend rates used to measure the total OPEB liability:

Table 11-24 **Healthcare Cost Trend Rate Sensitivity of OPEB Liability**
(In Thousands)

	Total OPEB Liability at Rate		
	1% Decrease	Current Rate	1% Increase
City of Seattle Health Care Blended Premium Subsidy Plan	\$ 61,682	\$ 70,258	\$ 80,522
Firemen’s Pension Plan	261,424	290,597	324,334
Police Relief and Pension Plan	265,428	293,685	326,324

Changes in the Total OPEB Liability. The City reported a total OPEB liability of \$654.5 million in 2021. Based on the actuarial valuation date of January 1, 2021, details regarding the City of Seattle Health Care Blended Premium Subsidy Plan, Firemen’s Pension Plan, and Police Relief and Pension Plan as of December 31, 2021 are shown below:

Table 11-25 **Changes in Total OPEB Liability**
(In Thousands)

	Health Care Blended Premium Subsidy Plan	Firemen’s Pension	Police Relief and Pension Plan	Total OPEB Liability
Total OPEB Liability at 1/1/2021	\$ 63,624	\$ 300,862	\$ 308,600	\$ 673,086
Service costs	4,015			4,015
Interest	1,813	5,894	6,012	13,719
Changes of benefit terms				—
Differences between expected and actual experience				—
Effect of plan changes				—
Effect of economic/demographic gains or losses		(2,075)	(534)	(2,609)
Changes of assumptions	3,739	(1,718)	(4,348)	(2,327)
Benefit payments	(2,934)	(12,365)	(16,045)	(31,344)
Other changes				—
Total OPEB Liability at 12/31/2021	<u>\$ 70,257</u>	<u>\$ 290,598</u>	<u>\$ 293,685</u>	<u>\$ 654,540</u>

The changes in current year’s assumption, such as discount rate, participation rate and other factors resulted in the decrease in the OPEB liability for all OPEB plans by \$18.5 million.

Health Care Blended Premium Subsidy: Mortality and retirement assumptions for LEOFF was updated to reflect the most recent assumptions developed in the Washington State 2013-2018 Demographic Experience Study Report. The trend assumptions on medical claims and retiree premiums were updated to reflect the expected increase on future medical costs, as well as the permanent repeal of the excise tax on high-cost plans (a.k.a. “The Cadillac tax”) originally imposed by the Affordable Care Act in 2010. Discount rate changed from 2.74% as of January 1, 2020 to 2.12% as of January 1, 2021.

Firemen’s Pension: The total OPEB liability was determined by an actuarial valuation as of the valuation date January 1, 2021, calculated based on the discount rate of 2.00%, and then projected to the measurement date of December 31, 2021. The December 31, 2021 financial reporting reflects new coverage of \$150 per day for assisted living, including basic room and board.

Police Relief and Pension Fund: The total OPEB liability was determined by an actuarial valuation as of the valuation date January 1, 2021, calculated based on the discount rate of 2.00%, and then projected to the measurement date of December 31, 2021. There have been no significant changes between the valuation date and fiscal year ends.

OPEB plans under Firemen’s Pension and Police Relief and Pension Plan was closed to new entrants.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized a decrease of OPEB expense of \$23.4 million. The following table presents deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the City at December 31, 2021 for City of Seattle Health Care Blended Premium Subsidy Plan. Firemen’s Pension and Police Relief and Pension Plan have no deferred outflow of resources and no deferred inflows of resources.

Table 11-26 **Deferred Outflows/Inflows of Resources Related to OPEB**
(In Thousands)

City of Seattle Health Care Blended Premium Subsidy Plan	Deferred Outflow of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,019	\$ —
Changes of assumptions	3,340	21,113
Payments subsequent to the measurement date	3,040	
Total	<u>\$ 19,399</u>	<u>\$ 21,113</u>

(12) COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS

Seattle Public Library Foundation

The Seattle Public Library Foundation (the Foundation) is a Washington non-profit corporation, a public charity organized exclusively for educational, charitable, and scientific purposes to benefit and support the Seattle Public Library. The Foundation provides goods, services, and facilities above the tax-based funding of the Seattle Public Library. The Foundation is located in Seattle, governed by a Board of Directors, and possesses all the requisite corporate powers to carry out the purposes for which it was formed.

The City is not financially accountable for the Foundation. The Foundation is considered a nonmajor component unit in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14 (GASB 39), and is presented discretely in the City's financial statements because (1) the economic resources received or held by the Foundation are entirely for the direct benefit of the Seattle Public Library; (2) the Seattle Public Library is legally entitled to access a majority of the economic resources received or held by the Foundation; and (3) the economic resources received or held by the Foundation are significant to the Seattle Public Library.

The Foundation reports on a fiscal year-end consistent with the City, the primary government. The Foundation issues its own audited financial statements. To obtain complete audited annual financial reports, please contact: The Seattle Public Library Foundation, 1000 Fourth Avenue, Seattle, WA 98104, or by telephone at 206-386-4130.

Seattle Investment Fund LLC

The Seattle Investment Fund LLC (SIF) was established by Ordinance 123146 for the purpose of implementing the U.S. Treasury Department's New Market Tax Credit (NMTC) program. The City is its sole and managing member. SIF is a qualified Community Development Entity (CDE) and the Primary Allocatee. Twelve subsidiaries have been established since the program's inception. Detailed information on the program and complete audited financial statements are available by contacting the City's Office of Economic Development at 700 Fifth Avenue, Seattle, WA 98104, or by telephone at 206-684-8090.

SIF is a limited liability corporation in accordance with RCW 35.21.735. It has no employees. Administrative work at SIF is performed by the staff of the City's Office of Economic Development. The members of its Investment Committee and Advisory Board are selected by the Mayor and confirmed by the City Council. The City is not financially accountable for SIF, but under this structure the City may impose its will upon the organization. In accordance with GASB 39, SIF is presented as a nonmajor discrete component unit of the City.

Table 12-1

**CONDENSED STATEMENT OF NET POSITION
SEATTLE PUBLIC LIBRARY FOUNDATION AND
SEATTLE INVESTMENT FUND LLC**

December 31, 2021

(in Thousands)

	Discretely Presented Component Units		
	Seattle Public Library Foundation	Seattle Investment Fund LLC	Total
ASSETS			
Cash and Other Assets	\$ 3,556	\$ 741	\$ 4,297
Investments	92,868	158	93,026
Capital Assets, Net	8	—	8
Total Assets	96,432	899	97,331
LIABILITIES			
Current Liabilities	1,916	—	1,916
Total Liabilities	1,916	—	1,916
NET POSITION			
Net Investment in Capital Assets	8	—	8
Restricted	65,539	—	65,539
Unrestricted	28,969	899	29,868
Total Net Position	<u>\$ 94,516</u>	<u>\$ 899</u>	<u>\$ 95,415</u>

Table 12-2

**CONDENSED STATEMENT OF ACTIVITIES
SEATTLE PUBLIC LIBRARY FOUNDATION AND
SEATTLE INVESTMENT FUND LLC**

For the Year Ended December 31, 2021

(In Thousands)

	Discretely Presented Component Units		
	Seattle Public Library Foundation	Seattle Investment Fund LLC	Total
PROGRAM REVENUES			
Contributions/Endowment Gain	\$ 5,784	\$ —	\$ 5,784
Placement/Management Fee Income	—	188	188
Total Program Revenues	5,784	188	5,972
GENERAL REVENUES			
Investment Income	8,960	—	8,960
Total Program Support and Revenues	14,744	188	14,932
EXPENSES			
Support to Seattle Public Library	4,950	—	4,950
Management and General	621	203	824
Fundraising	452	—	452
Total Expenses	6,023	203	6,226
Change in Net Position	8,721	(15)	8,706
NET POSITION			
Net Position - Beginning of Year	85,795	914	86,709
Net Position - End of Year	\$ 94,516	\$ 899	\$ 95,415

BLENDING COMPONENT UNIT

Seattle Park District

The Seattle Park District (the District) is a metropolitan park district authorized by Chapter 35.61 of the Revised Code of Washington. The District has the same boundaries as the City. On August 5, 2014, voters in the City approved Proposition 1 to use property taxes collected to provide funding for City parks and recreation including maintaining park lands and facilities, operating community centers and recreation programs, and developing new neighborhood parks on previously acquired sites. The District is governed by the City Council acting ex officio as the District Board. The Seattle Department of Parks and Recreation provides services on behalf of the District under an inter-local agreement between the City and the District.

The District is reported as a special revenue fund in the City's financial statement. Financial reporting for this fund can be found in the nonmajor governmental funds combining statements located in this report. In addition, separate financial statements are available from Seattle Park District, PO Box 34025, Seattle, WA 98124-4025, or by emailing SeattleParkDistrict@Seattle.gov.

(13) JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATIONS

SEATTLE-KING COUNTY WORKFORCE DEVELOPMENT COUNCIL

The Seattle-King County Workforce Development Council (WDC) is a joint venture between the City and King County. It was established as a nonprofit corporation in the State of Washington on July 1, 2000, as authorized under the Workforce Investment Act (WIA) of 1998. It functions as the Department of Labor agency to receive the employment and training funds for the County area. The King County Executive and the Mayor of the City, serving as the chief elected officials (CEO) of the local area, have the joint power to appoint the members of WDC board of directors and the joint responsibility for administrative oversight.

An ongoing financial responsibility exists because the CEO is potentially liable to the grantor for disallowed costs. If expenditure of funds is disallowed by the grantor agency, WDC can recover the funds in the following order: (1) the agency creating the liability; (2) the insurance carrier; (3) future program years; and (4) as a final recourse, the City and King County who each will be responsible for one half of the disallowed amount. As of December 31, 2021, there are no outstanding program eligibility issues that may lead to a liability for the City. WDC contracts with the City which provides programs related to the Workforce Innovation and Opportunity Act.

WDC issues independent financial statements that may be obtained from its offices at 2003 Western Avenue, Suite 250, Seattle, WA; by accessing its website <http://www.seakingwdc.org/annualreport>; or by telephone at 206-448-0474.

KING COUNTY REGIONAL HOMELESSNESS AUTHORITY

The King County Regional Homelessness Authority (the Authority) is a separate independent governmental administrative agency between the City and King County. It was established in the State of Washington on December 12, 2019 pursuant to RCW 39.34.030(3). The purposes of the Authority are providing consolidated, aligned services to individuals and families who are experiencing homelessness or who are at imminent risk of experiencing homelessness in the jurisdictional boundaries of King County; and receiving revenues from the County, Seattle, Funders and other private and public sources for the purpose of the Authority.

The Governing Committee of the Authority consists of King County Executive and two members of the King County Council; Seattle Mayor and two members of the Seattle City Council; three members should be elected officials from cities or towns other than Seattle; and three members representing individuals with Lived Experience, which members shall be selected by the Advisory Committee. All participants do not retain any ongoing financial interest nor any ongoing financial responsibility. Therefore, the Authority is a jointly governed organization.

PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR

Puget Sound Emergency Radio Network Operator (PSERN Operator) is a separate governmental agency pursuant to RCW 39.34.030(3) that is organized as a non-profit corporation under Chapter 24.06 RCW. It is authorized by the Interlocal Corporation Act for the purpose of owning, operating, maintaining, managing and on-going upgrading/replacing of the PSERN system during the Operations Period. The expenses of the PSERN Operator shall be financed through a funding measure approved by voters at the April 2015 election and with user fees (Service Rates) to be assessed against and paid by all User Agencies.

The Board of Directors are composed of four voting members: King County Executive or a designee of the executive approved by the King County Council, City of Seattle Mayor or his/her designee, one mayor or city manager or his/her designee representing the Cities of Bellevue, Issaquah, Kirkland, Mercer Island and Redmond, and one mayor or city manager or his/her designee representing the Cities of Auburn, Federal Way, Kent, Renton and Tukwila. All participants do not have any ongoing financial interest or responsibility; as a result, the PSERN Operator is a jointly governed organization.

(14) COMMITMENTS

Encumbrances

The City uses encumbrance accounting under which contracts and other commitments for expenditures are recorded to reserve applicable appropriations.

As of December 31, 2021, the City had the following encumbered amounts:

Table 14-1 **Encumbrances by Fund Category**
(In Millions)

Fund	Encumbrances
General Fund	\$ 82.6
Transportation	11.7
Nonmajor Governmental Funds	271.8
Internal Service Funds	85.8
Nonmajor Enterprise Funds	91.7
Major Enterprise Funds	373.2
Totals	\$ 916.8

Financial Guarantees

The City has extended nonexchange financial guarantees in the form of contingent loan agreements with other owner/developers of affordable housing. The City will provide credit support, such as assumption of monthly payments for certain bonds and lines of credit issued by these agencies in the event of financial distress. Any guarantee payments made become liabilities of the guaranteed contract holders to be paid back after regaining financial stability. The City's program, managed by the Office of Housing, currently has loan agreements outstanding of \$1.0 Billion. These agreements have maturity ranges up to 50 years. All projects are currently self-supporting, and the City has not made any payments pursuant to these agreements. It is unlikely that the City will make any payments in relation to these guarantees based on available information at the end of December 31, 2021 and standards prescribed under GASB Statement No. 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees.

Capital Improvement Program

The City proposed the 2021 Capital Improvement Program (CIP) which functions as a capital financing plan totaling \$6.9 billion for the years 2021-2026. The adopted CIP for 2021 was \$1.3 billion, consisting of \$781.9 million for City-owned utilities and \$494.2 million for non-utility departments. The utility allocations are: \$361.8 million for City Light, \$116.4 million for Water, \$278.4 million for Drainage and Wastewater, and \$25.3 million for Solid Waste. Expenditures may vary significantly based upon facility requirements and unforeseen events. A substantial portion of contractual commitments relates to these amounts.

Purchased and Wholesale Power

City Light expenses associated with energy received under long-term purchased power agreements at December 31, 2021 are shown in the following table:

Table 14-2

LONG-TERM PURCHASED POWER

(In Millions)

	2021
Bonneville Block	\$ 154.7
Bonneville Slice	—
Lucky Peak, including royalties	6.6
British Columbia - High Ross Agreement	13.1
Grant County Public Utility District	1.1
Columbia Basin Hydropower	8.0
Bonneville South Fork Tolt billing credit	(3.5)
Renewable energy - State Line Wind	25.2
Renewable energy - other	7.3
Exchanges and loss returns energy at fair value	4.8
Long-term purchased power booked out	(9.8)
Total	<u>\$ 207.5</u>

Bonneville Power Administration. The City purchased electric energy from the U.S. Department of Energy, Bonneville Power Administration (BPA), under the Block and Slice Power Sales Agreement, a 17-year contract, for the period October 1, 2011 through September 30, 2028. Effective October 1, 2017 there was an amendment to the agreement whereby the City no longer participates as a Slice customer and will now exclusively purchase Block. Block quantities are expected to be recalculated periodically during the term of the contract. Rates will be developed and finalized every two years. Accordingly, certain estimates and assumptions were used in the calculations in the estimated future payments table above.

Lucky Peak. In 1984, the City entered into a purchase power agreement with four irrigation districts to acquire 100% of the net surplus output of a hydroelectric facility that began commercial operation in 1988 at the existing Army Corps of Engineers Lucky Peak Dam on the Boise River near Boise, Idaho. The irrigation districts are owners and license holders of the project, and the Federal Energy Regulatory Commission (FERC) license expires in 2030. The agreement, which expires in 2038, obligates the City to pay all ownership and operating costs, including debt service, over the term of the contract, whether the plant is operating or operable.

The City incurred \$6.6 million and \$6.7 million in 2021 and 2020, respectively, including operations costs and royalty payments to the irrigation districts. The City provided and billed Lucky Peak \$0.3 million for operational and administrative services in both 2021 and 2020. These amounts are recorded as offsets to purchased power expense.

The City's receivables from Lucky Peak were less than \$0.1 million at December 31, 2021. The City's payables to Lucky Peak were \$0.8 million at December 31, 2021.

British Columbia-High Ross Agreement. In 1984, an agreement was reached between the Province of British Columbia and the City under which British Columbia will provide the Department with energy equivalent to that which would have resulted from an addition to the height of Ross Dam. Delivery of this energy began in 1986 and is to be received for 80 years. In addition to the direct costs of energy under the agreement, the Department incurred costs of approximately \$8.0 million in prior years related to the proposed addition and was obligated to help fund the Skagit Environmental Endowment Commission through four annual \$1.0 million payments. The final fixed capital payment was made to BC Hydro in 2020. Operations and maintenance payments will be made through the life of the agreement. These other costs are included in utility plant-in-service as an intangible asset and are being amortized to purchase power expense over 15 years, from 2021 through 2035.

Renewable Energy Purchase and/or Exchanges. The Energy Independence Act, Chapter 19.285 Revised Code of Washington, requires all qualifying utilities in Washington State with more than 25,000 customers to meet certain annual targets of eligible new renewable resources and/or equivalent renewable energy credits (RECs) as a percentage of total energy delivered to retail customers. The annual target is at least 15% for 2021 and 2020. The law also has a compliance option for utilities with declining load to spend 1% of revenue requirements on eligible RECs and/or resources. The Department met the requirements of the compliance option in both 2021 and 2020.

Fair Value of Exchange Energy. During 2021, exchange energy settled deliveries were valued using Dow Jones U.S Daily Electricity Price Indices.

Estimated Future Payments under Purchased Power, Transmission, and Related Contracts. The City’s estimated payments for purchased power and transmission, Renewable Energy Credits (RECs) and other contracts for the period from 2022 through 2065, undiscounted, are shown in the following table:

Table 14-3 **TRANSMISSION, AND RELATED CONTRACTS**
(In Millions)

<u>Year Ending December 31</u>	<u>Payments ^a</u>
2022	\$ 231.3
2023	237.4
2024	248.6
2025	a 216
2026	187.1
2027-2031	b 403.3
Thereafter (through 2065)	<u>141.2</u>
Total	<u>\$ 1,664.9</u>

a Bonneville transmission agreement expires July 31, 2025

b Bonneville Block & Slice agreement expires September 30, 2028

Other Regulatory Commitments

Federal Energy Regulatory Commission (FERC) Fees. Estimated Federal land use and administrative fees related to hydroelectric licenses total \$151.3 million through 2055; these estimates are subject to change. The estimated portion of fees attributed to the Skagit and Tolt licenses are excluded after 2025, when their existing FERC licenses expire. The estimated portion of Boundary fees is included through 2055, the year the current license issued by FERC expires. The Boundary FERC license and related issues are discussed below.

New Boundary License. The City’s FERC license for the Boundary Project was re-issued on March 20, 2013 with a 42-year life and a total cost of \$48.6 million. The terms and conditions of the new license have been evaluated and the City continues the license implementation process, which imposes mitigation of endangered species including water quality standards and conservation management. As part of the license renewal process, the City negotiated a settlement with external parties such as owners of other hydroelectric projects, Indian tribes, conservation groups and other government agencies. The settlements sought to preserve the City’s operational flexibility at Boundary Dam while providing for natural resource protection, mitigation and enhancement measures.

The cost projections for such mitigation over the expected 42-year life of the license, included in the City’s license application, were estimated to be \$365.2 million adjusted to 2021 dollars, of which \$113.0 million were expended through 2021. Projected mitigation cost estimates are subject to revision as more information becomes available.

Skagit and South Fork Tolt Licensing Mitigation and Compliance. On July 20, 1989, the FERC license for operation of the South Fork Tolt hydroelectric facilities through July 19, 2029, became effective. In 1995, FERC issued a license for operation of the Skagit hydroelectric facilities through April 30, 2025. As a condition for both licenses, the city has taken and will continue to take required mitigating and compliance measures.

Total Skagit license mitigation costs from the effective date until expiration of the federal operating license were estimated at December 31, 2021, to be \$156.2 million, of which \$148.4 million had been expended. Total South Fork Tolt license mitigation costs were estimated at \$2.2 million, of which \$2.2 million were expended through 2021. In addition to the costs listed for South Fork Tolt

mitigation, the license and associated settlement agreements required certain other actions related to wildlife studies and wetland mitigation for which no set dollar amount was listed. Requirements for these actions have been met, and no further expenditures need to be incurred for these items.

Capital improvement, other deferred costs, and operations and maintenance costs are included in the estimates related to the settlement agreements for both licenses. Amounts estimated are adjusted to 2021 dollars. City labor and other overhead costs associated with the activities required by the settlement agreements for the licenses are not included in the estimates. Hydroelectric projects must satisfy the requirements of the Endangered Species Act (ESA) and the Clean Water Act in order to obtain a FERC license. ESA and related issues are discussed below.

Endangered Species. Several fish species that inhabit waters where hydroelectric projects are owned by the City, or where the City purchases power, have been listed under the ESA as threatened or endangered. Although the species were listed after FERC licenses were issued for all of the City's hydroelectric projects, the ESA listings still affect operations of the City's Boundary, Skagit, Tolt, and Cedar Falls hydroelectric projects.

Federal Regulations in response to the listing of species affect flow in the entire Columbia River system. As a result of these regulations, the City's power generation at its Boundary Project is reduced in the fall and winter when the region experiences its highest sustained energy demand. The Boundary Project's firm capability is also reduced.

The City, with the support of City Council, elected to take a proactive approach to address issues identified within the ESA. The City is carrying out an ESA Early Action program in cooperation with agencies, tribes, local governments, and watershed groups for bull trout, Chinook salmon, and steelhead in the South Fork Tolt and Skagit Watersheds. The ESA Early Action program is authorized by City Council but is separate from any current FERC license requirements. The program includes habitat acquisition, management and restoration. The ESA Early Action has been successful in protecting listed species. Total costs for the City's share of the Early Action program from inception in 1999 through December 31, 2021 are estimated to be \$17.5 million, and \$2.4 million has been allocated for the program in the 2022 budget.

Project Impact Payments. Effective May 2020, the City renewed its contract with Pend Oreille County and committed to pay a total of \$29.8 million over 10 years ending in 2029 to Pend Oreille County for impacts on county governments from the operations of the Department's hydroelectric projects. Effective February 2009, the Department renewed its contract with Whatcom County committing to pay a total of \$15.8 million over 15 years ending in 2023. The payments compensate the counties, and certain school districts and towns located in these counties, for loss of revenues and additional financial burdens associated with the projects. The Boundary Project, located on the Pend Oreille River, affects Pend Oreille County, and Skagit River hydroelectric projects affect Whatcom County. The impact payments totaled \$2.9 million and \$2.7 million to Pend Oreille County in 2021 and 2020 respectively, and \$1.2 million to Whatcom County in 2021 and 2020 respectively.

Habitat Conservation Program Liability. The City has prepared a comprehensive environmental management plan for its Cedar River Watershed. The purpose of the Habitat Conservation Plan (HCP) is to protect all species of concern that may be affected by the operations of the City in the Cedar River Watershed, while allowing the City to continue to provide high quality drinking water to the region. The federal government has accepted the HCP. The total cost of implementing the HCP is expected to be \$116.2 million (in 2021 dollars) over a period of 50 years (from the year 2000 through the year 2050).

Expenditures are being funded from a combination of the City's operating revenues and issuance of revenue bonds. The total amount expended for the HCP through 2021 is \$100.2 million. The remaining \$16.0 million to complete the HCP is comprised of an \$7.8 million liability and an estimate of \$8.2 million for construction and operating commitments. The construction activities will add to the City's capital assets and the operating activities are mainly research, monitoring, and maintenance of the HCP Program that will be expensed as incurred.

Distribution System Reservoirs. The City is required by the Washington State Department of Health (DOH) to complete a program to cover its open, above-ground distribution system reservoirs. The total cost of burying six reservoirs is expected to be approximately \$221.6 million through the year 2025; costs beyond 2025 are not estimable as of the date of this report. As of December 31, 2021, total cumulative costs incurred were \$177.7 million.

Wholesale Water Supply Contracts. The City has wholesale contracts with Cascade Water Alliance (CWA) and nineteen individual water districts and municipalities. Sixteen wholesale customers have full and partial requirements contracts which obligate the City to meet the wholesale customers' demand that is not already met by their independent sources of supply. The full and partial requirements contracts include amendment periods where the parties may opt to review and change certain contract terms and conditions in 2022 and 2042. The City and the full and partial requirements Wholesale Customers began the review of certain contract terms in 2021 to determine if any amendments are desired in 2022 under the first amendment period. This review period has been extended one year by mutual agreement, with potential amendments becoming effective in 2023. Two wholesale customers (including CWA) have block contracts which obligate the City to provide water up to a combined maximum of 41.85 MGD per year. Two other wholesale customers have emergency intertie agreements and do not purchase water from Seattle on a regular basis. CWA contract expires in 2063 while other wholesale contracts expire in 2062. In 2020, Cascade requested that the City consider selling it additional increments of surplus water that would extend the date at which Cascade's block would begin to decline to sometime past 2039. The City's declining block contract does not obligate the City to sell any additional surplus water to Cascade or any further extensions, unless by mutual agreement. The City began discussions with Cascade in 2022.

The City also has a contract with the City of North Bend to provide untreated water supply up to an average annual amount of 1.1 MGD through 2066 for use in supplementing stream flows.

Wastewater Disposal Agreement. The City has a wastewater disposal agreement with the King County Department of Natural Resources Wastewater Treatment Division (the Division), which expires in 2036. The monthly wastewater disposal charge paid to the Division is based on the Division's budgeted cost for providing the service. The charges are determined by water consumption and the number of single-family residences as reported by the City and component agencies. Payments made by the Fund were \$164.6m for 2021.

Contractual Obligations. The City contracts with Waste Management and Recology of King County for the collection of residential and commercial garbage, yard waste, food waste, and recycling. In addition, a few independent vendors provide large scale recycling and food waste for business customers. The collection contracts began in 2019 and are scheduled to end on March 31, 2029, with City options to extend to March 2031 and March 2033. Total payments under these contracts for residential and commercial collection were \$83.3m in 2021.

The City contracts with Waste Management of Washington, Inc. (formerly known as Washington Waste Systems), for rail-haul and disposal of non-recyclable City waste. The disposal contract began in 1990 and is scheduled to end on March 31, 2028, however the City may terminate this contract at its option without cause on March 31, 2024. Total payments under the terms of this contract for waste disposal were \$15.5m in 2021.

The City contracts with Lenz Enterprises, Inc., and Cedar Grove Composting, Inc. to process yard and food waste into marketable products. The Lenz processing contract began in 2014 and the Cedar Grove processing contract began in 2017. Both contracts are scheduled to end on March 31, 2024, with City options to extend to March 31, 2024. Total payments under the terms of these contracts were \$5.1m in 2021.

The City contracts with Rabanco, LTD., to process recyclables and marketing those commodities. The Rabanco processing contract began in 2016 and is scheduled to end on March 31, 2024, with a City option to extend to March 31, 2027. Total payments, net of recycling revenue, were \$2.5m in 2021. This variance resulted from fluctuations in recycling commodity pricing.

Landfill Closure and Post-closure Care. In prior years, the City delivered its refuse to two leased disposal sites: the Midway and Kent-Highlands landfills. After signing the original lease agreement, federal and state requirements for closure of landfill sites were enacted. The City stopped disposing of municipal waste in the Midway site in 1983 and in the Kent-Highlands site in 1986.

At December 31, 2021, accrued landfill closure and post closure costs consist primarily of monitoring, maintenance, and estimated construction costs related to I-5 improvement projects. It is the City Council's policy to include the City's share of all landfill closure and post closure costs in the revenue requirements used to set future solid waste rates. Therefore, the City uses regulatory accounting and total estimated landfill closure and post closure care costs are accrued and also reflected as a future cost in the accompanying financial statements, in accordance with generally accepted accounting principles. These costs are being amortized as they are recovered from rate payers and will be fully amortized in 2030. Actual costs for closure and post closure care may be higher due to inflation, changes in technology, or changes in regulations. Such amounts would be added to the liability and accrued when identified. Landfill closure costs were fully amortized in 2009 and landfill post-closure costs will continue to amortize until 2030.

(15) CONTINGENCIES

The City is exposed to the risk of loss from torts, theft of or damage to assets, business interruption, errors or omissions, law enforcement actions, contractual actions, natural disasters, failure to supply utilities, environmental regulations, and other third-party liabilities. The City also bears the risk of loss for job-related illnesses and injuries to employees. The City has been self-insured for most of its general liability risks prior to January 1, 1999, for workers' compensation since 1972, and for employees' health care benefits starting in 2000.

In addition, the City purchases excess general liability insurance coverage on a year-to-year basis. The City's self-insured retention for each claim involving general liability is limited to \$10 million per occurrence of such claims through May 2022.

Effective June 1, 2021, through May 2022 the City's excess liability insurance limits were \$20 million. In 2021, the City purchased \$7.5 million in cyber insurance. Coverage includes business interruption, system failure, data asset protection, event management, privacy, and network security liability.

The City also purchased an all-risk comprehensive property insurance policy that provides \$500.0 million in limits, subject to various deductible levels depending upon the assets and value of the building. This includes \$100 million in earthquake and flood limits. Hydroelectric and other utility producing, and processing projects owned by the City are not covered by the property policy. The City also purchased insurance for excess workers' compensation, aviation, marine and hull, fiduciary and crime liability, inland marine transportation, volunteers, and an assortment commercial general liability, medical, accidental death and dismemberment, and other miscellaneous policies. Bonds are purchased for public officials, notaries public, pension exposures, and specific projects and activities, as necessary.

In 2021, the City purchased one annuity contract for \$0.3 million to resolve a lawsuit. The City did not receive any large liability settlements nor settled any claims exceeding coverage in 2021.

Claims liabilities are based on the estimated ultimate cost of settling claims, which include case reserve estimates and incurred but not reported (IBNR) claims. Liabilities for lawsuits and other claims are assessed and projected annually using historical claims, lawsuit data, and current reserves. The Seattle Department of Human Resources estimates case reserves for workers' compensation using statistical techniques and historical experience. In 2021, the City's independent actuaries estimated the ultimate settlement costs for lawsuits, workers' compensation, and other claims at year-end 2020, and health care claims at year-end 2021. The total undiscounted IBNR amount was \$22.7 million in 2021, decreased by \$16.9 million from prior year.

Estimated claims expenditures are budgeted by the individual governmental and proprietary funds. Actual workers' compensation claims are processed by the General Fund and reimbursed by the funds that incurred them. Operating funds pay health care premiums to the General Fund, and the latter pays for all actual health care costs. The General Fund initially pays for lawsuits, claims, and related expenses and then receives reimbursements from City Light, Water, Drainage and Wastewater, Solid Waste, and the retirement funds.

Claims liabilities include claim adjustment expenditures if specific and incremental to a claim. Recoveries from unsettled claims, such as salvage or subrogation, and on settled claims are deposited in the General Fund and do not affect reserves for general government. Workers' compensation annual subrogation recoveries amounted to \$90 thousand in 2021. All workers' compensation recoveries are deposited into the General Fund. Lawsuit and other claim recoveries of payments reimbursed for the utilities are deposited into the paying utility fund and do not affect the utility reserves.

Workers' compensation and general liabilities recorded in the financial statements are discounted at 1.580 percent for 2021, the City's 2020 estimated annual effective interest rate of return on investments used by the actuaries. The liabilities for health care claims discounted at 1.487 percent for 2021, the City's 2021 average annual rate of return on investments. The total discounted liability at December 31, 2021, was \$153.1 million consisting of \$82.9 million for general liability, \$19.5 million for health care, and \$50.7 million for workers' compensation.

Table 15-1

**RECONCILIATION OF CHANGES IN
AGGREGATE LIABILITIES FOR CLAIMS
(In Thousands)**

	General Liability	Health Care	Workers' Compensation	Total City
UNDISCOUNTED				
Balance - Beginning of Fiscal Year	\$ 76,556	\$ 13,238	\$ 50,256	\$ 140,050
Less Payments and Expenses During the Year	(16,979)	(282,212)	(9,470)	(308,661)
Plus Claims and Changes in Estimates	29,305	288,783	12,239	330,327
Balance - End of Fiscal Year	<u>\$ 88,882</u>	<u>\$ 19,809</u>	<u>\$ 53,025</u>	<u>\$ 161,716</u>
UNDISCOUNTED BALANCE AT END OF FISCAL YEAR CONSISTS OF				
Governmental Activities	\$ 64,458	\$ 19,809	\$ 40,926	\$ 125,193
Business-Type Activities	24,414	—	12,097	36,511
Fiduciary Activities	10	—	2	12
Balance - End of Fiscal Year	<u>\$ 88,882</u>	<u>\$ 19,809</u>	<u>\$ 53,025</u>	<u>\$ 161,716</u>
DISCOUNTED/RECORDED BALANCE AT END OF FISCAL YEAR CONSISTS OF				
Governmental Activities	\$ 59,947	\$ 19,518	\$ 39,127	\$ 118,592
Business-Type Activities	22,950	—	11,565	34,515
Fiduciary Activities	9	—	2	11
Balance - End of Fiscal Year	<u>\$ 82,906</u>	<u>\$ 19,518</u>	<u>\$ 50,694</u>	<u>\$ 153,118</u>

Pending litigations, claims, and other matters are as follows:

Deien v. City – Plaintiff brings a purported class action against City Light based on City Light billing practices associated with City Light’s transition to advanced meters. Pending court approval, the case will be settled on a class basis for a \$3.5M payment from the City. The Department accrued the \$3.5 million expense and liability in 2021.

East Marginal Way Poles – The City faces several claims and lawsuits related to the collapse of power poles along East Marginal Way in Seattle on April 5, 2019. The claimants allege that City Light and CenturyLink (a co-owner of certain poles) negligently maintained a number of poles. City Light’s ultimate liability is indeterminate.

Tucker v. City and Andrew Strong – Plaintiff Tucker alleges race discrimination, harassment, and retaliation against City Light and Mr. Strong, as well as a claim against Mr. Strong for aiding and abetting discrimination. An adverse result could include awards of compensatory damages and attorneys’ fees. City Light’s ultimate liability is indeterminate. Trial is currently set in state court for November 14, 2022.

Sauk-Suiattle Litigation – In July 2021, the Sauk-Suiattle Indian Tribe (the “Tribe”) filed the first of three lawsuits against City Light alleging that City Light’s operation of the Skagit Hydroelectric Project (the Project”) in a manner that de-watered a portion of the Skagit River violates various rights of the Tribe. City Light operates the Project under a thirty-year license from the Federal Energy Regulatory Commission (“FERC”) granted in 1995. The license allows the de-watering of the Skagit River for a short stretch of the river between the Gorge Dam and the Gorge Powerhouse.

1. **Federal Claims** – The initial lawsuit brought by the Tribe was originally filed in Skagit County Superior Court in July 2021. In that suit, the Tribe alleged violations of the Washington and United States constitutions, in addition to the establishing acts of the Territory of Oregon and State of Washington, and other state and federal law, by blocking the passage of fish. The City removed the case to the federal court in the Western District of Washington and moved to dismiss the case. The Tribe moved to remand the case back to Skagit County. Ultimately, the district court denied the Tribe’s motion to remand, and

then on December 2, 2021, dismissed all of the Tribe's claims. The Tribe has appealed this decision to the 9th Circuit. Briefing is scheduled to be complete by June 2022. The City cannot predict whether a material adverse outcome will occur.

2. King County Superior Court – In September 2021, the Tribe filed a second suit against the City based on the same operative facts, alleging that City Light was “greenwashing” its operations because it did not allow for fish passage in the stretch of the Skagit River between Gorge Dam and Gorge Powerhouse, and other state law nuisance claims. City Light moved to dismiss this case, and the Court granted its motion to dismiss on January 14, 2022. The Tribe has appealed the dismissal, but no briefing schedule has been set yet. The City cannot predict whether a material adverse outcome will occur.
3. Sauk-Suiattle Tribal Court – On January 6, 2022, the Tribe filed its third complaint out of the same set of operative facts. In the Tribal Court, the Tribe makes the following claims: (1) violations of the Tribe's treaty based usufructuary property interests through blocking fish passage; (2) that the “blockage of water” constitutes an arbitrary and capricious seizure of salmon habitat and the Tribe's water property rights in violation of the Fourth Amendment; (3) infringement on the Tribe's members religious and cultural practices protected by the American Indian Religious Freedom Act and the First Amendment; and fraud and intentional or negligent infliction of emotional distress. The City has filed a motion to dismiss these claims, which is scheduled to be argued on March 29, 2022. Additionally, the City filed a complaint in federal court in the Western District of Washington seeking to enjoin the Sauk-Suiattle Tribal Court from exercising jurisdiction. The Tribe has filed a motion to dismiss this complaint as premature. The case has been assigned to the same judge that dismissed the Tribe's earlier federal court lawsuit. Liability is indeterminate.

1221 Madison Street Owners Association – Claimant alleges that a late December 2020 storm caused the storm drains near its facility to fail causing damages. Current damage allegations are roughly \$1 million. The Department's ultimate liability is indeterminate.

Providence Healthcare Systems – Claimant alleges that a late December 2020 storm caused the storm drains near its health care facilities to fail causing extensive damage to their facilities. Claimant's current damage claims are in the range of \$2.5 million. The Department's ultimate liability is indeterminate.

Romulo v. City of Seattle – The plaintiff, a Senior Utility Service Inspector for Seattle Public Utilities, alleges discrimination and harassment (hostile work environment) based on disability, race and/or national origin, failure to accommodate a disability and retaliation. A three-week trial ended in March 2021, which resulted in a defense verdict. Plaintiff has appealed to Division One of the Court of Appeals. The City cannot predict whether a material adverse outcome will occur.

The following case from 2020 was settled in 2021.

Dixon v. City and 3 “John Doe” defendants – Plaintiff Dixon alleged that he was a victim of discrimination and retaliation based on race, color, and engaging in protected activities. The plaintiff includes allegations of race discrimination, harassment, and retaliation throughout his 30-year employment. Trial was set in state court for May 23, 2022. This matter resolved upon the plaintiff's acceptance of an Offer of Judgment on December 27, 2021 in the amount of \$200,000.00, plus fees and costs.

There may be other litigation or claims involving alleged substantial sums of money owing; however, the prospect of material adverse outcomes therein is remote or unknown. Other than the aforementioned cases and the claim liabilities recorded in the financial statements, there were no other outstanding material judgments against the City.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SECTION 108 LOAN PROGRAM

The City participates in the HUD Section 108 loan program, in which HUD obtains funds from private investors at a very low cost (i.e., low interest rate) and provides the low-cost funds to jurisdictions nationwide including the City. Low-cost funds are available because HUD guarantees repayment to the private investors. The City re-lends these funds to private borrowers. HUD deposits the funds directly with the City's loan servicing agent, the Bank of New York. The Bank of New York disburses funds on behalf of the City to the private borrowers.

The Brownfields Economic Development Initiative Grant (BEDI) program is a federal grant that is directly linked to the Section 108 loan program. The City uses BEDI grant funds as a loan loss reserve and interest subsidy on Section 108 loans. The U.S. Treasury deposits the grant funds with the City. The City then disburses the grant funds to the loan servicing agent.

Pursuant to RCW 35.21.735 the City is expressly authorized to participate in the Section 108 loan program. The state statute and the City's contracts/agreements with HUD clarify that the City never pledges its full faith and credit. Future block grant funds are pledged to HUD in the event of borrower default. Each loan is secured by a deed of trust and/or bank-issued letter of credit that provides the City with security in the event of borrower default. Additionally, the BEDI grant funds may be used by the City to protect against loan default.

The City's outstanding Section 108 loan balance as of December 31, 2021 is \$4.4 million. BEDI grant funds amount to \$0.5 million and are used as a loan loss reserve.

GUARANTEES OF THE INDEBTEDNESS OF OTHERS

The City has guaranteed certain bonds issued by public development authorities chartered by the City which are not component units of the City. The guarantees extend through the life of the bonds. If any of these public development authorities have insufficient funds to make scheduled debt payments of the principal and interest on the guaranteed bonds, the City is obligated to transfer sufficient funds to make the payments. Public development authorities for which the City has made all or part of a debt service payment shall reimburse the City for all money drawn on their behalf.

Museum Development Authority. Special obligation refunding bonds were issued on April 29, 2014, in the amount of \$44.4 million. The outstanding amount owed as of December 31, 2021, was \$30.4 million. The bonds will be fully retired by April 1, 2031.

Seattle Indian Services Commission. Special obligation refunding bonds were issued on November 1, 2004, in the amount of \$5.2 million. The outstanding amount as of December 31, 2021, was \$1.2 million. The bonds will be fully retired on November 1, 2024.

Event Notice Relating to Seattle Indian Services Commission. In 2014 the Seattle Indian Services Commission (the Commission) experienced unforeseen conditions that left it unable to fulfill its debt obligations on bonds guaranteed by the City. Due to the interruption and suspension of the Commission's pledged revenues for debt service the City is now obligated to temporarily service the Commission's debt.

Since fiscal year 2015, the City's Adopted Budget has included provisions to service the Commission's guaranteed bonds per the City's unconditional obligation, and the City has transferred funds on behalf of the Commission to service the principal and interest on its special obligation refunding bonds issued in 2004.

As of December 31, 2021, the Commission's remaining principal and interest amounts guaranteed by the City are \$1.2 million and \$0.2 million, respectively. Based on the expected cash outflows and discount rate equal to the interest earned from the City's consolidated cash pool (1.487%), the City has recognized a liability of \$1.3 million in the Government-wide Financial Statements. Until the Commission's revenue conditions improve the City will continue to make the scheduled debt payments through the life of the bonds, with a final maturity date of November 1, 2024.

(16) TAX ABATEMENTS

Table 16-1

**Tax Abatement Programs
For the Year Ended December 31, 2021
(In Thousands)**

	Primary Government		Other Governments			
	City of Seattle		King County		State of Washington	
	Multifamily Property Tax Exemption	Historic Properties Incentives	Current Use	Single-family Dwelling Improvement	High Technology	Data Center Server Equipment and Power Infrastructure
1) Purpose of program.	Supports mixed-income residential development in the urban centers to ensure affordability as the community grows	Encourages maintenance, improvement and preservation of privately owned historic landmarks	Provides incentives to landowners to voluntarily preserve open space, farmland or forestland	Provides temporary relief from tax increases caused by major additions or remodels to single-family dwellings	Encourages the creation of high-wage, high-skilled jobs in Washington	Supports immediate investments in technology facilities and resulting employment
2) Tax being abated.	Real Property Tax	Real Property Tax	Real Property Tax	Real Property Tax	Sales and Use Tax	Sales and Use Tax
3) Authority under which abatement agreements are entered into.	SMC Chapter 5.73 Chapter 84.14	RCW Chapter 84.26 RCW 84.26.020(2) RCW 84.26.050(2)	RCW 84.33.130 RCW 84.34.010	RCW 84.36.400	RCW Chapter 82.63	RCW 82.08.986 RCW 82.12.986
4) Criteria to be eligible to receive abatement.	Property owner must set aside 20-25 percent of the homes as income- and rent-restricted and enter a legally binding agreement with the City detailing the affordability requirements and other stipulations for compliance with the program	The property must: (1) be a historic property; (2) fall within a class of historic property determined eligible for special valuation; (3) be rehabilitated at a cost equal to 25 percent or more of pre-improvement assessed value within 24 months prior to the application for special valuation; and (4) be protected by an agreement between the owner and the local review board	Property must be enrolled as: (1) Open space with points awarded per the Public Benefit Rating Systems (PBRs) by resource category (2) Timber land if 5 to 20 acres are manageable forestland, zoned RA, F or A and devoted primarily to the growth, harvest and management of forest crops for commercial purposes per an approved forest stewardship plan (3) Farm and agricultural land if used to produce livestock or agricultural commodities for commercial purposes (4) Forestland if more than 20 acres are primarily devoted to the growth and harvest of timber	Property to be improved must be a single-family dwelling	Purchases must be for the construction or expansion of a qualified research and development facility or a pilot scale manufacturing facility used in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology	Within 6 years of exemption issued, net employment at the data center facility must increase by a minimum of 35 positions or 3 positions per 20,000 square feet or less of space; positions must be new permanent employment positions requiring 40 hours of weekly work, or equivalent, and receiving a wage equivalent to or greater than 150 percent of the per capita personal income of the county in which the data center is located

^a Any change in tax revenue to the City is not the direct result of the exemption but rather the associated deferral from adding the new construction of exempt properties to the King County property tax base until after each project's exemption period has terminated.

Table 16-1
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Tax Abatement Programs
For the Year Ended December 31, 2021
(In Thousands)

	Primary Government		Other Governments			
	City of Seattle		King County		State of Washington	
	Multifamily Property Tax Exemption	Historic Properties Incentives	Current Use	Single-family Dwelling Improvement	High Technology	Data Center Server Equipment and Power Infrastructure
5) How recipients' taxes are reduced.	Exemption from property tax assessments, by participating in the program, property owners commit to a compliance period in return for a tax exemption	Reduction to assessed value subject to property tax for 10 years	Reduction to assessed value subject to property tax	Improvement value not added to assessed value subject to property tax for 3 years	Deferred and ultimate waiver of sales and use taxes when purchasing machinery and equipment, subject to annual certification for up to 7 years	Waiver of sales and use taxes when goods and services are purchased by the qualifying business or tenant
6) How amount of abatement is determined.	Equal to the taxes on the entire appraised value of the property's residential improvements	Based on a special valuation	Difference between "current use" assessed value and "highest and best use" assessed value that would otherwise apply to the property	Equal to 100 percent of the additional property tax due to the increase in assessed value from the improvements, not to exceed 30 percent of the pre-improvement value of the structure	Equal to the taxes otherwise applicable to the goods and services	Equal to the taxes otherwise applicable to the goods and service
7) Provisions for recapturing abated taxes.	If a property fails to comply with affordability restriction, the City Director of Housing may cancel the tax exemption, and the County Assessor may impose fines, collect back taxes, and charge interest on back taxes	When property classified and valued as eligible historic property under RCW 84.26.070 becomes disqualified for the valuation, additional taxes, applicable penalties and interest are collected	When land no longer meets the requirements for the respective classifications, abated taxes and applicable penalties and interest are collected	None	If the project is used for any other purpose at any time during the 8-year certification period, the business must immediately repay a portion of the deferred taxes, determined by a sliding scale ranging from 100 percent recapture in the year 1 to 12.5 percent in year 8	All previously exempted sales and use taxes are immediately due and payable for a qualifying business or tenant that does not meet these requirements
8) Types of commitments made by the City other than to reduce taxes.	None	None	None	None	None	None
9) Gross amount of City's revenues being reduced.	\$ 17	\$ 1,236	\$ 42	\$ 62	\$ 13,166	\$ 80
					Total Revenue Reduction	\$ 14,603

^a Any change in tax revenue to the City is not the direct result of the exemption but rather the associated deferral from adding the new construction of exempt properties to the King County property tax base until after each project's exemption period has terminated.

(17) RESTATEMENTS, PRIOR-PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING PRINCIPLES, AND RECLASSIFICATIONS

The City determined that prior classification of internal service funds revenues and expenses had overstated fund balance on the government-wide statements dating back to 2018. These corrections resulted in an aggregate restatement to beginning fund balance of \$7.42 million in 2020 and \$229 thousand in 2021.

The business type activities expense section of Table A-2 was updated to correct a \$15.6 million overstatement from 2020. Tables A-1 and A-2 did not reflect the same ending net position in 2020. We have corrected the 2020 column on table A-2. No other tables were affected by this update. Details are as follows:

	Previously Reported <i>(In Thousands)</i>	Updated Amount <i>(In Thousands)</i>	Net Change <i>(In Thousands)</i>
Light	998,887	983,188	(15,699)
Water	246,617	246,635	18
Drainage and Wastewater	411,851	411,884	33
Solid Waste	206,634	206,649	15
Construction and Inspection	77,029	77,034	5
Total Expenses	1,941,018	1,925,390	(15,628)

The combining statements of Fiduciary Net Position schedules for the pension trust and custodial funds, formerly schedules G-1 through G-4, were eliminated from this presentation as they contained only one such fund in each category. The former G schedules were presenting duplicative information and were not necessary.

The City’s investment pool was utilizing the cash in the File Local and Regulatory funds; and as such they are no longer considered custodial funds under GASB 84, since custodial funds cannot have administrative involvement by the City. The removal of these funds from the custodial section created a restated beginning fund balance adjustment of \$3.2 million.

(18) SUBSEQUENT EVENTS

CORONAVIRUS GLOBAL PANDEMIC (COVID-19)

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, the City of Seattle remains operational, but specific processes and revenues continue to be affected by this pandemic. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which disruption may materially impact our financial position, results of operation and cash flows in fiscal year 2022.

BOND ISSUANCE

On May 3, 2022, pursuant to City Council Ordinance 126480, the City issued \$132.57 million of Limited Tax General Obligation (LTGO) Bonds with an average coupon rate of 4.456 percent and a final maturity of September 1, 2042.

**Required
Supplementary Information**

BUDGET COMPARISON SCHEDULES - MAJOR GOVERNMENTAL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Budget Comparison Schedules are presented on a budgetary basis (Non-GAAP). A reconciliation of the budgetary fund balance to the GAAP fund balance is shown on the face of each schedule.

The budgetary basis of accounting is substantially the same as the modified accrual basis of accounting in all governmental funds except for the treatment of appropriations that do not lapse, those whose budgets were approved by the City Budget Office to carry over to the following year. These appropriations are included with expenditures in the City's budgetary basis of accounting.

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**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 356,740	\$ 356,740	\$ 363,688	\$ 6,948
Sales Taxes	275,246	275,246	301,031	25,785
Business Taxes	482,973	482,973	788,320	305,347
Excise Taxes	5,366	5,366	123,658	118,292
Other Taxes	220,106	220,106	27,463	(192,643)
Total Taxes	1,340,431	1,340,431	1,604,160	263,729
Licenses and Permits	32,030	32,030	39,467	7,437
Grants, Shared Revenues, and Contributions	29,157	29,157	92,356	63,199
Charges for Services	91,642	91,642	81,734	(9,908)
Fines and Forfeits	1,771	1,771	22,402	20,631
Concessions, Parking Fees, and Space Rent	3,690	3,690	11,195	7,505
Program Income, Interest, and Miscellaneous Revenues	9,210	9,210	124,402	115,192
Total Revenues	1,507,931	1,507,931	1,975,716	467,785
EXPENDITURES AND ENCUMBRANCES				
CITY AUDITOR	2,520	4,556	2,828	(1,728)
CITY BUDGET OFFICE	7,145	7,973	7,303	(670)
CIVIL RIGHTS OFFICE	6,998	9,485	6,334	(3,151)
CIVIL SERVICE COMMISSIONS	523	672	551	(121)
COMMUNITY POLICE COMMISSION	1,713	1,897	1,378	(519)
COMMUNITY SAFETY	17,887	13,597	11,352	(2,245)
CONSTRUCTION & INSPECTION DEPARTMENT				—
Compliance	7,795	7,880	7,380	(500)
Govt Policy, Safety & Support	916	986	913	(73)
Inspections	253	253	92	(161)
Land Use Services	268	268	247	(21)
EDUCATION & EARLY LEARNING				
Early Learning	16,904	24,482	18,416	(6,066)
K-12 Programs	1,211	5,558	594	(4,964)
Post-Secondary Programs	—	69	—	(69)
Leadership & Administration	1,096	1,566	558	(1,008)
EMERGENCY MANAGEMENT OFFICE	2,484	7,599	3,696	(3,903)
ETHICS & ELECTIONS COMMISSION	1,050	1,159	1,092	(67)
FINANCE & ADMINISTRATIVE SERVICES - CAPITAL DEVELOPMENT & CONSTRUCTION MANAGEMENT				
ADA Improvements	—	(85)	718	803
Asset Preservation Schedule 1 Facilities	—	(10,125)	5,689	15,814
Asset Preservation Schedule 2 Facilities	1,000	1,632	3,554	1,922
Garden of Remembrance	2,152	11,291	—	(11,291)
General Govt Facilities	3,393	7,958	3,080	(4,878)
Neighborhood Fire Stations	—	—	3	3
Preliminary Engineering	180	8,287	2	(8,285)
Publ Safety Facilities - Police	—	632	783	151
Public Safety Facilities - Fire	—	5,755	3,438	(2,317)
Seattle Animal Shelter	2,020	5,438	17	(5,421)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (continued)				
FINANCE & ADMINSTRATIVE SERVICES - FACILITIES				
Seattle Animal Shelter	—	(15)	14	29
FINANCE & ADMINSTRATIVE SERVICES - FLEETS				
Seattle Animal Shelter	—	—	8	8
FINANCE & ADMINSTRATIVE SERVICES - OTHER SERVICES				
Central Waterfront Improvement Progm	—	1,788	1,550	(238)
City Finance	9,880	10,226	7,538	(2,688)
Employee Transit Benefits	4,996	4,996	1,210	(3,786)
FileLocal Agency	365	390	390	—
Garden of Remembrance	30	115	—	(115)
Indigent Defense Services	9,606	8,106	7,933	(173)
Information Technology	—	529	—	(529)
Jail Services	18,539	17,439	16,288	(1,151)
Judgment & Claims - Claims	3,524	3,524	1,311	(2,213)
Judgment & Claims - General	88	88	—	(88)
Judgment & Claims - General Liab	—	10,000	—	(10,000)
Judgment & Claims - Litigation	22,837	19,837	17,581	(2,256)
Judgment & Claims - Police Act	1,121	9,121	7,958	(1,163)
Neighborhood Fire Station	3,723	13,733	—	(13,733)
Oversight - External Projects	2,500	1,917	849	(1,068)
Seattle Animal Shelter	—	—	180	180
FINANCE & ADMINSTRATIVE SERVICES - REGULATORY COMPLIANCE & CONSUMER PROTECTION				
	6,610	6,883	7,750	867
FINANCE & ADMINSTRATIVE SERVICES - SEATTLE ANIMAL SHELTER				
	9,761	11,297	6,206	(5,091)
FINANCE GENERAL				
Appropriation to Special Funds	276,514	223,743	77,223	(146,520)
Reserves	133,511	72,326	35,996	(36,330)
FIRE DEPARTMENT				
Fire Prevention	10,853	11,230	11,056	(174)
Leadership & Administration	40,802	41,094	40,718	(376)
Operations	197,684	229,732	220,932	(8,800)
FIREFIGHTERS PENSION				
	21,020	21,020	19,889	(1,131)
HEARING EXAMINER				
	1,062	1,068	981	(87)
HOUSING OFFICE				
Homeownership & Sustainability	550	900	207	(693)
Leadership and Administration	650	672	255	(417)
Multifamily Housing	1,500	9,500	—	(9,500)
HUMAN RESOURCES				
GTL/LTD/AD&D Insurance Service	6,663	6,663	6,378	(285)
Health Care Services	277,670	277,670	283,982	6,312
HR Services	21,872	23,857	21,490	(2,367)
Industrial Insurance Services	23,941	23,941	16,866	(7,075)
Leadership & Administration	738	2,170	72	(2,098)
Unemployment Services	4,736	4,736	1,198	(3,538)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (continued)				
HUMAN SERVICES DEPARTMENT				
Addressing Homelessness	89,177	93,105	78,873	(14,232)
Leadership & Administration	9,511	12,143	11,637	(506)
Preparing Youth for Success	13,912	13,939	12,790	(1,149)
Promoting Healthy Aging	7,007	7,915	7,579	(336)
Promoting Public Health	13,498	16,248	14,048	(2,200)
Supporting Affordability & Livability	15,063	26,017	23,991	(2,026)
Supporting Safe Communities	31,526	37,168	26,482	(10,686)
IMMIGRANT & REFUGEE AFFAIRS	3,865	31,493	29,129	(2,364)
INFORMATION TECHNOLOGY DEPARTMENT				
Cable Franchise	7,171	7,171	6,708	(463)
INSPECTOR GENERAL FOR PUBLIC SAFETY	2,979	3,480	2,936	(544)
INTERGOVERNMENTL RELATIONS OFFICE	2,811	2,866	2,545	(321)
LABOR STANDARDS OFFICE	7,276	9,308	8,334	(974)
LAW DEPARTMENT				
Civil	15,639	14,922	14,675	(247)
Criminal	8,582	9,763	8,521	(1,242)
Leadership & Administration	10,522	11,151	10,798	(353)
Precinct Liaison	702	652	645	(7)
LEGISLATIVE DEPARTMENT				
Leadership & Administration	13,746	16,094	4,784	(11,310)
Legislative Department	4,696	4,971	15,634	10,663
MAYORS OFFICE	7,440	7,999	7,517	(482)
MUNICIPAL COURTS				
Administration	16,119	16,259	16,069	(190)
Court Compliance	4,905	4,941	4,838	(103)
Court Operations	17,353	17,434	17,269	(165)
NEIGHBORHOODS DEPARTMENT				
Community Building	6,267	9,902	5,826	(4,076)
Community Grants	4,977	6,917	3,515	(3,402)
Leadership & Administration	5,176	5,273	5,069	(204)
OFFICE OF ARTS & CULTURE				
Arts & Cultural Programs	6,608	9,543	6,134	(3,409)
Cultural Space	809	1,722	1,136	(586)
Leadership & Administration	3,119	3,150	2,637	(513)
Public Art	—	12	12	—
OFFICE OF ECONOMIC DEVELOPMENT & SPECIAL EVENTS				
Business Services	12,006	32,390	17,778	(14,612)
Leadership & Administration	2,611	2,672	2,637	(35)
OFFICE OF SUSTAINABILITY & THE ENVIRONMENT	16,315	21,134	19,471	(1,663)
OFFICE OF THE EMPLOYEE OMBUDSMEN	733	949	737	(212)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (continued)				
PARKS & RECREATION				
2008 Parks Levy	—	32	—	(32)
Building For The Future Program - Construction in Progress	1,732	10,774	5,855	(4,919)
Debt & Special Funding	3,921	4,715	160	(4,555)
Departmentwide Programs	3,316	3,316	2,923	(393)
Fix It First Program -Construction in Progress	16,585	64,994	12,495	(52,499)
Leadership & Administration	28,751	29,016	28,498	(518)
Maintaing Parks & Facilities	—	56	54	(2)
Parks & Facilities Maintenance & Repairs	53,926	56,976	55,287	(1,689)
Recreation Facility Programs	12,320	12,442	12,016	(426)
PLANNING & COMMUNITY OFFICE				
Design Commission	593	593	577	(16)
Equitable Development Initiative	5,280	56,595	14,122	(42,473)
Planning & Community Development	7,675	11,990	9,761	(2,229)
POLICE DEPARTMENT				
Administrative Operations	28,723	28,723	28,707	(16)
Chief of Police	7,580	12,273	7,667	(4,606)
Collaborative Policing	12,591	12,775	12,658	(117)
Compliance & Professional Standards	4,648	4,648	4,348	(300)
Criminal Investigations	57,480	58,399	53,775	(4,624)
East Precinct	21,198	19,606	19,494	(112)
Leadership & Administration	74,888	82,182	77,073	(5,109)
North Precinct	30,342	29,156	29,122	(34)
Office of Police Account	4,824	4,932	4,379	(553)
Patrol Operations	10,083	11,849	11,739	(110)
South Precinct	19,542	19,572	19,513	(59)
Southwest Precinct	16,410	15,769	15,750	(19)
Special Operations	45,897	57,464	49,814	(7,650)
West Precinct	26,651	25,609	25,507	(102)
POLICE RELIEF & PENSION	26,652	26,654	19,208	(7,446)
SEATTLE CENTER				
Building & Campus Improvements	5,971	24,346	11,011	(13,335)
Campus	10,912	11,068	11,068	—
Leadership & Administration	5,194	5,194	5,194	—
McCaw Hall	724	724	663	(61)
Monorail Rehabilitation	—	1,426	1,182	(244)
SEATTLE PUBLIC LIBRARY				
Administrative/Support Service	9,313	9,788	8,981	(807)
Capital Improvements	400	3,726	884	(2,842)
Chief Librarian's Office	485	863	692	(171)
Human Resources	2,096	2,452	2,163	(289)
Institutional & Strategic Advantage	899	1,527	1,263	(264)
Leadership & Administration	—	358	333	(25)
Library Program & Services	42,402	46,673	43,854	(2,819)

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (continued)				
SEATTLE PUBLIC UTILITIES				
General Expense	2,024	2,024	1,834	(190)
Leadership & Administration	100	100	(218)	(318)
Utility Service & Operations	18,675	19,115	14,915	(4,200)
TRANSPORTATION DEPARTMENT				
Bridges & Structures	4,591	4,591	4,385	(206)
Central Waterfront	2,900	2,906	100	(2,806)
General Expense	23,990	27,935	8,882	(19,053)
Leadership & Administration	910	—	(70)	(70)
Maintenance Operations	14,633	21,946	15,399	(6,547)
Major Maintenance/Replacement	7,663	8,988	6,469	(2,519)
Major Projects	—	309	68	(241)
Mobility - Capital	13,780	16,397	10,749	(5,648)
Mobility - Operations	15,257	17,170	16,230	(940)
Parking Enforcement	—	5	3,608	3,603
Total Expenditures and Encumbrances	<u>2,257,502</u>	<u>2,538,523</u>	<u>1,974,922</u>	<u>(563,601)</u>
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	(749,571)	(1,030,592)	794	1,031,386
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	—	—	—	—
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	3,775	3,775
Capital Leases & Installments	—	—	—	—
Transfers In	73,020	73,020	5,126	(67,894)
Transfers Out	—	—	(62,014)	(62,014)
Total Other Financing Sources (Uses)	<u>73,020</u>	<u>73,020</u>	<u>(53,113)</u>	<u>(126,133)</u>
Net Change in Fund Balance	<u>\$ (676,551)</u>	<u>\$ (957,572)</u>	<u>(52,319)</u>	<u>\$ 905,253</u>
Fund Balance - Beginning of Year			514,598	
Restatements/Prior-year Adjustments			229	
Non-Budgetary Revenues/(Expenditures)			254,876	
Fund Balance - End of Year			<u>\$ 717,384</u>	

TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 102,256	\$ 102,256	\$ 106,565	\$ 4,309
Sales Taxes			163	163
Business Taxes	29,181	29,181	28,541	(640)
Excise Taxes			—	—
Other Taxes			—	—
Total Taxes	131,437	131,437	135,269	3,832
Licenses and Permits	5,917	5,917	7,284	1,367
Grants, Shared Revenues, and Contributions	85,523	85,523	52,504	(33,019)
Charges for Services	170,283	170,283	163,456	(6,827)
Fines and Forfeits			2,249	2,249
Concessions, Parking Fees, and Space Rent			153	153
Program Income, Interest, and Miscellaneous Revenues	25,978	25,978	(896)	(26,874)
Total Revenues	419,138	419,138	360,019	(59,119)
EXPENDITURES AND ENCUMBRANCES				
FINANCE & ADMINISTRATIVE SERVICES - FACILITIES	—	—		—
HUMAN RESOURCES				
Industrial Insurance Services	—	—		—
TRANSPORTATION DEPARTMENT				
Bridges & Structures	11,794	11,795	10,116	(1,679)
Central Waterfront	41,990	45,377	45,377	—
General Expense	31,296	26,335	1,323	(25,012)
Maintenance Operations	22,230	25,880	30,363	4,483
Major Maintenance/Replacement	36,705	59,814	59,812	(2)
Major Projects	806	2,192	2,192	—
Mobility Operations	28,013	36,658	32,795	(3,863)
ROW Management	42,995	43,763	40,923	(2,840)
Leadership & Administration	—	—	(11,789)	(11,789)
Waterfront & Civic Projects	30,612	30,558	10,766	(19,792)
Mobility - Capital	163,269	112,136	112,133	(3)
Parking Enforcement	—	—	33	33
Streetcar Operations - S Lake Union	—	—	—	—
Total Expenditures and Encumbrances	409,710	394,508	334,044	(60,464)
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	9,428	24,630	25,975	1,345

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TRANSPORATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	560	560	—	(560)
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	1,700	1,700	3,775	2,075
Capital Leases & Installments	—	—	—	—
Transfers In	—	—	—	—
Transfers Out	—	—	(24,514)	(24,514)
Total Other Financing Sources (Uses)	<u>2,260</u>	<u>2,260</u>	<u>(20,739)</u>	<u>(22,999)</u>
Net Change in Fund Balance	<u>\$ 11,688</u>	<u>\$ 26,890</u>	5,236	<u>\$ (21,654)</u>
Fund Balance - Beginning of Year			50,045	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			<u>(51)</u>	
Fund Balance - End of Year			<u>\$ 55,230</u>	

PENSION AND OPEB PLAN INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Firemen's and Police Relief and Pension funds are both pension plans that fail to meet the requirements of GASB Statement No. 68. Therefore, Firemen's and Police Relief and Pension funds are accounted for in accordance with GASB Statement No. 73. The required supplementary information (C3) reports the long-term actuarial data on the Schedule of Funding Progress and Schedule of Employer Contributions as of the plans' reporting dates for the past 10 consecutive fiscal years. The information presented in these schedules was part of the latest actuarial valuations at the dates indicated in Note 11.

Under GASB Statement No. 68, the City's cost-sharing multiple-employer plans are the Seattle City Employees' Retirement System (SCERS), the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF1) and the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF2). As required by GASB Statement No. 68 the required supplementary information (C4, C5) reports a 10 year Schedule of Proportionate Share of the Net Pension Liability as of the plan's measurement date of the collective net pension liability, and a 10 year Schedule of Employer Contribution as of the City's most recent fiscal year-end, for each pension plan separately.

In 2018, the City implemented GASB Statement No. 75, which requires a schedule of changes in total OPEB liability and related ratios for each of the 10 most recent fiscal years as required supplementary information. The schedule separately presents the required information for each OPEB plan (C6).

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PENSION PLAN INFORMATION

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

December 31, 2021

(In Thousands)

Police Relief and Pension Fund

Year Ended	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost		\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,927	2,446	3,061	3,024	3,401	N/A	N/A	N/A	N/A	N/A
Effect of plan changes		—	—	—	—	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	2,428	(1,144)	5,602	2,569	—	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	4,534	14,260	11,816	(4,809)	1,689	N/A	N/A	N/A	N/A	N/A
Benefit payments	(8,092)	(7,997)	(8,075)	(13,227)	(5,593)	N/A	N/A	N/A	N/A	N/A
Net change in pension liability	797	7,564	12,404	(12,443)	(503)	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	100,482	92,917	80,513	92,956	93,459	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	101,279	100,482	92,917	80,513	92,956	N/A	N/A	N/A	N/A	N/A
Covered payroll	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Firefighters' Pension Fund

Year Ended	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost		\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	2,205	2,383	3,298	3,325	3,623	N/A	N/A	N/A	N/A	N/A
Effect of plan changes		—	—	—	—	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	2,206	15,595	(525)	(2,082)	—	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	7,583	13,867	9,030	(6,739)	2,118	N/A	N/A	N/A	N/A	N/A
Benefit payments	(8,299)	(7,988)	(6,939)	(7,197)	(7,485)	N/A	N/A	N/A	N/A	N/A
Net change in pension liability	3,693	23,857	4,864	(12,693)	(1,744)	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	114,601	90,744	85,880	98,573	100,317	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	\$118,299	114,601	90,744	85,880	98,573	N/A	N/A	N/A	N/A	N/A
Covered payroll	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.
Covered payroll is the payroll on which contributions to a pension plan are based.

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PENSION PLAN INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Seattle City Employees' Retirement System
December 31, 2021
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	99.96%	99.96%	99.95%	99.95%	99.93%
Employer's proportionate share of the net pension liability	\$ 978,647	\$ 1,256,338	\$ 1,518,484	\$ 1,106,617	\$ 1,304,140
Covered payroll	\$ 875,457	\$ 783,740	\$ 774,235	\$ 728,094	\$ 708,562
Employer's proportionate share of the net pension liability as a percentage of covered payroll	111.79%	160.3%	196.13%	151.99%	184.05%
Plan fiduciary net position as a percentage of the total pension liability	78.81%	71.48%	64.14%	72.04%	65.6%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Employer's proportion of the net pension liability (asset)	99.91%	99.89%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability	\$ 1,297,983	\$ 1,106,800	N/A	N/A	N/A
Covered payroll	\$ 638,354	\$ 626,403	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered payroll	203.33%	176.69%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	64.03%	67.7%	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

Notes to Schedule:

Valuation Timing: Actuarially determined contribution rates are calculated as of January 1, one year prior to the fiscal year in which the contributions will apply.

Methods and assumptions used to determine contribution rates are:

Actuarial Cost Method: Individual Entry Age Normal

Amortization method: Level percent

Remaining amortization period: Closed 30 years as of January 1, 2013 Valuation

Asset valuation method: 5 years smoothed, non-asymptotic, none corridor

Inflation: 2.75%

Investment rate of return: 7.25%

Cost of Living Adjustments: Annual compounding COLA of 1.5% assumed

Mortality: Various rates based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale.

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PENSION PLAN INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1
June 30, 2021
(In Thousands)

	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability (asset)	3.57%	3.56%	3.58%	3.57%	3.55%
Employer's proportionate share of the net pension liability	\$ 122,142	\$ 67,192	\$ 70,673	\$ 64,885	\$ 53,981
Covered payroll	\$ 574	\$ 924	\$ 992	\$ 1,391	\$ 2,023
Employer's proportionate share of the net pension liability as a percentage of covered payroll	21,293%	7,274.37%	7,127.78%	4,664.63%	2,668.36%
Plan fiduciary net position as a percentage of the total pension liability	187.45%	146.88%	148.78%	144.42%	135.96%
	2016	2015	2014	2013	2,012
Employer's proportion of the net pension liability (asset)	3.55%	3.55%	3.55%	N/A	N/A
Employer's proportionate share of the net pension liability	\$ 36,619	\$ 42,771	\$ 43,065	N/A	N/A
Covered payroll	\$ 2,542	\$ 3,930	\$ 4,905	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered payroll	1,440.33%	1,088.29%	877.98%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	123.74%	127.36%	126.91%	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

Notes to Schedule:

The total pension liability was determined by an actuarial valuation as of June 30, 2020 with the results rolled forward to June 30, 2021 using the following actuarial assumptions:

Inflation: 2.75% total economic inflation; 3.50% salary inflation

Salary increases: in addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity

Investment rate of return: 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is... active, retiree, or survivor).

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study.

PENSION PLAN INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2
June 30, 2021
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	8.75%	10.24%	8.95%	9.08%	9.17%
Employer's proportionate share of the net pension asset	\$ 508,394	\$ 208,853	\$ 207,455	\$ 184,326	\$ 127,282
LEOFF 2 employers only - State's proportionate share of the net pension asset associated with the employer	327,969	133,546	135,855	119,348	82,565
Total	\$ 836,636	\$ 342,398	\$ 343,310	\$ 303,674	\$ 209,847
Covered payroll	\$ 319,504	\$ 345,171	\$ 313,037	\$ 294,033	\$ 283,991
Employer's proportionate share of the net pension liability as a percentage of covered payroll	159%	60.51%	66.27%	62.69%	44.82%
Plan fiduciary net position as a percentage of the total pension asset	142%	115.83%	119.43%	118.5%	113.36%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Employer's proportion of the net pension liability (asset)	9.36%	9.31%	9.4%	N/A	N/A
Employer's proportionate share of the net pension asset	\$ 54,486	\$ 95,637	\$ 125,076	N/A	N/A
LEOFF 2 employers only - State's proportionate share of the net pension asset associated with the employer	35,523	64,124	82,876	N/A	N/A
Total	\$ 90,012	\$ 159,761	\$ 207,952	N/A	N/A
Covered payroll	\$ 273,333	\$ 268,461	\$ 255,273	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered payroll	19.94%	35.62%	49%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension asset	106.04%	111.67%	116.75%	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

Notes to Schedule:

The total pension liability was determined by an actuarial valuation as of June 30, 2020 with the results rolled forward to June 30, 2021 using the following actuarial assumptions:

Inflation: 2.75% total economic inflation; 3.50% salary inflation

Salary increase: in addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity

Investment rate of return: 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is... active, retiree, or survivor).

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PENSION PLAN INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Seattle City Employees' Retirement System
December 31, 2020
(In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or Contractually required employer contributions	\$ 141,189	\$ 118,892	\$ 117,490	\$ 111,742	\$ 107,900	\$ 100,614	\$ 89,363	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	141,029	141,029	118,393	111,742	108,500	100,614	89,363	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ 160</u>	<u>\$ (22,137)</u>	<u>\$ (903)</u>	<u>\$ —</u>	<u>\$ (600)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ 875,457	\$ 875,457	\$ 783,740	\$ 774,235	\$ 708,562	\$ 638,354	\$ 626,403	N/A	N/A	N/A
Contributions as a percentage of covered payroll	16.11%	16.11%	15.11%	14.43%	15.31%	15.76%	14.27%	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

Notes to Schedule:

Valuation Timing: Actuarially determined contribution rates are calculated as of January 1, one year prior to the fiscal year in which the contributions will apply.

Methods and assumptions used to determine contribution rates are:

Actuarial Cost Method: Individual Entry Age Normal

Amortization method: Level percent

Remaining amortization period: Closed 30 years as of January 1, 2013 Valuation

Asset valuation method: 5 years smoothed, non-asymptotic, none corridor

Inflation: 2.75%

Investment rate of return: 7.25%

Cost of Living Adjustments: Annual compounding COLA of 1.5% assumed

Mortality: Various rates based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale.

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PENSION PLAN INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1
December 31, 2021
(In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or contractually required contributions ^b		\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions ^b		—	—	—	—	—	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A
Covered payroll	\$ 574	\$ 697	\$ 971	\$ 1,165	\$ 2,023	\$ 2,542	\$ 3,930	\$ 4,905	N/A	N/A
Contributions as a percentage of covered payroll	—%	—%	—%	—%	—%	—%	N/A	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation.

Notes to Schedule:

The total pension liability was determined by an actuarial valuation as of June 30, 2020 with the results rolled forward to June 30, 2021 using the following actuarial assumptions:

Inflation: 2.75% total economic inflation; 3.50% salary inflation

Salary increase: in addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity

Investment rate of return: 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is...active, retiree, or survivor).

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PENSION PLAN INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2
December 31, 2021
(In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or contractually required contributions	\$ 17,015	\$ 17,706	\$ 17,126	\$ 16,243	\$ 15,300	\$ 14,332	\$ 13,638	\$ 13,249	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	17,015	17,706	17,126	16,243	15,300	14,332	13,638	13,249	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
Covered payroll	\$ 327,156	\$ 349,172	\$ 326,188	\$ 299,193	\$ 283,991	\$ 273,333	\$ 268,461	\$ 255,273	N/A	N/A
Contributions as a percentage of covered payroll	5.20%	5.07%	5.25%	5.43%	5.39%	5.24%	5.08%	5.19%	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

Covered payroll is the payroll on which contributions to a pension plan are based.

Notes to Schedule:

The total pension liability was determined by an actuarial valuation as of June 30, 2020 with the results rolled forward to June 30, 2021 using the following actuarial assumptions:

Inflation: 2.75% total economic inflation; 3.50% salary inflation

Salary increases: in addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity

Investment rate of return: 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is...active, retiree, or survivor).

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OPEB INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
City of Seattle Health Care Blended Premium Subsidy Plan
December 31, 2021
(In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability - beginning	\$ 63,624	\$ 60,947	\$ 61,130	\$ 65,648	N/A	N/A	N/A	N/A	N/A	N/A
Service cost	4,015	3,379	3,842	3,822	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,813	2,587	2,195	2,583	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience		6,957	—	13,492	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	3,739	(7,761)	(3,887)	(22,126)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(2,934)	(2,484)	(2,334)	(2,289)	N/A	N/A	N/A	N/A	N/A	N/A
Other changes		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 70,257</u>	<u>\$ 63,625</u>	<u>\$ 60,946</u>	<u>\$ 61,130</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered-employee payroll	\$ 1,124,692	\$ 1,124,692	\$ 1,015,097	\$ 1,015,097	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	6.25%	5.66%	6.00%	6.02%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

Notes to Schedule:

All OPEB plans are funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Method and assumptions used to determine OPEB liability for fiscal year end 2021 are:

Valuation Method: Entry Age Normal actuarial cost method

Discount rate: 2.12%

Dependent coverage percentage assumption: 25%

Mortality and retirement assumptions for LEOFF was updated to reflect the most recent assumptions developed in the Washington State 2013-2018 Demographic Experience Study Report

The trend assumptions on medical claims and retiree premiums were updated to reflect the expected increase on future medical costs, as well as the permanent repeal of the excise tax on high-cost plans (a.k.a. "The Cadillac tax") originally imposed by the Affordable Care Act in 2010.

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OPEB INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 City of Seattle Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees
 December 31, 2021
 (In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability - beginning	\$ 300,862	\$ 269,926	\$ 268,828	\$287,302	N/A	N/A	N/A	N/A	N/A	N/A
Service cost		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Interest	5,894	7,260	10,525	9,855	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes		7,800	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	(2,075)	580	(7,497)	—	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(1,718)	27,249	9,583	(16,786)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(12,365)	(11,954)	(11,513)	(11,543)	N/A	N/A	N/A	N/A	N/A	N/A
Other changes		—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	\$ 290,598	\$ 300,861	\$ 269,926	\$268,828	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

Notes to Schedule:

All OPEB plans are funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Method and assumptions used to determine OPEB liability for fiscal year end 2021 are:

Valuation Method: Entry Age Normal actuarial cost method

Discount rate: 2.00%

Valuation of assets are carried on a market-value basis.

Mortality assumptions used are based on the 2007-2012 Experience Study for the LEOFF Retirement System prepared by the Office of the State Actuary.

OPEB INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
City of Seattle Retiree Medical and Long-Term Care Benefits for LEOFF 1 and Escalator Employees
December 31, 2021
(In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability - beginning	\$ 308,600	\$ 287,127	\$297,381	\$318,682	N/A	N/A	N/A	N/A	N/A	N/A
Service cost		—			N/A	N/A	N/A	N/A	N/A	N/A
Interest	6,012	7,682	11,599	10,903	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms		—			N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience		—			N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	(534)	3,290			N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(4,348)	26,184	2,637	(17,731)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(16,045)	(15,683)	(14,979)	(14,472)	N/A	N/A	N/A	N/A	N/A	N/A
Other changes		—			N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	\$ 293,685	\$ 308,600	\$287,127	\$297,382	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ —	\$ —	\$—	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will be built prospectively until it contains ten years of data.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

Notes to Schedule:

All OPEB plans are funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Method and assumptions used to determine OPEB liability for fiscal year end 2021 are:

Valuation Method: Entry Age Normal actuarial cost method

Discount rate: 2.0%

Valuation of assets are carried on a market-value basis.

Mortality assumptions used are based on the 2007-2012 Experience Study for the LEOFF Retirement System prepared by the Office of the State Actuary.

Combining Statements and Other Supplementary Information

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS**SPECIAL REVENUE FUNDS**

The **Parks and Recreation Fund** accounts for the operation of the City's parks system. The fund continues to receive monies for charter revenues as required by the City Charter. Required charter revenue to the fund is 10% of all business and occupation taxes, related fines, penalties, and other licenses. In 2009, the City changed the charter revenue allocation from direct method of allocating 10% actual revenue receipts periodically to an indirect method of transferring a fixed amount from the General Fund as adopted by the City Council each year. At the end of each year, an analysis is performed to ensure that Park and Recreation Fund receives monies equal to or exceeding the 10% charter revenue requirement. Transfers-in are recognized for these cash transfers in this fund. The fund also receives usage fees. The Park Capital Projects Fund was merged to this Fund in 2018.

The **Seattle Streetcar Fund** accounts for payments to King County, based on certain formulas, for operating and maintaining the City's streetcar. The fund is supported by revenues from sponsorship agreements; federal, state, county or other grants or transfers; private funding, donations, or gifts; property sales proceeds or other monies per City ordinance.

The **Key Arena Settlement Proceeds Fund** accounts for all proceeds received pursuant to the settlement of the Key Arena litigation which shall be used and applied in accordance with appropriations by the City Council.

The **Pike Place Market Renovation Fund** accounts for the proceeds of a six-year tax levy (Market Levy) approved by the voters in 2008 received on behalf of the Pike Place Market Preservation and Development Authority (PPMPDA) to pay for the cost of renovating the Pike Place Market owned by PPMPDA under the Levy Proceeds Agreement by and between the City and PPMPDA. It also accounts for the proceeds of bonds issued in part by the 2009, 2010, and 2011 Multipurpose Long-Term General Obligation Bond as temporary financing for the Pike Place Market renovation, whose bonds and interest are being paid from the Market Levy proceeds at bond maturity and interest payment dates.

The **Seattle Center Fund** accounts for the operations of the Seattle Center. The Center is a 74-acre convention, performance, and family entertainment complex on the site of the 1962 Seattle World's Fair.

The **Wheelchair Accessible Service Fund** accounts for the collection and distribution of a 10-cent per ride surcharge for all rides originating in the City of Seattle with Transportation Network Companies, non-wheelchair-accessible taxis and for-hire companies. The funds are used to help owners and operators of wheelchair accessible taxi services offset higher operational and maintenance costs.

The **Election Vouchers Fund** accounts for the expenditures of the Seattle Ethics and Elections Commission in administering a publicly financed election program created by City of Seattle Initiative Measure 122 (voter approved on November 3, 2015). The fund receives revenues from the Measure 122 authorized property tax increase, the General fund, and other monies as authorized.

The **Human Services Operating Fund** accounts for grants and General Fund monies for programs to aid low-income persons, youths, and the elderly.

The **Low-Income Housing Fund** manages activities undertaken by the City to preserve, rehabilitate, or replace low-income housing. It also accounts for a seven-year housing levy approved by the voters in 2009 to provide, produce, and/or preserve affordable housing in Seattle and to assist low-income tenants in Seattle. Operating costs in the administration of the levy are accounted for in the Office of Housing Fund, a nonmajor special revenue fund.

The **Office of Housing Fund** accounts for activities pertaining to housing development, application for and compliance with conditions for housing loans and grants.

The **Education and Development Services Fund** accounts for a seven-year levy approved by the voters in 1997, in 2004, and again in 2011 to provide educational and developmental services to supplement the basic education activities financed by the State of Washington.

The City of Seattle

The **Preschool Levy 2014 Fund** accounts for the proceeds of a four-year tax levy approved by voters in 2014; the funding will provide high-quality preschool services for low-income Seattle children as Seattle Preschool Program.

The **Families, Education, Preschool and Promise Levy Fund** accounts for the proceeds of a seven-year levy approved by the voters in 2018; the funding will provide education services designed to improve access to early learning and high-quality preschool, K-12 school and community-based investments, K-12 school health, and post-secondary and job readiness opportunities for Seattle students.

The **2012 Library Levy Fund** accounts for a seven-year levy approved by the voters in 2012, providing support for library services which include maintaining hours and access, increasing the size and quality of library collections for both new book titles and digital media, technology replacements and upgrades, and regular maintenance and major repairs.

The **2019 Library Levy Fund** accounts for a seven-year levy approved by the voters in 2019, for the purpose of sustaining investments in Library operating hours, collections, technology and maintenance while expanding access to opportunity through additional hours, Library materials, technology and undertaking seismic retrofits of three Library facilities.

The **School Zone Fixed Automated Cameras Fund** accounts for revenues generated from the use of school zone fixed automated cameras to enforce the school zone speed limits and improve safety for schoolchildren and other pedestrians.

The **Seattle Metropolitan Parks District Fund** is a blended component unit of the City and reported as a special revenue fund in the City's financial statements. See Note 12 for details. It accounts for the independent taxing district created through voter approval and governed by the City Council. The purpose of the district is to fund maintenance, operations, and improvements of parks, community centers, pools and other recreation facilities and programs through its power to levy and impose various taxes and fees.

The **Business Improvement Areas Fund** accounts for monies that businesses assess themselves for parking, festivals, and other nongovernmental activities.

The **Coronavirus Recovery Fund** accounts for amounts received from the federal government, and the related expenses, for relief of the COVID-19 pandemic.

The **Transportation Benefit District Fund** accounts for the independent taxing district created and governed by the City Council. The purpose of the district is to fund transportation improvements within the boundaries of the City through an imposed \$20 vehicle registration fee.

The **General Trust Fund** accounts for amounts received with restrictions under contractual agreements.

The **Municipal Arts Fund** receives at least 1% of the total cost of City capital construction projects. The City uses these monies to buy visual arts.

The **General Donations and Gift Trust Fund** (GDFT) holds a variety of gifts and donations which have restrictions on their use. Programs eligible to receive support from this fund include the gift catalog, animal control, emergency medical assistance program, horse patrol, K-9 corps, climate action, and rescue of prostituted children. A new fund Covid-19 Donation Fund (within the GDFT funds) was created in 2020 for the depositing of donations, gifts, and grants related to the City's of Seattle's response to the Covid-19 pandemic.

The **Short-Term Rental Tax Fund** accounts for revenues collected from the Washington State Convention Center Public Facilities District from short-term rentals in Seattle. These revenues are used to support investments in affordable housing programs and community initiated equitable development projects.

DEBT SERVICE FUNDS

The **General Bond Interest and Redemption Fund** receives monies from excess property tax levies to pay interest costs and principal redemptions on voter-approved general obligation bonds. It also receives monies from the General Fund and other City funds to pay for interest costs and principal redemptions on councilmanic limited tax general obligation bonds.

The **Interfund Notes Payable - Local Improvement Districts (LIDs) Fund** accounts for the payments of interest and principal on interfund notes payable to the Cumulative Reserve reported in the General Fund. The proceeds of the notes funded the activities of certain LID districts.

The **Local Improvement Guaranty Fund** holds funds necessary to guaranty required debt service payments on LID bonds. The funds are also permitted by law to be used to enforce, foreclose upon, and protect assessment liens and to support assessment deferrals for qualifying economically-disadvantaged property owners. The City's LID bond covenants require the City to maintain a minimum balance in the Local Improvement Guaranty Fund and the City is authorized to levy a special property tax (that is in addition to and not subject to the limitations on its regular property tax levy) to maintain that minimum balance and to replenish any draws on the Guaranty Fund. The City is also permitted, but not required, to use General Fund resources for this purpose. The City is prohibited by statute from withdrawing funds (except for the purposes described above) in an amount that would cause the balance to fall below 10% of net outstanding LID debt.

CAPITAL PROJECTS FUNDS

The **2003 Fire Facilities Fund** was established to account for the 9-year additional property tax levy of \$167.2 million approved by the voters. The purpose of the levy is to pay all or part of the cost of neighborhood fire stations, support facilities, marine apparatus, emergency preparedness, and other emergency response facilities.

The **2008 Multipurpose Long-Term General Obligation Bond Fund** was established in 2007 to account for capital costs related to the South Rainier Street Grade Separation, Spokane Street Viaduct, Mercer Corridor, and King Street Multimodal Terminal projects. Initial funds for these projects were provided from interfund loans to be repaid from proceeds of limited tax general obligation bonds issued in 2008 by the City. The bond ordinance finally allocated the bond proceeds to the King Street Multimodal Terminal, Bridge Seismic, Rehabilitation and Replacement, Pay Stations, Fire Station projects, and the South Lake Union Property Proceeds Account.

The **2009 Multipurpose Long-Term General Obligation Bond Fund** was established in 2008 to account for the proceeds of the bonds issued in March 2009 to provide funding for the costs of capital projects including the Alaskan Way Viaduct/Seawall, North Precinct, Northgate Land, Northgate Park, Rainier Beach Community Center, Trails, Bridge Rehabilitation, King and Spokane Streets projects, and the Municipal Jail.

The **2010 Multipurpose Long-Term General Obligation Bond Fund** was established in 2010 to account for the proceeds of the bonds issued in March 2010 to provide funding for the costs of capital projects relating to the Spokane Street Viaduct, Bridge Rehabilitation, Bridge Seismic Retrofit, Mercer Corridor-South Lake Union, Mercer Corridor West, King Street Station Multimodal Terminal, Alaskan Way Viaduct, Parking Pay Stations, Pike Place Market Renovation, Golf Course Improvements, and Tier-1 Storage Area Network.

The **2011 Multipurpose Long-Term General Obligation Bond Fund** was established in 2011 to account for the proceeds of the bonds issued in March 2011 to provide funding for the costs of capital projects relating to the Spokane Street Viaduct, Bridge Rehabilitation and Seismic Retrofit, Parking and Program Management, Facility Energy Retrofits, Rainier Beach Community Center, King Street Station Multimodal Terminal, Seattle Center Renovations, Pike Place Market Renovation, Golf Course Improvements, and Alaska Way Viaduct and Seawall.

The **2012 Multipurpose Long-Term General Obligation Bond Fund** was established in 2012 to account for the proceeds of the bonds issued in May 2012 to provide funding for the costs of capital projects relating to Bridge Seismic Retrofit, the Mercer Corridor-South Lake Union, Mercer Corridor West, Linden Avenue North, Alaskan Way Viaduct Seawall, Alaskan Way Viaduct Parking and Program Management, Rainier Beach Community Center, Magnuson Park Building 30, and Library Information Technology Systems.

The **2013 King County Parks Levy Fund** was established in 2013 to account for the issuance and sale of limited tax general obligation bonds to pay all or part of the City's capital improvement program, to refinance certain outstanding bonds of the Pike Place Market Preservation and Development Authority and the Seattle-Chinatown-International District Preservation and Development Authority, improvements to Benaroya Hall and to pay the cost of issuance of the bonds.

The **2013 Multipurpose Long-Term General Obligation Bond Fund** was established in 2013 to account for the proceeds of bonds issued in June 2013 to provide funding for the costs of capital projects relating to Transportation Infrastructure, Recreational and Public Safety facilities, and Information Technology Systems.

The **2014 Multipurpose Long-Term General Obligation Bond Fund** was established in 2014 to pay all or part of the cost of various City's capital improvement programs and other City purposes, to carry out the refunding for the Pike Place Market Preservation and Development Authority and the Seattle-Chinatown-International District Preservation and Development Authority, to pay the costs of the Benaroya Hall Music Center projects, and to pay other general obligation Bonds.

The **2015 Multipurpose Long-Term General Obligation Bond Fund** was established in 2014 to account for the proceeds of the issuance of bonds to provide funding for the City's capital projects such as King Street Station, Bridge Seismic Refits, Fire Station Projects, Mercer Corridor projects, and other capital projects.

The **2016 Multipurpose Long-Term General Obligation Bond Fund** was established in 2015 to pay all or part of the costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, to provide a contribution to the Pike Place market Preservation and Development Authority for the financing of certain improvements, and to pay the costs of issuance of the bonds.

The **2017 Multipurpose Long-Term General Obligation Bond Fund** was established in 2016 to pay all or part of the costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, and to authorize the loan of funds from the City Consolidated (Residual) cash pool for bridge financing of the Haller Lake Improvement project.

The **2018 Multipurpose Long-Term General Obligation Bond Fund** was established in 2017 to pay all or part of the costs of various elements of the City's capital improvement program such as Low Income Housing, Alaska Way Corridor, Financial IT Upgrades, Municipal Court IT Upgrades, and other City purposes approved by ordinance.

The **2019 Multipurpose Long-Term General Obligation Bond Fund** was established in 2018 to pay all or part of the costs of various elements of the City's capital improvement program such as Elliot Bay Seawall, Seattle Municipal Tower Chiller, Seattle Police IT Infrastructure, Low Income Housing and other City purposes approved by ordinance.

The **2020 Multipurpose Long-Term General Obligation Bond Fund** was established in 2019 to pay all or part of the costs of various elements of the City's capital improvement program such as the Alaskan Way Corridor, Criminal Justice IT systems, Low Income Housing, SMT renovations, and other City purposes approved by ordinance.

The **2021 Multipurpose Long-Term General Obligation Bond Fund** was established in 2020 to pay all or part of the costs of various elements of the City's capital improvement program such as the West Seattle Bridge response, Fire Station 31, Data & Telephone Infrastructure, various Transportation Projects, and other City purposes approved by ordinance.

The **Alaskan Way Seawall Construction Fund** was established in 2013 to account for the issuance of and sale of unlimited tax general obligation bonds and bond anticipation notes, and authorized loans of resources from various City funds, to pay all or part of the costs of the design, construction, renovation, improvement and replacement of the Alaskan Way Seawall and associated public infrastructure.

The **Central Waterfront Improvement Fund** was established in 2012 to account for capital costs related to the Alaskan Way Viaduct and Seawall Replacement Program, including costs associated with the design and construction of the Central Waterfront component, costs for city administration, and costs eligible for financing by a future Local Improvement District. The fund shall receive all revenues including, but not limited to, revenues from sponsorship agreements; federal, state, county or other grants or transfers; private funding, donations or gifts; property sales proceeds; and other monies as authorized by the City Council.

The **Community Improvement Fund** accounts for monies from community improvement contributions by METRO for public improvements in the Alki and Discovery Park areas to mitigate negative construction impacts in those communities.

The **Garage Proceeds Disposition Fund** was established in 2016 to collect sale proceeds of the Pacific Place Garage, with the intention of repaying the original bonds issued to acquire and operate the garage.

The **Local Improvement Fund, District Nos. 6750 & 6751** were established in 2006 and 2019 respectively. LID Fund No. 6750 was established to account for the construction of a streetcar line serving downtown Seattle, Denny Triangle, and South Lake Union, to be funded from proceeds of local improvement bonds and special assessments upon property in the local improvement district. LID Fund No. 6751 was established to account for improvements on the Seattle Waterfront.

The **Municipal Civic Center Fund** was established in 1998 to account for the planning, design, and construction of the new Municipal Courthouse and police headquarters, the new City Hall, Key Tower major improvements, and other capital projects relating to the Civic Center.

The **Open Spaces and Trails Bond Fund** was established in 1989. It accounts for \$41.8 million which is Seattle's portion of the King County general obligation bond issued to finance the preservation of greenbelts, natural areas, other undeveloped open spaces, and to acquire and develop recreational trails within the City.

The **Park Mitigation and Remediation Fund** account for monies received for development, renovation or improvements to Department of Parks and Recreation properties related to implementing the Arboretum Mitigation Plan to address impacts from the State's SR 520, I-5 To Medina: Bridge Replacement and HOV Project.

The **Public Safety Facilities and Equipment Fund** was established in December 1990 to account for the improvement of public safety equipment. The fund has received monies from the Cumulative Reserve Fund as well as Limited Tax General Obligation Bonds over the years. I.

The **Seattle Center and Parks Multipurpose Levy Fund** was established to account for the 8-year \$72 million property tax levy approved by voters in 1999 for improvements to the Seattle Center Opera House, replacement of the Flag Pavilion with a new Festivals Pavilion, and the construction and remodeling of community centers. It also accounts for the 8-year \$129.2 million property tax levy approved by the voters in 2000 for improving maintenance and programs of existing parks, including the Woodland Park Zoo; acquiring, developing, and maintaining new neighborhood parks, green spaces, playfields, trails, and boulevards; and recreational programming for funding safe out-of-school and senior activities.

The **Seattle Center Redevelopment/Parks Community Center Fund** was established in 1991 to provide partial funding for certain needed improvements to the Seattle Center and full City funding for certain improvements to selected community centers.

The **Shoreline Park Improvement Fund** accounts for Local Improvement subprogram monies for shoreline and beach park improvements that were received as METRO mitigation grants related to the expansion of the West Point sewage treatment plant. As of 2021 the Beach Maintenance fund was rolled into the Shoreline Park Improvement Fund as the funds serve the same purpose for the city.

PERMANENT FUNDS

The **H. H. Dearborn Fund** holds a \$50,000 non-expendable gift to the City. The investment income is available for charitable purposes.

The **Beach Maintenance Trust Fund** received \$2.0 million appropriated from the City's Shoreline Park Improvement Fund. The earnings on this fund are used solely to maintain public beaches in Seattle. As of 2021, the fund balance is rolled into the Capital Project Shoreline Park Improvement Fund. The trust has been dissolved and proceeds moved to the Shoreline Improvement Fund to support maintenance projects.

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SUMMARY BY FUND TYPE
December 31, 2021
(In Thousands)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	2021
ASSETS					
Cash and Equity in Pooled Investments	\$ 656,410	\$ 18,076	\$ 231,029	\$ 161	\$ 905,676
Receivables, Net of Allowances	52,124	4,267	96,291	—	152,682
Due from Other Funds	2,360	10	257	—	2,627
Due from Other Governments	22,429	—	—	—	22,429
Interfund Loans and Advances	25,000	—	—	—	25,000
Other Current Assets	705	—	—	—	705
Total Assets	759,028	22,353	327,577	161	1,109,119
DEFERRED OUTFLOWS OF RESOURCES					
	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 759,028</u>	<u>\$ 22,353</u>	<u>\$ 327,577</u>	<u>\$ 161</u>	<u>\$ 1,109,119</u>
LIABILITIES					
Accounts Payable	\$ 28,917	\$ —	\$ 1,081	\$ —	\$ 29,998
Contracts Payable	468	—	5	—	473
Salaries, Benefits, and Taxes Payable	4,651	—	30	—	4,681
Due to Other Funds	1,753	—	—	—	1,753
Due to Other Governments	(1)	—	—	—	(1)
Revenues Collected in Advance	109,770	—	—	—	109,770
Interfund Loans and Advances	15,540	—	—	—	15,540
Other Current Liabilities	23,401	—	88	—	23,489
Total Liabilities	184,499	—	1,204	—	185,703
DEFERRED INFLOWS OF RESOURCES	5,147	3,473	96,203	—	104,823
FUND BALANCES					
Nonspendable	486	—	—	50	536
Restricted	537,051	18,880	230,170	111	786,212
Committed	16,027	—	—	—	16,027
Assigned	24,970	—	—	—	24,970
Unassigned	(9,152)	—	—	—	(9,152)
Total Fund Balances	569,382	18,880	230,170	161	818,593
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 759,028</u>	<u>\$ 22,353</u>	<u>\$ 327,577</u>	<u>\$ 161</u>	<u>\$ 1,109,119</u>

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	Parks and Recreation	Seattle Streetcar	Key Arena Settlement Proceeds	Pike Place Market Renovation	Seattle Center	Wheelchair Accessibility
ASSETS						
Cash and Equity in Pooled Investments	\$ 46,214	\$ 2,334	\$ —	\$ 410	\$ 7,210	\$ 7,515
Receivables, Net of Allowances	9,110	52	—	1	2,963	238
Due from Other Funds	37	3	—	—	8	8
Due from Other Governments	951	688	—	—	509	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	459	—	—	—	246	—
Total Assets	56,771	3,077	—	411	10,936	7,761
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 56,771	\$ 3,077	\$ —	\$ 411	\$ 10,936	\$ 7,761
LIABILITIES						
Accounts Payable	\$ 4,650	\$ 1,136	\$ —	\$ —	\$ 572	\$ 41
Contracts Payable	468	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	2,463	6	—	—	735	3
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	(1)
Revenues Collected in Advance	319	950	—	—	707	—
Interfund Loans and Advances	—	—	—	—	15,500	—
Other Current Liabilities	8,017	—	—	—	2,172	—
Total Liabilities	15,917	2,092	—	—	19,686	43
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	—
FUND BALANCES						
Nonspendable	486	—	—	—	—	—
Restricted	23,259	—	—	411	—	7,718
Committed	—	—	—	—	—	—
Assigned	17,109	985	—	—	—	—
Unassigned	—	—	—	—	(8,750)	—
Total Fund Balances	40,854	985	—	411	(8,750)	7,718
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,771	\$ 3,077	\$ —	\$ 411	\$ 10,936	\$ 7,761

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	Election Vouchers Fund	Human Service Operating	Low-Income Housing	Office Of Housing	Education and Development Services	Preschool Levy 2014
ASSETS						
Cash and Equity in Pooled Investments	\$ 5,575	\$ 8,403	\$ 242,062	\$ 10,719	\$ 18,730	\$ 6,408
Receivables, Net of Allowances	98	19,840	7,853	3,763	22	222
Due from Other Funds	6	10	247	1,763	21	7
Due from Other Governments	—	7,772	2,264	459	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	5,679	36,025	252,426	16,704	18,773	6,637
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 5,679	\$ 36,025	\$ 252,426	\$ 16,704	\$ 18,773	\$ 6,637
LIABILITIES						
Accounts Payable	\$ 26	\$ 11,894	\$ 3,862	\$ 39	\$ 142	\$ —
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	9	817	—	162	14	(21)
Due to Other Funds	—	1,752	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	7,616	29,117	1,560	—	—
Interfund Loans and Advances	—	—	40	—	—	—
Other Current Liabilities	—	5,063	—	8,123	—	—
Total Liabilities	35	27,142	33,019	9,884	156	(21)
DEFERRED INFLOWS OF RESOURCES						
	48	—	2,304	58	—	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	—	—	217,103	—	18,617	6,658
Committed	5,596	8,883	—	—	—	—
Assigned	—	—	—	6,762	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	5,596	8,883	217,103	6,762	18,617	6,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,679	\$ 36,025	\$ 252,426	\$ 16,704	\$ 18,773	\$ 6,637

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	Education	2012 Library Levy	2019 Library Levy	School Zone Automatic Camera Fund	Metropolitan Parks District	Business Improvement Areas
ASSETS						
Cash and Equity in Pooled Investments	\$ 80,318	\$ 4,573	\$ 18,652	\$ 9,783	\$ 43,841	\$ 8,883
Receivables, Net of Allowances	3,511	(59)	1,100	—	1,217	—
Due from Other Funds	86	5	20	9	48	9
Due from Other Governments	—	—	—	—	3	—
Interfund Loans and Advances	25,000	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	108,915	4,519	19,772	9,792	45,109	8,892
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 108,915	\$ 4,519	\$ 19,772	\$ 9,792	\$ 45,109	\$ 8,892
LIABILITIES						
Accounts Payable	\$ 2,082	\$ 11	\$ 477	\$ —	\$ 1,194	\$ 1,810
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	316	(13)	46	14	—	—
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	—	18	—	—
Total Liabilities	2,398	(2)	523	32	1,194	1,810
DEFERRED INFLOWS OF RESOURCES						
	1,412	(1)	495	—	831	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	105,105	4,522	18,754	9,760	43,084	7,082
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	105,105	4,522	18,754	9,760	43,084	7,082
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 108,915	\$ 4,519	\$ 19,772	\$ 9,792	\$ 45,109	\$ 8,892

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	Transportation Benefit District	General Trust	Municipal Arts	General Donation and Gift Trust	Short-Term Rental Tax	Coronavirus Recovery
ASSETS						
Cash and Equity in Pooled Investments	\$ 42,470	\$ 5,458	\$ 13,330	\$ 2,813	\$ 1,063	\$ 69,646
Receivables, Net of Allowances	—	285	—	151	1,757	—
Due from Other Funds	47	6	13	3	4	—
Due from Other Governments	9,780	—	—	3	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	52,297	5,749	13,343	2,970	2,824	69,646
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 52,297	\$ 5,749	\$ 13,343	\$ 2,970	\$ 2,824	\$ 69,646
LIABILITIES						
Accounts Payable	\$ 86	\$ 17	\$ 69	\$ 15	\$ 302	\$ 492
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	6	—	38	1	—	55
Due to Other Funds	—	—	—	1	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	69,501
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	5	—	3	—	—
Total Liabilities	92	22	107	20	302	70,048
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	52,205	4,308	13,236	2,707	2,522	—
Committed	—	1,419	—	129	—	—
Assigned	—	—	—	114	—	—
Unassigned	—	—	—	—	—	(402)
Total Fund Balances	52,205	5,727	13,236	2,950	2,522	(402)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,297	\$ 5,749	\$ 13,343	\$ 2,970	\$ 2,824	\$ 69,646

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	2021
ASSETS	
Cash and Equity in Pooled Investments	\$ 656,410
Receivables, Net of Allowances	52,124
Due from Other Funds	2,360
Due from Other Governments	22,429
Interfund Loans and Advances	25,000
Other Current Assets	705
Total Assets	\$ 759,028
DEFERRED OUTFLOWS OF RESOURCES	
	—
Total Assets and Deferred Outflows of Resources	\$ 759,028
LIABILITIES	
Accounts Payable	\$ 28,917
Contracts Payable	468
Salaries, Benefits, and Taxes Payable	4,651
Due to Other Funds	1,753
Due to Other Governments	(1)
Revenues Collected in Advance	109,770
Interfund Loans and Advances	15,540
Other Current Liabilities	23,401
Total Liabilities	\$ 184,499
DEFERRED INFLOWS OF RESOURCES	
	5,147
FUND BALANCES	
Nonspendable	486
Restricted	537,051
Committed	16,027
Assigned	24,970
Unassigned	(9,152)
Total Fund Balances	569,382
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 759,028

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE
December 31, 2021
(In Thousands)**

	General Bond Interest and Redemption	Interfund Notes Payable Local Improvement Districts	Local Improvement Guaranty	2021
ASSETS				
Cash and Equity in Pooled Investments	\$ 9,298	\$ 12	\$ 8,766	\$ 18,076
Receivables, Net of Allowances	722	3,545	—	4,267
Due from Other Funds	—	1	9	10
Due from Other Governments	—	—	—	—
Interfund Loans and Advances	—	—	—	—
Other Current Assets	—	—	—	—
Total Assets	10,020	3,558	8,775	22,353
DEFERRED OUTFLOWS OF RESOURCES				
	—	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 10,020</u>	<u>\$ 3,558</u>	<u>\$ 8,775</u>	<u>\$ 22,353</u>
LIABILITIES				
Accounts Payable	\$ —	\$ —	\$ —	\$ —
Contracts Payable	—	—	—	—
Salaries, Benefits, and Taxes Payable	—	—	—	—
Due to Other Funds	—	—	—	—
Due to Other Governments	—	—	—	—
Revenues Collected in Advance	—	—	—	—
Interfund Loans and Advances	—	—	—	—
Other Current Liabilities	—	—	—	—
Total Liabilities	—	—	—	—
DEFERRED INFLOWS OF RESOURCES				
	400	3,073	—	3,473
FUND BALANCES				
Nonspendable	—	—	—	—
Restricted	9,620	485	8,775	18,880
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	—	—	—
Total Fund Balances	9,620	485	8,775	18,880
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,020</u>	<u>\$ 3,558</u>	<u>\$ 8,775</u>	<u>\$ 22,353</u>

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
December 31, 2021
(In Thousands)**

	Public Safety Facilities and Equipment	Shoreline Park Improvement	Community Improvement	Park Mitigation Remediation	Open Spaces and Trails Bond	Seattle Center and Parks Multipurpose Levy
ASSETS						
Cash and Equity in Pooled Investments	\$ 555	\$ 168	\$ 2	\$ 850	\$ 26	\$ 8,240
Receivables, Net of Allowances	—	—	—	—	—	2
Due from Other Funds	1	—	—	—	—	8
Due from Other Governments	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	556	168	2	850	26	8,250
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 556	\$ 168	\$ 2	\$ 850	\$ 26	\$ 8,250
LIABILITIES						
Accounts Payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 62
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	62
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	556	168	2	850	26	8,188
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	556	168	2	850	26	8,188
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 556	\$ 168	\$ 2	\$ 850	\$ 26	\$ 8,250

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
December 31, 2021
(In Thousands)**

	Seattle Center Redevelopment Parks Community Center	Municipal Civic Center	2003 Fire Facilities	Garage Proceeds Disposition Fund	Local Improvement, District Nos. 6750 / 6751	2008 Multipurpose Long-Term General Obligation Bond
ASSETS						
Cash and Equity in Pooled Investments	\$ 2,130	\$ 1,055	\$ 136	\$ 402	\$ 127,395	\$ 37
Receivables, Net of Allowances	—	—	—	—	96,203	—
Due from Other Funds	2	1	—	—	127	—
Due from Other Governments	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	2,132	1,056	136	402	223,725	37
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 2,132	\$ 1,056	\$ 136	\$ 402	\$ 223,725	\$ 37
LIABILITIES						
Accounts Payable	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	—
Total Liabilities	—	—	—	—	1	—
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	96,203	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	2,132	1,056	136	402	127,521	37
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	2,132	1,056	136	402	127,521	37
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,132	\$ 1,056	\$ 136	\$ 402	\$ 223,725	\$ 37

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
December 31, 2021
(In Thousands)**

	2009 Multipurpose Long-Term General Obligation Bond	2010 Multipurpose Long-Term General Obligation Bond	2011 Multipurpose Long-Term General Obligation Bond	2012 Multipurpose Long-Term General Obligation Bond	2013 Multipurpose Long-Term General Obligation Bond	Alaskan Way Seawall Construction
ASSETS						
Cash and Equity in Pooled Investments	\$ —	\$ 73	\$ 145	\$ 176	\$ 135	\$ 1,013
Receivables, Net of Allowances	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	1
Due from Other Governments	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	—	73	145	176	135	1,014
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ —	\$ 73	\$ 145	\$ 176	\$ 135	\$ 1,014
LIABILITIES						
Accounts Payable	\$ —	\$ —	\$ (1)	\$ —	\$ —	\$ —
Contracts Payable	—	—	—	—	5	—
Salaries, Benefits, and Taxes Payable	—	—	—	—	3	—
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	—
Total Liabilities	—	—	(1)	—	8	—
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	—	73	146	176	127	1,014
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	—	73	146	176	127	1,014
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ —	\$ 73	\$ 145	\$ 176	\$ 135	\$ 1,014

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
December 31, 2021
(In Thousands)**

	Central Waterfront Improvement	2013 King County Parks Levy Fund	2014 Long-Term General Obligation Bond	2015 Multipurpose Long-Term General Obligation Bond	2016 Multipurpose Long-Term General Obligation Bond	2017 Multipurpose Long-Term General Obligation Bond
ASSETS						
Cash and Equity in Pooled Investments	\$ 3,062	\$ 2,726	\$ 145	\$ 1,074	\$ 1,679	\$ 7,050
Receivables, Net of Allowances	—	—	—	—	—	86
Due from Other Funds	6	1	—	1	2	7
Due from Other Governments	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	3,068	2,727	145	1,075	1,681	7,143
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 3,068	\$ 2,727	\$ 145	\$ 1,075	\$ 1,681	\$ 7,143
LIABILITIES						
Accounts Payable	\$ 186	\$ 9	\$ —	\$ —	\$ —	\$ 371
Contracts Payable	—	—	—	—	—	—
Salaries, Benefits, and Taxes Payable	—	—	—	—	—	3
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	86
Total Liabilities	186	9	—	—	—	460
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	—
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	2,882	2,718	145	1,075	1,681	6,683
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	2,882	2,718	145	1,075	1,681	6,683
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,068	\$ 2,727	\$ 145	\$ 1,075	\$ 1,681	\$ 7,143

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
December 31, 2021
(In Thousands)**

	2018 Multipurpose Long-Term General Obligation Bond	2019 Multipurpose Long-Term General Obligation Bond	2020 Multipurpose Long-Term General Obligation Bond	2021 Multipurpose Long-Term General Obligation Bond	2022 Multipurpose Long-Term General Obligation Bond	2021
ASSETS						
Cash and Equity in Pooled Investments	\$ 2,939	\$ 5,986	\$ 4,999	\$ 58,831	\$ —	\$ 231,029
Receivables, Net of Allowances	—	—	—	—	—	96,291
Due from Other Funds	4	6	6	84	—	257
Due from Other Governments	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Assets	—	—	—	—	—	—
Total Assets	2,943	5,992	5,005	58,915	—	327,577
DEFERRED OUTFLOWS OF RESOURCES						
	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 2,943	\$ 5,992	\$ 5,005	\$ 58,915	\$ —	\$ 327,577
LIABILITIES						
Accounts Payable	\$ —	\$ —	\$ 22	\$ 431	\$ —	\$ 1,081
Contracts Payable	—	—	—	—	—	5
Salaries, Benefits, and Taxes Payable	—	—	—	24	—	30
Due to Other Funds	—	—	—	—	—	—
Due to Other Governments	—	—	—	—	—	—
Revenues Collected in Advance	—	—	—	—	—	—
Interfund Loans and Advances	—	—	—	—	—	—
Other Current Liabilities	—	—	2	—	—	88
Total Liabilities	—	—	24	455	—	1,204
DEFERRED INFLOWS OF RESOURCES						
	—	—	—	—	—	96,203
FUND BALANCES						
Nonspendable	—	—	—	—	—	—
Restricted	2,943	5,992	4,981	58,460	—	230,170
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	2,943	5,992	4,981	58,460	—	230,170
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,943	\$ 5,992	\$ 5,005	\$ 58,915	\$ —	\$ 327,577

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
PERMANENT
December 31, 2021
(In Thousands)**

	H. H. Dearborn	2021
ASSETS		
Cash and Equity in Pooled Investments	\$ 161	\$ 161
Receivables, Net of Allowances	—	—
Due from Other Funds	—	—
Due from Other Governments	—	—
Interfund Loans and Advances	—	—
Other Current Assets	—	—
Total Assets	161	161
DEFERRED OUTFLOWS OF RESOURCES		
	—	—
Total Assets and Deferred Outflows of Resources	\$ 161	\$ 161
LIABILITIES		
Accounts Payable	\$ —	\$ —
Contracts Payable	—	—
Salaries, Benefits, and Taxes Payable	—	—
Due to Other Funds	—	—
Due to Other Governments	—	—
Revenues Collected in Advance	—	—
Interfund Loans and Advances	—	—
Other Current Liabilities	—	—
Total Liabilities	—	—
DEFERRED INFLOWS OF RESOURCES		
	—	—
FUND BALANCES		
Nonspendable	50	50
Restricted	111	111
Committed	—	—
Assigned	—	—
Unassigned	—	—
Total Fund Balances	161	161
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 161	\$ 161

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

SUMMARY BY FUND TYPE

For the Year Ended December 31, 2021

(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>2021</u>
REVENUES					
Taxes					
Property Taxes	\$ 214,259	\$ 22,865	\$ 4	\$ —	\$ 237,128
Sales Taxes	42,123	—	—	—	42,123
Excise Taxes	19,767	—	—	—	19,767
Other Taxes	23,648	—	—	—	23,648
Licenses and Permits	885	—	—	—	885
Grants, Shared Revenues, and Contributions	182,892	1,568	75,289	—	259,749
Charges for Services	124,029	—	(18)	—	124,011
Fines and Forfeits	8,145	11	—	—	8,156
Concessions, Parking Fees, and Space Rent	14,954	399	—	—	15,353
Program Income, Interest, and Miscellaneous Revenues	6,865	1,206	2,968	(1)	11,038
Total Revenues	637,567	26,049	78,243	(1)	741,858
EXPENDITURES					
Current					
General Government	35,691	—	11,690	—	47,381
Public Safety	3,313	—	836	—	4,149
Physical Environment	351	—	—	—	351
Transportation	57,979	—	34,755	—	92,734
Economic Environment	302,367	—	6,559	—	308,926
Health and Human Services	140,066	—	—	—	140,066
Culture and Recreation	124,379	—	3,325	—	127,704
Capital Outlay					
Public Safety	218	—	—	—	218
Transportation	2,967	—	15,745	—	18,712
Culture and Recreation	19,612	—	15,285	—	34,897
Debt Service					
Principal	3	77,785	—	—	77,788
Interest	8	39,501	453	—	39,962
Bond Issuance Cost	—	181	946	—	1,127
Other	—	—	—	—	—
Total Expenditures	686,954	117,467	89,594	—	894,015
Excess (Deficiency) of Revenues over Expenditures	(49,387)	(91,418)	(11,351)	(1)	(152,157)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	—	37,500	202,605	—	240,105
Premium on Bonds Issued	—	8,770	25,345	—	34,115
Payment to Refunded Bond Escrow Agent	—	(38,359)	—	—	(38,359)
Sales of Capital Assets	36	—	6	—	42
Capital Leases & Installments	11	—	—	—	11
Transfers In	22,926	90,288	—	—	113,214
Transfers Out	(3,263)	—	(13,427)	—	(16,690)
Total Other Financing Sources (Uses)	19,710	98,199	214,529	—	332,438
Net Change in Fund Balance	(29,677)	6,781	203,178	(1)	180,281
Fund Balances - Beginning of Year	599,059	12,099	26,992	162	638,312
Restatements/Prior-Year Adjustments	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	599,059	12,099	26,992	162	638,312
Fund Balances - End of Year	<u>\$ 569,382</u>	<u>\$ 18,880</u>	<u>\$ 230,170</u>	<u>\$ 161</u>	<u>\$ 818,593</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
For the Year Ended December 31, 2021
(In Thousands)**

	Parks and Recreation	Seattle Streetcar	Key Arena Settlement Proceeds	Pike Place Market Renovation	Seattle Center	Municipal Arts
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ 2	\$ —	\$ —
Sales Taxes	—	—	—	—	—	—
Excise Taxes	—	—	—	—	—	—
Other Taxes	—	—	—	—	—	—
Licenses and Permits	—	—	—	—	—	—
Grants, Shared Revenues, and Contributions	3,752	1,041	—	—	5,914	677
Charges for Services	26,988	5,030	—	—	1,632	3,597
Fines and Forfeits	1	—	—	—	—	—
Concessions, Parking Fees, and Space Rent	6,767	(89)	—	—	8,276	—
Program Income, Interest, and Miscellaneous Revenues	(336)	(27)	—	(3)	627	(86)
Total Revenues	37,172	5,955	—	(1)	16,449	4,188
EXPENDITURES						
Current						
General Government	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—
Physical Environment	—	—	—	—	—	—
Transportation	—	10,288	—	—	—	—
Economic Environment	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Culture and Recreation	28,697	—	—	—	19,613	4,335
Capital Outlay						
Public Safety	—	—	—	—	—	—
Transportation	—	40	—	—	—	—
Culture and Recreation	8,129	—	—	—	2,995	—
Debt Service						
Principal	—	—	—	—	3	—
Interest	—	—	—	—	8	—
Other	—	—	—	—	—	—
Total Expenditures	36,826	10,328	—	—	22,619	4,335
Excess (Deficiency) of Revenues over Expenditures	346	(4,373)	—	(1)	(6,170)	(147)
OTHER FINANCING SOURCES (USES)						
Sales of Capital Assets	—	—	—	—	—	36
Capital Leases & Installments	—	—	—	—	11	—
Transfers In	—	5,296	—	—	71	—
Transfers Out	(1,128)	—	—	—	(124)	—
Total Other Financing Sources (Uses)	(1,128)	5,296	—	—	(42)	36
Net Change in Fund Balance	(782)	923	—	(1)	(6,212)	(111)
Fund Balances - Beginning of Year	41,636	62	—	412	(2,538)	13,347
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	41,636	62	—	412	(2,538)	13,347
Fund Balances - End of Year	\$ 40,854	\$ 985	\$ —	\$ 411	\$ (8,750)	\$ 13,236

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
For the Year Ended December 31, 2021
(In Thousands)**

	Wheelchair Access	Short Term Rental Tax	Election Voucher	Coronavirus Recovery	Jump Start Payroll Tax	General Trust
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ 3,036	\$ —	\$ —	\$ —
Sales Taxes	—	—	—	—	—	—
Excise Taxes	—	6,049	—	—	—	—
Other Taxes	—	—	—	—	—	—
Licenses and Permits	885	—	—	—	—	—
Grants, Shared Revenues, and Contributions	—	—	—	46,670	—	1,311
Charges for Services	—	—	—	—	—	—
Fines and Forfeits	—	—	—	—	—	—
Concessions, Parking Fees, and Space Rent	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(58)	(53)	(86)	—	—	(30)
Total Revenues	827	5,996	2,950	46,670	—	1,281
EXPENDITURES						
Current						
General Government	897	—	4,727	27,513	—	—
Public Safety	—	—	—	97	—	513
Physical Environment	—	—	—	—	—	—
Transportation	—	—	—	545	—	—
Economic Environment	—	6,334	—	13,476	—	—
Health and Human Services	—	—	—	3,041	—	—
Culture and Recreation	—	—	—	2,400	—	—
Capital Outlay						
Public Safety	—	—	—	—	—	133
Transportation	—	—	—	—	—	—
Culture and Recreation	—	—	—	—	—	—
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	897	6,334	4,727	47,072	—	646
Excess (Deficiency) of Revenues over Expenditures	(70)	(338)	(1,777)	(402)	—	635
OTHER FINANCING SOURCES (USES)						
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	30
Transfers Out	—	(2,011)	—	—	—	—
Total Other Financing Sources (Uses)	—	(2,011)	—	—	—	30
Net Change in Fund Balance	(70)	(2,349)	(1,777)	(402)	—	665
Fund Balances - Beginning of Year	7,788	4,871	7,373	—	—	5,062
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	7,788	4,871	7,373	—	—	5,062
Fund Balances - End of Year	\$ 7,718	\$ 2,522	\$ 5,596	\$ (402)	\$ —	\$ 5,727

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
For the Year Ended December 31, 2021
(In Thousands)**

	General Donation & Gift Trust	Human Service Operating	Low-Income Housing	Office Of Housing	Education and Development Services	Preschool Levy 2014
REVENUES						
Taxes						
Property Taxes	\$ —	\$ 1,340	\$ 32,257	\$ 3,692	\$ 103	\$ 42
Sales Taxes	—	—	4,796	—	—	—
Excise Taxes	—	—	—	—	—	—
Other Taxes	—	—	—	—	—	—
Licenses and Permits	—	—	—	—	—	—
Grants, Shared Revenues, and Contributions	383	97,083	24,563	1,498	—	—
Charges for Services	—	603	75,761	8,444	—	205
Fines and Forfeits	—	65	—	—	—	—
Concessions, Parking Fees, and Space Rent	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	311	509	7,813	115	(211)	(97)
Total Revenues	694	99,600	145,190	13,749	(108)	150
EXPENDITURES						
Current						
General Government	15	2,539	—	—	—	—
Public Safety	675	894	—	—	—	—
Physical Environment	351	—	—	—	—	—
Transportation	(30)	—	—	—	—	—
Economic Environment	4	44,977	202,500	8,334	—	—
Health and Human Services	—	47,431	—	686	4,011	2,668
Culture and Recreation	2	—	—	—	—	1
Capital Outlay						
Public Safety	85	—	—	—	—	—
Transportation	—	—	—	—	—	—
Culture and Recreation	—	—	—	—	—	—
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	1,102	95,841	202,500	9,020	4,011	2,669
Excess (Deficiency) of Revenues over Expenditures	(408)	3,759	(57,310)	4,729	(4,119)	(2,519)
OTHER FINANCING SOURCES (USES)						
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	2,490	4,625	1,414	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	2,490	4,625	1,414	—	—
Net Change in Fund Balance	(408)	6,249	(52,685)	6,143	(4,119)	(2,519)
Fund Balances - Beginning of Year	3,358	2,634	269,788	619	22,736	9,177
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	3,358	2,634	269,788	619	22,736	9,177
Fund Balances - End of Year	\$ 2,950	\$ 8,883	\$ 217,103	\$ 6,762	\$ 18,617	\$ 6,658

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
For the Year Ended December 31, 2021
(In Thousands)**

	Education	2012 Library Levy	2019 Library Levy	School Zone Automatic Camera Fund	Metropolitan Parks District	Business Improvement Areas
REVENUES						
Taxes						
Property Taxes	\$ 88,423	\$ (62)	\$ 31,147	\$ —	\$ 54,279	\$ —
Sales Taxes	—	—	—	—	—	—
Excise Taxes	—	—	—	—	364	—
Other Taxes	—	—	—	—	—	23,648
Licenses and Permits	—	—	—	—	—	—
Grants, Shared Revenues, and Contributions	—	—	—	—	—	—
Charges for Services	2,003	—	—	—	—	—
Fines and Forfeits	—	—	—	8,079	—	—
Concessions, Parking Fees, and Space Rent	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(908)	(55)	34	16	(382)	(22)
Total Revenues	89,518	(117)	31,181	8,095	54,261	23,626
EXPENDITURES						
Current						
General Government	—	—	—	—	—	—
Public Safety	—	—	—	1,134	—	—
Physical Environment	—	—	—	—	—	—
Transportation	—	—	—	9,335	—	—
Economic Environment	—	—	—	—	—	26,742
Health and Human Services	82,229	—	—	—	—	—
Culture and Recreation	—	275	22,353	—	46,703	—
Capital Outlay						
Public Safety	—	—	—	—	—	—
Transportation	—	—	—	589	—	—
Culture and Recreation	—	93	57	—	8,338	—
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	82,229	368	22,410	11,058	55,041	26,742
Excess (Deficiency) of Revenues over Expenditures	7,289	(485)	8,771	(2,963)	(780)	(3,116)
OTHER FINANCING SOURCES (USES)						
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	9,000	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	9,000	—	—
Net Change in Fund Balance	7,289	(485)	8,771	6,037	(780)	(3,116)
Fund Balances - Beginning of Year	97,816	5,007	9,983	3,723	43,864	10,198
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	97,816	5,007	9,983	3,723	43,864	10,198
Fund Balances - End of Year	\$ 105,105	\$ 4,522	\$ 18,754	\$ 9,760	\$ 43,084	\$ 7,082

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
December 31, 2021
(In Thousands)**

	Transportation Benefit District	2021
REVENUES		
Taxes		
Property Taxes	\$ —	\$ 214,259
Sales Taxes	37,327	42,123
Excise Taxes	13,354	19,767
Other Taxes	—	23,648
Licenses and Permits	—	885
Grants, Shared Revenues, and Contributions	—	182,892
Charges for Services	(234)	124,029
Fines and Forfeits	—	8,145
Concessions, Parking Fees, and Space Rent	—	14,954
Miscellaneous Revenues	(206)	6,865
Total Revenues	50,241	637,567
EXPENDITURES		
Current		
General Government	—	35,691
Public Safety	—	3,313
Physical Environment	—	351
Transportation	37,841	57,979
Economic Environment	—	302,367
Health and Human Services	—	140,066
Culture and Recreation	—	124,379
Capital Outlay		
Public Safety	—	218
Transportation	2,338	2,967
Culture and Recreation	—	19,612
Debt Service		
Principal	—	3
Interest	—	8
Other	—	—
Total Expenditures	40,179	686,954
Excess (Deficiency) of Revenues over Expenditures	10,062	(49,387)
OTHER FINANCING SOURCES (USES)		
Sales of Capital Assets	—	36
Capital Leases & Installments	—	11
Transfers In	—	22,926
Transfers Out	—	(3,263)
Total Other Financing Sources (Uses)	—	19,710
Net Change in Fund Balance	10,062	(29,677)
Fund Balances - Beginning of Year	42,143	599,059
Restatements/Prior-Year Adjustments	—	—
Fund Balances - Beginning of Year as Restated	42,143	599,059
Fund Balances - End of Year	\$ 52,205	\$ 569,382

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE
For the Year Ended December 31, 2021
(In Thousands)**

	General Bond Interest and Redemption	Interfund Notes Payable - Local Improvement Districts	Local Improvement Guaranty	2021
REVENUES				
Taxes				
Property Taxes	\$ 22,865	\$ —	\$ —	\$ 22,865
Grants, Shared Revenues, and Contributions	310	1,258	—	1,568
Fines and Forfeits	—	11	—	11
Concessions, Parking Fees, and Space Rent	399	—	—	399
Program Income, Interest, and Miscellaneous Revenues	947	194	65	1,206
Total Revenues	24,521	1,463	65	26,049
EXPENDITURES				
Debt Service				
Principal	76,365	1,420	—	77,785
Interest	39,393	108	—	39,501
Bond Issuance Cost	181	—	—	181
Other	—	—	—	—
Total Expenditures	115,939	1,528	—	117,467
Excess (Deficiency) of Revenues over Expenditures	(91,418)	(65)	65	(91,418)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	29,770	—	7,730	37,500
Premium on Bonds Issued	8,770	—	—	8,770
Payment to Refunded Bond Escrow Agent	(38,359)	—	—	(38,359)
Transfers In	90,288	—	—	90,288
Transfers Out	—	—	—	—
Total Other Financing Sources (Uses)	90,469	—	7,730	98,199
Net Change in Fund Balance	(949)	(65)	7,795	6,781
Fund Balances - Beginning of Year	10,569	550	980	12,099
Restatements/Prior-Year Adjustments	—	—	—	—
Fund Balances - Beginning of Year as Restated	10,569	550	980	12,099
Fund Balances - End of Year	\$ 9,620	\$ 485	\$ 8,775	\$ 18,880

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
For the Year Ended December 31, 2021
(In Thousands)**

	Public Safety Facilities and Equipment	Shoreline Park Improvement	Community Improvement	Park Mitigation Remediation	Open Spaces and Trails Bond	Seattle Center and Parks Multipurpose Levy
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4
Grants, Shared Revenues, and Contributions	—	—	—	8	—	64
Charges for Services	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(4)	(43)	—	(15)	—	(136)
Total Revenues	(4)	(43)	—	(7)	—	(68)
EXPENDITURES						
Current						
General Government	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—
Transportation	—	—	—	—	—	9
Economic Environment	—	—	—	—	—	—
Culture and Recreation	—	102	—	(83)	—	761
Capital Outlay						
Transportation	—	—	—	—	—	—
Culture and Recreation	—	1,514	—	390	—	2,788
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Bond Issuance Cost	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	—	1,616	—	307	—	3,558
Excess (Deficiency) of Revenues over Expenditures	(4)	(1,659)	—	(314)	—	(3,626)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	—	—	—	—	—	—
Refunding Debt Issued	—	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—	—	—
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—
Net Change in Fund Balance	(4)	(1,659)	—	(314)	—	(3,626)
Fund Balances - Beginning of Year	560	1,827	2	1,164	26	11,814
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	560	1,827	2	1,164	26	11,814
Fund Balances - End of Year	\$ 556	\$ 168	\$ 2	\$ 850	\$ 26	\$ 8,188

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
For the Year Ended December 31, 2021
(In Thousands)

	Seattle Center Redevelopment/ Parks Community Center	Municipal Civic Center	2003 Fire Facilities	Local Improvement, District Nos. 6750 / 6751	2008 Multipurpose Long-Term General Obligation Bond	2009 Multipurpose Long-Term General Obligation Bond
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants, Shared Revenues, and Contributions	—	—	—	50,544	—	—
Charges for Services	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(18)	(8)	(1)	1,442	(1)	—
Total Revenues	(18)	(8)	(1)	51,986	(1)	—
EXPENDITURES						
Current						
General Government	—	—	1	441	—	—
Public Safety	—	—	—	—	—	—
Transportation	—	—	—	1,592	—	—
Economic Environment	—	—	—	—	—	—
Culture and Recreation	72	—	—	—	—	—
Capital Outlay						
Transportation	—	—	—	1,335	—	—
Culture and Recreation	—	—	—	—	—	—
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	92	—	—
Bond Issuance Cost	—	—	—	87	—	—
Other	—	—	—	—	—	—
Total Expenditures	72	—	1	3,547	—	—
Excess (Deficiency) of Revenues over Expenditures	(90)	(8)	(2)	48,439	(1)	—
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	—	—	—	83,025	—	—
Refunding Debt Issued	—	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—	—	—
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	83,025	—	—
Net Change in Fund Balance	(90)	(8)	(2)	131,464	(1)	—
Fund Balances - Beginning of Year	2,222	1,064	138	(3,943)	38	—
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	2,222	1,064	138	(3,943)	38	—
Fund Balances - End of Year	\$ 2,132	\$ 1,056	\$ 136	\$ 127,521	\$ 37	\$ —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
For the Year Ended December 31, 2021
(In Thousands)**

	2010 Multipurpose Long-Term General Obligation Bond	2011 Multipurpose Long-Term General Obligation Bond	2012 Multipurpose Long-Term General Obligation Bond	2013 Multipurpose Long-Term General Obligation Bond	Alaskan Way Seawall Construction	Central Waterfront Improvement
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants, Shared Revenues, and Contributions	—	—	—	—	—	22,372
Charges for Services	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(1)	(1)	(2)	(1)	(8)	690
Total Revenues	(1)	(1)	(2)	(1)	(8)	23,062
EXPENDITURES						
Current						
General Government	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—
Transportation	—	—	—	—	—	2,848
Economic Environment	—	—	—	—	—	—
Culture and Recreation	—	(1)	40	—	1	39
Capital Outlay						
Transportation	—	—	—	—	—	6,900
Culture and Recreation	—	—	(2)	—	—	1,799
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Bond Issuance Cost	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	—	(1)	38	—	1	11,586
Excess (Deficiency) of Revenues over Expenditures	(1)	—	(40)	(1)	(9)	11,476
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	—	—	—	—	—	—
Refunding Debt Issued	—	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—	—	—
Sales of Capital Assets	—	—	—	—	—	6
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	6
Net Change in Fund Balance	(1)	—	(40)	(1)	(9)	11,482
Fund Balances - Beginning of Year	74	146	216	128	1,023	(8,600)
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	74	146	216	128	1,023	(8,600)
Fund Balances - End of Year	\$ 73	\$ 146	\$ 176	\$ 127	\$ 1,014	\$ 2,882

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
For the Year Ended December 31, 2021
(In Thousands)**

	2013 King County Parks Levy Fund	2014 Long-Term General Obligation Bond	2015 Multipurpose Long-Term General Obligation Bond	2016 Multipurpose Long-Term General Obligation Bond	2017 Multipurpose Long-Term General Obligation Bond	2018 Multipurpose Long-Term General Obligation Bond
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants, Shared Revenues, and Contributions	2,301	—	—	—	—	—
Charges for Services	—	—	—	(14)	—	—
Fines and Forfeits	—	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	(58)	(1)	(12)	(15)	(107)	(46)
Total Revenues	2,243	(1)	(12)	(29)	(107)	(46)
EXPENDITURES						
Current						
General Government	—	—	—	57	889	—
Public Safety	—	—	—	—	—	—
Transportation	—	—	134	21	1,173	780
Economic Environment	—	—	—	—	—	—
Culture and Recreation	1,228	—	—	—	—	—
Capital Outlay						
Transportation	—	—	43	—	794	373
Culture and Recreation	686	—	—	—	—	—
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Bond Issuance Cost	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total Expenditures	1,914	—	177	78	2,856	1,153
Excess (Deficiency) of Revenues over Expenditures	329	(1)	(189)	(107)	(2,963)	(1,199)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	—	—	—	—	—	—
Refunding Debt Issued	—	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—	—	—
Sales of Capital Assets	—	—	—	—	—	—
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—
Transfers Out	(1,530)	—	—	—	—	—
Total Other Financing Sources (Uses)	(1,530)	—	—	—	—	—
Net Change in Fund Balance	(1,201)	(1)	(189)	(107)	(2,963)	(1,199)
Fund Balances - Beginning of Year	3,919	146	1,264	1,788	9,646	4,142
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	3,919	146	1,264	1,788	9,646	4,142
Fund Balances - End of Year	\$ 2,718	\$ 145	\$ 1,075	\$ 1,681	\$ 6,683	\$ 2,943

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
For the Year Ended December 31, 2021
(In Thousands)**

	2019 Multipurpose Long-Term General Obligation Bond	2020 Multipurpose Long-Term General Obligation Bond	2021 Multipurpose Long-Term General Obligation Bond	2022 Multipurpose Long-Term General Obligation Bond	Garage Proceeds Disposition	2021
REVENUES						
Taxes						
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4
Grants, Shared Revenues, and Contributions	—	—	—	—	—	75,289
Charges for Services	(3)	—	—	—	(1)	(18)
Program Income, Interest, and Miscellaneous Revenues	(216)	(303)	1,836	—	(3)	2,968
Total Revenues	(219)	(303)	1,836	—	(4)	78,243
EXPENDITURES						
Current						
General Government	—	310	9,992	—	—	11,690
Public Safety	—	—	836	—	—	836
Transportation	589	1,188	26,421	—	—	34,755
Economic Environment	6,559	—	—	—	—	6,559
Culture and Recreation	—	—	1,166	—	—	3,325
Capital Outlay						
Transportation	85	2,472	3,743	—	—	15,745
Culture and Recreation	—	—	8,110	—	—	15,285
Debt Service						
Principal	—	—	—	—	—	—
Interest	—	—	361	—	—	453
Bond Issuance Cost	—	—	859	—	—	946
Other	—	—	—	—	—	—
Total Expenditures	7,233	3,970	51,488	—	—	89,594
Excess (Deficiency) of Revenues over Expenditures	(7,452)	(4,273)	(49,652)	—	(4)	(11,351)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	—	—	119,580	—	—	202,605
Refunding Debt Issued	—	—	—	—	—	—
Premium on Bonds Issued	—	—	25,345	—	—	25,345
Payment to Refunded Bond Escrow Agent	—	—	—	—	—	—
Sales of Capital Assets	—	—	—	—	—	6
Capital Leases & Installments	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—
Transfers Out	—	(10,000)	(1,897)	—	—	(13,427)
Total Other Financing Sources (Uses)	—	(10,000)	143,028	—	—	214,529
Net Change in Fund Balance	(7,452)	(14,273)	93,376	—	(4)	203,178
Fund Balances - Beginning of Year	13,444	19,254	(34,916)	—	406	26,992
Restatements/Prior-Year Adjustments	—	—	—	—	—	—
Fund Balances - Beginning of Year as Restated	13,444	19,254	(34,916)	—	406	26,992
Fund Balances - End of Year	\$ 5,992	\$ 4,981	\$ 58,460	\$ —	\$ 402	\$ 230,170

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
PERMANENT
For the Year Ended December 31, 2021
(In Thousands)**

	H. H. Dearborn	2021
REVENUES		
Program Income, Interest, and Miscellaneous Revenues	\$ (1)	\$ (1)
Total Revenues	(1)	(1)
EXPENDITURES		
Total Expenditures	—	—
Excess (Deficiency) of Revenues over Expenditures	(1)	(1)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	—	—
Refunding Debt Issued	—	—
Premium on Bonds Issued	—	—
Payment to Refunded Bond Escrow Agent	—	—
Sales of Capital Assets	—	—
Capital Leases & Installments	—	—
Transfers In	—	—
Transfers Out	—	—
Total Other Financing Sources (Uses)	—	—
Net Change in Fund Balance	(1)	(1)
Fund Balances - Beginning of Year	162	162
Restatements/Prior-Year Adjustments	—	—
Fund Balances - Beginning of Year as Restated	162	162
Fund Balances - End of Year	\$ 161	\$ 161

Budget and Actual

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PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ —	\$ —	\$ —	\$ —
Sales Taxes	—	—	—	—
Business Taxes	—	—	—	—
Excise Taxes	—	—	—	—
Other Taxes	—	—	—	—
Total Taxes	—	—	—	—
Licenses and Permits	—	—	—	—
Grants, Shared Revenues, and Contributions	1,260	1,260	3,752	2,492
Charges for Services	28,692	28,692	26,988	(1,704)
Fines and Forfeits	—	—	1	1
Concessions, Parking Fees, and Space Rent	6,070	6,070	6,767	697
Program Income, Interest, and Miscellaneous Revenues	1,968	1,968	(336)	(2,304)
Total Revenues	37,990	37,990	37,172	(818)
EXPENDITURES AND ENCUMBRANCES				
CITYWIDE				
Golf Course Programs				—
PARKS & RECREATION				
2008 Parks Levy	—	1,209	—	1,209
Building For The Future Program - Construction in Progress	900	33,029	7,846	25,183
Debt & Special Funding	—	1,486	301	1,185
Departmentwide Programs	6,851	7,090	5,901	1,189
Fix It First Program - Construction in Progress	913	29,450	2,384	27,066
Golf Course Programs	12,381	13,881	12,857	1,024
Leadership & Administration	8,399	8,399	1,892	6,507
Maintaining Parks & Facilities	—	—	—	—
Parks & Facilities - Maintenance & Repairs	2,931	3,154	2,532	622
Recreation Facility Programs	4,297	4,385	2,991	1,394
SR520 Mitigation	—	—	—	—
Zoo & Aquarium Programs	104	104	30	74
Total Expenditures and Encumbrances	36,776	102,187	36,734	65,453
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	1,214	(64,197)	438	(66,271)

PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	\$ —	\$ —	\$ —	\$ —
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	—	—
Capital Leases & Installments	—	—	—	—
Transfers In	—	—	—	—
Transfers Out	(1,135)	(1,135)	(1,128)	7
Total Other Financing Sources (Uses)	(1,135)	(1,135)	(1,128)	7
Net Change in Fund Balance	\$ 79	\$ (65,332)	(690)	\$ (66,264)
Fund Balance - Beginning of Year			41,636	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			(92)	
Fund Balance - End of Year			\$ 40,854	

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SEATTLE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ —	\$ —	\$ —	\$ —
Sales Taxes	—	—	—	—
Business Taxes	—	—	—	—
Excise Taxes	—	—	—	—
Other Taxes	—	—	—	—
Total Taxes	—	—	—	—
Licenses and Permits	—	—	—	—
Grants, Shared Revenues, and Contributions	1,255	1,255	5,914	4,659
Charges for Services	1,040	1,040	1,632	592
Fines and Forfeits	—	—	—	—
Concessions, Parking Fees, and Space Rent	5,827	5,827	8,276	2,449
Program Income, Interest, and Miscellaneous Revenues	687	687	627	(60)
Total Revenues	8,809	8,809	16,449	7,640
EXPENDITURES AND ENCUMBRANCES				
SEATTLE CENTER				
Building & Campus Improvements	155	1,027	238	(789)
Campus	12,201	14,795	11,793	(3,002)
Leadership & Administration	3,422	3,385	3,224	(161)
McCaw Hall	2,905	3,981	2,217	(1,764)
Monorail Rehabilitation	2,255	6,377	4,711	(1,666)
Total Expenditures and Encumbrances	20,938	29,565	22,183	(7,382)
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	(12,129)	(20,756)	(5,734)	15,022
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	—	—	—	—
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	—	—
Capital Leases & Installments	—	11	11	—
Transfers In	11,769	71	71	—
Transfers Out	—	—	(124)	(124)
Total Other Financing Sources (Uses)	11,769	82	(42)	(124)
Net Change in Fund Balance	\$ (360)	\$ (20,674)	(5,776)	\$ 14,898
Fund Balance - Beginning of Year			(2,538)	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			(436)	
Fund Balance - End of Year			\$ (8,750)	

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HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ —	\$ —	\$ 1,340	\$ 1,340
Sales Taxes	—	—	—	—
Business Taxes	—	—	—	—
Excise Taxes	—	—	—	—
Other Taxes	—	—	—	—
Total Taxes	—	—	1,340	1,340
Licenses and Permits	—	—	—	—
Grants, Shared Revenues, and Contributions	108,165	108,165	97,083	(11,082)
Charges for Services	4,550	4,550	603	(3,947)
Fines and Forfeits	—	—	65	65
Concessions, Parking Fees, and Space Rent	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	19	19	509	490
Total Revenues	112,734	112,734	99,600	(13,134)
EXPENDITURES AND ENCUMBRANCES				
HUMAN SERVICES DEPARTMENT				
Addressing Homelessness	148,471	187,317	34,552	(152,765)
Preparing Youth for Success	14,662	15,289	498	(14,791)
Promoting Healthy Aging	50,545	57,128	43,221	(13,907)
Promoting Public Health	13,534	17,509	1,005	(16,504)
Leadership & Administration	12,829	16,228	2,070	(14,158)
Supporting Affordability & Livability	29,284	60,288	13,526	(46,762)
Supporting Safe Communities	32,151	39,764	969	(38,795)
Total Expenditures and Encumbrances	301,476	393,523	95,841	(297,682)
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	(188,742)	(280,789)	3,759	284,548
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	—	—	—	—
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	—	—
Capital Leases & Installments	—	—	—	—
Transfers In	172	172	2,490	2,318
Transfers Out	—	—	—	—
Total Other Financing Sources (Uses)	172	172	2,490	2,318
Net Change in Fund Balance	<u>\$ (188,570)</u>	<u>\$ (280,617)</u>	6,249	<u>\$ 286,866</u>
Fund Balance - Beginning of Year			2,634	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			<u>(109)</u>	
Fund Balance - End of Year			<u>\$ 8,774</u>	

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LOW-INCOME HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 37,862	\$ 37,862	\$ 32,257	\$ (5,605)
Sales Taxes	3,500	3,500	4,796	1,296
Business Taxes	—	—	—	—
Excise Taxes	—	—	—	—
Other Taxes	—	—	—	—
Total Taxes	<u>41,362</u>	<u>41,362</u>	<u>37,053</u>	<u>(4,309)</u>
Licenses and Permits	—	—	—	—
Grants, Shared Revenues, and Contributions	7,583	7,583	24,563	16,980
Charges for Services	25,200	25,200	75,761	50,561
Fines and Forfeits	—	—	—	—
Concessions, Parking Fees, and Space Rent	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	6,000	6,000	7,813	1,813
Total Revenues	<u>80,145</u>	<u>80,145</u>	<u>145,190</u>	<u>65,045</u>
EXPENDITURES AND ENCUMBRANCES				
HOUSING OFFICE				
Homeownership & Sustainability	7,422	35,445	8,609	(26,836)
Multifamily Housing	64,744	423,537	193,891	(229,646)
Leadership & Administration	—	—	—	—
FIRE DEPARTMENT				
Operations	—	—	—	—
Total Expenditures and Encumbrances	<u>72,166</u>	<u>458,982</u>	<u>202,500</u>	<u>(256,482)</u>
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	7,979	(378,837)	(57,310)	321,527
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	—	—	—	—
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	—	—
Capital Leases & Installments	—	—	—	—
Transfers In	5,225	5,225	4,625	(600)
Transfers Out	—	—	—	—
Total Other Financing Sources (Uses)	<u>5,225</u>	<u>5,225</u>	<u>4,625</u>	<u>(600)</u>
Net Change in Fund Balance	<u>\$ 13,204</u>	<u>\$ (373,612)</u>	<u>(52,685)</u>	<u>\$ 320,927</u>
Fund Balance - Beginning of Year			269,788	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			—	
Fund Balance - End of Year			<u>\$ 217,103</u>	

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OFFICE OF HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 3,566	\$ 3,566	\$ 3,692	\$ 126
Sales Taxes			—	—
Business Taxes			—	—
Excise Taxes			—	—
Other Taxes			—	—
Total Taxes	3,566	3,566	3,692	126
Licenses and Permits	—	—	—	—
Grants, Shared Revenues, and Contributions	1,605	1,605	1,498	(107)
Charges for Services	3,865	3,865	8,444	4,579
Fines and Forfeits	—	—	—	—
Concessions, Parking Fees, and Space Rent	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	—	—	115	115
Total Revenues	9,036	9,036	13,749	4,713
EXPENDITURES AND ENCUMBRANCES				
HOUSING OFFICE				
Homeownership & Sustainability	2,032	3,752	2,235	(1,517)
Multifamily Housing	1,927	2,241	1,830	(411)
Leadership & Administration	5,711	7,806	4,955	(2,851)
Total Expenditures and Encumbrances	9,670	13,799	9,020	(4,779)
Excess (Deficiency) of Revenues over (under) Expenditures and Encumbrances	(634)	(4,763)	4,729	9,492
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	—	—	—	—
Refunding Debt Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sales of Capital Assets	—	—	—	—
Capital Leases & Installments	—	—	—	—
Transfers In	45	45	1,414	1,369
Transfers Out	—	—	—	—
Total Other Financing Sources (Uses)	45	45	1,414	1,369
Net Change in Fund Balance	<u>\$ (589)</u>	<u>\$ (4,718)</u>	6,143	<u>\$ 10,861</u>
Fund Balance - Beginning of Year			619	
Restatements/Prior-year Adjustments			—	
Non-Budgetary Revenues/(Expenditures)			—	
Fund Balance - End of Year			<u>\$ 6,762</u>	

Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

The **Construction and Inspections Fund** accounts for building permit fees and monies from the General Fund as well as the cost of enforcing the City's land use and building construction codes.

The **Solid Waste Fund** accounts for the solid waste operations of Seattle Public Utilities. These activities include the collection and disposal of residential and commercial garbage, recycling, and organic material, operation of the City's two recycling and disposal stations and two household hazardous waste facilities, and management of the post-closure maintenance and environmental monitoring of two closed landfills. The collection, disposal and/or processing of garbage, recycling, and organic materials is performed by private contractors, under contract with the Solid Waste Fund.

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**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2021
(In Thousands)**

	Construction & Inspections	Solid Waste	Total
ASSETS			
<i>Current Assets</i>			
Operating Cash and Equity in Pooled Investments	\$ 85,376	\$ 126,287	\$ 211,663
Receivables, Net of Allowances			
Accounts	1,750	21,870	23,620
Interest and Dividends	14	—	14
Unbilled	—	18,295	18,295
Due from Other Funds	87	446	533
Due from Other Governments	586	1,027	1,613
Materials and Supplies Inventory	—	190	190
Interfund Loan & Advances	40,000	—	40,000
Prepayments and Other Current Assets	—	20	20
Total Current Assets	127,813	168,135	295,948
<i>Noncurrent Assets</i>			
Restricted Cash and Equity in Pooled Investments	19	46,662	46,681
Landfill Closure and Postclosure Costs, Net	—	16,160	16,160
Regulatory Asset	—	1,757	1,757
Other Charges	—	896	896
Capital Assets			
Land and Land Rights	—	26,883	26,883
Plant in Service, Excluding Land	—	259,882	259,882
Less Accumulated Depreciation	—	(96,663)	(96,663)
Buildings and Improvements	—	—	—
Less Accumulated Depreciation	—	—	—
Machinery and Equipment	852	—	852
Less Accumulated Depreciation	(852)	—	(852)
Construction in Progress	—	6,532	6,532
Other Property, Net	5,535	1,530	7,065
Total Noncurrent Assets	5,554	263,639	269,193
Total Assets	133,367	431,774	565,141
DEFERRED OUTFLOWS OF RESOURCES	11,132	6,110	17,242
Total Assets and Deferred Outflows of Resources	\$ 144,499	\$ 437,884	\$ 582,383

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2021
(In Thousands)

LIABILITIES	Construction & Insepection	Solid Waste	Total
<i>Current Liabilities</i>			
Accounts Payable	\$ 546	\$ 14,364	\$ 14,910
Salaries, Benefits, and Payroll Taxes Payable	1,683	1,183	2,866
Compensated Absences Payable	209	95	304
Due to Other Funds	—	—	—
Due to Other Governments	—	—	—
Interest Payable	—	1,845	1,845
Taxes Payable	—	840	840
Revenue Bonds Due Within One Year	—	7,295	7,295
Claims Payable	101	616	717
Landfill Closure and Postclosure Liability	—	3,523	3,523
Other Current Liabilities	84	9	93
Total Current Liabilities	2,623	29,770	32,393
<i>Noncurrent Liabilities</i>			
Compensated Absences Payable	3,970	1,796	5,766
Claims Payable	141	18,569	18,710
Landfill Closure and Postclosure Liability	—	9,477	9,477
Vendor and Other Deposits Payable	19	—	19
General Obligation Bonds Payable, Net of Amortized Premium, Discount and Other	—	—	—
Revenue Bonds Payable, Net of Amortized Premium	—	179,189	179,189
Bond Interest Payable	—	—	—
Unearned Revenues and Other Credits	40,293	—	40,293
Unfunded Other Post Employment Benefits	2,424	1,193	3,617
Net Pension Liability	44,940	23,032	67,972
Advances from Other Funds	—	—	—
Other Noncurrent Liabilities	42	1	43
Total Noncurrent Liabilities	91,829	233,257	325,086
Total Liabilities	94,452	263,027	357,479
DEFERRED INFLOWS OF RESOURCES	15,605	47,629	63,234
NET POSITION			
Net Investment in Capital Assets	5,535	22,036	27,571
Restricted For			
Other Charges	—	3,433	3,433
Unrestricted	28,907	101,759	130,666
Total Net Position	34,442	127,228	161,670
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 144,499	\$ 437,884	\$ 582,383

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2021

(In Thousands)

	Construction & Inspections	Solid Waste	Total
OPERATING REVENUES			
Charges for Services and Other Fees	\$ 75,330	\$ 238,261	\$ 313,591
OPERATING EXPENSES			
Salaries, wages and personnel benefits	—	22,371	22,371
Supplies	—	1,116	1,116
Services	—	125,420	125,420
Intergovernmental Payments	—	31,513	31,513
Operations and Maintenance	63,547	—	63,547
General and Administrative	12,377	—	12,377
City Business and Occupation Taxes	—	—	—
Other Taxes	—	—	—
Depreciation and Amortization	925	12,275	13,200
Other Operating Expenses	—	2,872	2,872
Total Operating Expenses	76,849	195,567	272,416
Operating Income (Loss)	(1,519)	42,694	41,175
NONOPERATING REVENUES (EXPENSES)			
Investment and Interest Income	(1,051)	(1,424)	(2,475)
Interest Expense	(6)	(6,561)	(6,567)
Amortization of Bonds Premiums	—	—	—
Amortization of Refunding Gain (Loss)	—	—	—
Gain (Loss) on Sale of Capital Assets	—	—	—
Contributions and Grants	—	1,489	1,489
Others, Net	—	285	285
Total Nonoperating Revenues (Expenses)	(1,057)	(6,211)	(7,268)
Income (Loss) Before Capital Contributions and Grants and Transfers	(2,576)	36,483	33,907
Transfers In	—	—	—
Transfers Out	—	—	—
Change in Net Position	(2,576)	36,483	33,907
Net Position - Beginning of Year	37,018	90,745	127,763
Prior-Year Adjustment	—	—	—
Net Position - Beginning of Year as Restated	37,018	90,745	127,763
Net Position - End of Year	\$ 34,442	\$ 127,228	\$ 161,670

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2021
(In Thousands)

	Construction & Inspections	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 73,985	\$ 233,951	\$ 307,936
Cash Paid to Suppliers	(22,156)	(135,819)	(157,975)
Cash Paid to Employees	(57,276)	(28,548)	(85,824)
Cash Paid for Taxes	—	(31,224)	(31,224)
Net Cash from Operating Activities	(5,447)	38,360	32,913
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants	—	1,489	1,489
Transfers In	—	—	—
Transfers Out	—	—	—
Loans Provided to Other Funds	(32,000)	—	(32,000)
Proceeds from Interfund Loans	—	—	—
Principal Payments on Interfund Loans	—	—	—
Net Cash from Noncapital Financing Activities	(32,000)	1,489	(30,511)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Long-Term Debt	—	(9,159)	(9,159)
Capital Expenses and Other Charges Paid	—	(3,886)	(3,886)
Interest Paid on Long-Term Debt	—	(7,912)	(7,912)
Payment to Trustee for Defeased Bonds	—	—	—
Proceeds from Sales of Capital Assets	—	42	42
Net Cash from Capital and Related Financing Activities	—	(20,915)	(20,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Investment Income (Loss)	1,818	(1,422)	396
Net Increase (Decrease) in Cash and Equity in Pooled Investments	(35,629)	17,512	(18,117)
CASH AND EQUITY IN POOLED INVESTMENTS			
Beginning of Year	121,024	155,437	276,461
End of Year	<u>\$ 85,395</u>	<u>\$ 172,949</u>	<u>\$ 258,344</u>
CASH AT THE END OF THE YEAR CONSISTS OF			
Operating Cash and Equity in Pooled Investments	\$ 85,376	\$ 126,287	\$ 211,663
Noncurrent Restricted Cash and Equity in Pooled Investments	19	46,662	46,681
Total Cash at the End of the Year	<u>\$ 85,395</u>	<u>\$ 172,949</u>	<u>\$ 258,344</u>

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COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2021
(In Thousands)

	Construction & Inspections	Solid Waste	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,519)	\$ 42,694	\$ 41,175
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	925	12,275	13,200
Other Operating Expenses	(6)	(2,324)	(2,330)
Nonoperating Revenues and Expenses	(2,869)	244	(2,625)
Changes in Operating Assets and Liabilities			
Accounts Receivable	(595)	(3,689)	(4,284)
Unbilled Receivables	—	(1,903)	(1,903)
Due from Other Funds	55	(56)	(1)
Due from Other Governments	59	231	290
Accounts Payable	328	(7,217)	(6,889)
Salaries, Benefits, and Payroll Taxes Payable	362	(151)	211
Compensated Absences Payable	386	(226)	160
Due to Other Funds	—	—	—
Due to Other Governments	(16)	—	(16)
Claims Payable	24	1,667	1,691
Taxes Payable	—	59	59
Unearned Revenues	2,143	—	2,143
Other Assets and Liabilities	(4,724)	(3,245)	(7,969)
Total Adjustments	(3,928)	(4,335)	(8,263)
Net Cash from Operating Activities	\$ (5,447)	\$ 38,359	\$ 32,912

Internal Service Funds

INTERNAL SERVICE FUNDS

The **Finance and Administrative Services Fund** accounts for support services to other City departments in the areas of financial services, business technology, contracting and purchasing services, fleet management; building and related facility operations and maintenance; architecture, engineering, and space planning; and real estate management. Additional services provided for the City are regulatory services and operations, and the customer service bureau.

The **Information Technology Fund** accounts for support services provided by the Department of Information Technology to other City departments. The services include managing the City's information technology resources, including Citywide telecommunications, data communications, and the physical infrastructure that supports them; the City's telephone system, radio system, and fiber optic network; Citywide application infrastructure; and interactive media services.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021
(In Thousands)

	Finance and Administrative Services	Information Technology	2021
ASSETS			
Current Assets			
Cash and Equity in Pooled Investments	\$ 25,666	\$ —	\$ 25,666
Restricted Cash and Equity in Pooled Investments	29,131	—	29,131
Receivables, Net of Allowances			
Accounts	406	692	1,098
Interest and Dividends	—	—	—
Unbilled	—	—	—
Due from Other Funds	54	24,034	24,088
Due from Other Governments	8,879	—	8,879
Materials and Supplies Inventory	3,093	2,659	5,752
Interfund Loan & Advances			—
Prepayments and Other Current Assets	228	11,010	11,238
Total Current Assets	67,457	38,395	105,852
Noncurrent Assets			
Restricted Cash and Equity in Pooled Investments	3,389	42,136	45,525
Capital Assets			
Land and Land Rights	106,233	—	106,233
Buildings and Improvements	763,729	6,957	770,686
Less Accumulated Depreciation	(331,003)	(1,737)	(332,740)
Machinery and Equipment	218,574	90,414	308,988
Less Accumulated Depreciation	(123,565)	(71,361)	(194,926)
Construction in Progress	5,815	61,776	67,591
Other Capital Assets, Net	26,789	14,637	41,426
Total Noncurrent Assets	669,961	142,822	812,783
Total Assets	737,418	181,217	918,635
DEFERRED OUTFLOWS OF RESOURCES			
	12,621	28,322	40,943
Total Assets and Deferred Outflows of Resources	\$ 750,039	\$ 209,539	\$ 959,578

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COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021
(In Thousands)

	Finance and Administrative Services	Information Technology	2021
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	\$ 5,309	\$ 5,142	\$ 10,451
Salaries, Benefits, and Payroll Taxes Payable	1,992	2,902	4,894
Due to Other Funds	—	—	—
Due to Other Governments	—	—	—
Interest Payable	1,540	312	1,852
Taxes Payable	25	24	49
Current Portion of Long-Term Debt General Obligation Bonds Due Within One Year	16,234	4,820	21,054
Claims Payable	508	33	541
Compensated Absences Payable	309	452	761
Other Current Liabilities	—	530	530
Total Current Liabilities	25,917	14,215	40,132
<i>Noncurrent Liabilities</i>			
Compensated Absences Payable	5,867	8,587	14,454
Claims Payable	729	46	775
Vendor and Other Deposits Payable	152	—	152
General Obligation Bonds Payable, Net of Amortized Premium, Discount and Other	150,602	35,082	185,684
Bond Interest Payable	—	—	—
Unfunded Other Post Employment Benefits	3,513	3,794	7,307
Net Pension Liability	57,905	86,142	144,047
Other Noncurrent Liabilities	—	—	—
Total Noncurrent Liabilities	218,768	133,651	352,419
Total Liabilities	244,685	147,866	392,551
DEFERRED INFLOWS OF RESOURCES	28,605	29,661	58,266
NET POSITION			
Net Investment in Capital Assets	495,677	65,558	561,235
Unrestricted	(18,928)	(33,546)	(52,474)
Total Net Position	476,749	32,012	508,761
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 750,039	\$ 209,539	\$ 959,578

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**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021
(In Thousands)**

	Finance and Administrative Services	Information Technology	2021
OPERATING REVENUES			
Charges for Services	\$ 76,271	\$ 216,195	\$ 292,466
Concessions, Parking Fees, and Space Rent	115,452	—	115,452
Total Operating Revenues	191,723	216,195	407,918
OPERATING EXPENSES			
Operations and Maintenance	114,844	182,895	297,739
General and Administrative	365	15,089	15,454
City Business and Occupation Taxes	1	—	1
Taxes	853	1	854
Depreciation and Amortization	40,783	13,409	54,192
Total Operating Expenses	156,846	211,394	368,240
Operating Income (Loss)	34,877	4,801	39,678
NONOPERATING REVENUES (EXPENSES)			
Investment and Interest Income	(56)	(955)	(1,011)
Interest Expense	(7,145)	(1,464)	(8,609)
Amortization of Bonds Premiums	3,333	827	4,160
Amortization of Refunding Loss	356	—	356
Bond Issuance Costs	—	—	—
Gain (Loss) on Sale of Capital Assets	(2,352)	—	(2,352)
Contributions and Grants	20,555	—	20,555
Others, Net	(12,500)	—	(12,500)
Total Nonoperating Revenues (Expenses)	2,191	(1,592)	599
Income (Loss) Before			
Contributions, Grants, and Transfers	37,068	3,209	40,277
Capital Contributions and Grants	472	(36)	436
Transfers In	6,695	11,897	18,592
Transfers Out	(28,321)	(2,800)	(31,121)
Change in Net Position	15,914	12,270	28,184
Net Position - Beginning of Year	460,835	19,742	480,577
Prior-Year Adjustment	—	—	—
Net Position - Beginning of Year as Restated	460,835	19,742	480,577
Net Position - End of Year	\$ 476,749	\$ 32,012	\$ 508,761

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COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

December 31, 2021

(In Thousands)

	Finance and Administrative Services	Information Technology	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 186,527	\$ 208,171	\$ 394,698
Cash Paid to Suppliers	(71,643)	(109,251)	(180,894)
Cash Paid to Employees	(69,080)	(89,368)	(158,448)
Cash Paid for Taxes	(850)	—	(850)
Net Cash from Operating Activities	44,954	9,552	54,506
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans Provided to Other Funds	—	(24,000)	(24,000)
Operating Grants and Contributions Received	20,555	(16)	20,539
Transfers In	6,696	11,897	18,593
Transfers Out	(28,321)	(2,800)	(31,121)
Net Cash from Noncapital Financing Activities	(1,070)	(14,919)	(15,989)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Long-Term Debt	—	—	—
Principal Payments on Long-Term Debt	(16,335)	14,743	(1,592)
Capital Fees and Grants Received	9,638	—	9,638
Capital Expenses and Other Charges Paid	(6,736)	(29,764)	(43,236)
Interest Paid on Long-Term Debt	(6,986)	(1,396)	(8,382)
Debt Issuance Costs	(2,588)	—	(2,588)
Proceeds from Sale of Capital Assets	—	—	—
Net Cash from Capital and Related Financing Activities	(23,007)	(16,417)	(46,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Investment Income (Loss)	(55)	(873)	(928)
Net Increase (Decrease) in Cash and Equity in Pooled Investments	20,822	(22,657)	(8,571)
CASH AND EQUITY IN POOLED INVESTMENTS			
Beginning of Year as Restated (a)	37,363	64,793	102,156
End of Year	\$ 58,185	\$ 42,136	\$ 93,585
CASH AT THE END OF THE YEAR CONSISTS OF			
Current Assets Cash and Equity in Pooled Investments	\$ 25,665	\$ —	\$ 25,665
Current Restricted Cash and Equity in Pooled Investments	29,131	42,136	71,267
Noncurrent Restricted Cash and Equity in Pooled Investments	3,389	—	3,389
Total Cash at the End of the Year	\$ 58,185	\$ 42,136	\$ 100,321

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
December 31, 2021
(In Thousands)

	Finance and Administrative Services	Information Technology	2021
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 34,877	\$ 4,801	\$ 39,678
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	40,783	13,409	54,192
Other Operating Expenses	(20,040)	(26,847)	(46,887)
Nonoperating Revenues and Expenses	—	—	—
Changes in Operating Assets and Liabilities			
Accounts Receivable	190	(267)	(77)
Unbilled Receivables	—	(8,511)	(8,511)
Due from Other Funds	3,494	754	4,248
Due from Other Governments	(8,879)	—	(8,879)
Materials and Supplies Inventory	3,149	579	3,728
Accounts Payable	(10,035)	(5,629)	(15,664)
Salaries, Benefits, and Payroll Taxes Payable	465	218	683
Compensated Absences Payable	389	(158)	231
Due to Other Funds	—	44	44
Due to Other Governments	(21)	—	(21)
Claims Payable	34	(21)	13
Taxes Payable	4	(36)	(32)
Other Assets and Liabilities	544	31,216	31,760
Total Adjustments	10,077	4,751	14,828
Net Cash from Operating Activities	<u>\$ 44,954</u>	<u>\$ 9,552</u>	<u>\$ 54,506</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
In-Kind Capital Contributions		\$ —	\$ —
Amortization of Debt Related Costs, Net	3,689	—	\$ 3,689

(a) Beginning balance of cash and equity in pooled investments was restated due to certain internal service subfunds combined into general fund as a result of fund conversion in 2018. See Note 17 for more information.

Statistics

STATISTICAL INFORMATION

The Statistical Section provides financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

Financial Trends. These tables contain information to help the reader understand how the City's financial performance and well-being have changed over time.

- S-1 Net Position by Component
- S-2 Changes in Net Position
- S-3 Fund Balances of Governmental Funds
- S-4 Changes in Fund Balances of Governmental Funds

Revenue Capacity. These tables contain information to help the reader assess the City's most significant local revenue sources.

- S-5 Tax Revenues by Source
- S-6 Assessed Value and Estimated Actual Value of Taxable Property
- S-7 Direct and Overlapping Property Tax Rates
- S-8 Principal Property Taxpayers
- S-9 Principal Revenue Sources
- S-10 Property Tax Levies and Collections

Debt Capacity. These tables contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- S-11 Ratios of Outstanding Debt by Type
- S-12 Ratios of Net General Bonded Debt Outstanding
- S-13 Direct and Overlapping Governmental Activities Debt
- S-14 Legal Debt Margin Information
- S-15 Pledged-Revenue Coverage

Demographic and Economic Information. These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- S-16 Demographic and Economic Statistics
- S-17 Principal Industries

Operating Information. These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- S-18 Full-Time-Equivalent City Government Employees by Department/Office
- S-19 Operating Indicators by Department/Office
- S-20 Capital Asset Statistics by Department/Office

Table S-1

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 3,576,814	\$ 3,502,222	\$ 3,382,301	\$ 3,365,060	\$ 3,269,646
Restricted	1,134,971	927,952	865,915	694,502	625,046
Unrestricted	<u>(902,525)</u>	<u>(1,049,624)</u>	<u>(1,059,864)</u>	<u>(565,925)</u>	<u>(392,023)</u>
Total Governmental Activities Net Position	3,809,260	3,380,550	3,188,352	3,493,637	3,502,669
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	3,206,317	2,668,365	2,462,768	2,280,370	2,186,129
Restricted	67,060	60,692	88,151	85,527	59,575
Unrestricted	<u>268,012</u>	<u>183,043</u>	<u>(14,029)</u>	<u>(121,280)</u>	<u>(231,495)</u>
Total Business-Type Activities Net Position	3,541,389	2,912,100	2,536,890	2,244,617	2,014,209
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	6,783,131	6,170,587	5,845,069	5,645,430	5,455,775
Restricted	1,202,031	988,644	954,066	780,029	684,621
Unrestricted	<u>(634,513)</u>	<u>(866,581)</u>	<u>(1,073,893)</u>	<u>(687,205)</u>	<u>(623,518)</u>
Total Primary Government Net Position	<u>\$ 7,350,649</u>	<u>\$ 6,292,650</u>	<u>\$ 5,725,242</u>	<u>\$ 5,738,254</u>	<u>\$ 5,516,878</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 3,144,486	\$ 3,085,306	\$ 2,880,124	\$ 2,783,738	\$ 2,627,462
Restricted	556,406	448,935	460,885	406,454	419,675
Unrestricted	<u>(379,114)</u>	<u>(16,363)</u>	<u>36,212</u>	<u>(35,593)</u>	<u>(101,021)</u>
Total Governmental Activities Net Position	3,321,778	3,517,878	3,377,221	3,154,599	2,946,116
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	1,915,893	1,750,495	1,509	1,391	1,244
Restricted	59,194	58,039	57	56	82
Unrestricted	<u>(153,822)</u>	<u>253,427</u>	<u>274</u>	<u>215</u>	<u>205</u>
Total Business-Type Activities Net Position	1,821,265	2,061,961	1,840	1,662	1,531
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	5,060,379	4,835,801	2,881,633	2,785,129	2,628,706
Restricted	615,600	506,974	460,942	406,510	419,757
Unrestricted	<u>(532,936)</u>	<u>237,064</u>	<u>36,486</u>	<u>(35,378)</u>	<u>(100,816)</u>
Total Primary Government Net Position	<u>\$ 5,143,043</u>	<u>\$ 5,579,839</u>	<u>\$ 3,379,061</u>	<u>\$ 3,156,261</u>	<u>\$ 2,947,647</u>

a In 2011, the City recognized its interpretation of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, relating to financial statement Net Position classifications was incorrect. A restatement was made for 2010 to allow for comparability to 2011. Restatements were not made to the presentation for years 2009.

Table S-2
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CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
EXPENSES					
Governmental Activities					
General Government	\$ 251,900	\$ 346,566	\$ 316,015	\$ 173,424	\$ 222,089
Judicial	32,570	10,565	30,941	31,666	32,075
Public Safety	536,517	757,770	660,167	678,857	577,738
Physical Environment	24,830	35,341	13,595	12,932	15,539
Transportation	457,129	457,259	332,082	307,433	384,724
Economic Environment	518,602	390,442	265,933	251,711	147,005
Health and Human Services	182,952	137,099	110,814	138,252	119,463
Culture and Recreation	307,997	264,000	271,260	311,875	364,425
Interest on Long-Term Debt	45,353	44,707	44,794	46,915	47,777
Total Governmental Activities Expenses	2,357,850	2,443,749	2,045,601	1,953,065	1,910,835
Business-Type Activities					
Light	970,061	998,887	959,811	891,783	914,785
Water	237,644	246,617	252,550	241,847	235,142
Drainage and Wastewater	399,179	411,851	393,410	379,919	363,682
Solid Waste	201,043	206,634	200,958	201,387	192,062
Construction & Inspection	75,711	77,029	73,102	62,994	72,914
Downtown Parking Garage	—	—	—	—	—
Fiber Leasing	—	—	—	—	36
Total Business-Type Activities Expenses	1,883,638	1,941,018	1,879,831	1,777,930	1,778,621
Total Primary Government Expenses	4,241,488	4,384,767	3,925,432	3,730,995	3,689,456
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	11,858	91,443	58,056	80,074	119,548
Judicial	18,138	17,006	29,555	27,339	27,555
Public Safety	46,294	36,751	30,815	36,048	28,669
Physical Environment	4,479	3,815	5,020	4,771	10
Transportation	208,114	46,160	142,151	175,404	77,958
Economic Environment	93,828	94,678	63,100	74,755	53,196
Health and Human Services	1,783	537	1,571	1,006	745
Culture and Recreation	42,269	39,307	57,771	69,307	82,133
Operating Grants and Contributions	341,747	372,266	179,266	152,736	130,777
Capital Grants and Contributions	3,042	8,262	1,763	15,547	36,161
Total Governmental Activities Program Revenues	771,552	710,225	569,068	636,987	556,752
Business-Type Activities					
Charges for Services					
Light	1,108,978	1,015,766	1,079,399	991,585	987,812
Water	303,499	278,578	281,008	280,019	262,777
Drainage and Wastewater	502,517	460,295	454,382	416,482	396,283
Solid Waste	238,261	224,052	224,965	203,367	203,038
Construction & Inspection	75,330	78,653	78,743	73,927	72,595
Downtown Parking Garage	—	—	—	—	—
Fiber Leasing	—	—	—	—	8
Operating Grants and Contributions	13,434	22,913	7,120	10,616	1,834
Capital Grants and Contributions	75,199	64,030	71,782	90,351	70,020
Total Business-Type Activities Program Revenues	2,317,218	2,144,287	2,197,399	2,066,347	1,994,367
Total Primary Government Program Revenues	3,088,770	2,854,512	2,766,467	2,703,334	2,551,119
NET (EXPENSE) REVENUE					
Governmental Activities	(1,586,298)	(1,733,524)	(1,476,533)	(1,316,078)	(1,354,083)
Business-Type Activities	433,580	203,269	317,568	288,417	215,746
Total Primary Government Net Expense	(1,152,718)	(1,530,255)	(1,158,965)	(1,027,661)	(1,138,337)

Table S-2
Page 2 of 4

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
EXPENSES					
Governmental Activities					
General Government	\$ 247,400	\$ 208,638	\$ 189,034	\$ 161,041	\$ 164,040
Judicial	32,025	28,477	28,874	33,517	26,121
Public Safety	576,208	531,523	568,843	515,129	475,747
Physical Environment	12,558	4,351	5,853	10,740	6,357
Transportation	271,601	221,443	222,199	165,742	133,511
Economic Environment	175,133	138,878	138,169	125,191	125,917
Health and Human Services	104,687	94,122	76,562	71,256	65,266
Culture and Recreation	330,984	286,395	275,566	267,043	239,003
Interest on Long-Term Debt	42,942	32,694	31,170	26,417	39,998
Total Governmental Activities Expenses	1,793,538	1,546,521	1,536,270	1,376,076	1,275,960
Business-Type Activities					
Light	853,871	837,860	798,161	780,930	731,459
Water	225,678	228,241	221,944	215,600	203,610
Drainage and Wastewater	332,686	316,487	298,633	290,147	272,423
Solid Waste	167,132	173,312	159,501	156,653	150,115
Planning and Development	64,248	64,673	58,304	53,080	46,542
Downtown Parking Garage	5,222	7,401	7,458	8,159	7,701
Fiber Leasing	8	35	27	54	—
Total Business-Type Activities Expenses	1,648,845	1,628,009	1,544,028	1,504,623	1,411,850
Total Primary Government Expenses	3,442,383	3,174,530	3,080,298	2,880,699	2,687,810
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	109,478	104,651	91,011	85,923	79,048
Judicial	29,578	30,030	31,256	40,545	33,748
Public Safety	24,472	26,227	25,733	19,245	19,277
Physical Environment	13	16	78	47	0
Transportation	70,878	67,948	101,074	100,830	81,972
Economic Environment	36,464	41,875	35,776	12,250	7,303
Health and Human Services	525	64	10	8	—
Culture and Recreation	75,832	70,360	72,873	67,116	53,450
Operating Grants and Contributions	134,856	136,981	123,986	135,407	130,377
Capital Grants and Contributions	31,076	29,358	37,895	42,468	48,092
Total Governmental Activities Program Revenues	513,172	507,510	519,692	503,839	453,267
Business-Type Activities					
Charges for Services					
Light	901,276	880,788	883,149	839,767	797,445
Water	251,244	251,977	242,786	235,114	213,164
Drainage and Wastewater	371,040	359,839	337,882	329,386	297,443
Solid Waste	177,061	174,365	157,495	159,741	156,927
Planning and Development	79,246	65,278	56,743	48,016	40,869
Downtown Parking Garage	5,355	7,885	7,434	7,019	6,588
Fiber Leasing	8	12	16	75	—
Operating Grants and Contributions	4,583	7,088	6,155	7,055	6,749
Capital Grants and Contributions	86,997	60,115	48,129	63,760	48,438
Total Business-Type Activities Program Revenues	1,876,810	1,807,347	1,739,789	1,689,933	1,567,623
Total Primary Government Program Revenues	2,389,982	2,314,857	2,259,481	2,193,772	2,020,890
NET (EXPENSE) REVENUE					
Governmental Activities	(1,280,366)	(1,039,011)	(1,016,578)	(872,237)	(822,693)
Business-Type Activities	227,965	179,338	195,761	185,310	155,773
Total Primary Government Net Expense	(1,052,401)	(859,673)	(820,817)	(686,927)	(666,920)

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CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	2021	2020	2019	2018	2017
GENERAL REVENUES, SPECIAL ITEM, AND TRANSFERS					
<i>Governmental Activities</i>					
Taxes					
Property Taxes	\$ 707,660	\$ 681,235	\$ 640,828	\$ 597,349	\$ 582,622
Sales Taxes	343,318	287,402	324,392	306,587	280,963
Business Taxes	816,861	479,864	569,680	539,045	516,881
Excise Taxes	143,425	117,845	149,058	106,861	115,674
Other Taxes and Revenues	51,111	36,398	80,542	36,000	22,032
Penalties and Interest on Delinquent Taxes	—	—	—	—	—
Unrestricted Investment Earnings (Loss)	(2,214)	51,688	1	1,765	18,339
Gain (Loss) on Sale of Capital Assets	7,592	16,107	(44,620)	7,990	7,633
Transfers	2,594	—	—	—	(5,317)
Total Governmental Activities	<u>2,070,347</u>	<u>1,670,539</u>	<u>1,719,881</u>	<u>1,595,597</u>	<u>1,538,827</u>
<i>Business-Type Activities</i>					
Unrestricted Investment Earnings	(2,508)	47,295	52,530	28,012	18,046
Gain on Sale of Capital Assets	—	1,559	774	753	(83)
Special Item - Environmental Remediation	(6,802)	(3,065)	(8,902)	(40,700)	(9,619)
Other Taxes	—	10,894	13,177	17,137	6,321
Total Business-Type Activities	<u>(9,310)</u>	<u>56,683</u>	<u>57,579</u>	<u>5,202</u>	<u>14,665</u>
Total Primary Government	2,061,037	1,727,222	1,777,460	1,600,799	1,553,492
CHANGES IN NET POSITION					
Governmental Activities	484,049	(62,985)	243,348	279,519	184,744
Business-Type Activities	423,580	259,952	375,147	293,619	230,411
Total Primary Government	<u>\$ 907,629</u>	<u>\$ 196,967</u>	<u>\$ 618,495</u>	<u>\$ 573,138</u>	<u>\$ 415,155</u>

Table S-2
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CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	2016	2015	2014	2013	2012
GENERAL REVENUES, SPECIAL ITEM, AND TRANSFERS					
<i>Governmental Activities</i>					
Taxes					
Property Taxes	\$ 542,854	\$ 420,691	\$ 431,458	\$ 423,927	\$ 412,872
Sales Taxes	263,285	239,189	199,735	181,171	169,681
Business Taxes	482,850	454,086	431,437	408,913	358,931
Excise Taxes	114,627	101,098	65,364	61,524	54,637
Other Taxes and Revenues	19,009	17,733	16,771	11,240	44,352
Penalties and Interest on Delinquent Taxes	—	—	4,091	3,596	2,795
Unrestricted Investment Earnings (Loss)	9,080	9,202	11,791	(1,663)	6,458
Gain (Loss) on Sale of Capital Assets	(191)	9,071	1,761	17,012	1,502
Transfers	15,469	(8,931)	(11,512)	(10,861)	(10,095)
Total Governmental Activities	1,446,983	1,242,139	1,150,896	1,094,859	1,041,133
<i>Business-Type Activities</i>					
Unrestricted Investment Earnings	12,806	13,938	16,254	4,204	11,789
Gain on Sale of Capital Assets	48,101	2,767	2,759	1,672	619
Special Item - Environmental Remediation	(66,187)	(4,975)	(4,949)	(24,169)	(37,066)
Other Taxes	(15,469)	8,931	11,512	10,861	10,095
Total Business-Type Activities	(20,749)	20,661	25,576	(7,432)	(14,563)
Total Primary Government	1,426,234	1,262,800	1,176,472	1,087,427	1,026,570
CHANGES IN NET POSITION					
Governmental Activities	166,616	203,128	134,318	222,622	218,440
Business-Type Activities	207,216	199,999	221,337	177,878	141,210
Total Primary Government	\$ 373,832	\$ 403,127	\$ 355,655	\$ 400,500	\$ 359,650

Table S-3

FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
GENERAL FUND					
Nonspendable	\$ 65	\$ 65	\$ 74	\$ 93	\$ 350
Restricted	263,769	263,769	250,162	215,620	181,950
Committed	112,000	112,000	98,281	88,794	131,386
Assigned	8,693	8,693	20,632	26,391	29,172
Unassigned	130,071	130,071	224,124	152,368	152,225
Total General Fund	<u>\$ 514,598</u>	<u>\$ 514,598</u>	<u>\$ 593,273</u>	<u>\$ 483,266</u>	<u>\$ 495,083</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 2,410	\$ 2,410	\$ 2,790	\$ 2,790	\$ 2,745
Restricted	659,398	659,398	681,792	682,244	512,551
Committed	7,373	7,373	12,086	57,000	115,265
Assigned	18,708	18,708	15,538	12,915	11,963
Unassigned	(49,577)	(49,577)	(5,517)	(33,386)	(22,270)
Total All Other Governmental Funds	<u>\$ 688,357</u>	<u>\$ 688,357</u>	<u>\$ 706,689</u>	<u>\$ 721,563</u>	<u>\$ 620,254</u>
GENERAL FUND					
Nonspendable	\$ 401	\$ 474	\$ 473	\$ 375	\$ 555
Restricted	155,523	136,627	99,991	100	82,520
Committed	102,521	116,890	76,493	83	79,508
Assigned	28,646	5,767	5,685	5	6,417
Unassigned	155,290	143,763	134,492	120	105,992
Total General Fund	<u>\$ 442,381</u>	<u>\$ 403,521</u>	<u>\$ 317,134</u>	<u>\$ 683</u>	<u>\$ 274,992</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 2,740	\$ 3,227	\$ 4,224	\$ 3,959	\$ 2,618
Restricted	466,996	417,732	346,891	359,172	321,884
Committed	109,392	68,947	60,612	49,829	40,248
Assigned	9,819	11,004	9,933	7,661	12,583
Unassigned	(37,083)	(34,159)	(59,231)	(22,328)	(13,991)
Total All Other Governmental Funds	<u>\$ 551,864</u>	<u>\$ 466,751</u>	<u>\$ 362,429</u>	<u>\$ 398,293</u>	<u>\$ 363,342</u>

Table S-4
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CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES					
Taxes	\$ 2,062,095	\$ 1,601,753	\$ 1,751,579	\$ 1,607,390	\$ 1,517,412
Licenses and Permits	47,636	44,306	50,746	55,697	43,674
Grants, Shared Revenues, and Contributions	404,609	344,046	195,554	157,092	167,609
Charges for Services	369,201	353,106	266,533	304,218	248,711
Fines and Forfeits	32,807	24,786	44,471	45,368	42,971
Concessions, Parking Fees, and Space Rent	26,701	20,380	65,417	70,262	71,407
Program Income, Interest, and Miscellaneous Revenues	134,544	195,119	211,112	155,746	118,248
Total Revenues	3,077,593	2,583,496	2,585,412	2,395,773	2,210,032
EXPENDITURES					
Current					
General Government	370,490	257,625	293,106	330,004	321,623
Judicial	38,176	36,412	35,208	32,892	31,658
Public Safety	778,683	786,851	743,448	690,650	611,690
Physical Environment	25,581	36,914	15,852	13,577	16,130
Transportation	361,217	343,819	368,776	334,625	195,985
Economic Environment	521,351	409,442	297,472	258,243	151,462
Health and Human Services	187,207	155,356	181,255	139,433	120,943
Culture and Recreation	325,360	312,900	319,278	317,667	317,961
Capital Outlay					
General Government	115	3,823	9,040	16,442	55,933
Public Safety	2,890	5,055	4,050	1,031	2,764
Physical Environment	(166)	43	—	895	—
Transportation	164,842	231,124	127,518	111,322	203,447
Economic Environment	—	3,032	875	811	110
Culture and Recreation	52,212	47,041	85,972	62,201	60,586
Debt Service					
Principal	79,026	76,996	57,371	80,576	57,883
Interest	40,045	39,347	36,723	48,821	35,551
Bond Issuance Cost	1,127	531	278	397	508
Other	—	—	15	—	—
Total Expenditures	2,948,156	2,746,311	2,576,237	2,439,587	2,184,234
Excess (Deficiency) of Revenues over Expenditures	129,437	(162,815)	9,175	(43,814)	25,798
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	240,105	71,805	54,430	49,975	93,880
Refunding Debt Issued	—	—	—	—	—
Premium on Bonds Issued	34,115	14,601	5,633	3,186	10,198
Payment to Refunded Bond Escrow Agent	(38,359)	(51,381)	(15,131)	—	(19,419)
Sales of Capital Assets	7,592	16,107	8,862	4,128	7,704
Capital Leases & Installments	11	—	—	—	—
Transfers In	118,340	102,429	141,911	104,215	501,504
Transfers Out	(103,218)	(73,801)	(89,728)	(78,011)	(498,724)
Total Other Financing Sources (Uses)	258,586	79,760	105,977	83,493	95,143
Net Change in Fund Balance	\$ 388,023	\$ (83,055)	\$ 115,152	\$ 39,679	\$ 120,941
Debt Service as a Percentage of Noncapital Expenditures	4.37 %	4.57 %	4.03 %	5.98 %	4.87 %

-Approximately \$8.6 million of charges for services was reclassified to program income for the year of 2017 to compare to 2018 presentation.
-2021 first year reporting Capital Leases & Installments.

Table S-4
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CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

	2016	2015	2014	2013	2012
REVENUES					
Taxes	\$ 1,422,194	\$ 1,233,134	\$ 1,044,608	\$ 1,083,499	\$ 1,044,608
Licenses and Permits	41,743	34,137	25,238	27,135	25,238
Grants, Shared Revenues, and Contributions	166,779	162,132	177,775	184,784	177,775
Charges for Services	254,412	225,056	182,595	200,847	182,595
Fines and Forfeits	46,154	39,008	34,340	41,107	34,340
Concessions, Parking Fees, and Space Rent	68,798	67,444	57,107	62,463	57,107
Program Income, Interest, and Miscellaneous Revenues	99,369	98,215	43,649	45,462	43,649
Total Revenues	2,099,449	1,859,126	1,565,312	1,645,297	1,565,312
EXPENDITURES					
Current					
General Government	264,284	224,721	180,187	191,829	180,187
Judicial	31,519	29,352	26,654	27,642	26,654
Public Safety	590,681	577,106	461,235	494,011	461,235
Physical Environment	13,575	7,314	7,748	11,935	7,748
Transportation	227,666	155,690	92,212	97,676	92,212
Economic Environment	179,831	141,722	128,711	128,644	128,711
Health and Human Services	104,209	96,267	67,103	73,151	67,103
Culture and Recreation	305,986	268,977	216,508	231,694	216,508
Capital Outlay					
General Government	29,342	29,959	10,684	22,220	10,684
Public Safety	21,527	13,097	27,743	21,100	27,743
Physical Environment	—	—	—	—	—
Transportation	240,216	278,151	228,272	234,188	228,272
Economic Environment	7	—	69	—	69
Culture and Recreation	47,390	35,712	55,507	85,690	55,507
Debt Service					
Principal	53,308	50,708	53,523	56,194	53,523
Interest	32,768	28,998	25,339	26,206	25,339
Bond Issuance Cost	627	1,946	258	822	258
Other	—	—	305	—	305
Total Expenditures	2,142,936	1,939,720	1,582,058	1,703,002	1,582,058
Excess (Deficiency) of					
Revenues over Expenditures	(43,487)	(80,594)	(16,746)	(57,705)	(16,746)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	145,139	350,255	108,085	101,115	108,085
Refunding Debt Issued	—	—	—	43,945	—
Premium on Bonds Issued	22,177	40,113	21,140	9,377	21,140
Payment to Refunded Bond Escrow Agent	(31,909)	(155,030)	(91,574)	(44,503)	(91,574)
Sales of Capital Assets	123	19,231	2,282	22,904	2,282
Capital Leases & Installments					
Transfers In	550,752	498,582	334,611	375,772	334,611
Transfers Out	(518,825)	(501,695)	(342,571)	(381,986)	(342,571)
Total Other Financing Sources (Uses)	167,457	251,456	31,973	126,624	31,973
Net Change in Fund Balance	\$ 123,970	\$ 170,862	\$ 15,227	\$ 68,919	\$ 15,227
Debt Service as a Percentage of					
Noncapital Expenditures	5.93 %	6.26 %	5.91 %	5.28 %	5.28 %

Table S-5

TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

Year	Property Tax	Sales Tax	Business Tax	Excise Tax	Other Taxes	Total Taxes
2012	\$ 420,763	\$ 169,681	\$ 358,931	\$ 54,637	\$ 44,352	\$ 1,048,364
2013	423,928	181,171	408,913	61,525	11,240	1,086,777
2014	431,458	199,735	431,437	65,364	16,771	1,144,765
2015	420,691	239,189	454,086	101,098	17,733	1,232,797
2016	542,854	263,285	482,850	114,627	19,009	1,422,625
2017	582,622	280,963	516,881	115,674	22,032	1,518,172
2018	597,949	306,587	539,906	139,347	23,601	1,607,390
2019	640,075	324,302	579,312	166,349	33,708	1,743,746
2020	697,753	287,486	479,870	126,087	28,257	1,619,453
2021	707,382	343,317	816,861	143,424	51,111	2,062,095

Table S-6

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Assessed and Estimated Actual Value ^a (In Thousands)			Total Direct Tax Rate ^c	Average Annual Growth	Assessed Value Per Capita
	Real Property	Personal Property	Total ^b			
2012	\$ 111,723,359	\$ 5,073,531	\$ 116,796,890	3.276 %	(2.76)%	\$ 189.452
2013	111,788,855	5,206,658	116,995,513	3.286	0.17	186.715
2014	122,999,095	5,206,658	128,205,753	3.048	9.58	200.165
2015	139,229,729	5,284,205	144,513,934	2.624	12.72	218.167
2016	157,548,324	5,757,604	163,305,928	3.067	13.00	237.778
2017	180,363,081	5,962,261	186,325,342	2.899	14.10	261.070
2018	208,104,882	6,004,182	214,109,064	2.362	14.91	293.139
2019	238,336,064	6,602,645	244,938,709	2.229	14.40	327.765
2020	250,944,649	7,013,631	257,958,280	2.221	5.32	350.011
2021	254,699,486	7,434,576	262,134,062	2.250	1.62	353.090

^a Real property has been assessed at 100 percent of estimated actual value.

^b Source: King County Assessor.

^c Total Direct Tax Rate includes Total City District Levies of General Fund, Debt Service Funds, & Special Revenue Funds except Seattle Metropolitan Park District 0.20986. See Table S-7 for City of Seattle Direct Rates breakout.

Table S-7

DIRECT AND OVERLAPPING PROPERTY TAX RATES ^a
Last Ten Fiscal Years
(In Mills or Dollars per Thousand of Assessed Value)

Year of Levy	City of Seattle				Overlapping					Dollars Levied ^c (\$1,000)	Annual Growth
	General Fund	Special Revenue Funds ^d	Debt Service Funds	City Total ^d	State	County ^b	School	Port of Seattle	Total		
2012	1.968	1.161	0.147	3.276	2.422	1.837	2.400	0.230	10.165	\$1,187,240	6.2 %
2013	1.902	1.246	0.138	3.286	2.567	1.976	2.447	0.233	10.509	1,229,506	3.6
2014	1.801	1.107	0.140	3.048	2.470	2.008	2.549	0.215	10.290	1,319,452	7.3
2015	1.625	0.868	0.130	2.623	2.285	1.789	2.391	0.189	9.277	1,345,016	1.9
2016	1.468	1.421	0.178	3.067	2.168	1.892	2.188	0.170	9.485	1,554,926	15.6
2017	1.346	1.387	0.166	2.899	2.032	2.013	2.151	0.153	9.248	1,723,142	10.8
2018	1.245	1.208	0.143	2.596	2.918	1.901	2.012	0.135	9.562	2,040,443	18.4
2019	1.126	1.223	0.094	2.443	2.629	1.740	1.350	0.123	8.285	2,024,879	(0.8)
2020	1.117	1.223	0.089	2.429	3.028	1.796	1.857	0.119	9.229	2,370,358	17.1
2021	1.155	1.217	0.088	2.460	3.088	1.798	1.845	0.120	9.311	2,430,430	2.5

^a Source: King County Assessor and City of Seattle Budget Office.

^b For the purposes of this table the City's share of the Countywide Emergency Medical Service (EMS) levy, Flood Zone levy, and Sound Transit are included in the County's tax levy rate. EMS rate is 0.26500, Flood Zone levy is 0.09199, and Sound Transit is 0.19937 in 2020.

^c Actual dollars levied may differ slightly from this figure due to certain property tax exemptions for low-income, elderly, and handicapped property owners.

^d Inclusion of Special Revenue Fund Seattle Metropolitan Park District SMPD 0.20812 increases City Total rate in comparison to Table S-6. SMPD, a separate taxing authority established by voters, fully supports City of Seattle parks programs.

Table S-8

PRINCIPAL PROPERTY TAXPAYERS ^a
Current Year and Nine Years Ago

Taxpayer ^b	2021			2012		
	Assessed Valuation ^c (In Millions)	Percentage of Assessed Valuation	Rank	Assessed Valuation ^c (In Millions)	Percentage of Assessed Valuation	Rank
Amazon	\$ 3,399.7	1.23 %	1			
Union Square Limited Partnership	1,113.7	0.40	2	\$ 432.8	37.00 %	2
Ponte Gadea Seattle LLC	872.2	0.32	3			
GC Columbia LLC	820.1	0.30	4	277.3	24.00	5
ONNI Properties LLC	754.5	0.27	5			
Acorn Development LLC (Amazon)	692.0	0.25	6			
1201 Tab Owner LLC	673.4	0.24	7	354.1	30.00	4
Altus Group US Inc.	647.6	0.23	8			
BPP 1420 Fifth Avenue Owner	576.6	0.21	9			
Selig Holdings Co. LLC	572.7	0.21	10	246.6	21.00	7
The Boeing Company				457.3	39.00	1
Qwest Corporation, Inc.				429.2	36.00	3
City Center Associates JV				273.2	23.00	6
Puget Sound Energy-Gas/Electric				202.1	17.00	8
Seattle Sheraton				195.2	17.00	9
FSP-RIC LLC				188.5	16.00	10

^a Source: King County Assessor.

^b The above listing includes taxpayers paying real and personal property taxes as property owners. It does not include taxpayers paying leasehold excise taxes based on rental payments for property they lease from other entities.

^c Assessed valuations for taxes collected in the succeeding year.

Table S-9
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PRINCIPAL REVENUE SOURCES
Current Year and Nine Years Ago
(In Thousands)

CITY LIGHT ^a						
Customer Name	2021			2012		
	Amount	Percent of Revenue	Rank	Amount	Percent of Revenue	Rank
NUCOR	\$ 31,426	3.26%	1	\$ 22,562	3.4%	1
University of Washington	29,380	3.05	2	22,498	3.39	2
Amazon	19,848	2.06	3	—	—	
Boeing	14,428	1.5	4	14,311	2.15	4
King County b	14,212	1.47	5	10,334	1.56	6
Sabey Corporation	13,273	1.38	6	10,780	1.62	5
20001 Sixth LLC	10,604	1.1	7	5,488	0.83	9
City of Seattle	10,082	1.05	8	19,004	2.86	3
US Government	8,195	0.85	9	6,513	0.98	7
Ardagh Glass	6,813	0.71	10	—	—	—
Saint Gobain				5,628	0.85	8
Swedish Hospital				4,273	0.64	10
Total Top Ten	<u>\$ 158,261</u>	<u>16.43</u>		<u>\$ 121,391</u>	<u>18.28</u>	

^a Seattle City Light billing records.

^b Revenue for King County included Metro Transit due to the merger of King County and Metro Transit in 2004.

WATER ^c						
Customer Name	2021			2012		
	Amount	Percent of Revenue	Rank	Amount	Percent of Revenue	Rank
Cascade Water Alliance	\$ 21,352	7.04%	1	\$ 19,339	9.50%	1
Northshore Utility District	5,333	1.76	2	4,933	2.40	2
City of Seattle	4,972	1.64	3	2,800	1.40	7
Highline Water District	4,846	1.60	4	3,987	2.01	3
Woodinville Water District	4,077	1.34	5	3,178	1.60	5
Port of Seattle	3,926	1.29	6	2,136	1.01	8
University of Washington	3,922	1.29	7	3,091	1.50	6
Soos Creek Water and Sewer District	3,915	1.29	8	3,510	1.70	4
Seattle Housing Authority	2,611	0.86	9			
King County Water District #20	2,591	0.85	10	2,270	1.10	9
City of Mercer Island				2,010	1.01	10
Total Top Ten	<u>\$ 57,545</u>	<u>18.96%</u>		<u>\$ 47,254</u>	<u>23.23%</u>	

^c Source: Seattle Public Utilities (SPU) billing records.

^d Using data from the 2012 ACFR.

Table S-9
Page 2 of 2

PRINCIPAL REVENUE SOURCES
Current Year and Nine Years Ago
(In Thousands)

DRAINAGE AND WASTEWATER ^a

Customer Name	2021			2012		
	Amount	Percent of Revenue	Rank	Amount	Percent of Revenue	Rank
City of Seattle	\$ 14,014	2.85%	1	\$ 6,714	2.23%	2
University of Washington	11,994	2.44%	2	7,556	2.55%	1
Seattle Housing Authority	8,084	1.65%	3	3,666	1.24%	4
King County	5,307	1.08%	4	2,797	0.94%	5
Seattle Public Schools	3,385	0.69%	5	2,221	0.75%	6
Equity Residential Prop.	3,041	0.62%	6			
BNSF Railway	2,520	0.51%	7	1,101	0.37%	7
Marriott International Inc	1,894	0.39%	8			
Port of Seattle	1,725	0.35%	9	4,158	1.40%	3
Darigold		0.00%		992	0.33%	8
Harborview Medical Center	1308	0.27%	10	820	0.28%	9
Swedish Medical Center		0.00%		814	0.27%	10
Total Top Ten	\$ 53,272	10.85%		\$ 30,839	10.36%	

^a Source: Seattle Public Utilities (SPU) billing records.

^b Using data from the 2012 ACFR.

SOLID WASTE ^c

Customer Name	2021			2012		
	Amount	Percent of Revenue	Rank	Amount	Percent of Revenue	Rank
City of Seattle	\$ 1,194	0.50%	1	\$ 847	0.54%	1
King County	816	0.34%	2			
Goodwill Industries	775	0.33%	3	602	0.38%	4
Seattle Housing Authority	768	0.32%	4	547	0.35%	5
Starbucks	753	0.32%	5	652	0.42%	3
Fred Meyer/QFC	733	0.31%	6	726	0.46%	2
Swedish Medical Group	707	0.30%	7	432	0.28%	6
Amazon	582	0.24%	8			
Seattle Pacific University	528	0.22%	9	299	0.19%	10
Port of Seattle	421	0.18%	10			
Pike Place Market				423	0.27%	7
University of Washington				412	0.26%	8
Safeway				315	0.20%	9
Total Top Ten	\$ 7,277	3.06%		\$ 5,255	3.35%	

^c Source: Seattle Public Utilities (SPU) billing records.

^d Using data from the 2012 ACFR.

Table S-10

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Original Levy	Adjusted Levy ^a	Collected within the Fiscal Year of the Levy		Subsequent Adjustments to Date	Net Levy to Date	Subsequent Collections	Total Collections to Date	
			Amount	Percentage of Adjusted Levy				Amount	Percentage of Net Levy
2012	\$417,706	\$415,721	\$408,920	98.36 %	\$(190)	\$415,531	\$27,700	\$436,620	100.00 %
2013	419,471	418,268	411,963	98.49	(100)	418,168	6,321	418,285	100.00
2014	433,747	432,690	426,568	98.59	65	432,756	5,671	432,239	99.88
2015	422,712	421,443	416,062	98.72	12	421,455	5,373	421,435	100.00
2016	498,950	496,251	490,200	98.78	176	496,427	5,842	496,042	99.92
2017	535,789	533,119	526,236	98.71	(414)	532,705	5,747	531,983	99.86
2018	555,090	551,977	545,540	98.83	105	552,082	1,554	547,095	99.10
2019	597,158	592,637	585,964	98.87	(44)	592,593	5,747	591,711	99.85
2020	638,326	635,874	626,054	98.46	(82)	635,792	7,301	633,355	99.62
2021	656,129	652,231	642,365	98.49	—	652,231	—	642,365	98.49

^a Source King County Treasurer's Office.

Table S-11

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Governmental Activities							
Fiscal Year	General Obligation Bonds	Premiums, Discounts, and Other Adjustments	Net General Obligation Bonds	Special Assessment Bonds	Notes and Contracts	Capital Leases	
2012	772,950	56,070	829,020	13,005	18,748		6
2013	809,060	53,919	862,979	13,005	16,631		2
2014	816,060	55,218	871,278	10,395	14,580		105
2015	965,310	81,337	1,046,647	8,825	12,668		151
2016	1,008,895	91,032	1,099,927	7,505	10,945		158
2017	1,012,535	82,416	1,094,951	6,075	9,425		105
2018	977,470	76,649	1,054,119	4,975	8,070		35
2019	943,880	71,547	1,015,427	3,760	6,795		10
2020	894,090	78,861	972,951	2,545	10,283		44
2021	940,575	102,638	1,043,213	98,486	14,265		32

Business-Type Activities							
Revenue Bonds							
Fiscal Year	General Obligation Bonds	Light and Power Bonds	Water Bonds	Drainage and Wastewater Bonds	Solid Waste Bonds	Premiums, Discounts, and Other Adjustments	Net General Obligation Bonds and Revenue Bonds
2012	59,589	1,778,600	919,640	540,495	119,205	221,756	3,639,285
2013	58,327	1,863,325	887,010	525,280	115,875	215,007	3,664,824
2014	56,470	1,903,845	853,465	618,895	166,875	249,395	3,848,945
2015	53,520	2,070,780	851,565	600,680	197,810	281,073	4,055,428
2016	—	2,118,085	809,950	673,920	207,545	331,600	4,141,100
2017	—	2,345,490	858,215	821,255	201,000	397,914	4,623,874
2018	—	2,491,550	817,195	796,030	194,225	390,995	4,689,995
2019	—	2,567,110	774,115	769,605	187,105	427,430	4,725,365
2020	—	2,553,505	728,490	742,030	180,060	439,586	4,643,671
2021	—	2,587,320	664,455	769,890	164,680	454,247	4,640,592

Business-Type Activities		Primary Government			
Fiscal Year	Notes and Contracts	Total	Percentage of Personal Income ^A	Debt Per Capita	Total Personal Income ^A
2012	34,753	4,534,817	12.04%	7,356	37,652,394
2013	35,606	4,593,047	11.42%	7,330	40,204,185
2014	33,889	4,779,192	11.94%	7,462	40,019,009
2015	38,907	5,162,626	11.84%	7,794	43,597,181
2016	40,133	5,299,768	11.06%	7,717	47,929,025
2017	77,026	5,811,456	10.85%	8,143	53,583,169
2018	76,256	5,833,450	10.70%	7,987	54,502,448
2019	71,843	5,823,200	9.98%	7,792	58,343,953
2020	80,832	5,710,326	9.33%	7,503	61,207,662
2021	124,071	5,920,659	N/A	7,694	N/A

^A Personal income data is not available for 2021.

Table S-12

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

Governmental Activities						
Fiscal Year	General Bonded Debt Outstanding (In Thousands)	Externally Restricted Fund Balance (In Thousands)	Net General Bonded Debt Outstanding (In Thousands)	Percentage of Actual Taxable Value of Property ^A		Per Capita
2012	772,950	9,719	819,301	0.70 %		1,329
2013	809,060	9,775	853,204	0.67		1,362
2014	816,060	10,131	861,147	0.60		1,344
2015	965,310	10,672	1,035,975	0.63		1,564
2016	1,008,895	10,511	1,089,416	0.58		1,586
2017	1,012,535	10,392	1,084,559	0.51		1,520
2018	977,470	10,778	1,043,341	0.43		1,428
2019	943,880	10,949	1,015,427	0.39		1,359
2020	894,090	11,152	961,799	0.37		1,264
2021	940,575	9,620	1,033,593	0.37		1,343

Business-Type Activities						
Fiscal Year	General Bonded Debt Outstanding ^B (In Thousands)	Premiums, Discounts, and Other Adjustments (In Thousands)	Net General Bonded Debt Outstanding (In Thousands)	Percentage of Actual Taxable Value of Property ^A		Per Capita
2012	59,589	3,168	62,757	0.05 %		102
2013	58,327	2,970	61,297	0.05		98
2014	56,470	2,772	59,242	0.04		92
2015	53,520	2,574	56,094	0.03		85
2016	—	—	—	0.00		—
2017	—	—	—	0.00		—
2018	—	—	—	0.00		—
2019	—	—	—	0.00		—
2020	—	—	—	0.00		—
2021	—	—	—	—		—

Business-Type Activities			
Fiscal Year	Annual Debt Service Payments (In Thousands)	Net Operating Income ^C (In Thousands)	Percentage of Debt Service to Net Operating Income
2012	4,438	3,866	114.80 %
2013	4,337	3,863	112.27
2014	4,796	4,634	103.50
2015	5,773	4,843	119.20
2016	2,007	3,337	60.14
2017			
2018			
2019			
2020			
2021			

Primary Government			
Fiscal Year	General Bonded Debt Outstanding ^B (In Thousands)	Externally Restricted Fund Balance (In Thousands)	Net General Bonded Debt Outstanding (In Thousands)
2012	891,777	9,719	882,058
2013	924,276	9,775	914,501
2014	930,520	10,131	920,389
2015	1,102,741	10,672	1,092,069
2016	1,099,927	10,511	1,089,416
2017	1,094,951	10,392	1,084,559
2018	1,054,119	10,778	1,043,341
2019	1,026,376	10,949	1,015,427
2020	972,951	11,152	961,799
2021	1,043,213	9,620	1,033,593

^A Starting in 2011, estimated actual value of taxable property in the succeeding year is used for calculation.

^B General obligation bond debt service for the Downtown Parking Garage was being paid for by user fee revenues derived from the garage. The ultimate recourse for the payment of these bonds was with the City's General Fund, but this ended with the sale of the Parking Garage in 2016.

^C Excludes amortization.

Table S-13

**DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
December 31, 2021**

Governmental Unit	Net Debt Outstanding (In Thousands)	Percentage Applicable to Seattle ^A	Amount Applicable to Seattle (In Thousands)
Debt Repaid with Property Taxes			
King County ^B	1,131,744	39.75 %	449,868
Port of Seattle	281,355	39.75	111,839
Seattle School District No. 001	14,462	99.54	14,395
Highline School District No. 401	371,330	—	—
Subtotal Overlapping Debt	1,798,891		576,102
City of Seattle Direct Debt	1,155,996	100.00	1,155,996
Total Direct and Overlapping Debt	\$ 2,954,887		\$ 1,732,098

^A Percentage rates were provided by King County, except for City of Seattle, and were determined by the ratio of assessed valuation of property in the overlapping unit subject to taxation in the reporting unit to the total value of property subject to taxation in the overlapping unit.

^B Excludes proprietary fund debt, public facilities debt financed from special taxes, and hotel and motel tax-financed debt.

Table S-14

LEGAL DEBT MARGIN INFORMATION

	General Capacity A		Special Purpose Capacity A		Total Capacity
	Councilmanic (1.5% of Assessed Value)	Voter-Approved (2.5% of Assessed Value)	Open Spaces and Parks (2.5% of Assessed Value)	Utility Purposes (2.5% of Assessed Value)	
Latest Certified Assessed Value \$276,293,453,116^B					
2.50% of Assessed Value	\$ —	\$ 6,907,336,328	\$ 6,907,336,328	\$ 6,907,336,328	\$ 20,722,008,984
1.50% of Assessed Value	4,144,401,797	(4,144,401,797)	—	—	—
	4,144,401,797	2,762,934,531	6,907,336,328	6,907,336,328	20,722,008,984
Statutory Debt Limit Less Debt Outstanding ^C					
Bonds	(701,610,000)	(238,965,000)	—	—	(940,575,000)
Guarantee on PDA Bonds ^D	(31,650,000)	—	—	—	(31,650,000)
Public Works Trust Fund Loans ^E	(14,264,754)	—	—	—	(14,264,754)
Compensated Absences ^F	(73,297,852)	—	—	—	(73,297,852)
Total Debt Outstanding	(820,822,606)	(238,965,000)	—	—	(1,059,787,606)
Add:					
Available Net Position In Redemption Funds ^G	9,683,757	—	—	—	9,683,757
Compensated Absences for Sick Leave ^F	11,815,257	—	—	—	11,815,257
Net Debt Outstanding	(799,323,592)	(238,965,000)	—	—	(1,038,288,592)
LEGAL DEBT MARGIN	\$ 3,345,078,205	\$ 2,523,969,531	\$ 6,907,336,328	\$ 6,907,336,328	\$ 19,683,720,392

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Net Debt to Debt Limit
2012	\$ 8,826,489,180	\$ 986,832,122	\$ 7,839,657,058	11.18 %
2013	9,661,067,622	1,010,440,022	8,650,627,600	10.46
2014	10,881,878,356	1,011,446,510	9,870,431,846	9.29
2015	12,294,324,646	1,150,053,778	11,144,270,868	9.35
2016	13,974,400,710	1,127,451,915	12,846,948,795	8.07
2017	16,058,179,816	1,127,407,620	14,930,772,196	7.02
2018	16,058,179,816	1,082,362,532	14,975,817,284	6.74
2019	18,370,403,198	1,036,884,952	17,333,518,246	5.64
2020	19,346,871,060	1,003,871,201	18,342,999,859	5.19
2021	20,722,008,984	1,038,288,592	19,683,720,392	5.01

^A Legal debt limits are established by the state constitution and by statutes, including RCW 39.36.020 and 35.42.200. The prescribed limits prohibit the City's debt from exceeding 1.5 percent of assessed value of taxable property without a vote of the people, and a total of 2.5 percent (statutory) and 5.0 percent (constitutional) of assessed value of taxable property for general municipal purposes with a vote of the people.

^B RCW 39.36.015 allows incorporated cities to use the "last assessment for city purposes." This assessment was issued in February 2022 for taxes payable in 2022.

^C State law and the State Auditor's Office require that the liabilities for warrants outstanding and other miscellaneous obligations of the General Fund, other tax-supported funds, and internal service funds be included as debt in calculating the legal debt margin, except when cash, investments, and other cash-equivalent assets in any of these individual funds exceed current liabilities.

^D The City guarantees Public Development Authority bonds which create contingent obligations. Currently the City is contingently liable on debt issued by the Museum Development Authority and the Seattle Indian Service Commission.

^E Includes City Obligations to repay loans from the Washington State Public Works Assistance Account despite accounting procedures prescribed by the State Auditor that currently do not include amounts loaned by the State and federal governments in calculating debt capacity. However, the City's bond counsel does include State and federal loans to the City, including Public Works Assistance Account indebtedness, as within the applicable statutory and constitutional debt limits.

^F The State Auditor requires that the liability for compensated absences, to the extent that it is a certain obligation of a determined amount or employee vested, be included as debt in calculating the legal debt margin. All compensated absences except the sick leave estimate meet this criterion. The City's bond counsel does include compensated absences as debt for the purpose of calculating the City's debt capacity.

^G Does not include available net position in the Local Improvement Guaranty Fund, Interfund Notes Payable Fund, and Local Improvement District No. 6750 Fund because special assessment bonds related to them, if any, are not included in the computation of legal debt margin.

Table S-15

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(In Thousands)

CITY LIGHT PARITY AND JUNIOR LIEN BONDS ^a									
Fiscal Year	Utility Service Charges	Less Operating Expenses	Adjustments to Operating Revenue	Net Available Revenue	Junior Lien Bonds		Parity Bonds		Coverage
					Interest	Principal	Interest	Principal	
2012	795,238	489,098	—	306,140	—	—	80,129	88,995	1.81
2013	833,834	514,269	—	319,565	—	—	80,960	91,840	1.85
2014	872,836	531,464	—	341,372	—	—	85,086	99,670	1.85
2015	873,650	567,058	—	306,592	250	—	84,408	104,915	1.62
2016	903,175	795,766	224,519	331,928	1,038	—	88,060	107,450	1.69
2017	989,710	852,469	239,552	376,793	2,479	—	875,775	111,230	0.38
2018	991,614	823,238	220,032	388,408	3,986	1,260	90,206	116,975	1.83
2019	1,079,424	873,269	256,501	462,656	3,679	2,870	97,696	116,540	2.10
2020	1,015,766	880,318	250,887	386,335	2,012	2,480	98,443	120,065	1.73
2021	1,108,978	891,678	231,716	449,016	824	2,110	97,818	115,555	2.08

WATER ^b									
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage			
				Interest	Principal				
2012	213,474	78,339	135,135	47,245	31,425	1.72			
2013	235,594	89,291	146,303	44,793	32,630	1.89			
2014	242,947	94,500	148,447	43,369	33,545	1.93			
2015	251,977	97,937	154,040	45,343	37,330	1.86			
2016	251,364	106,063	145,301	40,348	41,615	1.77			
2017	262,896	108,333	154,563	40,479	39,345	1.94			
2018	282,286	98,459	183,827	40,276	41,020	2.26			
2019	281,008	113,901	167,107	38,260	43,080	2.05			
2020	278,578	113,342	165,236	36,100	45,625	2.02			
2021	303,499	116,610	186,889	36,174	46,235	2.28			

DRAINAGE AND WASTEWATER ^c									
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage			
				Interest	Principal				
2012	304,002	199,592	104,410	18,017	12,472	3.42			
2013	333,760	213,918	119,842	18,113	12,011	3.98			
2014	342,000	216,415	125,585	26,466	15,825	2.97			
2015	363,779	230,290	133,489	29,156	18,215	2.82			
2016	375,041	246,488	128,553	28,561	19,080	2.70			
2017	400,284	259,173	141,111	30,934	21,570	2.69			
2018	419,876	258,852	161,024	36,901	25,225	2.59			
2019	454,382	268,650	185,732	35,581	26,425	3.00			
2020	460,295	280,362	179,933	34,274	27,575	2.91			
2021	502,517	272,205	230,312	33,601	27,300	3.81			

SOLID WASTE ^d									
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage			
				Interest	Principal				
2012	156,927	121,980	34,947	6,079	2,960	3.87			
2013	159,742	125,991	33,751	5,708	3,330	3.73			
2014	157,498	122,948	34,550	6,976	3,495	3.30			
2015	174,788	131,138	43,650	7,732	4,895	3.46			
2016	183,666	139,731	43,935	9,448	5,750	2.89			
2017	209,644	146,641	63,003	9,419	6,545	3.95			
2018	205,634	150,595	55,039	9,103	6,775	3.47			
2019	224,965	150,737	74,228	8,757	7,120	4.68			
2020	224,052	156,616	67,436	8,405	7,045	4.36			
2021	238,261	152,818	85,443	7,912	7,400	5.63			

^a Debt coverage ratios prior to 2005 were based on debt service amounts on parity bonds only; beginning in 2005 the debt service for Junior Lien bonds was included. In 2008, all Junior Lien bonds were redeemed. Starting in 2009, calculation of debt coverage ratios was based again on debt service amounts on parity bonds. Operating expenses do not include interest, depreciation, or amortization expenses, except in 2002, 2003, and 2004 when the effect of \$100 million amortization of deferred power costs were also considered in the calculation of coverage ratio.

^b Operating expenses do not include City public utility taxes, depreciation and amortization, interest paid on revenue bonds, and drawdowns on the Bonneville Power Administration account. Coverage ratio was calculated based on the annual debt service requirement on senior lien bonds only.

^c Debt service coverage ratio was based on average annual debt service. Interest and principal shown were calculated to match the requirements of bond covenants. Operating expenses do not include City utility taxes, depreciation and amortization, interest, and claims.

^d Operating expenses do not include city public utility taxes, depreciation and amortization, interest paid on revenue bonds, amortization of debt expenses and loss, capitalized interest, and amortization of landfill and postclosure costs.

Table S-16

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population ^a		Total Personal Income ^b (In Thousands)		Per Capita Income ^b		King County Average Annual Unemployment Rate ^d
	King County	Seattle	King County	Metropolitan Division ^c	King County	Metropolitan Division ^c	
2012	1,957,000	616,500	\$ 132,840,302	\$ 164,223,321	\$ 67,880	\$ 53,931	8.1%
2013	1,981,900	626,600	135,079,092	167,113,851	68,156	52,627	6.8
2014	2,017,250	640,500	143,260,986	177,417,334	71,018	55,190	8.1
2015	2,052,800	662,400	153,554,091	190,187,027	74,802	62,481	5.0
2016	2,105,100	686,800	166,006,277	20,500,230	78,859	65,817	4.1
2017	2,153,700	713,700	182,495,475	224,504,700	84,736	69,786	3.9
2018	2,190,200	730,400	201,962,200	248,656,193	92,212	75,078	3.7
2019	2,226,300	747,300	213,956,690	262,236,521	96,104	85,284	3.7
2020	2,260,800	761,100	219,805,809	271,512,240	97,225	87,452	3.7
2021	2,293,300	769,500	NA	NA	NA	NA	4.3

^a As of April 1. Source: Washington State Office of Financial Management, "2021 Population Cities, Towns and Counties" estimates only.

^b Source: U. S. Bureau of Economic Analysis. 2021 Personal Income not yet available.

^c Source: U. S. Bureau of Economic Analysis includes Seattle, Kent, and Bellevue.

^d Source: Washington State Employment Security Department, January 28, 2021

Table S-17

PRINCIPAL INDUSTRIES ^{ab}
Current Year and Nine Years Ago

Industry	2021			2012		
	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment	Rank
Trade, Transportation, and Utilities	282,700	20.1 %	1	216,200	18.1 %	1
Professional and Business Services	245,700	17.5	2	192,700	16.1	2
Educational and health services	182,700	13.0	3	159,300	13.3	4
Government (federal, state and local)	170,700	12.1	4	165,400	13.9	3
Information	134,500	9.6	5	81,000	6.8	7
Leisure and Hospitality	104,400	7.4	6	114,900	9.6	5
Manufacturing	88,900	6.3	7	103,200	8.7	6
Construction	79,300	5.6	8	50,600	4.2	9
Financial Activities	73,600	5.2	9	66,700	5.6	8
Other Services	45,200	3.2	10	43,600	3.7	10
Total Top Ten Industries	1,407,700	100.0 %		1,193,600	100.0 %	

^a Source: Washington Employment Security Department Labor Market and Economic Analysis.

^b Data is provided for King County, which includes the Seattle Metropolitan Area

^c Industry categories for the historical comparison have been updated to match the categories currently used by the Washington Employment Security Department Labor Market and Economic Analysis and are provided by them.

^d Current year data was not available at the time the City's financial statements were prepared and thus, previous year data was used.

Table S-18
Page 1 of 2

FULL-TIME-EQUIVALENT ^a
CITY GOVERNMENT EMPLOYEES
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PUBLIC SAFETY					
Community Police Commission	9.00	9.00	9.00	9.00	4.00
Fire	1,173.35	1,168.55	1,167.05	1,158.55	1,155.55
Firemen's Pension Board	4.00	4.00	4.00	4.00	4.00
Law	201.60	206.10	196.10	191.60	183.60
Municipal Court	205.85	215.10	215.10	215.10	213.10
Police	2,020.05	2,187.35	2,172.35	2,156.85	2,095.35
Police Relief and Pension Board	3.00	3.00	3.00	3.00	3.00
ARTS, CULTURE, AND RECREATION					
Arts and Cultural Affairs	39.09	39.09	35.09	34.59	31.09
Library	556.10	556.10	556.10	556.10	556.10
Parks and Recreation	938.68	939.68	927.40	922.24	913.01
Seattle Center	216.43	225.23	228.73	242.73	241.73
HEALTH AND HUMAN SERVICES					
Human Services	391.75	385.75	382.25	365.75	328.00
Educational and Developmental Services Levy	—	—	—	—	—
Department of Education and Early Learning	110.50	110.50	98.00	75.00	58.50
NEIGHBORHOODS AND DEVELOPMENT					
Economic Development	36.00	37.00	35.50	35.50	35.50
Housing	46.00	46.00	45.00	44.50	42.50
Neighborhoods	64.00	65.00	49.50	53.50	53.00
Neighborhood Matching Subfund	—	9.00	9.00	9.00	9.00
Seattle Department of Construction and Inspections ^e	430.50	428.50	412.00	406.00	405.30
Office of Planning and Community Development	43.00	45.00	44.00	45.50	46.50
UTILITIES AND TRANSPORTATION					
City Light	1,792.80	1,792.80	1,791.30	1,816.80	1,779.80
Seattle Public Utilities	1,440.30	1,433.30	1,414.55	1,398.55	1,359.05
Transportation	959.00	958.00	931.50	918.50	885.50
ADMINISTRATION					
City Auditor	10.00	10.00	10.00	10.00	9.50
City Budget	36.00	36.00	36.00	40.50	35.00
Civil Rights	35.50	35.00	31.00	28.00	27.25
Civil Service Commission	2.00	2.00	2.00	2.60	2.60
Employees' Retirement System	28.00	23.00	23.00	21.00	21.00
Ethics and Elections Commission	7.40	7.40	5.90	5.90	5.90
Finance and Administrative Services ^b	623.00	610.00	589.50	625.00	625.00
Hearing Examiner	5.00	5.00	4.63	4.63	4.63
Immigrant and Refugee Affairs	9.50	9.50	9.50	9.00	9.50
Information Technology	673.10	701.10	680.60	667.60	659.60
Intergovernmental Relations	9.00	10.00	10.00	10.50	10.50
Legislative	100.50	100.50	100.50	99.00	99.00
Mayor	39.50	39.50	37.50	37.50	44.00
Department of Human Resources ^d	111.50	160.50	154.00	158.50	158.75
Office of the Employee Ombud	4.00	5.00	3.00	—	—
Office of Inspector General ^f	15.00	13.00	—	—	—
Office of Labor Standard	30.00	28.00	—	—	—
Sustainability and Environment	31.50	29.50	26.50	26.50	19.50
Total Full-Time Equivalents	<u>12,466.50</u>	<u>12,689.05</u>	<u>12,450.15</u>	<u>12,408.59</u>	<u>12,134.91</u>

^a Source - City of Seattle Adopted Budget.

^b Department of Executive Administration, Department of Finance, and Fleets and Facilities Department were merged and created the Department of Finance and Administrative Services in 2010.

^c The Office of the Employee Ombud was created for 2019.

^d Personnel was renamed the Seattle Department of Human Resources in 2014.

^e The 2016 Adopted Budget renamed the Department of Planning and Development to the Department of Construction and Inspections. Planning staff and functions were transferred to a new Office of Planning and Community Development and additional staff were added.

^f The Office of the Inspector General for Public Safety was established by ordinance in 2017 and first budgeted in 2018.

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FULL-TIME-EQUIVALENT^a
CITY GOVERNMENT EMPLOYEES
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PUBLIC SAFETY					
Community Police Commission	4.00	4.00	3.00	—	—
Fire	1,167.55	1,162.55	1,151.55	1,150.55	1,152.55
Firemen's Pension Board	4.00	4.00	4.00	4.00	4.00
Law	177.10	173.60	169.60	169.60	159.10
Municipal Court	214.10	213.60	213.10	212.60	214.10
Police	2,033.35	2,018.35	1,999.35	1,947.35	1,930.85
Police Relief and Pension Board	3.00	3.00	3.00	3.00	3.00
ARTS, CULTURE, AND RECREATION					
Arts and Cultural Affairs	29.09	31.59	30.84	28.09	19.85
Library	556.10	558.40	558.40	558.40	509.00
Parks and Recreation	916.68	908.35	888.45	853.57	863.09
Seattle Center	241.13	241.13	242.66	241.62	245.12
HEALTH AND HUMAN SERVICES					
Human Services	331.60	327.60	344.60	341.35	316.10
Educational and Developmental Services Levy	—	—	9.00	9.00	9.00
Department of Education and Early Learning	54.00	52.50	—	—	—
NEIGHBORHOODS AND DEVELOPMENT					
Economic Development	31.00	27.50	25.50	22.50	24.00
Housing	43.50	43.50	37.00	37.50	37.50
Neighborhoods	47.00	40.00	46.00	42.50	40.50
Neighborhood Matching Subfund	8.00	8.00	7.00	6.00	6.00
Seattle Department of Construction and Inspections ^e	404.30	417.50	406.00	397.25	393.26
Office of Planning and Community Development	45.00	—	—	—	—
UTILITIES AND TRANSPORTATION					
City Light	1,868.30	1,861.30	1,857.25	1,830.25	1,810.50
Seattle Public Utilities	1,460.05	1,438.05	1,446.55	1,401.05	1,411.05
Transportation	844.00	794.00	793.00	727.50	721.00
ADMINISTRATION					
City Auditor	9.50	9.50	9.50	9.50	9.00
City Budget	35.00	33.00	29.50	28.50	27.50
Civil Rights	34.25	31.25	23.50	23.00	22.50
Civil Service Commission	2.60	2.60	2.60	2.60	—
Employees' Retirement System	20.00	20.00	20.00	18.00	18.00
Ethics and Elections Commission	4.90	5.20	6.20	6.20	5.20
Finance and Administrative Services ^b	641.50	625.00	602.25	528.75	521.75
Hearing Examiner	4.63	4.63	4.63	4.63	4.63
Immigrant and Refugee Affairs	9.50	7.00	3.00	3.00	2.00
Information Technology	205.00	198.25	194.25	192.25	190.25
Intergovernmental Relations	10.50	11.50	10.50	10.50	10.50
Legislative	90.00	88.50	86.50	86.50	86.00
Mayor	44.00	35.50	28.50	28.50	28.50
Department of Human Resources ^d	148.25	143.55	92.75	103.75	103.25
Office of the Employee Ombud	—	—	—	—	—
Office of Inspector General ^f	—	—	—	—	—
Office of Labor Standard	—	—	—	—	—
Sustainability and Environment	17.25	15.25	12.00	10.00	14.75
Total Full-Time Equivalents	11,759.73	11,559.25	11,361.53	11,039.36	10,913.40

^a Source - City of Seattle Adopted Budget.

^b Department of Executive Administration, Department of Finance, and Fleets and Facilities Department were merged and created the Department of Finance and Administrative Services in 2010.

^c The Office of the Employee Ombud was created for 2019.

^d Personnel was renamed the Seattle Department of Human Resources in 2014.

^e The 2016 Adopted Budget renamed the Department of Planning and Development to the Department of Construction and Inspections. Planning staff and functions were transferred to a new Office of Planning and Community Development and additional staff were added.

^f The Office of the Inspector General for Public Safety was established by ordinance in 2017 and first budgeted in 2018.

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OPERATING INDICATORS ^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PUBLIC SAFETY					
Fire					
Property fire loss					
Total City	\$ 18,029,648	\$ 27,166,607	\$ 17,758,107	\$ 22,140,431	\$ 26,002,865
Per capita	\$ 24.46	\$ 35.69	\$ 23.76	\$ 30.31	\$ 36.47
Police					
Municipal Court filings and citations					
Non-traffic criminal filings	3,989	6,044	8,092	8,327	8,218
Traffic criminal filings	148	398	575	629	619
DUI filings	927	1,136	1,439	1,444	1,255
Non-traffic infraction filings	671	954	1,865	1,846	3,173
Traffic infraction filings	9,003	14,381	27,442	27,004	32,854
Parking infractions	552,815	277,387	547,117	542,859	583,360
ARTS, CULTURE, AND RECREATION					
Library					
Library cards in force	346,977	378,206	396,658	369,698	383,236
Parks and Recreation					
Park use permits issued					
Number	491	108	830	806	841
Amount	\$ 345,992	\$ 95,040	\$ 1,250,792	\$ 273,387	\$ 600,817
Facility use permits issued including pools					
Number	9,943	9,063	19,677	21,209	25,935
Amount	\$ 1,199,184	\$ 2,290,604	\$ 9,167,354	\$ 4,306,075	\$ 9,061,570
Facility use permits issued excluding pools					
Number	9,749	8,978	18,896	20,585	24,902
Amount	\$ 783,526	\$ 2,178,037	\$ 8,429,776	\$ 3,555,031	\$ 8,329,343
Picnic permits issued					
Number	2,425	192	3,547	3,466	3,920
Amount	\$ 333,253	\$ 20,740	\$ 721,178	\$ 391,156	\$ 427,769
Ball field usage					
Scheduled hours	174,384	35,214	124,506	191,010	198,082
Amount	\$ 3,545,402	\$ 1,258,011	\$ 4,124,294	\$ 3,454,407	\$ 3,496,685
Weddings					
Number	145	37	230	216	228
Amount	\$ 74,311	\$ 12,485	\$ 158,364	\$ 93,520	\$ 97,738
NEIGHBORHOODS AND DEVELOPMENT					
Construction and Inspections					
Permits					
Number issued	8,963	8,725	10,505	10,027	10,444
Value of issued permits	\$ 3,972,734,147	\$ 2,887,867,291	\$ 4,603,329,257	\$ 3,959,949,752	\$ 5,088,196,449
UTILITIES					
City Light					
Customers	485,155	477,577	470,380	461,500	454,500
Operating revenues	\$ 1,108,977,267	\$ 1,015,765,767	\$ 1,079,423,815	\$ 991,613,793	\$ 989,710,419
Water					
Population served	1,561,000	1,561,000	1,511,000	1,506,000	1,478,000
Billed water consumption, daily average, in gallons	117,395,510	113,259,352	115,114,247	118,411,885	118,402,270
Operating revenues	\$ 303,499,096	\$ 278,577,869	\$ 281,008,043	\$ 282,286,898	\$ 262,896,544
Drainage and Wastewater					
Operating revenues	\$ 502,517,146	\$ 460,296,464	\$ 454,381,864	\$ 419,875,848	\$ 400,284,279
Solid Waste					
Customers					
Residential garbage customers	178,864	171,567	168,945	166,935	165,482
Residential dumpsters customers	205,729	201,292	195,188	188,290	181,545
Commercial garbage customers	8,164	8,214	8,556	8,023	8,082
Operating revenues	\$ 238,260,883	\$ 224,052,357	\$ 224,965,227	\$ 205,633,975	\$ 209,643,613

^a All figures are supplied by the named departments.

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OPERATING INDICATORS ^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PUBLIC SAFETY					
Fire					
Property fire loss					
Total City	\$ 25,799,733	\$ 22,636,220	\$ 16,571,652	\$ 8,887,550	\$ 11,340,687
Per capita	\$ 37.57	\$ 34.18	\$ 25.87	\$ 14.18	\$ 18.40
Police					
Municipal Court filings and citations					
Non-traffic criminal filings	7,161	7,387	6,674	7,573	8,162
Traffic criminal filings	660	678	802	1,048	953
DUI filings	1,269	1,099	1,074	1,111	1,369
Non-traffic infraction filings	4,019	4,710	2,182	2,190	3,122
Traffic infraction filings	34,401	47,931	41,467	42,091	36,872
Parking infractions	600,188	518,624	527,782	631,388	578,507
ARTS, CULTURE, AND RECREATION					
Library					
Library cards in force	378,222	373,898	464,787	458,644	453,000
Parks and Recreation					
Park use permits issued					
Number	766	744	759	651	646
Amount	\$ 538,945	\$ 616,102	\$ 615,073	\$ 511,114	\$ 493,691
Facility use permits issued including pools					
Number	25,935	24,405	24,543	24,740	25,944
Amount	\$ 8,193,741	\$ 7,359,133	\$ 7,278,825	\$ 6,973,400	\$ 6,502,337
Facility use permits issued excluding pools					
Number	25,275	23,750	23,749	24,182	25,353
Amount	\$ 7,505,445	\$ 6,683,724	\$ 6,543,601	\$ 6,313,899	\$ 5,935,997
Picnic permits issued					
Number	4,245	4,323	4,027	3,967	3,664
Amount	\$ 421,821	\$ 422,861	\$ 386,272	\$ 381,309	\$ 363,842
Ball field usage					
Scheduled hours	186,021	147,311	170,014	161,571	147,142
Amount	\$ 2,803,130	\$ 2,662,171	\$ 2,797,013	\$ 2,477,333	\$ 2,668,292
Weddings					
Number	234	269	254	258	250
Amount	\$ 96,314	\$ 104,265	\$ 89,486	\$ 94,845	\$ 94,295
NEIGHBORHOODS AND DEVELOPMENT					
Construction and Inspections					
Permits					
Number issued	14,261	17,666	12,047	8,350	7,316
Value of issued permits	\$ 3,732,939,162	\$ 3,945,738,487	\$ 3,789,737,682	\$ 3,064,690,426	\$ 2,450,807,519
UTILITIES					
City Light					
Customers	447,332	422,809	415,056	408,055	402,608
Operating revenues	\$ 903,174,831	\$ 882,856,777	\$ 886,443,525	\$ 842,229,890	\$ 800,273,311
Water					
Population served	1,433,200	1,403,600	1,336,700	1,326,000	1,314,932
Billed water consumption, daily average, in gallons	115,447,224	118,900,570	113,863,391	113,107,019	112,036,939
Operating revenues	\$ 251,363,807	\$ 251,977,342	\$ 242,946,509	\$ 235,593,735	\$ 213,474,169
Drainage and Wastewater					
Operating revenues	\$ 375,041,044	\$ 363,778,513	\$ 341,999,940	\$ 333,760,233	\$ 304,001,717
Solid Waste					
Customers					
Residential garbage customers	181,940	164,381	160,063	163,413	164,241
Residential dumpsters customers	156,527	146,201	142,035	135,499	129,761
Commercial garbage customers	8,096	8,145	8,168	8,156	8,148
Operating revenues	\$ 183,666,276	\$ 174,787,770	\$ 157,497,819	\$ 159,741,503	\$ 156,926,774

^a All figures are supplied by the named departments.

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CAPITAL ASSET STATISTICS ^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

PUBLIC SAFETY	2021	2020	2019	2018	2017
Fire					
Boats	14	9	9	7	7
Fire-fighting apparatus	220	227	224	221	214
Stations	33	33	33	33	33
Training towers	6	6	6	6	6
Alarm center	1	1	1	1	1
Utility shop	1	1	1	1	1
Police					
Precincts	5	5	5	5	5
Detached units	6	7	7	7	7
Vehicles					
Patrol cars	292	324	328	369	302
Motorcycles	35	35	35	40	37
Scooters	—	54	55	70	53
Trucks, vans, minibuses	83	80	87	89	91
Automobiles	157	204	205	248	236
Patrol boats	10	12	12	12	10
Bicycles	187	196	162	154	154
Horses	9	7	7	7	7
ARTS, CULTURE AND RECREATION					
Library					
Central and branch libraries	27	27	27	27	27
Mobile units	4	4	4	4	4
Physical and Digital Materials					
Circulated, Downloaded or Streamed	10,742,015	8,801,444	12,565,554	11,622,522	11,689,659
Collection, print and non-print	2,668,670	2,535,149	2,404,513	2,368,793	2,235,370
Parks and Recreation					
Major parks	19	19	19	14	14
Open space acres acquired since 1989	862	859	859	738	734
Total acreage	6,426	6,423	6,423	6,372	6,369
Children's play areas	151	153	153	160	160
Neighborhood playgrounds	149	148	148	39	39
Community playfields	51	51	51	42	42
Community recreation centers	26	26	26	27	27
Visual and performing arts centers	6	6	6	5	5
Theaters	—	—	—	1	1
Community indoor swimming pools	8	8	8	8	8
Outdoor heated pools (one saltwater)	2	2	2	2	2
Boulevards	25	25	25	18	18
Golf courses (includes one pitch and putt)	5	5	5	5	5
Squares, plazas, triangles	112	106	106	64	64
Viewpoints	16	16	16	11	11
Bathing beaches (life-guarded)	9	9	9	9	9
Bathing beaches	—	—	—	9	9

^a All figures are supplied by the named departments.

^b As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

^c Effective 2014, total loads are presented versus net loads to align with industry practice. Accordingly, prior years have been revised.

^d City redefined areas starting in 2008.

Table S-20
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CAPITAL ASSET STATISTICS^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2016	2015	2014	2013	2012
PUBLIC SAFETY					
Fire					
Boats	6	7	6	3	3
Fire-fighting apparatus	216	216	184	164	163
Stations	33	33	33	33	33
Training towers	6	2	2	2	2
Alarm center	1	1	1	1	1
Utility shop	1	1	1	1	1
Police					
Precincts	5	5	5	5	5
Detached units	7	7	7	7	7
Vehicles					
Patrol cars	280	280	272	273	270
Motorcycles	37	37	37	37	37
Scooters	71	80	75	73	67
Trucks, vans, minibuses	89	91	89	87	88
Automobiles	213	196	194	194	194
Patrol boats	10	10	10	10	10
Bicycles	154	154	154	154	154
Horses	5	7	7	7	7
ARTS, CULTURE AND RECREATION					
Library					
Central and branch libraries	27	27	27	27	27
Mobile units	4	4	4	4	4
Physical and Digital Materials					
Circulated, Downloaded or Streamed	11,544,047	11,744,881	11,435,302	10,932,677	11,376,194
Collection, print and non-print	2,181,399	2,214,169	2,435,520	2,403,693	2,280,511
Parks and Recreation					
Major parks	14	14	14	14	14
Open space acres acquired since 1989	731	731	711	695	665
Total acreage	6,367	6,367	6,298	6,251	6,188
Children's play areas	160	158	138	136	135
Neighborhood playgrounds	39	40	43	41	40
Community playfields	42	38	38	38	38
Community recreation centers	27	27	25	24	26
Visual and performing arts centers	5	5	5	6	6
Theaters	1	1	1	2	2
Community indoor swimming pools	8	8	8	8	8
Outdoor heated pools (one saltwater)	2	2	2	2	2
Boulevards	18	18	18	18	18
Golf courses (includes one pitch and putt)	5	5	5	5	5
Squares, plazas, triangles	64	64	64	64	64
Viewpoints	11	11	11	11	11
Bathing beaches (life-guarded)	9	9	9	9	9
Bathing beaches	9	9	9	9	9

^a All figures are supplied by the named departments.

^b As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

^c Effective 2014, total loads are presented versus net loads to align with industry practice. Accordingly, prior years have been revised.

^d City redefined areas starting in 2008.

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CAPITAL ASSET STATISTICS ^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
UTILITIES AND TRANSPORTATION					
City Light					
Plant capacity (KW)	1,865,150	2,006,580	2,006,580	2,058,100	2,014,100
Peak load (KW) ^c	1,896,000	1,757,000	1,806,000	1,870,000	1,785,000
Total system load (1,000 KWh) ^c	9,528,805	9,214,318	9,536,574	9,973,100	9,696,583
Meters	491,585	484,305	475,457	454,712	445,625
Water					
Reservoirs, standpipes, tanks	29	29	29	29	29
Fire hydrants	18,846	18,821	18,664	18,664	18,664
Water mains					
Supply, in miles	198	198	198	193	198
Water storage, in thousand gallons	326,100	326,100	326,100	325,350	326,100
Meters	200,284	198,726	197,747	195,331	194,580
Drainage and Wastewater					
Combined sewers, life-to-date, in miles	474	474	474	474	473
Sanitary sewers, life-to-date, in miles	946	946	946	948	949
Storm drains, life-to-date, in miles	486	486	486	486	485
Pumping stations	67	67	67	67	67
Solid Waste					
Transfer stations	2	2	2	2	2
Transportation					
Arterial streets, in lane-miles (12 ft)	1,548	1,548	1,548	1,548	1,548
Non-arterial streets (paved and unpaved), in lane-miles (12 ft)	2,396	2,396	2,396	2,396	2,396
Sidewalks, in miles	2,275	2,294	2,294	2,238	2,326
Stairways	500	502	502	498	498
Length of stairways, in feet	33,554	34,869	34,869	34,923	34,923
Number of stairway treads	22,416	23,555	23,555	23,585	23,585
Street trees					
City-maintained	41,000	41,000	41,000	41,000	41,000
Maintained by property owners	150,000	150,000	150,000	150,000	150,000
Total platted streets, in centerline miles	1,675	1,675	1,675	1,675	1,675
Traffic signals	1,109	1,106	1,106	1,085	1,077
Parking meters					
Downtown	—	—	—	—	—
Outlying	—	—	—	—	—
Parking pay stations					
Downtown	618	646	646	690	689
Outlying	846	866	866	950	1,006
Bridges (movable) - City-owned and -operated	4	4	4	4	4
Bridges (fixed)					
City maintenance	125	120	120	98	96
Partial City maintenance	40	40	40	40	51
Retaining walls/seawalls	467	613	613	593	587

^a All figures are supplied by the named departments.

^b As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

^c Effective 2014, total loads are presented versus net loads to align with industry practice. Accordingly, prior years have been revised.

^d City redefined areas starting in 2008.

Table S-20
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CAPITAL ASSET STATISTICS ^a
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2016	2015	2014	2013	2012
UTILITIES AND TRANSPORTATION					
City Light					
Plant capacity (KW)	2,014,100	1,975,100	1,991,600	1,991,600	1,920,700
Peak load (KW) ^c	1,689,000	1,866,792	1,840,792	1,804,708	1,748,833
Total system load (1,000 KWh) ^c	9,687,222	9,911,624	10,048,700	10,082,024	10,202,992
Meters	430,148	422,613	406,274	407,614	406,195
Water					
Reservoirs, standpipes, tanks	29	29	26	27	27
Fire hydrants	18,000	18,000	18,655	18,550	18,503
Water mains					
Supply, in miles	193	193	182	182	187
Water storage, in thousand gallons	354,500	354,500	398,369	338,869	338,869
Meters	192,633	191,403	187,159	188,883	188,457
Drainage and Wastewater					
Combined sewers, life-to-date, in miles	475	474	472	471	471
Sanitary sewers, life-to-date, in miles	947	947	949	948	957
Storm drains, life-to-date, in miles	483	481	479	474	473
Pumping stations	68	68	67	67	66
Solid Waste					
Transfer stations	2	2	2	2	2
Transportation					
Arterial streets, in lane-miles (12 ft)	1,547	1,547	1,540	1,540	1,537
Non-arterial streets (paved and unpaved), in lane-miles (12 ft)	2,407	2,407	2,412	2,412	2,411
Sidewalks, in miles	2,303	2,230	2,230	2,256	2,262
Stairways	492	509	505	507	507
Length of stairways, in feet	35,653	36,269	35,112	35,122	35,061
Number of stairway treads	23,503	23,344	24,050	24,050	24,009
Street trees					
City-maintained	41,000	41,000	41,000	41,000	40,000
Maintained by property owners	150,000	125,000	125,000	125,000	125,000
Total platted streets, in centerline miles	1,677	1,677	1,677	1,677	1,666
Traffic signals	1,071	1,041	1,070	1,060	1,053
Parking meters					
Downtown	—	—	6	93	231
Outlying	—	—	4	26	85
Parking pay stations					
Downtown	880	892	961	973	998
Outlying	1,141	1,112	1,174	1,198	1,227
Bridges (movable) - City-owned and -operated	4	4	4	4	4
Bridges (fixed)					
City maintenance	96	93	99	95	90
Partial City maintenance	51	54	32	44	44
Retaining walls/seawalls	582	580	592	592	592

^a All figures are supplied by the named departments.

^b As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

^c Effective 2014, total loads are presented versus net loads to align with industry practice. Accordingly, prior years have been revised.

^d City redefined areas starting in 2008.