

# 2021



## Annual Comprehensive Financial Report



For the fiscal year ended December 31, 2021

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

PREPARED BY THE DEPARTMENT OF FINANCE:

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PAYROLL ANALYST

TRACEY CARTMEL  
FINANCE SPECIALIST I

**CITY OF SAMMAMISH  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Fiscal Year Ended December 31, 2021**

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## INTRODUCTORY SECTION

## ELECTED OFFICIALS

as of 12/31/21



**Karen Moran**  
Mayor



**Christie Malchow**  
Deputy Mayor



**Ken Gamblin**  
Councilmember



**Chris Ross**  
Councilmember



**Pam Stuart**  
Councilmember



**Kent Treen**  
Councilmember

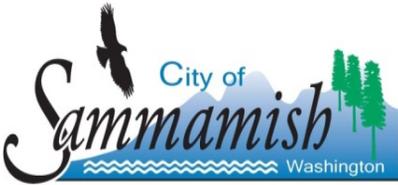


**Tom Odell**  
Councilmember

## EXECUTIVE STAFF AND LEGAL COUNSEL

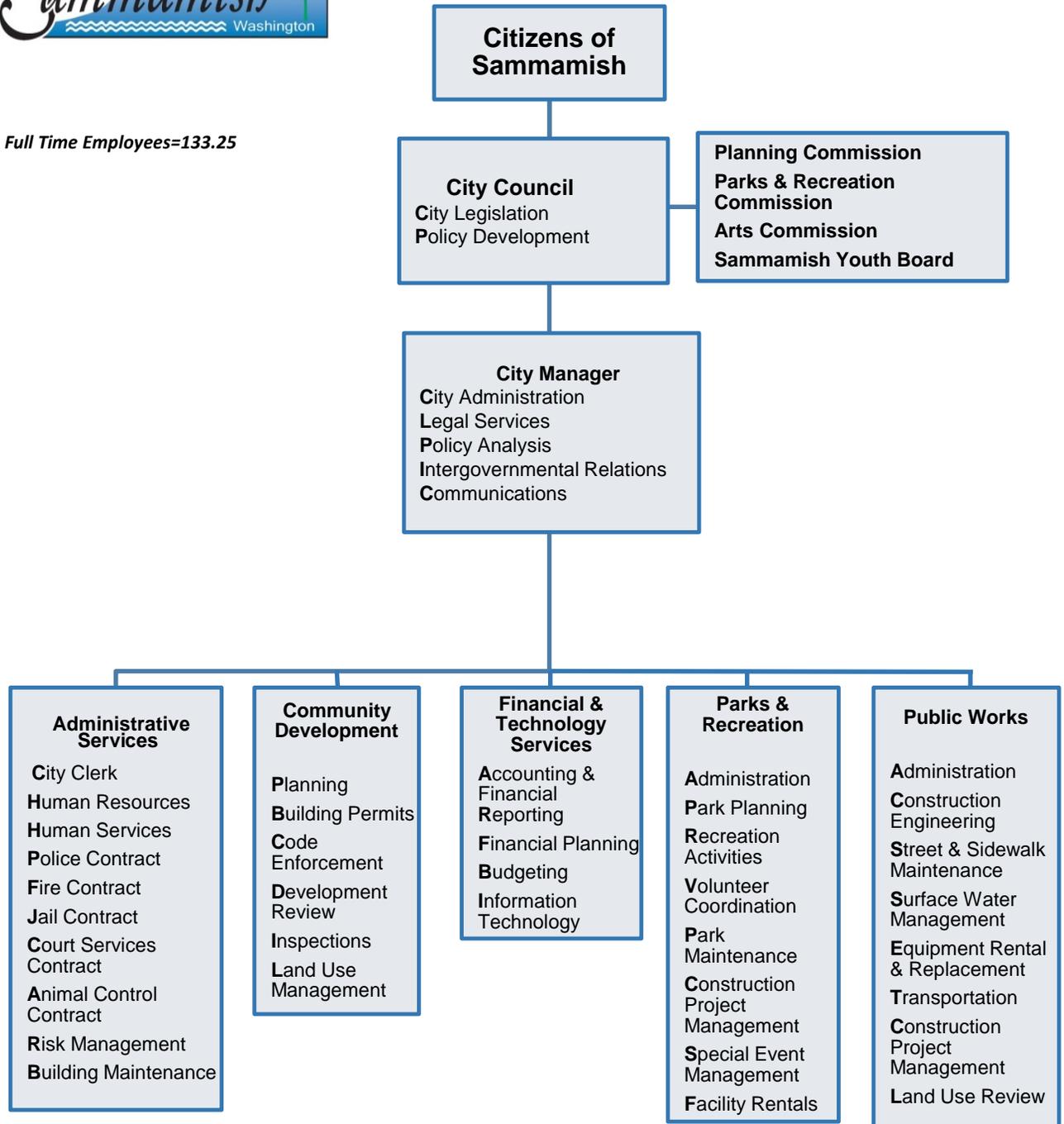
David Rudat  
Scott Macoll  
Aaron Antin  
Jeffery Elekes  
Anjali Myer  
David Pyle  
Jim Hominiuk  
Lisa Marshall  
Daniel Pingrey  
Lita Hachey

City Manager  
Deputy City Manager  
Director of Finance/Assistant City Manager  
Director of Public Works  
Director of Parks and Recreation  
Director of Community Development  
Director of Information Technology  
City Attorney  
Police Chief  
City Clerk



# ORGANIZATION CHART

Full Time Employees=133.25





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sammamish  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



801 – 228<sup>th</sup> Avenue SE • Sammamish, WA 98075 • Phone: 425-295-0500 • Fax: 425-295-0600  
• web: [www.sammamish.us](http://www.sammamish.us)

October 21, 2022

Mayor Karen Moran, Sammamish City Council, and Citizens of Sammamish,

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Sammamish, Washington for the fiscal year ended December 31, 2021.

The ACFR is published annually as the City's official annual financial report and complies with state law revised code of Washington (RCW) 43.09.230 requiring annual reports for Washington municipal governments to be certified and filed with the state auditor's office in a timely fashion.

This report provides the City Council, city staff, our citizens, and other readers with detailed information about the financial position and activities of the City. City management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

As required by state law, the City uses the Budgeting, Accounting, and Reporting System (BARS) manual developed and prescribed by the Office of the State Auditor. Statewide reporting of similar revenues and expenses for all cities and counties is made possible through the use of the BARS manual. The City's accounting system provides reliable financial records for preparing financial statements that follow Generally Accepted Accounting Principles (GAAP) for governments in the United States of America.

The City's internal control structure is designed to help safeguard the City's assets against loss, theft, or misuse. This structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits requires estimates and judgments by management.

State law provides for an annual independent audit by the Office of the State Auditor. Additionally, as a recipient of federal financial assistance, the City may be required to have an annual single audit that meets the requirements of the federal Office of Management and Budget Circular A-133 and its supplements. The federal audit is conducted by the state auditor's office in conjunction with the annual independent audit. The City is not required to have a single audit for 2021.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sammamish's MD&A can be found immediately following the independent auditor's report.

## **City Profile**

The City of Sammamish was incorporated on August 31, 1999, with 63.22% voter approval, and operates as a non-charter optional code city with a Council–Manager form of government. Optional code city status increases the City’s operating authority by extending to it the powers of all four city classifications that exist in Washington law.

The Council is comprised of seven members, elected at large by the citizens of Sammamish. They are part-time officials who exercise the legislative powers of the City and determine matters of policy. The Mayor is a council member selected by the Council to chair meetings, authenticate documents and serves as the ceremonial head of the City. The Council is supported by several advisory boards and commissions. The Council appoints a full-time City Manager who is the head of the executive branch and serves as the professional administrator of the organization, coordinating day-to-day activities.

Sammamish, covering about 26 square miles, is situated between Issaquah to the south, Redmond to the north, and is east of Lake Sammamish. This suburban community—which back in 1970 was home to only 6,000 people—still retains its rural look and feel, even though the population has grown to 65,265 as of 2020. The City is conveniently located within easy commuting and shopping distance of many larger cities including Bellevue, Renton and Seattle.

Sammamish provides a full range of municipal services including:

- Police protection (contracted from the King County Sheriff)
- Fire protection (Eastside Fire and Rescue joint venture)
- Parks, recreation, and cultural services
- Street maintenance and construction
- Planning, zoning and community development
- Support services/legislative/administrative: facilities, financial, fleet, human resources, technology, risk management, emergency management
- Surface water utility: operations and capital infrastructure

The city prepares budgets in accordance with RCW section 35A.33. Biennial budgets are adopted by the City Council for funds providing customary government services. Each biennium begins with an odd numbered year. Reviews are conducted at mid-biennium and any changes are adopted by the City Council. A budget increase or decrease to a fund must be authorized by the City Council. Budgetary control is at the fund level. All budgets are further monitored on a departmental basis.

## **Local Economy**

The City is primarily a “bedroom” community to Seattle and Bellevue, with approximately 90% of its working residents employed outside the City. The local economy is based on businesses which provide goods and services to local residents. There is no significant industry within the City.

Sammamish has four main commercial complexes. Three of the complexes are supermarkets with several smaller shops and businesses. The fourth is Town Center, a mixed-use development that includes the Metropolitan Market, restaurants, general retail, office and medical, as well as apartment homes and townhouses. There are 11 schools inside the city limits, including three high schools within one mile of one another.

Several upscale residential communities are within the city limits. Sahalee is a private residential/golf community located around a 27-hole course. The Sahalee Country Club hosted the US Senior Open Championship in 2010 and the LPGA championship tournament in 2016. Plateau Golf and Country Club is a newer 18-hole golf course/clubhouse with condominiums, townhouses, and single-family homes.

The City is dependent upon property taxes as a major source of revenue to the general fund, providing about 70% of the fund's revenue. Annual property tax increases are limited to 1% of the prior year's collections plus a new construction factor unless approved via referendum. The City increased property taxes by the 1%, in addition to using half the "banked" increases from previous years, which totaled \$1,220,125.

Real estate excise taxes derived from the sale of real property along with transportation and park impact fees are major sources of funding for capital expenditures. Real estate excise tax receipts in 2021 were 43% higher than 2020, the first year of increase after three years of decline. Impact fee revenues have seen decreases of 68% (transportation) and 69% (parks) from the prior year. This continued the decline of impact fee revenue starting in 2014. Significant infrastructure funding is also provided by transfers of general fund resources to the capital improvement funds. The city has no utility or business taxes.

### **Long-Term Financial Planning**

Encompassed in the long-term financial plan is continued infrastructure investment. Parks, transportation, storm drainage, green space, and pathways are top council priorities as are trails and other non-motorized transportation improvements. However, none of these goals are being pursued at the expense of financial stability.

The City maintains a six-year financial planning horizon and balances requirements to resources over the life of the six-year forecast. As part of this process, one-time excesses of revenues over expenses are identified and allocated to one-time expenses. Ongoing costs are funded only by ongoing revenue sources. In 2008, the City received national recognition for its prudent financial modeling and forecasting strategies when Standard and Poors upgraded the City's bond rating from AA to AAA, making Sammamish the youngest city in the state to ever get the top rating. In 2021, the City did not hold a bond rating, as all outstanding bonds have been paid.

Since the City's incorporation in 1999, an average of \$13 million per year has been invested in capital assets including roads, parks, and buildings. This new infrastructure brings with it increased operating costs. Public safety expenditures for police and fire contracted services accounted for 30.5% of General Fund expenditures in 2021, down from a high of 49% in 2010. While ending fund balances remain healthy, the City Council and management are discussing revenue source alternatives in anticipation of expenditures exceeding current revenue sources in the next five to ten years.

Sammamish operates using a combination of city staff and contracted services to ensure flexibility in operations and maintain a sustainable level of service to the citizens. As Sammamish moves forward, economic indicators will continue to be monitored, and adjustments to city spending and service levels made to maintain the City's financial health. The City uses a long-term financial forecasting model to assist with future planning. This model's projections are shared with the City Council on a regular basis. City policies that can have a significant impact on the financial statements are discussed in detail in Note 1 of this report.

## Major Initiatives

Capital improvements remain a significant focus as the City continues to improve its transportation system, neighborhood sidewalks, and to offer varied recreational opportunities. Major projects in 2021 included:

- In 2021, the City continued construction of the Ebright Creek Fish Passage project. The goal of the project is to restore the Ebright Creek crossing at East Lake Sammamish Parkway to allow fish, especially native Kokanee salmon, to swim upstream.
- Big Rock Park Site B Phase 1 project was substantially completed in 2021. This project included a Treehouse, Heritage Garden and the historic Reard House, which was built in 1890. The Park officially opened to the public in late Spring of 2021. The land was donated by Mary Pigott, with the third parcel (Big Rock Park South) to be donated in the future.
- The City continued construction on the Issaquah-Fall City Road project. When complete, the project will add capacity by increasing the number of travel lanes for turning and through traffic, improve safety along the roadway and at intersections for those driving, cycling, walking along, or crossing the corridor, and protect mature trees and environmentally sensitive areas such as stream crossings and wetlands.
- During 2021, the City undertook the ADA Transition Plan. In an effort to make Sammamish public facilities and programs accessible to all, the City has undertaken a comprehensive Transition Plan process. The Plan will identify barriers which impede access to City buildings, parks, and pedestrian facilities in the public right-of-way.

Sammamish Commons normally is the site of the City's 4<sup>th</sup> of July fireworks celebration. Due to state-wide restrictions on large gatherings, the popular family activity was not able to be held during 2021. The Farmer's Market did return in 2021 and was held on Wednesdays in the Sammamish Commons. Residents of all ages and interests find enjoyment at Sammamish Commons, whether taking a peaceful walk around the lower commons trail or making use of the picnic areas, spray pad, and playground equipment.

## Awards and Acknowledgements

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 Sammamish for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City of Sammamish its Distinguished Budget Presentation Award for its biennial budgets since the 2003/2004 biennium.

The preparation of the Annual Comprehensive Financial Report on a timely and accurate basis could not have been accomplished without the efforts and dedication of the staff of the City's

Finance Department. I would like to express my appreciation to my staff and to personnel from other departments and agencies that assisted in its preparation. Also, I would like to thank the City Manager's Office and City Council for their continued interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Aaron Antin', with a stylized flourish at the end.

Aaron Antin  
Finance Director

## FINANCIAL SECTION



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

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sammamish, 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.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

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

## **Other Information**

The other information comprises Introductory and Statistical Sections, but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion 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 October 21, 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. 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

October 21, 2022

MANAGEMENT'S DISCUSSION

AND

ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### Financial Highlights

- The City ended the year in a strong financial position, with total assets and deferred outflows exceeding total liabilities and deferred inflows by \$737.3 million, an increase of \$22.7 million over the 2020 ending net position. The acquisition of capital assets was the driver for the increase at \$9.2 million over the previous year, as well as the addition of a net pension asset of \$9.2 million. A decrease in accounts payable of \$3.3 million also contributed to the increase in ending net position.
- During 2021, the City saw an overall increase in revenues of \$4.1 million, or 5.3 %. Property, Sales, and Real Estate Excise taxes increased by a total of \$6.2 million, reflecting the increased property values in Sammamish. The increase in tax revenue was offset by a decrease in interest earnings of \$1.6 million and a decrease in charges for services of \$1.7 million. Expenses increased \$1.1 million over 2020.

### Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements which are presented in three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is also contained in this report.

#### Government-wide financial statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar to the financial reporting of private-sector businesses.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, showing the difference between assets and deferred outflows, and liabilities and deferred inflows of resources as net position. Over time, increases or decreases in net position may be one indicator of whether the financial health of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the year. The net cost of each governmental and business-type activity is reported separately from taxes and other sources of revenue not related to a specific function. Activity on this statement is reported on the accrual basis of accounting, meaning that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, unpaid vendor invoices, and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). Governmental activities include general government (finance and administrative services), security (police and fire), physical and economic environment, transportation, mental/physical health, and culture and recreation. The City has one business-type activity, a surface water management utility.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or to meet certain objectives. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related and legal requirements. The City's funds are divided into two categories: governmental funds and proprietary funds.

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

Because the focus of the governmental funds is narrower than that of the government-wide statements, it is useful to compare similar information in the governmental fund statements and the government-wide statements. In doing so, the reader may better understand the long-term impact of the City's current year 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 this comparison between *governmental funds* and *governmental activities*.

The City maintains five governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Street Fund, the General Capital Improvement Fund, the Parks Capital Improvement Fund and the Transportation Capital Improvement Fund, all of which are considered to be major funds. Data from the G.O. Debt Service Fund is shown in a column labeled Non-major Fund.

The City maintains budgetary control over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level and according to state law. A budgetary comparison statement is presented for the General and Street Funds as required supplementary information. Other budgetary comparison schedules are included in the Fund Financial Statements and Schedules sections of this report.

**Proprietary funds** are used by governments to account for their business-type activities. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers.

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

Enterprise funds of the City are used to report the same functions presented as business-type activities in the government-wide statements with the fund statements providing more detail than is reported in the government-wide statements. The enterprise fund statements provide information for the City's storm water utility operating and capital activities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to accumulate funds for vehicle replacement, account for vehicle maintenance, to account for insurance premiums and claims, and to account for information technology activities. Internal service funds benefit both governmental and business-type activities and are allocated accordingly in the government-wide statement of activities. Internal service fund assets and liabilities are predominantly governmental and have been included in the governmental activities column of the government-wide statement of net position.

## **Notes to the financial statements**

The notes to the financial statements provide additional information that is important to a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements. Note 1 discusses the financial policies of the City which have impacts on the financial statements.

## **Other information**

The combining statements for internal service funds are presented immediately following the notes section Government-wide Financial Analysis

## **Statement of Net Position**

The City's financial condition remained positive during 2021, despite the continued pandemic and stagnant development. As noted earlier, net position may serve as a useful indicator of the City's financial situation. The City's net position at December 31, 2021, totaled \$737.3 million, an increase of \$22.7 million over 2020. Net position of the City as of December 31, 2021, is summarized and analyzed below.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Current and other assets	\$ 107,992	\$ 93,993	\$ 11,660	\$ 7,570	\$ 119,652	\$ 101,564
Capital assets, net of accumulated depreciation	550,745	544,363	83,537	81,699	634,282	626,062
Total assets	658,738	638,356	95,196	89,270	753,934	727,626
Deferred outflows	1,349	1,422	160	220	1,509	1,642
Total deferred outflows	1,349	1,422	160	220	1,509	1,642
Long-term liabilities	1,909	3,897	218	599	2,127	4,496
Other liabilities	6,002	8,424	293	349	6,295	8,772
Total liabilities	7,911	12,320	511	948	8,422	13,269
Deferred inflows	8,716	1,245	1,033	193	9,749	1,437
Total deferred inflows	8,716	1,245	1,033	193	9,749	1,437
Net position						
Net investment in capital assets	549,585	539,918	83,404	81,369	632,989	621,287
Restricted	27,956	18,108	184	-	28,140	18,108
Unrestricted	65,919	68,187	10,224	6,980	76,144	75,167
Total net position	\$ 643,460	\$ 626,213	\$ 93,812	\$ 88,349	\$ 737,272	\$ 714,562

**Governmental Activities:** Net position from governmental activities increased by \$17.2 million in 2021, for a total of \$643.5 million. Of total governmental activities net position, \$26.4 million is restricted for capital projects and \$1.5 million is restricted for pensions. Unrestricted net position of \$65.9 million is available to meet ongoing obligations to citizens and creditors. Factors contributing to the changes are as follows:

- Of the increase in governmental activities, \$6.3 million was from the acquisition of capital assets, net of depreciation. Cash and investments increased by \$3.4 million, and receivables increased by \$2.7 million, both increases are due to awards for various grants. The addition of an \$8.2 million net pension asset also contributed to the increase in net position.

Total liabilities and deferred inflows increased by \$3.1 million. The largest component of this increase is due to deferred inflows relating to pensions, which rose by \$7.5 million over 2020. Offsetting this increase was a decrease in net pension obligation of \$2.3 million and a decrease in short-term liabilities of \$2.3 million.

**Business-type Activities:** Business-type activities of the City's surface water fund increased the City's net position by \$5.5 million in 2021. Of total net position of \$93.8 million, \$10.2 million is available to meet ongoing operating needs. Factors contributing to the increase were:

- Much of the increase was the result of several on-going construction projects adding \$1.9 million, and capital assets contributed by developers of \$1.7 million, net of depreciation. These increases are partially offset by depreciation expense of \$1.8 million. Additionally, cash and cash equivalents increased by \$3.6 million, a majority of which is related to an increase in annual stormwater fees of 19.0%

- Total liabilities and deferred inflows saw a slight increase of \$404,000. The increase consists of an increase in deferred inflows related to pension of \$841,000 and is partially offset by a decline in the net pension liability of \$389,000 and the accounts payable and compensated absences balances of \$48,000.

## Changes in position

As illustrated in the following table, the City's net position increased approximately \$22.7 million in 2021. The increase was split between the governmental activities (\$17.2 million) and the business-type activities (\$5.5 million).

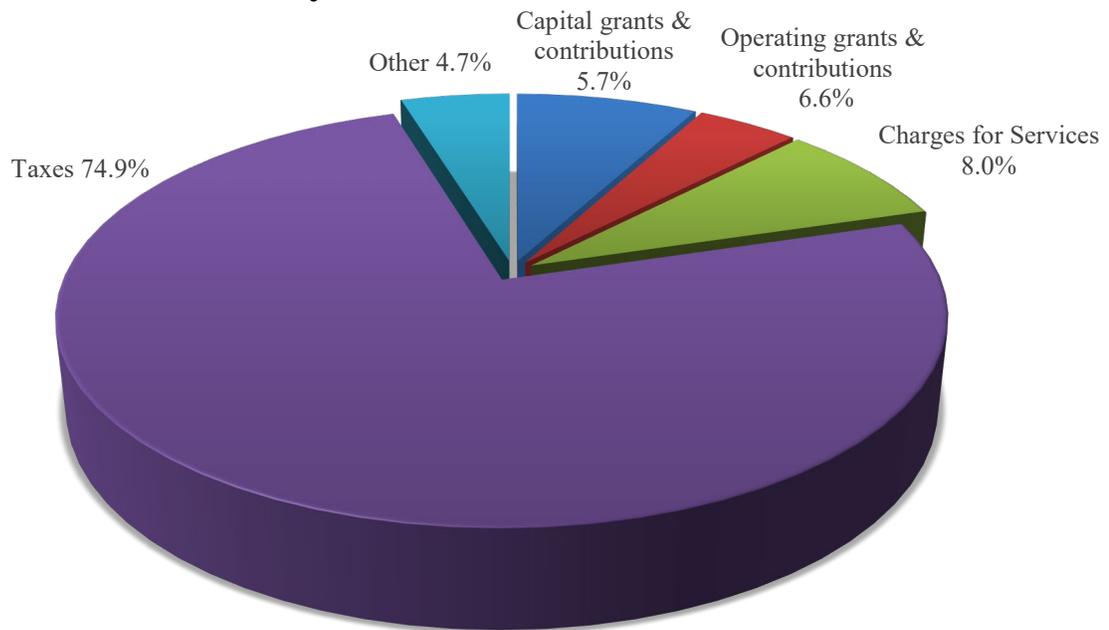
The table below provides condensed information on revenues, expenses, and changes in net position with governmental and business-type activities shown separately.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Revenues:						
Program revenues:						
Charges for services	\$ 5,587	\$ 7,425	\$ 9,103	\$ 8,935	14,689	\$ 16,360
Operating grants & contributions	3,065	3,181	544	25	3,610	3,206
Capital grants & contributions	5,487	2,735	1,849	4,252	7,336	6,988
General revenues:						
Property taxes	32,460	30,579	-	-	32,460	30,579
Sales taxes	9,527	8,241	-	-	9,527	8,241
Real estate excise taxes	10,100	7,064	-	-	10,100	7,064
Other taxes	2,859	2,418	-	-	2,859	2,418
Investment interest	(155)	1,405	235	55	80	1,460
Miscellaneous	594	875	126	-	720	875
Total revenues	69,523	63,923	11,857	13,268	81,380	77,191
Expenses:						
General government	14,800	10,572	-	-	14,800	10,572
Security	16,150	15,763	-	-	16,150	15,763
Physical environment	2,224	1,445	-	-	2,224	1,445
Economic environment	5,141	4,381	-	-	5,141	4,381
Transportation	7,035	10,995	-	-	7,035	10,995
Mental/physical health	20	19	-	-	20	19
Culture and recreation	6,903	7,634	-	-	6,903	7,634
Interest on long-term debt	3	4	-	-	3	4
Stormwater	-	-	6,394	6,741	6,394	6,741
Total expenses	52,276	50,814	6,394	6,741	58,670	57,556
Increase in net position before transfers and special items	17,247	13,109	5,463	6,526	22,710	19,635
Transfers	-	-	-	-	-	-
Increase in net position	17,247	13,109	5,463	6,526	22,710	19,635
Net position - beginning	626,213	613,104	88,349	81,823	714,562	694,926
Net position - ending	\$643,460	\$626,213	\$ 93,812	\$ 88,349	\$737,272	\$714,562

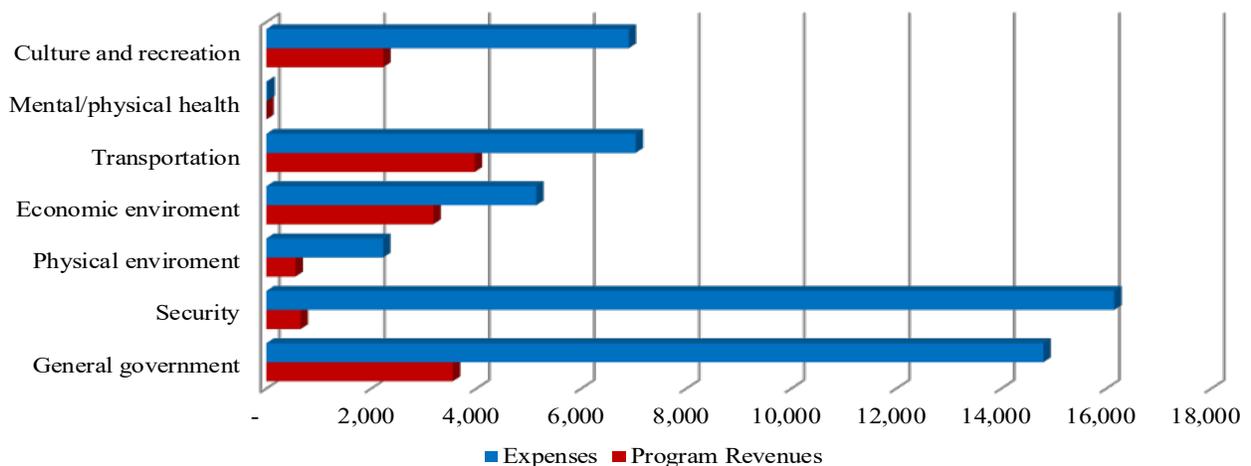
**Governmental activities** increased the City’s net position by \$17.2 million in 2021, which accounts for 76% of the total increase in net position of the City. Both revenues and expenses saw an increase over 2020 amounts, but the increase in revenues outpaced the increase in expenses, resulting in the increased net position. Key elements of the increase are due to:

- Tax revenue grew overall by \$6.6 million. Real estate excise taxes accounts for much of the growth at 43.0%, this is due to both a 12% growth in sales and a 34% increase in the median sales price in Sammamish over 2020. Property tax collections rose by 6.2%, a combination of increased assessed values and a 4% rate increase. Additional increases include sales taxes by 15.6% and other taxes by 18.2%. Charges for services were down \$1.8 million, largely due to the continuation of COVID restrictions resulting in the cancellation of many of the City’s recreation offerings, this decrease is offset by an increase in grants and contributions of \$2.6 million.
- Overall, total expenses for governmental activities grew by \$1.5 million in 2021. The main increase in expenses comes from COVID related activities, with small business grants of \$813,000 and community emergency support of \$408,300, accounting for a majority of the increase. Generally, cost increases across the board in expenditures are consistent with increased prices for services and goods and the gradual return to pre-COVID level of services.

### Revenue by Source - Governmental Activities



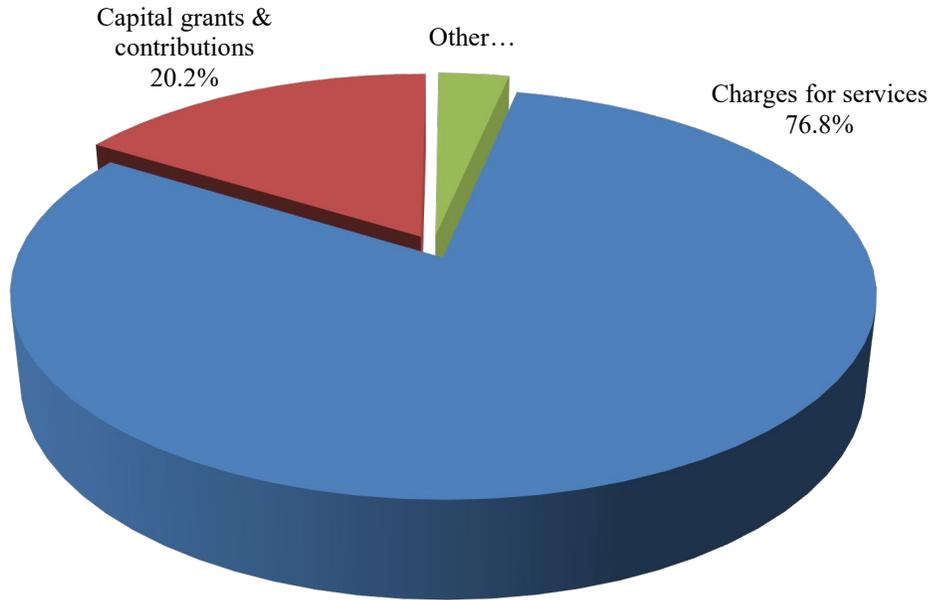
### Expenses and Program Revenues - Governmental Activities (in thousands)



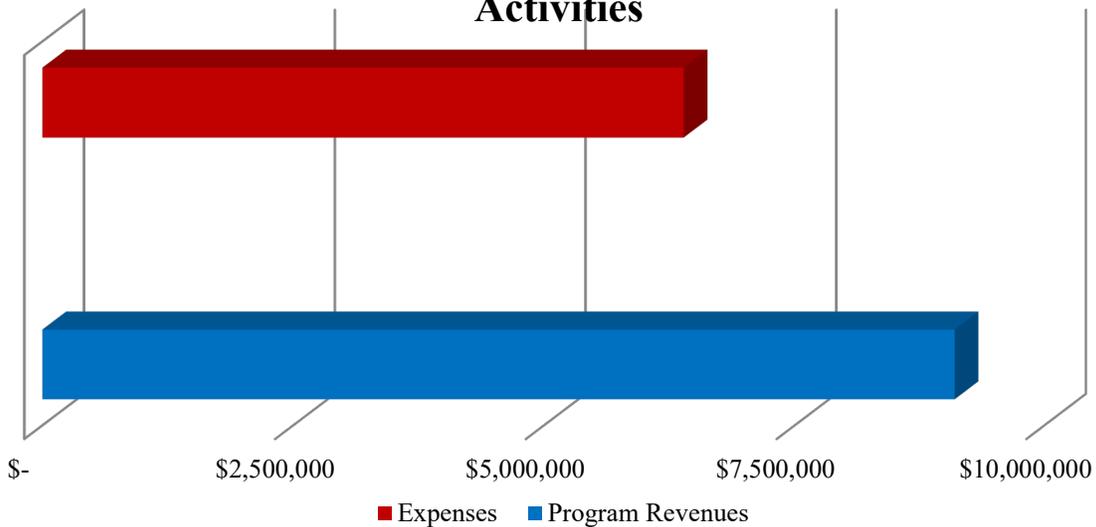
**Business-type activities** increased the City’s net position by \$5.5 million, accounting for 24.0% of the total growth. This increase was due to a continued surplus of revenues over expenses. While total revenues saw a decrease over 2020, they still outpaced expenditures, which also decreased from 2020.

- Revenues in 2021 decreased \$1.4 million over the previous year. Charges for services increased \$168,000, while grants and contributions decreased by \$1.9 million.
- Expenses were \$347,000 less than 2020. This is due to one-time expenses in 2020 that were not repeated in the current year and were related large maintenance needs.

### Revenue by Source - Business Type Activities



### Expenses and Program Revenues - Business Type Activities



## Financial Analysis of the Government's Funds

As discussed 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 spendable resources. This information helps determine the City's financial requirements for the near future. In particular, fund balance is a good indicator of the City's resources available at the end of the year.

At the end of the current year, the City's governmental funds reported combined ending fund balances of \$89.3 million. This was an increase of \$6.7 million or 8.1% over the ending fund balances of the prior year. Of the ending fund balances, \$4.5 million has been set aside for a strategic reserve, and the remaining \$84.8 million is available for ongoing City operations and initiatives.

The General fund is the primary operating fund of the City. Receipts and payments of ordinary city operations are processed through the General fund unless they are required to be accounted for in another fund. Taxes are the major revenue source. At the end of 2021, the fund balance of the General fund was \$44.8 million.

The General Fund balance increased \$7.1 million from the prior year. Revenues decreased by just over one-half of a percent, while expenditures increased 24.8% and transfers in were \$11.1 million over 2020 amounts. Revenues exceeded expenditures in the general fund by \$3.8 million in 2021. In 2021, the program expenses housed in the Street Fund were moved to the General Fund. The street fuel tax revenue is received in the Street Fund, and then transferred to the General Fund. This change explains the large fluctuations in expenditures and transfers in.

General fund revenues were \$318,000 lower in 2021. Overall, tax revenues increased by \$3.1 million, driven mainly by real estate excise taxes, due to a surge in both the number of properties sold and the median price of those properties. Intergovernmental revenues decreased by \$3.9 million as the Street tax revenues are now accounted for as transfers into the General Fund.

General Fund expenditures grew by \$8.9 million in 2021. The largest portion of the increase was Security, with a \$2.1 million increase, due mainly to rising contracted costs for police and jail services. The transfer of transportation activities from the Street Fund comprises a majority of the remaining \$6.8 million increase.

General Fund expenditures are closely monitored with all departments working together to limit their expenditures with minimal impact on currently provided public services. The City's total budgeted positions increased by 2.0 full-time equivalent positions for a total of 133.25 FTEs. City staff represented by a union received a 2% cost of living adjustment in 2021, while unrepresented staff received a 2.38% adjustment.

The Street Fund accounts for the City's fuel tax receipts, which are collected as passed on to the General fund. Accordingly, the fund shows no expenditures and a transfer out equal to revenues. The fuel tax revenues in 2021 totaled \$1.4 million, a \$70,000 increase over 2020.

Ending fund balance in the General Capital Improvement Fund increased \$276,000 and expenditures increased by \$1.9 million. There is an active facility upgrade and expansion project in this fund, with a budget of \$3.5 million.

Ending fund balance in the Parks Capital Improvement Fund increased \$3.4 million. Total park capital expenditures for the year were \$3.6 million, remaining steady from 2020. There was a land purchase of \$3 million, with several smaller ongoing projects accounting for the remaining expenditures.

The Transportation Capital Improvement Fund ending fund balance was \$13.7 million, a 71.2%, or \$5.7 million increase from 2020. Expenditures of \$6.7 million were spent largely on two major road improvement and expansion construction projects. Revenues remained flat, rising only \$187,000 over 2020, however the fund received a \$5.3 million transfer from the General Fund to ensure sufficient funds were available for on-going projects.

## Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

The City of Sammamish budgets on a biennial basis with each budget beginning in an odd numbered year in compliance with state law. The differences between the original 2021-2022 general fund budget adopted at the end of 2020 and the 2021-2022 biennial general fund budget at December 31, 2021, are as follows:

Revenues increased in the following categories:

- Beginning Fund Balance \$ 8,683,878
- Taxes \$ 2,028,125
- Intergovernmental \$ 3,909,956

Expenditure increases occurred in various functional areas and were as follows:

- Ending Fund Balance \$ 18,208,829
- General Government \$ 1,802,774
- Economic Development \$ 609,500
- Physical Environment \$ 1,454,100

The increase in budget across nearly all functions is a result of the general expansion of government services offered. Ending fund balance was adjusted down to account for the increase of expenditures higher than the increase in revenues.

## Capital Asset and Debt Administration

### Capital assets

The City of Sammamish's investment in capital assets for its governmental and business-type activities as of December 31, 2021, was \$634.3 million, net of accumulated depreciation totaling \$51.7 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, art, construction in progress, utility transmission/distribution systems, roads, and bridges.

Major capital assets changes during 2021 included the following:

- \$11.1 million was added to construction in progress during the year, including \$7.3 million for the expansion improvement of Issaquah-Fall City Road, \$2.1 million for the expansion of the Maintenance & Operations Center building, and \$1.7 million for the Ebright Creek Fish Passage Culvert. This was offset by the closing of several projects totaling \$8.1 million. This included a \$3.1 million park project, \$2.4 million in stormwater improvements along SE 4<sup>th</sup> Street, and \$2.1 million for the construction of the Ebright Creek fish passage.
- Developer and private contributions of \$3.0 million in land, streets, and surface water facilities.
- The City purchased \$3.6 million of land during the year, \$3.0 million of which is for the development of future park space. Additionally, the City purchased \$200,000 of vehicles and \$118,000 of equipment.
- The City's depreciation expense totaled \$9.9 million in 2021.

## City of Sammamish’s capital assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Land	\$ 325,501	\$ 321,862	\$ 28,369	\$ 28,369	\$ 353,870	\$ 350,231
Buildings/building improvements	36,033	37,982	1,046	1,110	37,080	39,092
Improvements other than buildings	13,894	12,206	51,196	46,624	65,090	58,830
Machinery & equipment	2,834	3,168	4	5	2,837	3,173
Construction in progress	54,363	48,687	2,921	5,592	57,284	54,279
Art	164	164	-	-	164	164
Software	235	78	-	-	235	78
Infrastructure	117,722	120,285	-	-	117,722	120,285
<b>Total</b>	<b>\$ 550,745</b>	<b>\$ 544,432</b>	<b>\$ 83,537</b>	<b>\$ 81,699</b>	<b>\$ 634,282</b>	<b>\$ 626,131</b>

Additional information on the City of Sammamish’s capital assets can be found in Note 6 of this report.

## Long-term debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
General obligation debt	\$ -	\$ 533	\$ -	\$ -	\$ -	\$ 533
Revenue debt	-	-	-	10	-	10
<b>Total</b>	<b>\$ -</b>	<b>\$ 533</b>	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 543</b>

At the end of the 2021 fiscal year, the City had no outstanding debt obligations.

## General obligation and revenue debt

The City was not rated by Standard & Poors in 2021 due to the fact the City has no outstanding bond obligations.

Washington State law limits the amount of general obligation debt the City may issue to 5.0% of its total assessed valuation, subject to a 60% majority vote of qualified electors. Of the 5.0% limit, 2.5% is for general purposes and 2.5% for open space/park facilities. Non-voted (limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 5.0% of assessed valuation. The City’s assessed valuation for 2020 was \$19,900,870,078 and remaining debt capacity is as follows:

General	\$ 501,273,315
Open Space/Park Facilities	497,522,828
<b>Total</b>	<b>\$ 998,796,143</b>

The total amount of unlimited tax and limited tax general obligation debt the City may issue is \$998,796,143. Additional information on the City of Sammamish’s long-term debt can be found in Note 11 of this report.

## Economic Factors and Next Biennium’s Budget

Sammamish’s operations are primarily funded by property taxes with few volatile sources of revenue that fund operating activities. By state law, the City may raise property taxes 1% per year plus the property taxes on new construction. Increases not taken can instead be “banked” as taxing capacity for future years. For 2021, City Council chose to increase property taxes by the legally allowed 1%, plus an additional 5% of banked capacity from previous years, for a total of 6%. This led to an increase of \$1.8 million in property tax revenues for 2021. To control fixed costs during economic ups and downs, the City

operates with a lean staff, contracting out for many municipal services such as police, fire, and some development review. The combination of a stable operating revenue source and limited permanent staff insulates the City somewhat from future economic slowdowns.

Two revenue sources dedicated to capital projects, real estate excise taxes and impact fees, have seen some volatility for the past several years, this is expected since development in Sammamish has been artificially reduced over the past several years. Revenue from transportation impact fees in 2021 fell by \$915,000, or 68%, while park impacts fees are down from 2020 by \$667,000, or 69%. Another sign of stagnant development is the reduction of building permit revenue, which was down \$400,000 from 2020.

Real estate excise taxes increased by just over \$3.0 million, after decreasing each year for the previous three years. 2021 saw an increase in the median price of homes in Sammamish of 34% and a 12% increase in the number of homes sold, accounting for the growth. These emerging trends were considered during the mid-biennium update of the 2021-2022 budget.

The emergence of COVID-19 in early February of 2020 in the Seattle metropolitan area will have a yet to be determined long-term impact on the future of the City's operations. The mid-biennium update of the 2021-2022 budget moved forward with both 2021 experience and strong consideration for the potential, yet felt, impact of the pandemic on all revenues. The City also continued with program and personnel expenditure freezes that were initially identified during the initial biennium budget development. Additionally, the use of fund balance was considered as a short-term way to retain the ability to deliver critical City functions without disruption.

Sammamish has a history of excellent financial management and prudent fiscal policies. The 2021-2022 biennial budget maintains the City's strong financial position, with a projected ending fund balance of approximately \$60.4 million at the end of 2022, across all funds. Adherence to good financial management practices and policies has served the City well and set the stage for a community that will thrive for many years to come.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Sammamish's finances for readers with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, may be addressed to the Finance Director, City of Sammamish, 801 228<sup>th</sup> Ave SE, Sammamish, WA 98075.

**BASIC FINANCIAL  
STATEMENTS**

# CITY OF SAMMAMISH

## STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 51,975,344	\$ 5,888,529	\$ 57,863,873
Cash with outside agencies	258,031	-	258,031
Investments	37,664,480	4,163,815	41,828,295
Receivables:			
Taxes	3,021,274	-	3,021,274
Accounts	2,212,293	268,837	2,481,130
Interest	-	298,033	298,033
Contracts	89,443	-	89,443
Due from other governments	3,245,702	-	3,245,702
Prepaid accounts	57,459	42	57,501
Internal balances	(63,363)	63,363	-
Restricted assets:			
Deposit cash	1,290,807	-	1,290,807
Net pension asset	8,240,870	977,105	9,217,975
Capital assets:			
Land, artwork, construction in progress	380,027,674	31,290,020	411,317,694
Depreciable capital assets, net	170,717,775	52,246,558	222,964,333
Total assets	<u>658,737,789</u>	<u>95,196,302</u>	<u>753,934,091</u>
<b>DEFERRED OUTFLOWS</b>			
Related to pensions	1,349,433	160,000	1,509,433
Total deferred outflows	<u>1,349,433</u>	<u>160,000</u>	<u>1,509,433</u>
<b>LIABILITIES</b>			
Accounts/claims payable	2,607,270	293,202	2,900,472
Employee wages payable	380,013	-	380,013
Accrued interest payable	1,333	-	1,333
Due to other governments	22,577	-	22,577
Customer deposits	1,290,807	-	1,290,807
Unearned revenues	1,699,985	-	1,699,985
Noncurrent liabilities:			
Due within one year	112,279	12,467	124,746
Due in more than one year	1,010,513	112,201	1,122,714
Net pension liability	786,510	93,255	879,765
Total liabilities	<u>7,911,287</u>	<u>511,125</u>	<u>8,422,412</u>
<b>DEFERRED INFLOWS</b>			
Related to pensions	8,715,908	1,033,430	9,749,338
Total deferred inflows	<u>8,715,908</u>	<u>1,033,430</u>	<u>9,749,338</u>
<b>NET POSITION</b>			
Net investment in capital assets	549,584,728	83,403,956	632,988,684
Restricted for:			
Capital projects	26,407,000	-	26,407,000
Pensions	1,548,886	183,649	1,732,535
Unrestricted	65,919,412	10,224,142	76,143,555
Total net position	<u>\$ 643,460,027</u>	<u>\$ 93,811,747</u>	<u>\$ 737,271,774</u>

See accompanying notes to the financial statements

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2021

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 14,800,402	\$ 91	\$ 2,918,137	\$ 634,147	\$ (11,248,027)	\$ -	\$ (11,248,027)
Security	16,149,647	650,652	2,391	-	(15,496,604)	-	(15,496,604)
Physical environment	2,224,359	440,370	113,875	-	(1,670,114)	-	(1,670,114)
Economic environment	5,141,168	3,182,199	-	-	(1,958,969)	-	(1,958,969)
Transportation	7,035,300	609,032	31,046	3,329,343	(3,065,879)	-	(3,065,879)
Mental/physical health	19,666	-	-	-	(19,666)	-	(19,666)
Culture and recreation	6,902,990	704,225	-	1,523,685	(4,675,080)	-	(4,675,080)
Interest on long-term debt	2,667	-	-	-	(2,667)	-	(2,667)
Total governmental activities	<u>52,276,199</u>	<u>5,586,569</u>	<u>3,065,449</u>	<u>5,487,175</u>	<u>(38,137,006)</u>	<u>-</u>	<u>(38,137,006)</u>
<b>Business-type activities:</b>							
Surface water management	<u>6,394,017</u>	<u>9,102,576</u>	<u>544,310</u>	<u>1,849,104</u>	<u>-</u>	<u>5,101,973</u>	<u>5,101,973</u>
Total business-type activities	<u>6,394,017</u>	<u>9,102,576</u>	<u>544,310</u>	<u>1,849,104</u>	<u>-</u>	<u>5,101,973</u>	<u>5,101,973</u>
Total government	<u>\$ 58,670,216</u>	<u>\$ 14,689,145</u>	<u>\$ 3,609,759</u>	<u>\$ 7,336,279</u>	<u>(38,137,006)</u>	<u>5,101,973</u>	<u>(33,035,033)</u>
<b>General revenues</b>							
<b>Taxes</b>							
Property					32,460,106	-	32,460,106
Sales					9,526,604	-	9,526,604
Real estate excise					10,099,510	-	10,099,510
Other					2,858,553	-	2,858,553
Unrestricted investment interest					(154,928)	235,355	80,427
Miscellaneous					594,192	125,667	719,859
Total general revenues and transfers					<u>55,384,037</u>	<u>361,022</u>	<u>55,745,059</u>
Change in net position					17,247,031	5,462,995	22,710,026
Net position - beginning					626,212,996	88,348,752	714,561,748
Net position - ending					<u>\$ 643,460,027</u>	<u>\$ 93,811,747</u>	<u>\$ 737,271,774</u>

See accompanying notes to the financial statements.

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021

	Major Funds		
	General Fund	Street Fund	G.O. Debt Service Fund
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and cash equivalents	\$ 26,557,833	\$ -	\$ -
Cash with outside agencies	258,031	-	-
Investments	19,691,600	-	-
Receivables:			
Taxes	2,510,700	-	-
Accounts	234,100	-	-
Interest	3,109	-	-
Contracts	89,443	-	-
Due from other governments	7,038	-	-
Restricted assets:			
Deposit cash	1,290,807	-	-
Total assets	<u>\$ 50,642,661</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred outflows:			
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
Liabilities:			
Accounts/claims payable	\$ 1,597,950	\$ -	\$ -
Employee wages payable	380,013	-	-
Due to other governments	22,576	-	-
Payable from restricted assets:			
Customer deposits	1,290,807	-	-
Unearned revenues	2,575,624	-	-
Total liabilities	<u>5,866,970</u>	<u>-</u>	<u>-</u>
Deferred inflows:			
Deferred revenues	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	89,440	-	-
Restricted	-	-	-
Assigned	258,031	-	-
Unassigned	44,428,221	-	-
Total fund balances	<u>44,775,692</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 50,642,662</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**CITY OF SAMMAMISH**

Page 2 of 2

Major Funds			
General CIP Fund	Parks CIP Fund	Transportation CIP Fund	Total Governmental Total
\$ 2,691,720	\$ 14,662,787	\$ 5,881,623	\$ 49,793,963
-	-	-	258,031
1,903,332	10,368,148	4,158,932	36,122,012
-	255,287	255,287	3,021,274
-	-	1,976,609	2,210,709
-	-	-	3,109
-	-	-	89,443
-	1,517,390	1,721,274	3,245,702
-	-	-	1,290,807
<u>\$ 4,595,052</u>	<u>\$ 26,803,612</u>	<u>\$ 13,993,725</u>	<u>\$ 96,035,050</u>
-	-	-	-
-	-	-	-
\$ 646,672	\$ 1,076	\$ 270,219	\$ 2,515,917
-	-	-	380,013
-	-	-	22,576
-	-	-	1,290,807
-	-	-	2,575,624
<u>646,672</u>	<u>1,076</u>	<u>270,219</u>	<u>6,784,937</u>
-	-	-	-
-	-	-	-
-	-	-	89,440
153,372	14,360,761	11,892,867	26,407,000
3,795,008	12,441,776	1,830,639	18,325,453
-	-	-	44,428,221
<u>3,948,380</u>	<u>26,802,536</u>	<u>13,723,506</u>	<u>89,250,115</u>
<u>\$ 4,595,052</u>	<u>\$ 26,803,612</u>	<u>\$ 13,993,725</u>	<u>\$ 96,035,052</u>

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
December 31, 2021

Total governmental fund balances		\$ 89,250,115
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and thus not reported in the funds.		548,200,818
These assets consist of:		
Land	325,501,246	
Construction in progress	54,362,534	
Art	163,894	
Buildings	54,200,404	
Improvements other than buildings	47,954,596	
Machinery and equipment	2,411,130	
Depreciable infrastructure	209,191,196	
Software	624,181	
Less: accumulated depreciation	(146,208,363)	
Net Pension asset used in governmental activities are not available in the current period and therefore not reported in the funds		7,374,380
Some liabilities, including bonds, loans and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.		
These long-term liabilities consist of:		
Pension Liability	(703,812)	(1,733,909)
Accrued debt interest payable	(1,333)	
Compensated absences	(1,028,764)	
Unavailable revenues are not available to pay for current period expenditures.		876,053
Net Deferred Outflows/Inflows - Pension not available in current period and ARPA Grant Funds not earned		(6,591,928)
Due from Business type activities - charges by internal service funds were less than actual expenses.		(63,363)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information services, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		6,147,861
Net position of governmental activities		\$ 643,460,027

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2021

	Major Funds		
	General Fund	Street Fund	G.O. Debt Service Fund
<b>REVENUES</b>			
Taxes	\$ 41,476,494	\$ -	\$ -
Licenses and Permits	1,831,215	-	-
Intergovernmental	1,710,939	1,363,629	-
Charges for Services	2,643,741	-	-
Fines and Forfeitures	98,347	-	-
Investment Income	151,023	-	-
Contributions	-	-	-
Miscellaneous	763,059	-	-
Total Revenues	<u>48,674,818</u>	<u>1,363,629</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
General Government	10,252,826	-	-
Security of Persons and Property	17,698,786	-	-
Physical Environment	1,227,172	-	-
Transportation	5,362,015	-	-
Economic Environment	5,725,967	-	-
Mental/Physical Health	19,666	-	-
Culture and Recreation	4,316,378	-	-
Capital Outlay	303,526	-	-
Debt Service			
Principal	-	-	533,333
Interest and Debt Issue Costs	-	-	2,667
Total Expenditures	<u>44,906,336</u>	<u>-</u>	<u>536,000</u>
Excess (deficiency) of revenues over (under) expenditures	3,768,482	1,363,629	(536,000)
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance Recovery	10,700	-	-
Transfers In	11,107,746	-	536,000
Transfers Out	(7,820,000)	(11,082,746)	-
Total other financing sources (uses )	<u>3,298,446</u>	<u>(11,082,746)</u>	<u>536,000</u>
Net change in fund balances	7,066,928	(9,719,116)	-
Fund balances - beginning	37,708,764	9,719,116	-
Fund balances - ending	<u>\$ 44,775,692</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Major Funds			Total
General CIP Fund	Parks CIP Fund	Transportation CIP Fund	Governmental Funds
\$ -	\$ 5,326,116	\$ 5,049,755	\$ 51,852,365
-	-	-	1,831,215
-	1,517,390	1,977,137	6,569,095
-	390,861	609,031	3,643,633
-	-	-	98,347
(29,844)	(179,846)	(70,671)	(129,338)
-	-	64,850	64,850
-	-	-	763,059
<u>(29,844)</u>	<u>7,054,521</u>	<u>7,630,102</u>	<u>64,693,226</u>
-	-	-	10,252,826
-	-	-	17,698,786
-	-	-	1,227,172
-	-	-	5,362,015
-	-	-	5,725,967
-	-	-	19,666
-	-	-	4,316,378
2,193,806	3,650,228	6,702,754	12,850,314
-	-	-	533,333
-	-	-	2,667
<u>2,193,806</u>	<u>3,650,228</u>	<u>6,702,754</u>	<u>57,989,124</u>
(2,223,650)	3,404,293	927,348	6,704,102
-	-	-	10,700
2,500,000	-	5,320,000	19,463,746
-	(25,000)	(536,002)	(19,463,748)
<u>2,500,000</u>	<u>(25,000)</u>	<u>4,783,998</u>	<u>10,698</u>
276,350	3,379,293	5,711,346	6,714,801
3,672,030	23,423,243	8,012,160	82,535,313
<u>3,948,380</u>	<u>\$ 26,802,536</u>	<u>\$ 13,723,506</u>	<u>\$ 89,250,114</u>

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

Net change in fund balances - total governmental funds		\$ 6,714,801
<p>Amounts reported for governmental funds in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlays and depreciation in the current period.</p>		
		5,272,211
<p>This amount is comprised of:</p>		
Capital outlays	12,752,335	
Current year depreciation	(7,480,124)	
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		1,354,561
<p>This amount is comprised of:</p>		
Unavailable tax revenues	239,425	
Unavailable grants and contracts revenue	(89,440)	
Developer and private contributions	1,287,356	
Interest Income	-	
Cost of Impairment	(82,780)	
<p>Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net position.</p>		
		533,333
<p>This amount is comprised of:</p>		
Long-term debt repayments	533,333	
<p>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.</p>		
		2,577,905
<p>This amount is comprised of:</p>		
Accrued interest expense	-	
Pension expense	2,819,699	
Accrued compensated absences expense	(241,794)	
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
		794,220
Change in net position of governmental activities.		\$ 17,247,031

See accompanying notes to the financial statements.

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2021

	Business-type Activities Enterprise Fund	Governmental Activities
	Surface Water Fund	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,888,529	\$ 2,181,380
Investments	4,163,815	1,542,468
Receivables		
Accounts	268,837	1,584
Prepaid accounts	42	54,350
Interest	298,033	-
Total current assets	10,619,256	3,779,782
Noncurrent assets:		
Net pension asset	977,105	866,490
Capital assets:		
Land	28,368,666	-
Buildings	1,744,111	-
Improvements other than buildings	70,839,021	-
Equipment	30,312	5,666,211
Construction in progress	2,921,354	-
Software	13,740	326,313
Less accumulated depreciation and amortization	(20,380,626)	(3,447,893)
Total capital assets (net of depreciation and amortization)	83,536,578	2,544,631
Total noncurrent assets	84,513,683	3,411,121
Total assets	95,132,939	7,190,903
<b>DEFERRED OUTFLOWS</b>		
Related to pensions	160,000	141,887
Total deferred outflows	160,000	141,887
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 293,202	\$ 91,765
Compensated absences	12,467	9,403
Total current liabilities	305,669	101,168
Noncurrent Liabilities:		
Compensated absences	112,201	84,625
Net pension liability	93,255	82,698
Total noncurrent liabilities	205,456	167,323
Total liabilities	511,125	268,491
<b>DEFERRED INFLOWS</b>		
Related to pensions	1,033,430	916,438
Total deferred inflows	1,033,430	916,438
<b>NET POSITION</b>		
Net investment in capital assets	83,407,693	2,502,199
Restricted	183,649	162,858
Unrestricted	10,157,043	3,482,804
Total net position	\$ 93,748,384	\$ 6,147,861
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.		
	63,363	
Net position of business-type activities	\$ 93,811,747	

See accompanying notes to the financial statements.

# CITY OF SAMMAMISH

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

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Service Funds</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 9,102,577	\$ 3,183,834
Charges for replacement	-	468,886
Charges for insurance	-	498,000
Total operating revenues	<u>9,102,577</u>	<u>4,150,720</u>
<b>OPERATING EXPENSES:</b>		
Administrative and general	1,230,804	1,236,863
Supplies	63,185	149,366
Maintenance and operations	3,163,990	1,454,754
Taxes	181,949	-
Depreciation	1,816,964	595,229
Total operating expenses	<u>6,456,892</u>	<u>3,436,212</u>
Operating income (loss)	<u>2,645,685</u>	<u>714,508</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income (expense)	235,354	(25,589)
Grant income	544,311	-
Gain on sale(Loss on impairment) of capital assets	-	3,772
Interest expense	(488)	-
Miscellaneous	125,667	3,548
Total non-operating revenues (expenses)	<u>904,844</u>	<u>(18,270)</u>
Income (loss) before contributions and transfers	3,550,529	696,239
Capital contributions	<u>1,849,104</u>	<u>97,982</u>
Change in net position	5,399,633	794,220
Total net position - beginning	<u>88,348,752</u>	<u>5,353,641</u>
Total net position - ending	<u><u>93,748,385</u></u>	<u><u>\$ 6,147,861</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.	<u>63,363</u>	
Change in net position of business-type activities	<u><u>\$ 5,462,996</u></u>	

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2021

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Services Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 9,095,726	\$ 3,681,834
Cash Received for Replacement	-	468,886
Cash Payments to Suppliers	(63,185)	(173,331)
Cash Payments to Employees	(1,794,154)	(1,392,421)
Cash Payments to Other Governments	(1,065,587)	(49,995)
Cash Payments for Other Operating Expenses	(1,521,010)	(1,664,828)
Net Cash Provided by Operating Activities	<u>4,651,790</u>	<u>870,145</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants	458,626	
Principal Paid on Contracts	(9,768)	
Interest Paid on Contracts	(488)	
Net Cash Provided by Noncapital Financing Activities	<u>448,370</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(1,787,170)	(251,171)
Proceeds from Insurance Recovery		31,140
Proceeds from Sale of Other Assets		3,777
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,787,170)</u>	<u>(216,254)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Purchases	(646,608)	(202,219)
Interest on Investments	(62,679)	7,850
Net Cash (Used) by Investing Activities	<u>(709,287)</u>	<u>(194,369)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,603,703	459,522
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	3,284,826	1,721,858
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 5,888,529</u>	<u>\$ 2,181,380</u>
 Cash at the End of the Year Consists of:		
Operating Fund Cash	5,888,529	2,181,380
Total Cash at End of Year	<u>\$ 5,888,529</u>	<u>\$ 2,181,380</u>

See accompanying notes to the financial statements.

	Business-type Activities <u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Services Funds</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income	\$ 2,645,685	\$ 714,508
Adjustments to Reconcile Operating		
Income to Net Cash Provided by Operating Activities:		
Depreciation	1,816,964	595,230
Pension Expense	(376,040)	(318,617)
Decrease (Increase) in Accounts Receivable	613,145	(1,584)
Decrease (Increase) in Prepaid Expenses	42	(54,350)
Increase (Decrease) in Accounts Payable	(42,645)	(80,151)
Increase (Decrease) in Compensated Absences Payable	(5,361)	15,109
Net Cash Provided by Operating Activities	<u>\$ 4,651,790</u>	<u>\$ 870,145</u>
Noncash Investing, Capital and Financing Activities:		
Fair value of investments increased (decreased) by	\$ (82,394)	\$ (15,490)
Contributed/Transferred Capital	1,849,104	97,982
Net Noncash Activities	<u>\$ 1,766,710</u>	<u>\$ 82,492</u>

See accompanying notes to the financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

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**CITY OF SAMMAMISH  
NOTES TO THE  
FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2021**

**NOTE 1:  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Sammamish was incorporated on August 31, 1999 and operates under the laws of the State of Washington applicable to a Council/Manager form of government. The voters elect at-large a seven-member City Council to four-year terms. The Council in turn elects a mayor and a deputy mayor from its members.

The City provides what are considered general government services including public safety, arterials and streets, parks and recreation, planning and zoning, permits and inspections, general administrative, and surface water management services. The City contracts for police and fire services.

The accounting and reporting policies of the City of Sammamish, which conform to generally accepted accounting principles for local governments, are regulated by the Washington State Auditor's Office.

**Reporting Entity**

The City's Annual Comprehensive Financial Report (ACFR) includes all funds, agencies and boards controlled by or dependent on the City. Control by or dependence on the City was determined on the basis of financial accountability, budget adoption, taxing authority, outstanding debt service secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

**Basic Financial Statements**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

The government-wide financial statements report information on all the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

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

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 sixty days after the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Under the modified accrual basis of accounting, property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period.

## Financial Statement Presentation

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

The **Street Fund** accounts for the receipt of the State-shared motor vehicle fuel tax. These funds are restricted and must be used to pay for streets and roads.

The **G.O. Debt Service Fund** accounts for debt service on general obligation bonds the City assumed at incorporation. Primary revenues for the fund consist of general property tax.

The **General Government Capital Improvement Program (CIP) Fund** account for the financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of general government capital facilities other than those financed by proprietary funds.

The **Parks Capital Improvement Program (CIP) Fund** accounts for the financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of park capital facilities.

The **Transportation Capital Improvement Program (CIP) Fund** accounts for the financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of transportation capital facilities.

The City reports the following major proprietary fund:

The **Surface Water Fund** accounts for utility operations and capital projects. The fund is self-supported by revenues that include user fees, system development charges, intergovernmental grants and loans, and developer contributions. The utility is financed and operated like a private business enterprise, which requires periodic determination of revenues earned, expenses incurred, and net income for capital maintenance, public policy, management control, and accountability.

Additionally, the City reports the following fund type:

**Internal service funds** account for equipment rental and replacement, information technology and insurance services provided to other departments of the City on a cost reimbursement basis.

Generally, the effect of interfund activity is eliminated from the government-wide financial statements. Direct expenses of the functional categories are included in the government-wide statement of activities while indirect expense allocations are eliminated. Indirect expenses are primarily charged to the various functions through the use of internal service funds for equipment rental and maintenance, information technology and risk management. Elimination of payments to internal service funds are treated as expense reductions. No other indirect expenses are allocated to the various governmental functions.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund statements distinguish operating revenues and expenses from non-operating 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. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **Budgets and Budgetary Accounting**

The City of Sammamish budgets its funds in accordance with the Revised Code of Washington (RCW) 35A.34. In compliance with the code, all funds have budgets. Budgets established for proprietary funds are “management budgets” and as such are not required to be reported in the financial statements.

The budget is proposed by the City Manager and adopted by the City Council with legal budgetary control at the fund level, i.e., the total of expenditures, other financing uses, and the ending fund balance may not exceed the total of beginning balances and budgeted receipts at the fund level. The City Manager may authorize transfers within funds; however, the City Council must approve by ordinance any additional appropriations, which increase the total for the fund. Any unexpended appropriation balances lapse at the end of the biennium.

In addition to authorizing the budget the City Council biennially approves the Capital Improvement Program. This is a six-year plan for capital project expenditures and anticipated revenue sources. Expenditures and revenues for these projects are budgeted in the Capital Improvements Program Funds.

The City prepares its budgets on the modified accrual basis, which conforms to generally accepted accounting principles. The CAFR includes budgetary comparisons for those governmental funds with legally adopted budgets. Budget amounts include the adopted budget appropriations and any revisions made during the biennium.

State law establishes the budget process and the time limits under which a budget must be developed. The City adopts its biennial budget in December of the year preceding the first year of the biennial budget. Step one involves the identification by the City Council of the mission and objectives for the following biennium. The second step involves forecasting revenue and the establishment of a baseline budget to carry the existing programs into the next biennium. The third step involves the development by each department director of their departmental budget requests. The City Manager develops a preliminary budget that is presented to the Council for review and public hearings. The Council approves an ordinance to adopt the budget. Supplemental appropriations that modify total fund expenditures require an ordinance amending the budget.

## **Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equities**

### **Cash and Investments**

It is the City’s policy to invest all temporary cash surpluses. These investments are reported on the Statement of Net Position and the governmental funds balance sheets as cash and cash equivalents or investments. Included in cash and cash equivalents are currency on hand, demand deposits with banks or other financial institutions, and investments with the Local Government Investment Pool. Interest is allocated to each fund on the basis of investments owned.

The City, by State law, is authorized to purchase Certificates of Deposit with financial institutions qualified by the Washington Public Deposit Protection Commission; U.S. Treasury and Agency Securities; bankers’ acceptances and repurchase agreements, and to invest in the Washington State Treasurer’s Local Government Investment Pool. In accordance with GASB 31 and GASB 79, investments in money market investments, and participating interest-earning investment contracts with remaining maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

### **Receivables**

The City of Sammamish recognizes receivables in its various funds based on the accounting basis required for the fund. These receivables are as follows:

#### **Property Taxes**

Uncollected property taxes levied for current and prior years are reported as receivable at year-end. The City’s property tax collection records show that approximately 98% of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years. When property taxes become three years delinquent, the County is required by State statute to foreclose on the property. Historically, all taxes have been collected; therefore, no allowance for uncollectable taxes is recorded.

#### **Sales Taxes**

Sales taxes collected for November and December but not remitted by the state to the City until January and February of the following year are reported as receivables at year-end. There is no allowance for uncollectable

sales taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the state.

#### **Accrued Interest Receivable**

Accrued interest receivable consists of interest earned on investments at the end of the year and interest on investments purchased between interest dates.

#### **Accounts Receivable**

Accounts receivable consist of amounts owed by private individuals or organizations for goods and services provided.

#### **Contracts Receivable**

The contract receivable is the result of an Asset Transfer Agreement between King County Fire Protection District No. 10 and the city, entered into when the city withdrew from District 10 and joined Eastside Fire and Rescue. The amount receivable is being collected over a twenty-year period beginning in 2003. See Note 5.

### **Grants and Other Intergovernmental Revenues**

Grants and entitlements from the Federal and State governments are recorded as intergovernmental revenues and receivables when earned and considered to be available. State shared revenues are recorded when received.

#### **Prepaid Items**

Prepaid items consist of annual maintenance contracts that span years and are recorded as expenditures at the time of purchase. Year-end balances of prepaid items are insignificant and accordingly no reservation of fund balance is reported in governmental funds for these items.

Proprietary funds of the city have no inventories. Payments to vendors for expenses related to future periods are recorded as prepaid expenses in the proprietary funds.

#### **Deferred Outflows of Resources**

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

#### **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in both the enterprise fund and internal service fund columns of the statement of net position, proprietary funds. Capital assets include land, buildings, machinery, equipment, software, other improvements, vehicles, artwork and infrastructure. Capital assets, other than infrastructure, are defined by the City as assets with an original cost of \$5,000 or more each and an estimated life of more than one year. The City reports infrastructure on a network basis. Accordingly, the amounts spent for construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Where historical cost is not known, assets are recorded at estimated historical cost. Donated assets are valued at acquisition value at the time of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and works of art are not depreciated. Property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings/Building Improvements	27.5
Other Improvements	15
Vehicles	10
Machinery & Equipment	3 – 20
Surface Water Improvements	40
Infrastructure	50

## **Compensated Absences**

It is the City’s policy to allow employees to accumulate earned but unused vacation, up to 80 hours of compensatory time in lieu of overtime, and up to 720 hours of sick leave benefits. A maximum of 240 hours of accumulated vacation may be carried over at year end. All outstanding vacation leave is payable upon resignation, retirement, or death, to all employees having completed six months of service. Unused compensatory time and 25% of unused sick leave is payable at termination of employment or death. Outstanding sick leave at year-end is accrued at 25% of the balance available. All vacation and compensatory time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

## **Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are spent.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans’ fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net pension assets are considered restricted funds and are calculated by adding deferred outflows related to pensions and subtracting deferred inflows related to pensions from the net pension asset.

## **Deferred Inflows of Resources**

Deferred inflow of resources is the acquisition of net position that is applicable to a future reporting period. A deferred inflow of resources involved no acquisition of resources resulting in either a net increase in assets or a net decrease in liabilities. It represents a present obligation to sacrifice resources that the government has little or no discretion to avoid.

## **Net Position and Fund Balance**

In governmental fund types, fund equity is called “fund balance”. Fund Balance is reported in the following classifications which reflect the extent to which the City is bound to honor constraints on the purposes for which the amounts can be spent: nonspendable, restricted, committed, assigned, and unassigned.

The City’s policy is to spend restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for purposes for which amounts in any of

the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned, and then unassigned.

Note 12 provides a disaggregation of governmental fund balances between nonspendable, restricted, committed, and unassigned.

In proprietary funds, fund equity is called “net position”. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

**NOTE 2:  
STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits and Overexpenditures**

During 2021, no City funds exceeded total authorized appropriations at the fund level and there were no material violations of finance-related legal or contractual provisions.

**NOTE 3:  
DEPOSITS AND INVESTMENTS**

As of December 31, 2021, the City’s cash, cash equivalents, and investments were as follows:

Cash and cash equivalents	\$ 3,631,697
Cash held by outside agencies	258,031
Non-pooled investments, measured at fair value	41,828,292
Pooled investments, measured at amortized cost	<u>55,522,986</u>
Total cash, cash equivalents, and investments	<u>\$ 101,241,006</u>

*Custodial Credit Risk*

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. The City does not have a formal policy for deposit custodial credit risk beyond the requirements of State statute. The City’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC).

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

At December 31, 2021, the City's individual investments in U.S. Treasuries, U.S. government-sponsored securities, and federal agencies were held in the City's name by the City's safekeeping agencies.

**Investments**

*Investments Measured at Fair Value*

The City measures and reports investments at a fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, broker markets, and principal-to-principal markets.

Level 2: Inputs, other than quoted prices included within Level 1, that are observable for the asset, either directly or indirectly. These inputs are sourced from pricing vendors using models that are market-based and corroborated by observable market data, including quoted prices, nominal yield spreads, benchmark yield curves, and other corroborated inputs.

Level 3: Unobservable inputs for the asset and should only be used when relevant Level 1 or Level 2 inputs are not available.

In 2020, the City entered into an interlocal agreement with the State of Washington’s Office of the State Treasurer, authorizing the State Treasurer’s Office to invest the City’s core funds in a separately managed investment portfolio, as provided for in RCW 43.250. In August of 2020, a deposit of \$40 million was made to the State of Washington. The State Treasurer’s Office invests these funds in accordance with the State’s investment policies and procedures and provides monthly reporting to the City. The City’s separately managed account is intended for long-term investment funds not required to meet short-term cash needs. Cash deposits and withdrawals are made by transfers in and out of the City’s Local Government Investment Pool (LGIP) account. Monies invested in the separately managed account are held separately and are not co-mingled with other State funds.

At December 31, 2021, the City had the following investments measured at fair value:

	12/31/21	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. government agency securities	\$ 5,391,366	\$ 5,391,366	\$ -	\$ -
U.S. government-sponsored securities	20,100,599	-	20,100,599	-
Supranational securities	16,336,327	-	16,336,327	-
Total investments by fair value	<u>\$41,828,292</u>	<u>\$ 5,391,366</u>	<u>\$36,436,926</u>	<u>\$ -</u>

#### *Investments Measured at Amortized Cost*

As of December 31, 2021, the City reported \$55,522,986 of funds held with the Washington State Treasurer’s Local Government Investment Pool (LGIP).

The City participates in the LGIP, an unrated investment pool, authorized by Chapter 294, Laws of 1986. The State Finance Committee is the administrator of the statute that created the pool and adopts its rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually; proposed changes are reviewed by the LGIP Advisory Committee.

The LGIP is an unrated external investment pool and does not have any legally binding guarantees of share values. The LGIP manages a portfolio of securities that meet the maturity, quality, diversification, liquidity, and market value calculation requirements set forth by the Governmental Standards Accounting Board (GASB) for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. These funds are limited to high quality obligations, with regulated maximum and average maturities to minimize both market and credit risk. Investments are reported on a trade date basis in accordance with generally accepted accounting principles (GAAP).

The LGIP transacts with participants at a stable net asset value of per share of \$1.00, the same method used for reporting. Participants may contribute or withdraw funds daily. Participants must inform the Office of the State Treasurer (OST) of any transaction amounts exceeding one million dollars no later than 9 a.m. on the same day of the transaction. Transactions for one million dollars or less can be requested at any time prior to 10 a.m. at the sole discretion of the OST. All pool participants are required to file with the State Treasurer documentation containing the names and titles of the officials

authorized to transact with the pool. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

**Interest Rate Risk.** Interest rate risk is the risk the City may face should interest rate variances affect the fair value of investments. As a means of minimizing risk of loss from interest rate fluctuations the City's informal policy is to generally diversify its investments by security type and institution, and limits holdings in any one type of investment with any one issuer.

At December 31, 2021, the City had the following investment types and maturities:

Investment Type	Reported Value	Less than 1 year	1 to 5 years
U.S. government agency securities	\$ 5,878,489	\$ 2,496,327	\$ 3,382,162
U.S. government-sponsored securities	20,100,599	4,492,378	15,608,221
Supranational securities	15,849,204	-	15,849,204
Local Government Investment Pool	55,522,986	55,522,986	-
Total	\$ 97,351,277	\$62,511,690	\$34,839,588

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City, by State law, is limited to investments in obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, interest bearing bank accounts, commercial papers, certificates of deposit, repurchase agreements, and in the LGIP. The LGIP is limited to obligations of the U.S. government, government sponsored enterprises, or insured demand deposits and certificates of deposit. The City has no security lending arrangements or reverse repurchase agreements.

At December 31, 2021, the credit rating for each investment type was as follows:

Investment Type	Total	Ratings at 12/31/21	
		AAA	AA+
U.S. government agency securities	\$ 5,878,489	487,123	\$ 5,391,366
U.S. government-sponsored securities	20,100,599	\$ -	20,100,599
Supranational securities	15,849,204	15,849,204	-
Local Government Investment Pool	55,522,986	55,522,986	-
Total Investments	\$ 97,351,277	\$71,859,313	\$25,491,965

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. By formal City policy, investments in any one institution, other than the LGIP, are limited to 25% of the institution's net worth as established by the WPDPC, as well as being limited to a maximum of 40% in any one issuer.

Investments in any one investment type that represent 5% or more of total investments at December 31, 2021, were as follows:

U.S. government agency securities	5.5%
U.S. government-sponsored securities	20.6%
Supranational securities	16.8%
Local Government Investment Pool	57.0%

**NOTE 4:  
PROPERTY TAXES**

The King County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed daily.

**Property Tax Calendar**

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

During the year, property tax revenues are recognized when cash is received. At year-end, uncollected property taxes are recognized as receivables and revenue. Amounts collected more than 60 days after year-end are reported as unearned revenues in governmental funds. Under Washington State law the City may levy property taxes for 2021 up to \$3.28 per \$1,000 of assessed valuation.

The City's levy rate was also subject to the following:

Washington State law in RCW 84.55.010 limits the growth of regular property taxes to one percent per year, after adjustments for new construction and annexations, unless an increase greater than this limit is approved by the voters. If the assessed valuation increases by more than one percent, or decreases, due to revaluation, the levy rate will be adjusted to levy the amount of property taxes approved by the City Council.

The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

Accordingly, for 2021, the City levied \$1.61 per \$1,000 of assessed value for general governmental services, for a total levy of \$31,944,349. This amount includes \$1,510,771 of banked capacity. The City had no voter approved excess levy.

**NOTE 5:  
CONTRACT RECEIVABLE**

**King County Fire Protection District 10**

In 2001 the City entered into an Asset Transfer Agreement with King County Fire Protection District 10 when the City withdrew from District 10 and joined Eastside Fire and Rescue. The transfer agreement requires District 10 to pay \$1,788,803 to Eastside Fire and Rescue on behalf of the City of Sammamish over a twenty-year period, with no interest, beginning in 2003, in lieu of paying this entire amount to the City upon the City's withdrawal from District 10.

	<u>Contract Amount</u>	<u>Collected to Date</u>	<u>Balance as of 12/31/2021</u>
District 10	\$1,788,803	\$1,699,360	\$ 89,443
Annual contract payments receivable to maturity:		<u>Year</u>	<u>Principal</u>
		2022	\$ 89,443
		Total	<u>\$ 89,443</u>

**NOTE 6:  
CAPITAL ASSETS**

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

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 321,862	\$ 3,639	\$ -	\$ 325,501
Construction in Progress	48,687	9,206	(3,531)	54,363
Art	164	-	-	164
Total capital assets, not being depreciated	<u>370,713</u>	<u>12,845</u>	<u>(3,531)</u>	<u>380,028</u>
Capital assets, being depreciated or amortized:				
Buildings & Building Improvements	54,200	-	-	54,200
Improvements other than Buildings	43,985	3,969	-	47,955
Machinery & Equipment	7,737	341	-	8,077
Infrastructure	208,640	551	-	209,191
Software	720	231	-	950
Total capital assets, being depreciated or amortized	<u>315,283</u>	<u>5,091</u>	<u>-</u>	<u>320,374</u>
Less accumulated depreciation and amortization for:				
Buildings & Building Improvements	16,219	1,948	-	18,167
Improvements other than Buildings	31,781	2,280	-	34,061
Machinery & Equipment	4,569	675	-	5,244
Infrastructure	88,354	3,115	-	91,469
Software	652	64	-	716
Total accumulated depreciation and amortization	<u>141,574</u>	<u>8,082</u>	<u>-</u>	<u>149,656</u>
Total capital assets, being depreciated or amortized, net	<u>173,708</u>	<u>(2,991)</u>	<u>-</u>	<u>170,717</u>
Governmental Activities Capital Assets, net	<u>\$ 544,422</u>	<u>\$ 9,854</u>	<u>\$ (3,531)</u>	<u>\$ 550,744</u>

**Business-Type Activities:**

Capital Assets, not being depreciated:				
Land	\$ 28,369	\$ -	\$ -	\$ 28,369
Construction in Progress	5,592	1,903	(4,574)	2,921
Total capital assets, not being depreciated	<u>33,961</u>	<u>1,903</u>	<u>(4,574)</u>	<u>31,290</u>
Capital Assets, being depreciated or amortized:				
Buildings & Building Improvements	1,744	-	-	1,744
Improvements other than Buildings	64,514	6,325	-	70,839
Machinery & Equipment	30	-	-	30
Software	14	-	-	14
Total capital assets, being depreciated or amortized	<u>66,302</u>	<u>6,325</u>	<u>-</u>	<u>72,627</u>

Less Accumulated Depreciation or amortization for:				
Buildings & Building Improvements	634	63	-	698
Improvements other than Buildings	17,890	1,752	-	19,643
Machinery & Equipment	25	1	-	27
Software	14	-	-	14
	<u>18,564</u>	<u>1,817</u>	<u>-</u>	<u>20,381</u>
Total accumulated depreciation and amortization				
Total capital assets, being depreciated or amortized, net	<u>47,739</u>	<u>4,508</u>	<u>-</u>	<u>52,247</u>
Business-Type Activities Capital Assets, net	<u>\$ 81,699</u>	<u>\$ 6,411</u>	<u>\$ (4,574)</u>	<u>\$ 83,537</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows (in thousands):

General Government	\$ 695
Security	125
Economic Environment	13
Transportation, including depreciation of General Government Infrastructure assets	3,215
Culture and Recreation	3,440
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of those assets	<u>595</u>
Total depreciation and amortization expense - Governmental Activities	<u>\$ 8,082</u>
<b>Business-Type Activities:</b>	
Surface Water Management	<u>\$ 1,817</u>
Total depreciation and amortization expense - Business-Type Activities	<u>\$ 1,817</u>

## NOTE 7: OPERATING LEASES

### Youth Eastside Services

Effective January 1, 2021, the City entered into a three-year lease with Youth Eastside Services (YES), a non-profit corporation providing services to citizens of Sammamish. YES leases the main floor of a two-story building (Sween House), an attached garage, and adjacent parking area. The downstairs of the building is used by the city. The building and adjacent parking are reported on the city's Statement of Net Position as part of depreciable assets.

In consideration of the value of YES's contribution to the human service needs of residents of the city and the maintenance and operation of the premises, YES pays no rent during the term of the lease agreement. The City is responsible for maintaining the structural and exterior components of the building; mechanical, electrical and plumbing systems; and the parking area, sidewalks, paths and grounds around the premises. YES is responsible for paying utilities; taxes; and for routine interior maintenance and repair.

After the initial three-year lease term, the City, at its sole discretion, may exercise the option to extend the lease for an additional three-year term.

## **The Boys and Girls Club of King County**

Effective November 2, 2010, the City entered into a ten-year lease with The Boys and Girls Club of King County (the Club), a non-profit corporation providing services to citizens of Sammamish. The Club leases a building and adjacent parking area (Rec Center) owned by the city and operates the premises as a learning and recreation center for teens. The building and adjacent parking are reported on the city's Statement of Net Position as part of depreciable assets. After the initial ten-year lease term, upon mutual agreement, there exists an option to extend the lease in ten-year increments up to a maximum of 40 years. In 2021, such an option was exercised, and the new lease term expires in November 2030.

In consideration of the value of the Club's contribution to the recreation needs of the residents of the City, the tenant improvements to the premises, and the maintenance and operation of the premises, the Club shall pay to the city an annual rent of \$1.00. The City is responsible for maintaining the structural and exterior components of the building such as the roof and exterior cladding; major repairs to the mechanical, electrical and plumbing systems; and major repairs to the parking area, sidewalks, paths and grounds around the premises. The Club is responsible for routine maintenance and repair of the interior and exterior premises including landscape and janitorial services; utilities; and taxes.

## **King County Sheriff's Office**

On April 26, 2011, the City entered into a lease with the King County Sheriff's Office (KCSO) for office space located in City Hall. The lease term is ten-years, with an effective date commencing upon substantial completion of the KCSO's tenant improvements, subsequently determined to be March 1, 2012.

Current annual lease payments to the City are \$131,547 and are adjusted annually based on the cumulative increase in the Consumer Price Index for All Urban Customers- All Items- Seattle- Tacoma- Bremerton published by the United States Department of Labor, Bureau of Statistics for the preceding twelve consecutive month period. The KCSO is also responsible for their proportionate share of electrical, janitorial, and other shared overhead costs. The city is responsible for maintaining the structural and exterior components of the building; mechanical, electrical and plumbing systems; and the parking area, sidewalks, paths and grounds around the premises.

## **Sammamish Heritage Society**

On May 20, 2021, the City entered into a 14-year lease with the Sammamish Heritage Society (the Society), a Washington nonprofit corporation. The City owns a historic structure (the Reard-Freed House), which is located on City property. The Society, at its sole cost, will undertake a complete renovation of the House and thereafter use it for historical and cultural purposes.

In consideration of the value of the Society's contribution to the recreation needs of the City, the tenant improvements to the premises, and the maintenance and operation of the premises, the Society shall pay to the city an annual rent of \$1.00. The Society is responsible for maintaining the structural and exterior components of the building such as the roof and exterior cladding; major repairs to the mechanical, electrical and plumbing systems; and major repairs to the parking area, sidewalks, paths and grounds around the premises. The Society is also responsible for routine maintenance and repair of the interior and exterior premises including landscape and janitorial services; utilities; and taxes.

## **Central Washington University**

On March 21, 2018, the City entered into a three-year lease with Central Washington University (CWU) for use of office space at a City owned property know as Mars Hill, an approximately 30,000 square foot former church purchased by the City in 2015. The facility will be used as a higher education center, providing programming and coursework that leads to a certificate, or a baccalaureate or master's degree. After the initial three-year lease term, CWU may exercise the option to extend the term by not more than 15 total years, exercisable in one or more five-year increments. Annual rent is \$120,000.

CWU is responsible for tenant improvements to the premises as well as the security, routine repair and maintenance and daily operation of the premises. The City is responsible for the maintenance of the parking lot and landscaping, as well as custodial services. Major capital replacement and repair, including the roof, structural elements, heating, air-conditioning, fire suppression system, and plumbing/electrical, is also the responsibility of the City.

The lease includes a purchase option, that CWU may exercise at any time during the lease term. The purchase price is set at \$8,000,000 for the first year of the lease and increases 2% annually for the remainder of the initial lease term. After the initial lease term, the increase is set at 2% or the cumulative increase in the Consumer Price Index for All Urban Areas – All Items – Seattle-Tacoma-Bremerton, for the preceding 12-month period.

Asset	Cost	Accumulated Depreciation	Carrying Value
Sween House	\$ 268,925	\$ 117,348	\$ 151,577
Rec Center	1,682,086	734,004	948,082
KCSO Office Space	580,355	189,936	390,419
CWU Office Space	4,449,897	1,112,475	3,337,422
<b>Total Leased Property</b>	<b>\$ 6,981,263</b>	<b>\$ 2,153,763</b>	<b>\$ 4,827,500</b>

### **NOTE 8: PENSION PLANS**

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2021:

Aggregate Pension Amounts - All Plans	
Pension assets	\$ 9,217,975
Pension liabilities	(879,765)
Deferred outflows of resources	1,509,433
Deferred inflows of resources	(9,749,338)
Pension expense/expenditures	(2,159,197)

#### **State Sponsored Pension Plans**

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

## **Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 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* - The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 are listed below.

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

*Contributions* - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>PERS 1</b>	<b><u>Employer</u></b>	<b><u>Employee</u></b>
January - June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	-
Administrative Fee	0.18%	-
Total	<u>12.97%</u>	<u>6.00%</u>
July - December 2021		
PERS Plan 1	10.07%	6.00%
PERS Plan 1 UAAL	4.87%	-
Administrative Fee	0.18%	-
Total	<u>15.12%</u>	<u>6.00%</u>
	<b><u>Employer</u></b>	<b><u>Employee</u></b>
<b>PERS 2/3</b>	<b><u>Plan 2/3</u></b>	<b><u>Plan 2</u></b>
January - June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3		varies
Total	<u>12.97%</u>	<u>7.90%</u>
July - December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3		varies
Total	<u>10.25%</u>	<u>6.36%</u>

The City's actual contributions to the plan were \$500,548 to PERS 1 and \$833,550 to PERS 2/3 for the year ended December 31, 2021.

### 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 *2020 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 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.

- **Inflation:** 2.75% total economic inflation; 3.50% salary 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 were developed using the Society of Actuaries’ Pub. H-2021 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](http://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, 2021. 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 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](http://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 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s 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 percent 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 percent 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). The 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 percent and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Long-term Real Rate of Return Arithmetic
Fixed Income	20.0%	2.2%
Tangible Assets	7.0%	5.1%
Real Estate	18.0%	5.8%
Global Equity	32.0%	6.3%
Private Equity	23.0%	9.3%
Total	100.0%	

### Sensitivity of the Net Pension Asset (Liability)

The table below presents the City's proportionate share of the net pension asset and liability calculated using the discount rate of 7.4%, as well as what the City's proportionate share of the net pension asset and liability 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.

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
PERS 1	\$(1,498,729)	\$ (879,765)	\$ (339,964)
PERS 2/3	2,626,022	9,217,975	14,646,451

### 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

At December 31, 2021, the City reported its proportionate share of the net pension asset and liabilities as follows:

	<u>Pension Asset (Liability)</u>
PERS 1	\$ (879,765)
PERS 2/3	9,217,975

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

	<u>Proportionate Share 12/31/20</u>	<u>Proportionate Share 12/31/21</u>	<u>Change in Proportion</u>
PERS 1	0.069286%	0.072039%	0.002753%
PERS 2/3	0.090220%	0.092535%	0.002315%

Employer contribution transmittals received and processed by 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 DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans the City participates in.

The collective net pension liability was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability 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 pension expense as follows:

	<u>Pension Expense</u>
PERS 1	\$ (63,414)
PERS 2/3	(2,095,783)

Pension liabilities are typically liquidated through the General, Stormwater, and Technology Replacement Funds.

## Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	976,244
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	<u>221,779</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 221,779</u>	<u>\$ 976,244</u>

<b>PERS 2/3</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 447,704	\$ 113,003
Net difference between projected and actual investment earnings on pension plan investments	-	7,704,065
Changes of assumptions	13,470	654,629
Changes in proportion and differences between contributions and proportionate share of contributions	446,287	301,397
Contributions subsequent to the measurement date	<u>380,193</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 1,287,654</u>	<u>\$ 8,773,094</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, but prior to June 30, 2021, 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:

<u>Year-ended 12/31</u>	<u>PERS 1</u>	<u>PERS 2/3</u>
2022	(258,607)	(2,117,553)
2023	(236,978)	(1,979,136)
2024	(224,073)	(1,801,995)
2025	(256,586)	(1,981,188)
2026	-	(235)
Thereafter	<u>-</u>	<u>14,475</u>
	<u>(976,244)</u>	<u>(7,865,633)</u>

## 401(a) Plan

Permanent City employees participate in a 401(a) Plan that is a replacement for the Social Security System. Permanent employees working 1,040 or more hours per year are required to participate in the plan. ICMA Retirement Corporation administers the plan.

The 401(a) Plan is a defined contribution plan with participants contributing an amount equal to the current Social Security rate (7.65%) of their salary. Employees contribute 6.2% to the 401(a) Plan and 1.45% to Medicare. The City contributes 6.2% for permanent employees. Employee contributions during 2021 were \$741,065. City contributions were \$739,404. The Medicare portion of social security contributed by employees was \$177,553, and the City contributed \$177,182. There is no vesting period for City contributions.

Plan assets are not the property of the City and are not subject to the claims of the City's general creditors.

## Other Employee Benefits

Employees are covered by a long-term disability plan that takes effect after 90 days and for which the City pays the premiums. Coverage is provided at 67% of the employee's monthly salary. It is capped at a maximum payout of \$8,000 per month. There are no on-going liabilities for long-term disability for which the City is responsible.

Life Insurance is provided equal to two times an employee's annual salary.

The City offers its employees a voluntary 457 deferred compensation plan, to which the City does not contribute. ICMA Retirement Corporation administers this plan. The monies deposited to this plan are not considered resources available to the City. Employees may contribute up to \$19,500 of wages to this plan per year.

## NOTE 9: CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2021. The projects include widening and construction of existing streets, sidewalks, and bridges, construction of stormwater facilities, and building improvements and are the responsibility of the City's general, parks, or transportation CIP funds for building and street and bridge projects and the Stormwater CIP fund for stormwater infrastructure projects.

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Building Construction	\$ 1,720,801	\$ 953,157
Street and Bridge Construction	1,096,145	23,441
Stormwater Infrastructure	<u>1,125,042</u>	<u>42,004</u>
Total	<u>\$ 3,941,988</u>	<u>\$ 1,018,602</u>

## NOTE 10: INTERFUND TRANSFERS

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move receipts for debt service from the funds collecting the receipts to a debt service fund as payments become due, and to use unrestricted revenues in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Interfund transfers at December 31, 2021, are as follows:

	Transfer From				
	General Fund	Street Fund	G.O. Debt Service Fund	Transportation CIP Fund	Total
Transfer To					
General Fund	\$ -	\$ 11,082,746	\$ 25,000	\$ -	\$ 11,107,746
G.O. Debt Service Fund	-	-	-	536,000	\$ 536,000
General CIP Fund	2,500,000	-	-	-	\$ 2,500,000
Parks CIP Fund	-	-	-	-	\$ -
Transportation CIP Fund	5,320,000	-	-	-	\$ 5,320,000
	<u>\$ 7,820,000</u>	<u>\$ 11,082,746</u>	<u>\$ 25,000</u>	<u>\$ 536,000</u>	<u>\$ 19,463,746</u>

**NOTE 11:  
LONG-TERM OBLIGATIONS**

**Public Works Trust Fund Loan**

In May of 2001, the City transacted a General Obligation Public Works Trust Fund Loan for transportation infrastructure improvements in the amount of \$10,000,000 at a rate of 0.5%. This loan has a term of 20 years.

	Issue Date	Maturity Date	Interest Rate	Amount Issued	Redemptions to Date	Outstanding 12/31/2021
2001 PWTFLL	05/11/01	05/18/21	0.5%	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>
Total Public Works Trust Fund Loans				<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>

**Surface Water LTGO Revenue Bonds**

Prior to incorporation in 1999, the area which is currently the City of Sammamish was part of King County. As part of the City's incorporation process a share of each bond issue, based on assessed valuation of the City, became an obligation of the City although none of the projects financed by the bonds were built within the City limits. Those original assumed bonds have been paid in full. In 2016, the city annexed additional property from King County, adding a share of King County's 2001 bond issue of \$53,432. The City recognizes this debt obligation on its financial statements (per RCW 36.89.120) as a contract payable based on an interlocal contract with King County.

	Issue Date	Maturity Date	Interest Rate	Amount Issued	Redemptions to Date	Outstanding 12/31/2021
2001 LTGO Bond	11/01/01	12/01/21	3.0% - 5.0%	<u>53,432</u>	<u>53,432</u>	<u>\$ -</u>
Total LTGO Bonds				<u>\$ 53,432</u>	<u>\$ 53,432</u>	<u>\$ -</u>

## Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
PWTF	533,333	-	(533,333)	-	-
Compensated absences	865,888	1,042,858	(785,954)	1,122,792	112,279
Pension Liability	3,117,628	786,510	(3,117,628)	786,510	-
Total Governmental Activities	<u>\$ 4,516,849</u>	<u>\$ 1,829,368</u>	<u>\$ (4,436,916)</u>	<u>\$ 1,909,302</u>	<u>\$ 112,279</u>
<b>Business-Type Activities:</b>					
Surface Water Revenue Bonds	\$ 9,768	\$ -	\$ (9,768)	\$ -	\$ -
Compensated absences	130,029	81,907	(87,268)	124,668	12,467
Pension Liability	482,404	93,255	(482,404)	93,255	-
Total Business-Type Activities	<u>\$ 622,201</u>	<u>\$ 175,162</u>	<u>\$ (579,439)</u>	<u>\$ 217,923</u>	<u>\$ 12,467</u>

Internal service funds predominately serve the governmental funds. Accordingly, long term liabilities for them are included as part of the above totals for governmental activities. At year end \$94,027 of internal service funds' compensated absences are included in the above amounts. Compensated absences for governmental activities are liquidated from the general fund.

## NOTE 12: GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, fund balances are classified based primarily on the extent to which the City is bound to observe certain constraints imposed upon the resources in the fund as follows:

- Nonspendable represents the portion of fund balance that is not in spendable form such as inventories, prepaid items, and long-term receivables.
- Restricted signifies those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through enabling legislation.
- Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Commitments are established, modified, or rescinded only by adoption of an ordinance.
- Assigned fund balance is identified by the City's intent to use the funds for a specific purpose. Fund balance amounts may be assigned by the City Manager or Finance Director based on Council direction.
- Unassigned fund balance is the residual amount of the General Fund not reported in any of the above four categories. These amounts are technically available for any purpose. Additionally, negative fund balance in any other governmental fund is unassigned. The city only has positive unassigned fund balance in the general fund.

**A summary of governmental fund balances at December 31, 2021 are as follows (in thousands):**

	General	Street	G.O. Debt Service	General CIP	Parks CIP	Transportation CIP	Total
<b>Nonspendable:</b>							
Long-term receivable	\$ 89	\$ -					\$ 89
<b>Restricted for:</b>							
General government							-
Public safety	-	-	-	153	-	-	153
Transportation	-	-	-	-	-	11,893	11,893
Parks and recreation	-	-	-	-	14,361	-	14,361
<b>Committed:</b>							
	-	-	-	-	-	-	-
<b>Assigned for:</b>							
Affordable housing	258	-	-	-	-	-	258
Capital projects	-	-	-	3,795	12,442	1,831	18,067
<b>Unassigned:</b>							
	44,428	-	-	-	-	-	44,428
Total fund balances	<u>\$ 44,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,948</u>	<u>\$ 26,803</u>	<u>\$ 13,724</u>	<u>\$ 89,250</u>

**Strategic Reserve Allocation**

The City has adopted a strategic reserve policy that is categorized as unassigned under GASB No. 54. The amount of the reserve is set at ten percent of the annual budgeted revenues of the General Fund, which is \$4,921,000 for 2021. The strategic reserve may be spent to provide sufficient working capital for City programs, to maintain City services at an appropriate level, to fund unanticipated one-time expenditures, or in the event of an emergency declared by the City Manager.

**NOTE 13:  
HEALTH AND WELFARE**

**Association of Washington Cities Employee Benefit Trust**

**Trust Description.** The City is a Participating Employer in the Association of Washington Cities Employee Benefit Trust (Trust), a cost-sharing multiple-employer welfare benefit plan administered by the Association of Washington Cities (AWC). The Trust provides medical benefits to certain eligible retired employees of Participating Employers and their eligible family members. Under Article VII of the Trust document, the Trustees have the authority and power to amend the amount and the nature of the medical and other benefits provided by the Trust. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report, along with a copy of the Trust document, may be obtained by writing to Trust at 1076 Franklin Street SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981.

**Funding Policy.** The Trust provides that contribution requirements of Participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute monthly as follows: For the AWC HealthFirst 1000 plan - \$1,050.20 for non-Medicare enrolled retiree coverage and \$2,109.56 for non-Medicare enrolled retiree and spouse coverage, and for the AWC HealthFirst 2500 plan - \$989.34 for non-Medicare enrolled retiree coverage and \$1,985.88 for non-Medicare enrolled retiree and spouse coverage.

Participating Employers are contractually required to contribute at rates assessed each year by the Trust for all active covered employees. The City requires all employees to contribute 8% of their dependent's premium costs. The City's

contribution to the Trust for the years ended in December 31<sup>st</sup> were \$2,150,895 in 2018, \$1,488,953 in 2020, and \$1,965,715 in 2021 and the employee's dependent premium contributions were \$79,937 in 2018, \$60,092 in 2020, and \$65,472 in 2021, which equaled the required contributions for the year.

**Financial Reporting.** The Trust pays benefits for active employees and retirees from separately maintained pools of assets. Therefore, the reporting

## **NOTE 14: CONTINGENCIES AND LITIGATION**

As of December 31, 2021, there were several damage claims and lawsuits pending against the City. However, in our opinion, with which the City Attorney concurs, neither the potential liability from any single claim or lawsuit, nor the aggregate potential liability resulting from all pending claims or lawsuits, would affect materially the financial condition of the City.

## **NOTE 15: RISK MANAGEMENT**

The City of Sammamish is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 166 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for the personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines. These revenues directly offset portions of the membership's annual assessment.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations.

For the past three years, the insurance settlements did not exceed the coverage that the City had obtained.

## **NOTE 16: JOINT VENTURES**

### **E-Gov Alliance**

On March 25, 2002, the City of Bellevue and principal cities adopted a resolution establishing the E-Gov Alliance between the City of Bellevue and the cities of Bothell, Burien, Issaquah, Kenmore, Kirkland, Mercer Island, Sammamish, and Woodinville. Since then additional cities have joined the Alliance as subscribers. The Alliance establishes on-line services through a jointly operated internet portal. Additionally, the Alliance has established a partnership with Microsoft to help define the E-Gov architecture, provide consulting services, offer training, and receive donated software.

The interlocal agreement may be terminated if the principals holding at least sixty percent of the weighted vote of all the principals are in concurrence. Upon termination, all property acquired shall be disposed of as follows: (1) property contributed without charge by any member shall revert to the contributor; (2) all property purchased after the effective date of the interlocal agreement shall be distributed to the principals based upon the principal's proportional ownership interest at the time of the sale of the property. The City's share of the net position is deemed immaterial and thus not reflected in the financial statements.

Financial information may be obtained from Beverly Ni, City of Bellevue, Information Technology Department, P.O. Box 90012, Bellevue, WA 98009-9012.

### **Eastside Fire and Rescue**

In 1999, through an interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation included King County Washington Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement is for a seven-year period ending December 31, 2021. Any party may withdraw at the end of any seven-year term by filing with the other parties a notice of withdrawal in January of the seventh year.

At inception the principals provided real property and equipment for use by EF&R. Title and ownership of these capital assets, and their replacements, remains with the principals.

EF&R is a joint venture partnership. The entities retain an equity interest in EF&R based on their support of EF&R operations. As of December 31, 2021, the equity percentage was as follows:

<u>Entity</u>	<u>Share</u>
Fire District 10	36.52%
Fire District 38	6.59%
City of Issaquah	24.12%
City of North Bend	4.45%
City of Sammamish	28.32%

EF&R is governed by a Joint Board of Directors, which meets on the second Tuesday of each month. The Board consists of eight Directors appointed from each of the principal's elected officials in the following ratios:

<u>Entity</u>	<u>Directors</u>
Fire District 10	2
Fire District 38	1
City of Issaquah	2
City of North Bend	1
City of Sammamish	2

The Districts levy regular real property and emergency medical services taxes at the maximum rate allowed by law. The Directors deposit taxes, as agreed upon and approved by the Directors, with the Board of Directors in June and December. The amount of annual contribution for the Cities, and the amount of additional services contribution, if any, is determined by the respective legislative bodies, after recommendation by the Board of Directors. Annually, Cities contribute financially according to an updated funding model established in 2014. The model utilizes calls for service to establish a first due area of response for each fire station and then applies the surrounding assessed value by jurisdiction to derive

each jurisdiction's portion of cost for that station. The total of all stations establishes 85% of each partner's share of the total cost of operation, the remaining costs are determined based on calls for service by jurisdiction. The EF&R Board then establishes a monthly billing schedule which the partners are obligated to pay in a timely fashion. The Equipment Replacement funding uses the same contribution percentages against the total need established by the EF&R Board in concert with the operating budget.

The City's contributions for the last five years are as follows:

<u>Year</u>	<u>Contributions</u>
2017	7,562,180
2018	7,864,725
2019	8,183,136
2020	7,913,072
2021	7,940,952

All real and personal property acquired prior to the agreement remains the property of the acquiring member, with exclusive access and control over the property by EF&R. All property acquired pursuant to the Agreement shall be identified by the Board upon acquisition as joint or separate property. Upon termination of the Agreement, all separate property shall be returned to the owner; the net value of all jointly owned property shall be calculated, and each party shall receive or pay, as applicable, the total net amount to the other, in cash or jointly owned property. The city records the capital assets in the Governmental Activities column of its Statement of Net Position.

Upon dissolution, the agreement provides for distribution of net position among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member. The City's remaining share of net position is deemed immaterial and thus is not reflected in its financial statements.

Audited financial information can be obtained from Scott Faires, Eastside Fire and Rescue, 175 NW Newport Way, Issaquah, WA 98027.

### **ARCH-Housing Coalition**

In November 1992, the City of Bellevue joined the cities of Redmond and Kirkland and King County to establish A Regional Coalition for Housing (ARCH). The agreement was amended in January 1993 and November 1999 to add clarifying language regarding responsibility and dissolution. Since its inception, the Cities of Beau Arts Village, Bothell, Clyde Hill, Hunts Pont, Issaquah, Kenmore, Mercer Island, Newcastle, Sammamish, Woodinville, and Yarrow Point have joined ARCH.

The purpose of ARCH is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by combining public funding with private-sector resources. Operating funding is provided by the member cities. ARCH identifies and prioritizes projects which the member cities fund directly through their own grants, Community Development Block Grants, and HUD grants.

ARCH is governed by an Executive Board composed of the chief executive officer from each member. The Executive Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff and a Citizen Advisory Board.

Each member city is responsible for contributing operating revenues as determined from the ARCH annual budget. Contributions from the member cities are based on each member's population. The City's contributions for the last five years were as follows:

<u>Year</u>	<u>Budget</u>	<u>Sammamish's Share</u>	<u>Percentage</u>
2017	675,806	69,346	10.3%
2018	699,324	78,014	11.2%
2019	724,400	80,784	11.1%
2020	1,110,097	127,494	11.5%
2021	1,155,261	127,494	11.0%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution the agreement, as amended, provides for distribution of net position among members based on the

percentage of the total annual contributions during the period of the Agreement paid by each member. The City's share of net position is deemed immaterial and thus is not reflected in the financial statements.

Budget monitoring information can be obtained from ARCH, 16225 NE 87<sup>th</sup> Street, Redmond, WA 98052.

**NOTE 17:  
COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continued to spread throughout the world throughout 2021. As a result, the Governor of Washington State issued an initial stay at home order on March 25, 2020, and the State has remained in various stages of mitigation since that date. Mitigation strategies include restrictions on the operations of several categories of businesses, including restaurants, bars, entertainment, and retail.

During 2021, the City received \$2.4 million in COVID-19 relief under the American Rescue Plan Act (ARPA). As of December 31, 2021, the City has only spent approximately \$33,000. City Council, along with management, continue to discuss how best to apply the remainder of the funds.

While as of the conclusion of 2021, the City has not suffered noticeable negative financial impacts of the pandemic, the long-term economic outlook is difficult to predict due to the evolving nature of the pandemic. City leadership is actively taking steps to further strengthen the City's financial position and ensure uninterrupted continuation of City services.

REQUIRED SUPPLEMENTARY  
INFORMATION

**CITY OF SAMMAMISH**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Mid-Biennium Ended December 31, 2021

	Original Budget 2021-2022	Final Budget 2021-2022	Actual Through 12/31/21	Variance with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Taxes	\$ 78,399,000	\$ 80,427,125	\$ 41,476,494	\$ (38,950,631)
Licenses and permits	3,249,000	3,219,000	1,831,215	(1,387,785)
Intergovernmental	2,796,500	6,706,456	1,710,939	(4,995,517)
Charges for services	5,513,318	5,627,536	2,643,741	(2,983,795)
Fines and forfeitures	779,000	779,000	98,347	(680,653)
Investment income	595,000	485,000	151,023	(333,977)
Contributions	238,880	238,880	90,735	(148,145)
Miscellaneous	802,000	937,000	672,324	(264,676)
Total revenues	<u>92,372,698</u>	<u>98,419,997</u>	<u>48,674,818</u>	<u>(49,745,179)</u>
<b>EXPENDITURES</b>				
Current				
General government	25,028,761	26,831,535	10,252,826	16,578,709
Security of persons and property	34,409,917	34,664,517	17,698,786	16,965,731
Physical environment	13,578,980	15,033,080	1,227,172	13,805,908
Transportation	3,710,090	4,116,390	5,362,015	(1,245,625)
Economic development	9,360,250	9,969,750	5,725,967	4,243,783
Mental/physical health	36,000	36,000	19,666	16,334
Cultural and recreation	12,299,500	12,513,300	4,316,378	8,196,922
Capital outlay	342,500	377,100	303,526	73,574
Total expenditures	<u>98,765,998</u>	<u>103,541,672</u>	<u>44,906,336</u>	<u>58,635,336</u>
Excess (deficiency) of revenues over (under) expenditures	(6,393,300)	(5,121,675)	3,768,482	8,890,157
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recovery	-	-	10,700	10,700
Transfers in	12,036,990	12,470,316	11,107,746	(1,362,570)
Transfers out	3,350,000	11,170,000	(7,820,000)	(18,990,000)
Total other financing sources (uses)	<u>15,386,990</u>	<u>23,640,316</u>	<u>3,298,446</u>	<u>(20,341,870)</u>
Net change in fund balance	8,993,690	18,518,641	7,066,928	(11,451,713)
Fund balance - beginning	29,024,885	37,708,763	37,708,764	1
Fund balance - ending	<u>\$ 38,018,575</u>	<u>\$ 56,227,404</u>	<u>\$ 44,775,692</u>	<u>\$ (11,451,712)</u>

# CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 STREET FUND  
 For the Mid-Biennium Ended December 31, 2021

	Original Budget 2021-2022	Final Budget 2021-2022	Actual Through 12/31/21	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 2,726,200	\$ 2,726,200	\$ 1,363,629	\$ (1,362,571)
Total revenues	<u>2,726,200</u>	<u>2,726,200</u>	<u>1,363,629</u>	<u>(1,362,571)</u>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(12,011,990)	(12,445,317)	(11,082,746)	1,362,571
Total other financing (uses)	<u>(12,011,990)</u>	<u>(12,445,317)</u>	<u>(11,082,746)</u>	<u>1,362,571</u>
Net change in fund balance	(9,285,790)	(9,719,117)	(9,719,117)	-
Fund balance - beginning	9,285,790	9,719,117	9,719,117	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF SAMMAMISH

City of Sammamish  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Public Employee Retirement System Plan 1  
Last Eight Years\*  
As of June 30

	Plan Year Ended							
	2014	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability	0.060054%	0.063410%	0.061417%	0.064933%	0.068214%	0.066554%	0.069286%	0.072039%
City's proportionate share of the net pension liability	\$ 3,025,248	\$ 3,316,933	\$ 3,298,382	\$ 3,081,121	\$ 3,046,460	\$ 2,559,238	\$ 2,446,170	\$ 879,765
Covered payroll	6,636,573	6,981,549	7,639,723	8,223,109	9,100,940	8,951,228	10,937,881	11,135,392
City's proportionate share of the net pension liability as a percentage of its covered payroll**	45.58%	47.51%	43.17%	37.47%	33.47%	28.59%	22.36%	7.90%
Plan fiduciary net position as a percentage of the total net pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%

\*Only eight years of information are available due to the implementation of GASB 68 in 2015. Up to ten years of data will be shown as the information becomes available.

\*\*The City does not currently employ any PERS Plan 1 members.

City of Sammamish  
Schedule of the City's Proportionate Share of the Net Pension Asset/(Liability)  
Public Employee Retirement System Plans 2 & 3  
Last Eight Years\*  
As of June 30

	Plan Year Ended							
	2014	2015	2016	2017	2018	2019	2020	2021**
City's proportion of the net pension liability	0.077320%	0.081924%	0.078799%	0.083522%	0.087570%	0.085657%	0.090220%	0.092535%
City's proportionate share of the net pension asset/(liability)	\$ (1,562,916)	\$ (2,927,191)	\$ (3,967,467)	\$ (2,901,990)	\$ (1,495,180)	\$ (832,021)	\$ (1,153,862)	\$ 9,217,975
Covered payroll	6,636,573	6,981,549	7,639,723	8,223,109	9,100,940	8,951,228	10,937,881	11,135,392
City's proportionate share of the net pension liability as a percentage of its covered payroll	23.55%	41.93%	51.93%	35.29%	16.43%	9.30%	10.55%	82.78%
Plan fiduciary net position as a percentage of the total net pension liability	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%

\*Only eight years of information are available due to the implementation of GASB 68 in 2015. Up to ten years of data will be shown as the information becomes available.

**CITY OF SAMMAMISH**

City of Sammamish  
Schedule of City's Contributions  
Public Employee Retirement System Plan 1  
Last Eight Fiscal Years\*  
For the Year Ended December 31

	Plan Year Ended							
	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	272,445	314,284	379,852	423,632	458,853	500,820	512,354	500,548
Contributions in relation to the contractually required contribution	272,445	314,284	379,852	423,632	458,853	500,820	512,354	500,548
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 6,774,726	\$ 7,235,007	\$ 7,983,931	\$ 8,706,572	\$ 9,064,427	\$ 10,140,489	\$ 10,679,189	\$ 11,702,075
Contributions as a percentage of covered payroll	4.02%	4.34%	4.76%	4.87%	5.06%	4.94%	4.80%	4.28%

\*Only eight years of information are available due to the implementation of GASB 68 in 2015. Up to ten years of data will be shown as the information becomes available.

City of Sammamish  
Schedule of City's Contributions  
Public Employee Retirement System Plans 2 & 3  
Last Eight Fiscal Years\*  
For the Year Ended December 31

	Plan Year Ended							
	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	337,128	403,033	496,116	595,864	679,801	783,524	845,792	833,550
Contributions in relation to the contractually required contribution	337,128	403,033	496,116	595,864	679,801	783,524	845,792	833,550
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 6,774,726	\$ 7,235,007	\$ 7,983,931	\$ 8,706,572	\$ 9,064,427	\$ 10,140,489	\$ 10,679,189	\$ 11,702,075
Contributions as a percentage of covered payroll	4.98%	5.57%	6.21%	6.84%	7.50%	7.73%	7.92%	7.12%

\*Only eight years of information are available due to the implementation of GASB 68 in 2015. Up to ten years of data will be shown as the information becomes available.

**BUDGETARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Budgets and Budgetary Accounting**

The City of Sammamish budgets its funds in accordance with the Revised Code of Washington (RCW) 35A.34. In compliance with the code, all funds have budgets. Budgets established for proprietary funds are “management budgets” and as such are not required to be reported in the financial statements.

The budget is proposed by the City Manager and adopted by the City Council with legal budgetary control at the fund level, i.e., the total of expenditures, other financing uses, and the ending fund balance may not exceed the total of beginning balances and budgeted receipts at the fund level. The City Manager may authorize transfers within funds; however, the City Council must approve by ordinance any additional appropriations, which increase the total for the fund. Any unexpended appropriation balances lapse at the end of the biennium.

In addition to authorizing the budget the City Council biennially approves the Capital Improvement Program. This is a six-year plan for capital project expenditures and anticipated revenue sources. Expenditures and revenues for these projects are budgeted in the Capital Improvements Program Funds.

The City prepares its budgets on the modified accrual basis, which conforms to generally accepted accounting principles. The CAFR includes budgetary comparisons for those governmental funds with legally adopted budgets. Budget amounts include the adopted budget appropriations and any revisions made during the biennium.

State law establishes the budget process and the time limits under which a budget must be developed. The City adopts its biennial budget in December of the year preceding the first year of the biennial budget. Step one involves the identification by the City Council of the mission and objectives for the following biennium. The second step involves forecasting revenue and the establishment of a baseline budget to carry the existing programs into the next biennium. The third step involves the development by each department director of their departmental budget requests. The City Manager develops a preliminary budget that is presented to the Council for review and public hearings. The Council approves an ordinance to adopt the budget. Supplemental appropriations that modify total fund expenditures require an ordinance amending the budget.

FUND FINANCIAL  
STATEMENTS  
AND  
SCHEDULES

## MAJOR FUNDS BUDGET TO ACTUAL SCHEDULES

### **Debt Service Funds**

The G.O. Debt Service Fund accounts for the financial resources restricted, committed, or assigned to expenditures for principal and interest general obligation debt.

### **Capital Projects Funds**

Capital projects funds are used to account for the financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of general government, park, and transportation capital facilities other than those financed by proprietary funds.

The **General Capital Improvements Program (CIP) Fund** accounts for revenues and expenditures of capital improvement projects not related to transportation or parks. Its primary sources of revenue are intergovernmental revenue and transfers from the General Fund.

The **Parks Capital Improvements Program (CIP) Fund** accounts for revenues and expenditures of capital improvement projects related to parks. Its primary sources of revenue are intergovernmental revenue and transfers from the General Fund.

The **Transportation Capital Improvements Program (CIP) Fund** accounts for revenues and expenditures of capital improvement projects related to transportation. Its primary sources of revenue are intergovernmental revenue and transfers from the General Fund.

# CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 G.O. DEBT SERVICE FUND  
 For the Mid-Biennium Ended December 31, 2021

	Original Budget 2021-2022	Final Budget 2021-2022	Actual Through 12/31/21	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Debt principal	\$ 533,333	\$ 533,333	\$ 533,333	\$ -
Debt interest	<u>2,667</u>	<u>2,667</u>	<u>2,667</u>	<u>-</u>
Total expenditures	<u>536,000</u>	<u>536,000</u>	<u>536,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>536,000</u>	<u>536,000</u>	<u>536,000</u>	<u>-</u>
Total other financing sources	<u>536,000</u>	<u>536,000</u>	<u>536,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**CITY OF SAMMAMISH**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GENERAL GOVERNMENT CIP FUND  
 For the Mid-Biennium Ended December 31, 2021

	<u>Original Budget 2021-2022</u>	<u>Final Budget 2021-2022</u>	<u>Actual Through 12/31/21</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Interest	\$ 10,000	\$ 15,000	\$ (29,843)	\$ (44,843)
Total revenues	<u>\$ 10,000</u>	<u>\$ 15,000</u>	<u>\$ (29,843)</u>	<u>\$ (44,843)</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	6,000,000	7,699,100	2,193,806	5,505,294
Total expenditures	<u>6,000,000</u>	<u>7,699,100</u>	<u>2,193,806</u>	<u>5,505,294</u>
Excess (deficiency) of revenues over (under) expenditures	(5,990,000)	(7,684,100)	(2,223,649)	5,460,451
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,350,000	5,850,000	2,500,000	(3,350,000)
Transfers Out	-	-	-	-
Total other financing sources(uses)	<u>3,350,000</u>	<u>5,850,000</u>	<u>2,500,000</u>	<u>(3,350,000)</u>
Net change in fund balance	(2,640,000)	(1,834,100)	276,351	2,110,451
Fund balance - beginning	2,641,071	3,672,030	3,672,030	-
Fund balance - ending	<u>\$ 1,071</u>	<u>\$ 1,837,930</u>	<u>\$ 3,948,381</u>	<u>\$ 2,110,451</u>

# CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS CIP FUND  
For the Mid-Biennium Ended December 31, 2021

	Original Budget 2021-2022	Final Budget 2021-2022	Actual Through 12/31/21	Variance with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Taxes	\$ 6,880,000	\$ 7,180,000	\$ 5,326,116	\$ (1,853,884)
Intergovernmental	-	-	1,517,390	1,517,390
Charges for services	907,500	907,500	390,862	(516,638)
Interest	280,000	220,000	(179,846)	(399,846)
Miscellaneous	-	-	-	-
Total revenues	<u>8,067,500</u>	<u>8,307,500</u>	<u>7,054,522</u>	<u>(1,252,978)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>17,202,000</u>	<u>20,074,400</u>	<u>3,650,228</u>	<u>16,424,172</u>
Total expenditures	<u>17,202,000</u>	<u>20,074,400</u>	<u>3,650,228</u>	<u>16,424,172</u>
Excess (deficiency) of revenues over (under) expenditures	(9,134,500)	(11,766,900)	3,404,294	15,171,194
<b>OTHER FINANCING (USES)</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	(9,159,500)	(11,791,900)	3,379,294	15,171,194
Fund balance - beginning	<u>18,296,320</u>	<u>23,423,243</u>	<u>23,423,243</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,136,820</u>	<u>\$ 11,631,343</u>	<u>\$ 26,802,537</u>	<u>\$ 15,171,194</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 TRANSPORTATION CIP FUND  
 For the Mid-Biennium Ended December 31, 2021

	Original Budget 2021-2022	Final Budget 2021-2022	Actual Through 12/31/21	Variance with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Taxes	\$ 6,400,000	\$ 6,700,000	\$ 5,049,755	\$ (1,650,245)
Intergovernmental	-	678,000	1,977,137	1,299,137
Charges for services	1,320,000	1,320,000	609,032	(710,968)
Interest	100,000	230,000	(70,671)	(300,671)
Miscellaneous			64,850	64,850
Total revenues	<u>7,820,000</u>	<u>8,928,000</u>	<u>7,630,103</u>	<u>(1,297,897)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>7,525,200</u>	<u>13,879,200</u>	<u>6,702,754</u>	<u>7,176,446</u>
Total expenditures	<u>7,525,200</u>	<u>13,879,200</u>	<u>6,702,754</u>	<u>7,176,446</u>
Excess (deficiency) of revenues over (under) expenditures	294,800	(4,951,200)	927,349	5,878,549
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	5,320,000	5,320,000	-
Transfers out	(536,000)	(536,000)	(536,002)	(2)
Total other financing sources (uses)	<u>(536,000)</u>	<u>4,784,000</u>	<u>4,783,998</u>	<u>(2)</u>
Net change in fund balance	(241,200)	(167,200)	5,711,347	5,878,547
Fund balance - beginning	4,691,018	8,012,160	8,012,160	-
Fund balance - ending	<u>\$ 4,449,818</u>	<u>\$ 7,844,960</u>	<u>\$ 13,723,507</u>	<u>\$ 5,878,547</u>

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency of the City.

The **Equipment Rental & Replacement Fund** accounts for the cost of maintaining and replacing City vehicles and equipment for all City departments. The fund accumulates the resources for vehicle and equipment replacements in the future. The Funds or Departments using the vehicle or equipment pay the scheduled replacement fees.

Information Technology is accounted for in the **Technology Replacement Fund**. Its staff is responsible for maintaining the City's computerized information system; strategic information technology planning, user and application support, local, wide area network, system administration, web and e-gov systems, geographic information systems administration, and telecommunication systems.

The **Risk Management Fund** is established to account for and expend monies for the procurement of insurance, claims settlement, and administration of a risk management and safety program. This fund also accounts for the funding of self-insured unemployment claims through the State of Washington.

# CITY OF SAMMAMISH

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2021

	<u>Equipment Rental &amp; Replacement</u>	<u>Technology Replacement</u>	<u>Risk Management</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,028,842	\$ 925,656	\$ 226,882	\$ 2,181,380
Investments	727,501	654,537	160,430	1,542,468
Receivables				
Accounts	-	1,584	-	1,584
Prepaid accounts	-	54,350	-	54,350
Total current assets	<u>1,756,343</u>	<u>1,636,127</u>	<u>387,312</u>	<u>3,779,782</u>
<b>Noncurrent assets:</b>				
Net pension asset	-	866,490	-	866,490
<b>Capital Assets:</b>				
Equipment	4,929,191	737,020	-	5,666,211
Software	-	326,313	-	326,313
Less accumulated depreciation	<u>(2,588,102)</u>	<u>(859,791)</u>	<u>-</u>	<u>(3,447,893)</u>
Total capital assets (net of depreciation)	<u>2,341,089</u>	<u>203,542</u>	<u>-</u>	<u>2,544,631</u>
Total noncurrent assets	<u>2,341,089</u>	<u>1,070,032</u>	<u>-</u>	<u>3,411,121</u>
Total assets	<u>4,097,432</u>	<u>2,706,159</u>	<u>387,312</u>	<u>7,190,903</u>
<b>DEFERRED OUTFLOWS</b>				
Related to pensions	-	141,887	-	141,887
Total deferred outflows	<u>-</u>	<u>141,887</u>	<u>-</u>	<u>141,887</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	44,135	47,630	-	91,765
Compensated absences	-	9,403	-	9,403
Total current liabilities	<u>44,135</u>	<u>57,033</u>	<u>-</u>	<u>101,168</u>
<b>Noncurrent liabilities</b>				
Compensated absences	-	84,625	-	84,625
Net Pension Liability	-	82,698	-	82,698
Total noncurrent liabilities	<u>-</u>	<u>167,323</u>	<u>-</u>	<u>167,323</u>
Total liabilities	<u>44,135</u>	<u>224,356</u>	<u>-</u>	<u>268,491</u>
<b>DEFERRED INFLOWS</b>				
Related to pensions	-	916,438	-	916,438
Total deferred inflows	<u>-</u>	<u>916,438</u>	<u>-</u>	<u>916,438</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,313,323	188,876	-	2,502,199
Restricted for pensions	-	162,858	-	162,858
Unrestricted	1,739,974	1,355,518	387,312	3,482,804
Total net position	<u>\$ 4,053,297</u>	<u>\$ 1,707,252</u>	<u>\$ 387,312</u>	<u>\$ 6,147,861</u>

**CITY OF SAMMAMISH**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2021

	<u>Equipment Rental &amp; Replacement</u>	<u>Technology Replacement</u>	<u>Risk Management</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 313,134	\$ 2,870,700	\$ -	\$ 3,183,834
Charges for replacement	468,886	-	-	468,886
Charges for insurance	-	-	498,000	498,000
Total operating revenues	<u>782,020</u>	<u>2,870,700</u>	<u>498,000</u>	<u>4,150,720</u>
<b>OPERATING EXPENSES</b>				
Administrative and general	-	1,212,898	23,965	1,236,863
Supplies	27,153	122,213	-	149,366
Maintenance and operations	241,214	772,640	440,900	1,454,754
Depreciation and amortization	512,065	83,164	-	595,229
Total operating expenses	<u>780,432</u>	<u>2,190,915</u>	<u>464,865</u>	<u>3,436,212</u>
Operating income	1,588	679,785	33,135	714,508
<b>NON-OPERATING REVENUES</b>				
Investment income (expense)	(11,624)	(10,799)	(3,166)	(25,589)
Gain on sale of capital assets	3,772	-	-	3,772
Miscellaneous	31,140	(27,592)	-	3,548
Total non-operating revenues (expenses)	<u>23,288</u>	<u>(38,391)</u>	<u>(3,166)</u>	<u>(18,270)</u>
Income before contributions	24,876	641,394	29,969	696,239
Capital contributions	<u>97,982</u>	<u>-</u>	<u>-</u>	<u>97,982</u>
Change in net position	122,857	641,394	29,969	794,220
Total net position - beginning	3,930,440	1,065,858	357,343	5,353,641
Total net position - ending	<u>\$ 4,053,297</u>	<u>\$ 1,707,252</u>	<u>\$ 387,312</u>	<u>\$ 6,147,861</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICES FUNDS  
For the Year Ended December 31, 2021

	Equipment Rental & Replacement Fund	Technology Replacement Fund	Risk Management Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 313,134	\$ 2,870,700	\$ 498,000	\$ 3,681,834
Cash Received for Replacement	468,886	-	-	468,886
Cash Payments to Suppliers	(27,153)	(122,213)	(23,965)	(173,331)
Cash Payments to Employees	-	(1,392,421)	-	(1,392,421)
Cash Payments to Other Governments	-	(49,995)	-	(49,995)
Cash Payments for Other Operating Expenses	(310,748)	(913,180)	(440,900)	(1,664,828)
Net Cash Provided by Operating Activities	<u>444,119</u>	<u>392,891</u>	<u>33,135</u>	<u>870,145</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(121,199)	(129,972)	-	(251,171)
Proceeds from insurance recovery	31,140	-	-	31,140
Proceeds from Sale of Other Assets	3,777	-	-	3,777
Net Cash (Used) by Capital and Related Financing Activities	<u>(86,282)</u>	<u>(129,972)</u>	<u>-</u>	<u>(216,254)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Purchases	(117,247)	(79,438)	(5,534)	(202,219)
Interest on Investments	3,858	3,475	517	7,850
Net Cash (Used) by Investing Activities	<u>(113,389)</u>	<u>(75,963)</u>	<u>(5,017)</u>	<u>(194,369)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>244,448</b>	<b>186,956</b>	<b>28,118</b>	<b>459,522</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>784,394</b>	<b>738,700</b>	<b>198,764</b>	<b>1,721,858</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 1,028,842</u></b>	<b><u>\$ 925,656</u></b>	<b><u>\$ 226,882</u></b>	<b><u>\$ 2,181,380</u></b>
Cash at the End of the Year Consists of:				
Operating Fund Cash	1,028,842	925,656	226,882	2,181,380
Total Cash at End of Year	<u>\$ 1,028,842</u>	<u>\$ 925,656</u>	<u>\$ 226,882</u>	<u>\$ 2,181,380</u>

See accompanying notes to the financial statements.

	Equipment Rental & Replacement Fund	Technology Replacement Fund	Risk Management Fund	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating Income	\$ 1,588	\$ 679,785	\$ 33,135	\$ 714,508
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				-
Depreciation	512,065	83,165	-	595,230
Pension Expense		(318,617)	-	(318,617)
Decrease (Increase) in Accounts Receivable		(1,584)	-	(1,584)
Decrease (Increase) in Prepaid Expenses		(54,350)	-	(54,350)
Increase (Decrease) in Accounts Payable	(69,534)	(10,617)	-	(80,151)
Increase in Compensated Absences Payable		15,109	-	15,109
Net Cash Provided by Operating Activities	<u>\$ 444,119</u>	<u>\$ 392,891</u>	<u>\$ 33,135</u>	<u>\$ 870,145</u>
Noncash Investing, Capital and Financing Activities:				
The fair value of investments decreased by	\$ (7,306)	\$ (6,573)	\$ (1,611)	\$ (15,490)
Contributed/Transferred Capital	97,982	-	-	97,982
	<u>\$ 90,676</u>	<u>\$ (6,573)</u>	<u>\$ (1,611)</u>	<u>\$ 82,492</u>

## STATISTICAL SECTION

## STATISTICAL SECTION

*This part of the City of Sammamish’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	<b>77</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	<b>82</b>
<b>Debt Capacity</b> <i>These tables present 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.</i>	<b>86</b>
<b>Demographic and Economic Information</b> <i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	<b>89</b>
<b>Operating Information</b> <i>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.</i>	<b>91</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Sammamish  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2012	2013*	2014*	2015*	2016*	2017*	2018*	2019*	2020*	2021*
<b>Governmental activities</b>										
Invested in capital assets	\$ 372,402,209	\$ 375,067,384	\$ 386,000,481	\$ 409,511,901	\$ 478,172,293	\$ 490,634,077	\$ 512,628,144	\$ 516,974,159	\$ 539,917,922	\$ 549,584,728
Restricted	801,525	3,564,937	5,397,186	9,385,561	14,865,065	17,617,041	17,695,798	22,867,964	18,107,636	27,955,887
Unrestricted	59,226,058	67,213,161	66,593,476	48,106,300	57,101,379	60,742,309	65,397,441	73,261,795	68,187,438	65,919,412
<b>Total governmental activities net position</b>	<b>\$ 432,429,792</b>	<b>\$ 445,845,482</b>	<b>\$ 457,991,143</b>	<b>\$ 467,003,762</b>	<b>\$ 550,138,737</b>	<b>\$ 568,993,427</b>	<b>\$ 595,721,383</b>	<b>\$ 613,103,918</b>	<b>\$ 626,212,996</b>	<b>\$ 643,460,027</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 31,357,612	\$ 34,903,871	\$ 36,735,892	\$ 43,165,663	\$ 51,440,856	\$ 54,508,034	\$ 70,331,496	\$ 74,898,376	\$ 81,369,100	\$ 83,403,956
Restricted	-	-	-	-	-	-	-	-	-	183,649
Unrestricted	2,696,753	3,256,039	4,117,102	4,637,609	5,249,911	5,078,675	5,823,729	6,918,347	6,979,652	10,224,142
<b>Total business-type activities net position</b>	<b>\$ 34,054,365</b>	<b>\$ 38,159,910</b>	<b>\$ 40,852,994</b>	<b>\$ 47,803,272</b>	<b>\$ 56,690,767</b>	<b>\$ 59,586,709</b>	<b>\$ 76,155,225</b>	<b>\$ 81,816,723</b>	<b>\$ 88,348,752</b>	<b>\$ 93,811,747</b>
<b>Primary government</b>										
Invested in capital assets	\$ 403,759,821	\$ 409,971,255	\$ 422,736,373	\$ 452,677,564	\$ 529,613,149	\$ 545,142,111	\$ 582,764,390	\$ 591,872,535	\$ 621,287,022	\$ 632,988,684
Restricted	801,525	3,564,937	5,397,186	9,385,561	14,865,065	17,617,041	17,695,798	22,867,964	18,107,636	28,139,536
Unrestricted	61,922,811	70,469,200	70,710,578	52,743,909	62,351,290	65,820,984	71,416,420	80,180,142	75,167,090	75,143,555
<b>Total primary government net position</b>	<b>\$ 466,484,157</b>	<b>\$ 484,005,392</b>	<b>\$ 498,844,137</b>	<b>\$ 514,807,034</b>	<b>\$ 606,829,504</b>	<b>\$ 628,580,136</b>	<b>\$ 671,876,608</b>	<b>\$ 694,920,641</b>	<b>\$ 714,561,748</b>	<b>\$ 737,271,774</b>

\* Definition of Restricted limited to external restraints not internal

City of Sammamish  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 2

Page 1 of 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 5,500,271	\$ 5,672,187	\$ 5,958,904	\$ 7,083,298	\$ 8,130,475	\$ 9,533,450	\$ 9,905,985	\$ 10,581,380	\$ 10,572,471	\$ 14,800,402
Security	10,760,835	11,210,290	11,603,010	11,722,676	14,275,640	14,743,020	14,994,459	15,234,347	15,762,575	16,149,647
Physical environment	911,803	769,418	744,288	1,186,820	1,192,203	1,489,512	1,430,916	1,578,392	1,445,428	2,224,359
Economic environment	2,376,696	2,946,828	3,064,000	3,162,987	3,304,629	3,853,982	3,798,140	3,837,230	4,381,375	5,141,168
Transportation	10,270,526	9,078,077	10,499,661	9,877,643	10,730,872	10,586,802	10,317,333	10,165,239	10,995,468	7,035,300
Mental/physical health	11,717	8,525	7,577	14,507	11,751	16,407	16,728	17,428	18,836	19,666
Culture and recreation	4,597,333	5,330,077	5,438,387	5,801,593	7,521,578	7,845,884	8,195,293	8,212,189	7,634,131	6,902,990
Interest on long-term debt	118,383	22,667	20,000	17,334	14,667	12,001	9,334	6,667	4,000	2,667
<b>Total governmental activities expenses</b>	<b>34,547,564</b>	<b>35,038,069</b>	<b>37,335,827</b>	<b>38,866,858</b>	<b>45,181,815</b>	<b>48,081,058</b>	<b>48,668,188</b>	<b>49,632,872</b>	<b>50,814,284</b>	<b>52,276,199</b>
<b>Business-type activities</b>										
Stormwater	2,767,246	3,277,117	3,932,295	3,691,830	4,629,171	4,565,776	5,428,300	6,135,065	6,741,496	6,394,017
<b>Total business-type activities expenses</b>	<b>2,767,246</b>	<b>3,277,117</b>	<b>3,932,295</b>	<b>3,691,830</b>	<b>4,629,171</b>	<b>4,565,776</b>	<b>5,428,300</b>	<b>6,135,065</b>	<b>6,741,496</b>	<b>6,394,017</b>
<b>Total primary government expenses</b>	<b>\$ 37,314,810</b>	<b>\$ 38,315,186</b>	<b>\$ 41,268,122</b>	<b>\$ 42,558,688</b>	<b>\$ 49,810,986</b>	<b>\$ 52,646,834</b>	<b>\$ 54,096,488</b>	<b>\$ 55,767,937</b>	<b>\$ 57,555,780</b>	<b>\$ 58,670,216</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 23,623	\$ 25,414	\$ 30,241	\$ 31,619	\$ 34,803	\$ 34,465	\$ 23,791	\$ 25,994	\$ 7,425	\$ 91
Security	249,603	322,876	314,552	441,409	562,817	736,721	899,044	765,219	603,844	650,652
Physical environment	166,031	248,890	261,652	203,478	247,833	271,321	207,911	304,503	315,000	440,370
Economic environment	2,842,651	3,621,426	3,733,623	4,189,181	5,388,893	5,673,776	4,582,139	4,205,047	3,803,650	3,182,199
Transportation	3,034,927	4,176,163	2,859,263	2,628,764	4,771,521	3,214,967	2,420,104	1,370,221	1,606,768	609,032
Culture and recreation	956,631	1,129,379	1,152,418	1,147,652	2,326,364	3,487,345	2,006,497	944,911	1,088,596	704,225
Operating grants and contributions	382,586	613,373	390,151	223,176	196,705	733,574	693,768	1,582,489	3,180,873	3,065,449
Capital grants and contributions	6,846,094	5,286,254	4,323,952	8,680,650	70,418,562	5,732,484	14,747,739	8,129,864	2,735,202	5,487,175
<b>Total governmental activities program revenues</b>	<b>14,502,146</b>	<b>15,423,775</b>	<b>13,065,852</b>	<b>17,545,929</b>	<b>83,947,498</b>	<b>19,884,653</b>	<b>25,580,993</b>	<b>17,328,248</b>	<b>13,341,358</b>	<b>14,139,193</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Stormwater	2,498,951	3,103,573	3,604,009	3,713,183	4,705,654	5,075,454	6,370,637	7,309,056	8,935,399	9,102,576
Operating grants and contributions	302,492	-	50,000	22,295	1,115,714	291,338	1,050,018	196,657	25,000	544,310
Capital grants and contributions	1,813,728	4,356,180	2,963,631	7,537,292	7,696,638	2,097,893	14,578,958	4,150,324	4,252,301	1,849,104
<b>Total business-type activities program revenues</b>	<b>4,615,171</b>	<b>7,459,753</b>	<b>6,617,640</b>	<b>11,272,770</b>	<b>13,518,006</b>	<b>7,464,685</b>	<b>21,999,613</b>	<b>11,656,037</b>	<b>13,212,700</b>	<b>11,495,990</b>
<b>Total primary government program revenues</b>	<b>\$ 19,117,317</b>	<b>\$ 22,883,528</b>	<b>\$ 19,683,492</b>	<b>\$ 28,818,699</b>	<b>\$ 97,465,504</b>	<b>\$ 27,349,338</b>	<b>\$ 47,580,606</b>	<b>\$ 28,984,285</b>	<b>\$ 26,554,058</b>	<b>\$ 25,635,183</b>
<b>2021</b>										
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (20,045,418)	\$ (19,614,294)	\$ (24,269,975)	\$ (21,320,929)	\$ 38,765,683	\$ (28,196,405)	\$ (23,087,195)	\$ (32,304,624)	\$ (37,473,271)	\$ (38,137,006)
Business-type activities	1,847,925	4,095,136	2,685,345	7,580,940	8,888,835	2,898,909	16,571,313	5,520,972	6,471,204	5,101,973
<b>Total primary government net (expense) revenue</b>	<b>\$ (18,197,493)</b>	<b>\$ (15,519,158)</b>	<b>\$ (21,584,630)</b>	<b>\$ (13,739,989)</b>	<b>\$ 47,654,518</b>	<b>\$ (25,297,496)</b>	<b>\$ (6,515,882)</b>	<b>\$ (26,783,652)</b>	<b>\$ (31,002,067)</b>	<b>\$ (33,035,033)</b>

General Revenues and Other Changes in  
Net Position

Governmental Activities:

Taxes											
Property tax	\$ 21,516,331	\$ 21,850,729	\$ 22,423,974	\$ 22,996,379	\$ 27,393,221	\$ 27,898,518	\$ 28,852,729	\$ 29,682,228	\$ 30,579,115	\$ 32,460,106	
Sales tax	4,011,247	4,368,406	4,863,206	5,586,409	6,948,694	7,539,939	8,678,085	8,194,615	8,241,119	9,526,604	
Real estate excise tax	3,307,522	4,640,298	4,686,138	5,194,396	6,586,468	7,304,029	7,117,913	7,163,556	7,063,595	10,099,510	
Other taxes	1,728,777	1,573,747	1,650,189	1,756,323	2,323,474	2,400,236	2,818,004	2,525,509	2,418,414	2,858,553	
Unrestricted investment interest	192,958	114,281	143,536	282,122	503,965	1,168,494	1,451,358	1,718,507	1,405,222	(154,928)	
Miscellaneous	473,290	482,523	2,648,593	104,826	613,470	632,444	787,037	402,744	874,884	594,192	
Special items	70,101	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	107,435	110,025	-	-	-	
Total governmental activities	<u>31,300,226</u>	<u>33,029,984</u>	<u>36,415,636</u>	<u>35,920,455</u>	<u>44,369,292</u>	<u>47,051,095</u>	<u>49,815,151</u>	<u>49,687,159</u>	<u>50,582,349</u>	<u>55,384,037</u>	
Business-type activities:											
Unrestricted investment interest	10,093	10,377	7,515	18,360	45,536	73,286	87,758	114,377	54,972	235,355	
Miscellaneous	58	32	224	76,961	24,535	31,182	19,470	26,149	-	125,667	
Transfers	-	-	-	-	(71,411)	(107,435)	(110,025)	-	-	-	
Total business-type activities	<u>10,151</u>	<u>10,409</u>	<u>7,739</u>	<u>95,321</u>	<u>(1,340)</u>	<u>(2,967)</u>	<u>(2,797)</u>	<u>140,526</u>	<u>54,972</u>	<u>361,022</u>	
Total primary government	<u>\$ 31,310,377</u>	<u>\$ 33,040,393</u>	<u>\$ 36,423,375</u>	<u>\$ 36,015,776</u>	<u>\$ 44,367,952</u>	<u>\$ 47,048,128</u>	<u>\$ 49,812,354</u>	<u>\$ 49,827,685</u>	<u>\$ 50,637,321</u>	<u>\$ 55,745,059</u>	

Change in Net Position

Governmental activities	\$ 11,254,808	\$ 13,415,690	\$ 12,145,661	\$ 14,599,526	\$ 83,134,975	\$ 18,854,690	\$ 26,727,956	\$ 17,382,535	\$ 13,109,078	\$ 17,247,031
Business-type activities	1,858,076	4,105,545	2,693,084	7,676,261	8,887,495	2,895,942	16,568,516	5,661,498	6,526,176	5,462,995
Total primary government	<u>\$ 13,112,884</u>	<u>\$ 17,521,235</u>	<u>\$ 14,838,745</u>	<u>\$ 22,275,787</u>	<u>\$ 92,022,470</u>	<u>\$ 21,750,632</u>	<u>\$ 43,296,472</u>	<u>\$ 23,044,033</u>	<u>\$ 19,635,254</u>	<u>\$ 22,710,026</u>

City of Sammamish  
Fund Balances of Governmental Funds\*  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 894,403	\$ 804,963	\$ 715,523	\$ 626,083	\$ 536,643	\$ 447,203	\$ 357,762	\$ 268,323	\$ 178,883	\$ 89,440
Restricted	83,750	83,750	83,750	83,750	83,750	83,750	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,358,155	5,408,025	1,650,211	2,954,196	4,891,905	4,660,783	5,578,898	6,492,164	5,539,124	258,031
Unassigned	17,362,744	19,075,995	25,875,025	16,436,217	23,593,435	27,786,063	30,827,168	34,540,836	41,709,873	44,428,221
Total general fund	<u>\$ 21,699,052</u>	<u>\$ 25,372,733</u>	<u>\$ 28,324,509</u>	<u>\$ 20,100,246</u>	<u>\$ 29,105,733</u>	<u>\$ 32,977,799</u>	<u>\$ 36,763,828</u>	<u>\$ 41,301,323</u>	<u>\$ 47,427,880</u>	<u>\$ 44,775,692</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	717,775	3,481,187	5,313,436	9,301,811	14,781,315	17,533,291	17,695,798	22,867,964	18,107,636	26,407,000
Committed	-	-	-	-	-	-	-	3,742,698	-	-
Assigned	34,102,559	39,430,557	38,693,471	31,481,335	31,200,648	30,990,730	29,717,954	26,843,088	16,999,797	18,067,423
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,820,334</u>	<u>\$ 42,911,744</u>	<u>\$ 44,006,907</u>	<u>\$ 40,783,146</u>	<u>\$ 45,981,963</u>	<u>\$ 48,524,021</u>	<u>\$ 47,413,752</u>	<u>\$ 53,453,750</u>	<u>\$ 35,107,433</u>	<u>\$ 44,474,423</u>
Total governmental fund balances	<u>\$ 56,519,386</u>	<u>\$ 68,284,477</u>	<u>\$ 72,331,416</u>	<u>\$ 60,883,392</u>	<u>\$ 75,087,696</u>	<u>\$ 81,501,820</u>	<u>\$ 84,177,580</u>	<u>\$ 94,755,073</u>	<u>\$ 82,535,313</u>	<u>\$ 89,250,115</u>

City of Sammamish  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 28,839,035	\$ 30,879,861	\$ 31,954,385	\$ 33,847,776	\$ 40,909,132	\$ 42,764,518	\$ 44,674,070	\$ 45,016,049	\$ 45,690,437	\$ 51,852,365
Licenses and permits	1,788,519	2,037,092	2,108,859	2,146,576	2,701,451	3,301,229	2,883,749	2,232,584	2,298,298	1,831,215
Intergovernmental	3,048,615	2,536,582	1,925,399	2,271,724	2,428,764	3,148,136	4,691,212	9,134,897	7,893,517	6,569,095
Charges for services	5,441,712	7,404,996	6,106,071	6,301,296	10,317,312	9,830,838	7,020,423	4,885,809	4,888,508	3,643,633
Fines and forfeitures	109,836	167,472	189,447	238,490	367,953	243,266	227,035	471,904	173,504	98,347
Investment income	192,152	112,907	140,759	237,571	490,609	939,671	1,570,916	1,730,567	1,376,663	(129,338)
Contributions	144,293	140,973	1,587,487	3,560,693	126,697	124,494	130,999	125,642	104,915	64,850
Miscellaneous	529,370	568,725	585,850	576,444	619,220	678,379	617,253	626,912	676,256	763,059
<b>Total revenues</b>	<b>40,093,532</b>	<b>43,848,608</b>	<b>44,598,257</b>	<b>49,180,570</b>	<b>57,961,138</b>	<b>61,030,531</b>	<b>61,815,657</b>	<b>64,224,364</b>	<b>63,102,098</b>	<b>64,693,226</b>
<b>Expenditures</b>										
General government	4,383,967	5,131,441	5,162,819	6,664,519	6,794,889	8,813,452	9,442,424	11,030,869	10,128,476	10,252,826
Security of persons and property	10,452,442	10,910,662	11,277,769	11,388,581	14,017,242	14,490,040	14,740,229	15,052,206	15,618,707	17,698,786
Physical environment	914,357	647,450	749,942	1,179,043	1,199,249	1,496,388	1,477,566	1,654,641	1,521,983	1,227,172
Transportation	5,720,593	4,443,236	5,786,602	5,086,877	5,776,735	7,813,667	7,252,568	7,078,452	7,936,114	5,362,015
Economic environment	2,357,657	2,929,710	3,076,043	3,151,848	3,384,037	3,881,847	3,983,452	4,021,485	4,510,848	5,725,967
Mental/physical health	11,717	8,525	7,577	14,507	11,751	16,407	16,728	17,428	18,836	19,666
Culture and recreation	3,014,476	3,097,055	3,173,620	3,499,711	3,932,953	4,042,948	4,328,301	4,476,476	3,992,605	4,316,378
Capital outlay	6,486,072	4,388,451	11,438,802	29,266,023	8,216,375	13,520,756	17,396,014	9,811,455	31,164,780	12,850,314
Debt service										
Principal	2,433,333	533,333	533,333	533,333	533,333	533,333	533,333	533,333	533,333	533,333
Interest and debt issue costs	109,128	24,000	21,334	18,667	16,000	13,334	10,667	8,000	5,333	2,667
<b>Total expenditures</b>	<b>35,883,742</b>	<b>32,113,863</b>	<b>41,227,841</b>	<b>60,803,109</b>	<b>43,882,564</b>	<b>54,622,172</b>	<b>59,181,282</b>	<b>53,684,345</b>	<b>75,431,015</b>	<b>57,989,124</b>
Excess of revenues over (under) expenditures	4,209,790	11,734,745	3,370,416	(11,622,539)	14,078,574	6,408,359	2,634,375	10,540,019	(12,328,917)	6,704,102
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Other financing sources (uses)</b>										
Transfers in	8,162,409	4,597,333	4,594,667	20,817,000	2,114,333	2,121,667	4,109,372	915,333	538,666	19,463,746
Transfers out	(8,162,409)	(4,597,333)	(4,594,667)	(20,817,000)	(2,114,333)	(2,121,667)	(4,109,372)	(915,333)	(538,666)	(19,463,746)
Bond/loan proceeds	-	-	-	-	-	-	-	-	-	-
Insurance recovery	10,375	30,346	21,521	4,515	125,730	5,765	41,385	37,475	109,157	10,700
Disposition of capital assets	57,391	-	655,000	170,000	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>67,766</b>	<b>30,346</b>	<b>676,521</b>	<b>174,515</b>	<b>125,730</b>	<b>5,765</b>	<b>41,385</b>	<b>37,475</b>	<b>109,157</b>	<b>10,700</b>
<b>Net change in fund balances</b>	<b>\$ 4,277,556</b>	<b>\$ 11,765,091</b>	<b>\$ 4,046,937</b>	<b>\$ (11,448,024)</b>	<b>\$ 14,204,304</b>	<b>\$ 6,414,124</b>	<b>\$ 2,675,760</b>	<b>\$ 10,577,494</b>	<b>\$ (12,219,760)</b>	<b>\$ 6,714,802</b>
Debt service as a percentage of noncapital expenditures	8.65%	2.01%	1.86%	1.75%	1.54%	1.33%	1.30%	1.23%	1.22%	1.19%

City of Sammamish  
Assessed and Actual Value of Taxable Property  
Last Ten Fiscal Years

Table 5

Fiscal Year	Real Property	Personal Property	State Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	8,341,401,422	12,045,684	51,974,379	8,405,421,485	2.56
2013	8,359,886,282	17,048,592	49,500,064	8,426,434,938	2.59
2014	9,218,133,360	18,360,322	53,873,536	9,290,367,218	2.41
2015	11,120,030,590	17,421,857	58,971,861	11,196,424,308	2.05
2016	13,660,369,598	21,922,083	76,354,391	13,758,646,072	1.99
2017	14,413,401,398	25,627,586	74,774,154	14,513,803,138	1.93
2018	16,572,414,194	28,206,346	77,259,288	16,677,879,828	1.72
2019	18,755,950,442	35,864,680	79,907,897	18,871,723,019	1.57
2020	19,987,254,056	43,086,365	65,431,881	20,095,772,302	1.50
2021	19,785,873,356	31,944,266	71,952,200	19,889,769,822	1.61

Source: King County Assessor

Note: Real, personal, and state public service property have been assessed at 100% of the estimated value. Tax rates are per \$1,000 of assessed value.

City of Sammamish  
 Property Tax Rates, Direct and Overlapping Governments  
 Per One Thousand Dollars of Assessed Valuation  
 Last Ten Fiscal Years

Table 6

City Direct Rate			*Overlapping Rates					Total
Fiscal Year	Operating	Total Direct	Emergency Medical Service	Library	Fire District Bond	Washington State/Other	**School District	Direct and Overlapping Rate
2012	2.56	2.56	0.30	0.50	-	3.55	5.00	11.91
2013	2.59	2.59	0.30	0.57	-	4.48	4.74	12.68
2014	2.41	2.41	0.34	0.56	-	4.36	4.59	12.26
2015	2.05	2.05	0.30	0.50	-	3.96	4.14	10.95
2016	1.99	1.99	0.28	0.48	-	3.80	4.10	10.65
2017	1.93	1.93	0.26	0.45	-	3.94	4.06	10.64
2018	1.72	1.72	0.24	0.41	-	4.61	3.81	10.79
2019	1.57	1.57	0.22	0.37	-	4.18	3.46	9.80
2020	1.50	1.50	0.27	0.36	-	4.68	3.51	10.31
2021	1.61	1.61	0.26	0.36	-	4.45	3.63	10.31

Source: King County Assessor

\* Overlapping rates are those of other governments that apply to property owners within the City of Sammamish.

\*\* These figures are for the Issaquah School District (levy code 2175) which serves the largest area of Sammamish. Other areas of Sammamish have a different taxing rate, depending on school district boundaries.

Note: Washington State law limits the growth of regular property taxes to one percent per year, after adjustments for new construction and annexations. An increase greater than one percent may be approved by the voters.

City of Sammamish  
Principal Property Taxpayers  
Current Year & Nine Years Ago

Table 7

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
UBS Realty	\$ 139,825,000	1	0.70%			
Boulder Creek South LLC	85,158,100	2	0.43%	39,848,000	3	0.47%
Madison VK LLC (formerly PPC Sammamish LLC)	84,622,000	3	0.43%	\$ 41,947,000	2	0.50%
Sea Inglewood 2010 LLC	79,788,000	4	0.40%			
Regency Centers LP	70,595,200	5	0.36%	45,929,500	1	0.55%
Sammamish Sky Apartments LL929800	60,510,000	6	0.30%			
Safron Partners LLC	48,478,000	7	0.24%			
Gladstein Michael & Robert & ME	40,266,000	8	0.20%			
Sammamish Village LLC	36,152,300	9	0.18%			
Scott B Retzloff & Associates	28,999,500	10	0.15%			
Puget Sound Energy - Gas	27,670,525	11	0.14%	32,350,518	4	0.38%
Puget Sound Energy - Elec.	25,319,987	12	0.13%			
Verizon Northwest						
Frontier Communications NW				2,727,927	10	0.03%
Sahalee Country Club				10,877,600	5	0.13%
Qwest Corporation				2,761,716	9	0.03%
CPTS (Safeway)				6,195,300	8	0.07%
Oskoui Family Ltd Partnership				6,513,700	6	0.08%
Colina Pine Lake LLC				6,223,000	7	0.07%
	<u>\$ 727,384,612.00</u>		<u>3.67%</u>	<u>195,374,261</u>		<u>2.31%</u>

Source: King County Assessor

Note: 2020 total assessed valuation for the City of Sammamish is \$19,900,870,078.

2012 total assessed valuation for the City of Sammamish was \$8,405,421,485.

City of Sammamish  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 8

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	21,435,400	21,163,924	98.73%	271,476	21,435,400	100.00%
2013	21,780,518	21,522,676	98.82%	257,842	21,780,518	100.00%
2014	22,299,226	22,014,170	98.72%	283,343	22,297,514	99.99%
2015	22,889,152	22,635,723	98.89%	253,429	22,889,152	100.00%
2016	27,274,497	27,002,636	99.00%	271,860	27,274,497	100.00%
2017	27,765,654	27,513,453	99.09%	249,936	27,763,388	99.99%
2018	28,685,570	28,402,697	99.01%	262,830	28,665,527	99.93%
2019	29,539,849	29,280,361	99.12%	228,610	29,508,971	99.90%
2020	30,076,496	29,735,579	98.87%	50,556	29,786,136	99.03%
2021	31,944,349	31,632,566	99.02%	-	31,632,566	99.02%

Source: Annual Tax Receivable Summary Report prepared by the King County Finance Department.

City of Sammamish  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities		Business-type Activities	Total Primary Government	*Percentage of Personal Income	*Per Capita
	General Obligation Bonds	PWTF Loans	LTGO Revenue Bonds			
2012	-	4,800,000	406,183	5,206,183	0.21%	114
2013	-	4,266,667	331,077	4,597,744	0.18%	98
2014	-	3,733,333	251,933	3,985,266	0.15%	84
2015	-	3,200,000	168,568	3,368,568	0.12%	70
2016	-	2,666,667	151,148	2,817,815	0.09%	57
2017	-	2,133,333	109,343	2,242,676	0.07%	45
2018	-	1,600,000	65,339	1,665,339	0.04%	27
2019	-	1,066,667	19,066	1,085,733	0.02%	17
2020	-	533,333	9,768	543,101	0.01%	8
2021	-	-	-	-	0.00%	-

\*See Table 13 for personal income and population data.

Note: Details about the city's outstanding debt can be found in the Notes to the Financial Statements.

City of Sammamish  
 Computation of Direct and Overlapping Debt  
 As of December 31, 2021

Table 10

Governmental Unit	Gross General Obligation Debt Outstanding	*Percentage Applicable to Sammamish	Amount Applicable to Sammamish
<b>Overlapping Debt:</b>			
School District # 410	\$ 218,500,000	3.62%	\$ 7,919,495
School District # 411	700,520,000	30.51%	213,728,652
School District # 414	571,025,000	12.03%	68,694,308
Hospital District # 2	273,940,000	8.64%	23,668,416
Hospital District # 4	29,380,000	2.05%	602,290
Fire District #27-1	-	22.28%	-
Fire District # 10-2	2,380,000	47.96%	1,141,448
Issaquah Capital Facilities Library	-	31.00%	-
Fall City Metropolitan Park	-	13.28%	-
Regional Sound Transit	-	3.16%	-
Library District	44,335,000	5.04%	2,234,484
Port of Seattle	281,355,000	3.02%	8,496,921
King County	916,500,000	3.02%	27,678,300
<b>Total Overlapping Debt</b>	<b>3,037,935,000</b>		<b>354,164,313</b>
<b>Direct Debt:</b>			
City of Sammamish	-	100.00%	-
<b>Total Direct and Overlapping Debt</b>	<b>\$ 3,037,935,000</b>		<b>\$ 354,164,313</b>

Source: King County Finance Office; King County Assessor; City of Sammamish

\*Determined by the ratio of 2021 assessed valuation of property subject to taxation in the overlapping unit to the valuation of property subject to taxation in the reporting unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Sammamish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt, of each overlapping government.

City of Sammamish  
Legal Debt Margin Information  
Last Ten Fiscal Years

Table 11

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit (in thousands)	\$ 420,271	\$ 421,322	\$ 464,518	\$ 559,821	\$ 687,934	\$ 725,705	\$ 833,894	\$ 943,586	\$ 1,004,789
Total net debt applicable to limit	4,800	4,267	3,733	3,200	2,667	2,133	1,600	1,067	533
Legal debt margin (in thousands)	\$ 415,471	\$ 417,055	\$ 460,785	\$ 556,621	\$ 685,267	\$ 723,572	\$ 832,294	\$ 942,519	\$ 1,004,255
Total net debt applicable to limit as a percentage of debt limit	1.14%	1.01%	0.80%	0.57%	0.39%	0.29%	0.19%	0.11%	0.05%

Note:

Under state law Sammamish voters may approve general obligation debt of up to 5% of assessed valuation. This 5% limit is allocated equally between general government and parks/open space resulting in a 2.5% limit for each. Within the 2.5% limit, the City Council has the authority to issue bonds without voter approval for a combined total of up to 1.5% of the city's assessed valuation.

Legal Debt Margin Calculation for Fiscal Year 2021

	General Capacity		Special Purpose Capacity Parks and Open Space	Total Capacity
	Non-Voted Debt	Voted Debt		
December 31, 2020 Assessed Value: \$19,900,870,078				
2.50% of Assessed Value	\$ -	\$ 497,521,752	\$ 497,521,752	\$ 995,043,504
1.5% of Assessed Value	298,513,051	(298,513,051)	-	-
Statutory Debt Limit	<u>\$ 298,513,051</u>	<u>-</u>	<u>\$ 497,521,752</u>	<u>\$ 995,043,504</u>
Debt Applicable to Limit				
Bonds outstanding	\$ -	-	-	\$ -
PWTF Loans	-	-	-	-
Less:				
*Available cash and investments	(3,751,563)	-	(1,076)	(3,752,639)
Total net debt applicable to limit	<u>(3,751,563)</u>	<u>-</u>	<u>(1,076)</u>	<u>(3,752,639)</u>
Remaining debt capacity	<u>\$ 302,264,614</u>	<u>\$ 199,008,701</u>	<u>\$ 497,522,828</u>	<u>\$ 998,796,143</u>

\*Available cash and investments are defined as cash and investments that can be used to pay the city's current year general obligation debt.

City of Sammamish  
Demographic Statistics  
Last Ten Fiscal Years

Table 12

Fiscal Year	Population	Per Capita Personal Income	Personal Income	Median Age	Number of Households	Unemployment Rate
2012	47,420	57,837	2,742,630,540	37	16,148	6.00%
2013	48,060	60,090	2,887,925,400	37	16,490	5.20%
2014	49,260	62,770	3,092,050,200	37	16,490	4.20%
2015	49,980	68,877	3,442,472,460	37	16,490	4.60%
2016	61,250	72,530	4,442,462,500	37	19,800	3.90%
2017	62,240	77,213	4,805,737,120	37	21,310	3.60%
2018	63,470	83,383	5,292,319,010	37	21,774	3.30%
2019	64,410	90,438	5,825,111,580	37	22,159	2.70%
2020	65,100	94,974	6,182,807,400	37	22,390	5.80%
2021	67,455	96,647	6,519,323,385	38	22,544	4.10%

Sources:

Population figures are from the Puget Sound Regional Council.

Personal income figures are from the U.S. Bureau of Economic Analysis. Estimates are for King County in which Sammamish is located.

Median age and number of households are from the 2000 Census for years 2001-2009. The 2010 Census was used for 2020.

The unemployment rate is from the Washington State Employment Security Department. It is an estimate of the King County unemployment rate in which Sammamish is located.

City of Sammamish  
Principal Employers  
Current Year & Nine Years Ago

Table 13

Employer	2021			2012		
	Type of Business	Rank	Number of Employees	Type of Business	Rank	Number of Employees
Issaquah School District	Education	1	675	Education	1	439
Lake Washington School District	Education	2	483	Education	2	425
YMCA	Fitness Club	3	360			
QFC	Grocery Store	4	208	Grocery Store	5	110
Safeway	Grocery Store	5	175	Grocery Store	3	175
Sahalee Country Club	Country Club	6	150	Country Club	4	150
Eastside Catholic School	Education	7	120	Education	9	80
Metropolitan Market	Grocery Store	8	105			
Starbucks	Coffee House	9	101	Coffee House	8	82
Columbia Athletic Club @ Pine Lake	Fitness Club	10	100	Fitness Club	6	100
Plateau Club	Country Club	10	100	Country Club	7	100

Notes:

Sammamish is primarily a residential city with a small commercial base.

Data on the number of employees for each business is not collected by the city. These numbers are estimates from a business survey. Data on the total city employment is not collected.

City of Sammamish  
 Full-time Equivalent City Government Employees by Function/Program  
 Last Ten Fiscal Years

Table 14

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Executive	3.5	3.5	3.5	3.5	4.5	6.22	6.22	6.55	6.55	6
Legal										2
Finance	6	6	6	6	6	6	6	7	7	7
Information Technology	3	3	3	4	4	4	4	10	10	9
Administrative Services	3	3.5	3.5	4	4	5.5	5.5	5.84	5.84	6.75
Community Development	17.5	18.5	20	21.5	22.75	26.03	26.03	27.03	27.03	26.75
Facilities	0	1	1	1	2	3	2.59	3.92	3.92	5.17
*Security										
Police	1	1	1	1	1	1	1	1	1	1.75
Culture and Recreation	15.2	15.2	15.2	15.2	16.45	23.5	24.41	25.91	25.91	25.17
Transportation (Previously Street Fund)	6.425	7.42	7.75	8.13	9.63	14.24	13.66	16.81	16.81	0
Public Works (*2021 combined with Transport)	4.7	3.7	4.04	5.3	7.3	9.81	9.81	9.51	9.51	26.83
Surface Water Management	8.175	10.18	10.51	10.88	12.38	15.45	15.53	17.68	17.68	16.83
Total	68.5	73	75.5	80.51	90.01	114.75	114.75	131.25	131.25	133.25

Source: City budget office

\*The city contracts with King County for Police services and with Eastside Fire and Rescue for Fire services.  
 Police and Fire personnel are employees of the agencies the city contracts with for services.  
 The only employee of the city in the Security function is the Police Administrative Assistant.

City of Sammamish  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Table 15

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Community Development</b>										
Single Family Resident Permits	210	277	249	184	280	360	244	157	172	51
Estimated Value (in thousands)	\$ 84,455	\$ 114,029	\$ 107,416	\$ 84,911	\$ 130,003	\$ 159,959	\$ 109,976	\$ 77,058	\$ 83,058	\$ 24,598
<b>Transportation</b>										
Road Resurfacing (in thousands)	\$ 3,400	\$ 2,487	\$ 3,485	\$ 2,725	\$ 2,819	\$ 4,021	\$ 3,291	\$ 3,165	\$ 3,648	\$ 1,018
Road Construction (in thousands)	\$ 3,300	\$ 2,144	\$ 1,404	\$ 701	\$ 735	\$ 10,701	\$ 6,725	\$ 9,453	\$ 26,433	\$ 7,176
<b>Police Responses</b>										
Arson	1	2	6	4	1	7	6	2	7	2
Assault	31	6	50	50	8	79	51	71	46	69
Burglary	38	89	134	79	84	91	88	71	73	82
Drugs	12	7	12	21	15	27	3	8	18	12
Homicide	0	0	1	0	0	3	1	2	1	0
Rape	3	4	3	5	11	8	7	8	11	7
Robbery	0	191	1	3	3	1	6	3	0	2
Traffic enforcement	150	95	2,347	2,945	3,106	3,052	2,617	2,479	2,213	1,993
<b>Fire Responses</b>										
Fires	69	63	66	227	207	248	167	182	224	378
Emergency Medical	1,067	1,024	1,028	1,142	1,477	1,445	1,403	1,613	1,525	1,614
Motor Vehicle	44	45	51	58	88	70	76	76	58	59
Service	261	501	451	310	402	407	431	438	444	487

Sources: Various city departments. Fire response data provided by Eastside Fire & Rescue  
Police responses provided by King County Sheriff's Office

City of Sammamish  
Capital Assets Statistics by Function/Program  
Last Ten Fiscal Years

Table 16

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of fire engines	7	7	7	7	7	7	7	5	5	5
Number of aid cars	6	6	6	6	6	6	6	6	6	2
Transportation										
Center lane miles of streets	168	172	176	176	204	204	209.5	209.9	210.8	211.2
Traffic signals	21	21	23	23	25	25	26	26	27	26
School Zone flashers	26	28	32	32	38	40	39	44	46	46
Culture and Recreation										
Acres of developed parks	442	445	445	525	589	589	589	589	589	610
Acres of undeveloped parks	48	48	48	48	23	23	44.25	44.25	57.95	64.53
Playgrounds	9	9	9	9	10	10	10	10	10	10
Tennis courts (includes public schools)	27	27	27	27	27	27	27	27	27	27
Athletic fields (football, baseball, soccer)	48	49	49	49	50	50	50	48	48	48

Note: Police vehicles are owned by King County from whom Sammamish contracts for Police services.  
Fire stations and vehicles are owned by Sammamish and operated by Eastside Fire and Rescue.  
Transportation data is provided by City Engineer. Culture & Recreation data is provided and tracked by the Parks department.