

# **City of Bellingham, Washington**

## **Annual Comprehensive Financial Report**

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



*Photo taken by Brett Barclay*



# **City of Bellingham, Washington**

## **Annual Comprehensive Financial Report**

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

**Prepared by:**

#### **Finance Director**

**Andy Asbjornsen**

#### **Accounting Manager**

**Valerie Schorr**

#### **Accountants**

**Melanie Aliverti, CPA**

**Brandon Orcutt**

**Eden Rockenbach**

**The Finance Department is responsible for the preparation of the annual ACFR.**

**For comments or questions, contact:**

**City of Bellingham, Finance Department, (360) 778-8000**

**<https://www.cob.org/gov/dept/finance/pages/reports.aspx>**

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## **Finance Department City of Bellingham**

July 23, 2021

Mayor Seth Fleetwood, Bellingham City Council, and Residents of Bellingham, Washington:

I am pleased to provide the Annual Comprehensive Financial Report of the City of Bellingham for fiscal year ended December 31, 2020. This report is published annually as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the Washington State Auditor's Office.

As management for the City, we assume full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Washington State Auditors have issued an unmodified ("clean") opinion on the City of Bellingham's financial statements for the year ended December 31, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the Government**

The City of Bellingham, incorporated in 1904, is in the Northwest corner of the state and is one of the top growth areas in both the state and the country. Located in Whatcom County, Bellingham is approximately sixty miles south of Vancouver, British Columbia, and ninety miles north of Seattle on the Interstate 5 corridor, and the City serves as the county seat. It occupies 31.5 square miles and serves a population of 92,314. Bellingham is the 12th largest of the 281 municipalities in the State of Washington and is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Bellingham operates under the mayor-council form of government. Policy-making and legislative authority are vested in the governing council consisting of the mayor and seven other members, all of whom are elected at large. Council members serve four-year terms, with one member elected every two years. The mayor is elected for a four-year term and one municipal court judge also serves a four-year term. The mayor, with council approval, appoints the department heads. All elected members operate under the laws of the State of Washington.

The City provides a full range of local government services, including general government, public safety, culture and recreation, street, water, wastewater and storm utilities, parks, and other enterprise services.

Bellingham has one discrete component unit that is a separate legal entity from the City with its' own Board of Directors. The Bellingham-Whatcom Public Facilities District was established in 2002. Its mission is to create a regional center that will enhance economic development in the business core. It is funded by a state rebate of .033% of locally collected sales tax.



### **Local Economy and Outlook**

Over the past several decades, the economy of Bellingham and Whatcom County has transitioned from a resource-based to a retail and service-based economy. Older industries such as agriculture, timber, and fishing have declined in importance.

In early 2020, the Bellingham economic area implemented precautionary measures due to the world-wide novel coronavirus pandemic Covid-19. These measures followed Washington State Governor's Stay Home - Stay Healthy proclamation, proclaiming a state of emergency in Washington State. Despite a turbulent and unpredictable year resulting from the pandemic, the City's General fund has continued to improve significantly since 2009, and the 2020 fiscal year-end reserve reached \$31.2 million. Compared to the prior year, the City's overall revenues are up \$9.2 million. Efforts of the Mayor, Finance Director, and Department Heads to prioritize programs and expenditures to achieve a sustainable balanced budget continue to be successful.

As reported by the Bureau of Labor Statistics, for the Bellingham Metropolitan Statistical Area, total nonfarm employment declined from 2019 high of 96,900 to 89,100 for fiscal year ending December 31, 2020. This employment decrease is considered contributable to precautionary measures implemented to reduce pandemic rate of infection and is expected to increase.

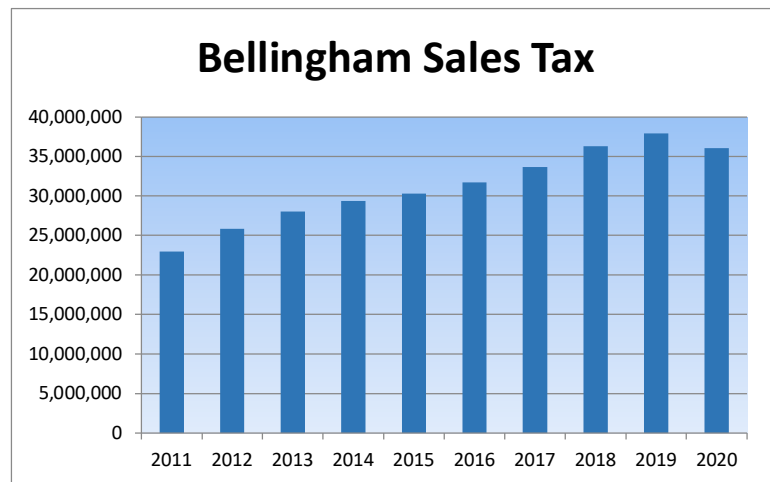
The value of commercial and residential building projects decreased 22% from \$241.7 million in 2019 to \$187.6 million in 2020. New single-family dwelling projects, consisting of 119 new units, decreased from the year prior by 43% with a total value for 2020 of \$25.1 million. Multi-family construction for 2020 remained on par with 2019 with a valuation of \$54.5 million and 352 units. New Industrial projects had the greatest decline of any project category from the prior year by 66%, with a total value for 2020 of \$2.9 million. There were 678 total permits issued in 2020, down from 800 in 2019.

The City of Bellingham receives \$2.01 per \$1,000 of assessed property value from property within the City limits. In 2020, this generated \$27.3 million government wide. Property taxes increased \$241 thousand over the prior year. Government-wide property tax revenue was allocated amongst the funds as follows: General fund \$15.65 million, Greenways \$5.1 million, Low-income Housing \$3.94 million, Waterfront Capital Construction \$73 thousand, and Fire Pension and OPEB \$2.54 million. Property tax provides roughly 28.3% of total government-wide general revenue.

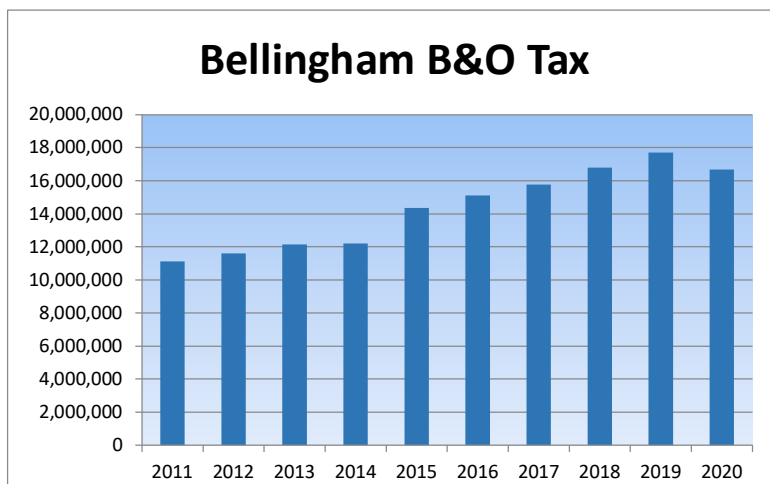
Bellingham's General fund relies heavily on sales tax revenue, which is subject to larger economic swings than most other sources of government revenues. After a significant early decline in retail sales following the preventive measures implemented to slow the spread of Covid-19 sales started to rebound in the final quarter of 2020 and significantly increase early in 2021, despite the continued closure of the Canadian border. In 2020, the City collected over \$36 million of sales tax revenues, a decrease of \$1.88 million, a 5% decline from 2019. In 2020, sales tax revenue generated 37.3% of government-wide general revenue.



The chart to the right shows the sales tax growth over the last ten years and a 4.98% decrease for 2020 from prior year. The ACFR retail sales and use tax balance includes the local retail sales tax, public safety sales tax, brokered natural gas use tax, criminal justice tax, transportation benefit retail sales and use tax, hotel/motel transient rent tax, and local revitalization sales tax; these six categories have larger swings and variances year over year and are included in the chart to the right.



Over the past ten years Business and occupation (B&O) tax has increased steadily Peaking in 2019 at \$17.71 million, followed by the most recent decline of 5.88% to \$16.67 million in 2020. This reduction is correlated to the measures taken to reduce the spread of Covid-19 and the impact on Bellingham's B&O tax is clear in the graph to the right.



Tourism, education, and healthcare have a significant impact on the local economy. Our geographical

location, including Bellingham Bay, the San Juan Islands, and Mt. Baker, offers significant recreational opportunities. Whatcom County Tourism was hit hard by the pandemic in 2020 with visitations down 22.7% and total visitors spending declining 34.1%. Down from an earlier high of \$555 million dollars in 2019 to \$381 million in 2020, according to a study conducted by Tourism Economics. We expect tourism to bounce back with the lifting of restrictions.

Western Washington University (the city's third largest employer), Whatcom Community College, and Bellingham Technical College typically host more than 30 thousand students annually and an estimated 2,060 employees. St. Joseph Hospital, a 253-bed medical center and Level III Trauma Center serving Northwest Washington, is the city's largest employer with 3,116 employees as reported by WWU CBE.

### Long-term Financial Planning

The City maintains a Financial Forecast of Revenue Resources and Expenditures for six years beyond the current budget year. This forecast provides the City's policymakers with an indication of the long-term fiscal impact of current policies and budget decisions. The City regularly test both its planning and forecasting methodology and use of planning and forecasting tools to provide information that is timely and accurate. This information allows the City to make short-term budgetary decisions as well as the foresight for long-term policy decision impacts. Capital projects will typically be based on City Council

approved formal long-range plans, including the City's Legacies and Strategic Commitments, Capital Facilities Plan (CFP), the Comprehensive Plan and/or other supporting plans or studies. Each project will be evaluated based on its relative contribution to meeting the stated goals and objectives of these studies.

### **Relevant Financial Policies**

The City must balance present and anticipated future needs for services and the City's ability to raise fees, charges, and taxes to support those services. The City strives to maintain a diversified mix of revenues to balance the sources of revenue amongst taxpayers and to provide ongoing stability and predictability. The City's overall revenue structure is designed to accrue to the City some of the financial benefits resulting from the City's economic and community development investments without being regressive in its application. It is the City of Bellingham's policy that "one-time" revenues, those considered to be available for only a limited period, will not be used for on-going operating purposes. When considering the use of new revenues for funding on-going employment costs, staff will assure that funding is available throughout the planning horizon or term-limit the position consistent with the duration of the revenue.

### **Major Initiatives: Waterfront Redevelopment / New Whatcom Special Development Area**

In January 2005, the City of Bellingham partnered with the Port of Bellingham on the redevelopment of 237 acres of heavy industrial property formerly occupied by Georgia-Pacific Corporation (GP). The property's location, in the heart of Bellingham's historic waterfront district, makes this an ideal site for redevelopment, combining environmental cleanup with urban revitalization.

This is the largest redevelopment project in the history of Whatcom County and is the beginning of an exciting new era for Bellingham's waterfront. Over the next several decades, Bellingham's waterfront will undergo a transformation from an industrial waterfront site into a vibrant new neighborhood featuring breathtaking views, parks, trails, sustainable urban living, and a mix of essential new and traditional jobs.

During 2013, the City completed the master plan and environmental impact statement for the New Whatcom Special Development Area with the passage of Ordinance 2013-12-090. The City will provide infrastructure to the property including utilities, streets, and parks and trails as determined in a development agreement negotiated with the Port of Bellingham. Project development goals include rebuilding the tax base, providing commercial development opportunities, accommodating some of the city's expected residential growth, and providing public access to the waterfront.

In 2018, the City completed Central Pier and Waypoint Park, a waterfront park along Whatcom Waterway, adjacent to the new roadway and Granary building. The beach restoration of this park included removal of an old creosote bulkhead to create a pocket beach and backshore providing the public direct access to Whatcom Waterway.

In 2019, the City completed construction of two new arterial streets in the Downtown Waterfront. This project includes new public utilities, bicycle and pedestrian facilities, parking, landscaping and street lighting. The project is providing utilities through the site, which will allow for mixed-use development within the area.

The Port has signed an agreement with a master developer, who has reconstructed an old, picturesque Granary building into a mixed-use retail and office center that will serve as a gateway to the Waterfront District. The developer has also started construction on three waterfront condominium buildings next to the Granary Building and Waypoint Park.

**Financial Management and Controls**

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

The City maintains budgetary controls in accordance with State legal requirements. The objective of these budgetary controls is to ensure compliance with legal provisions established by the budget appropriations of City Council. The annual operating budget, or financial plan, is proposed by the Mayor and adopted by the City Council after a public process. Management control for the operating budget is maintained at the fund level.

**Awards and Acknowledgments**

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 Bellingham for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2019. This was the 19th year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current annual comprehensive 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.

State law requires an annual audit of all City financial records and transactions by the State Auditor, an independent elected State official. The 2020 audit of the City has been completed and was performed in conformance with GAS. The financial statements of all City and agency funds have been included in this audit. Please refer to the Auditor's Opinion letter at the beginning of the Financial Section of this report.

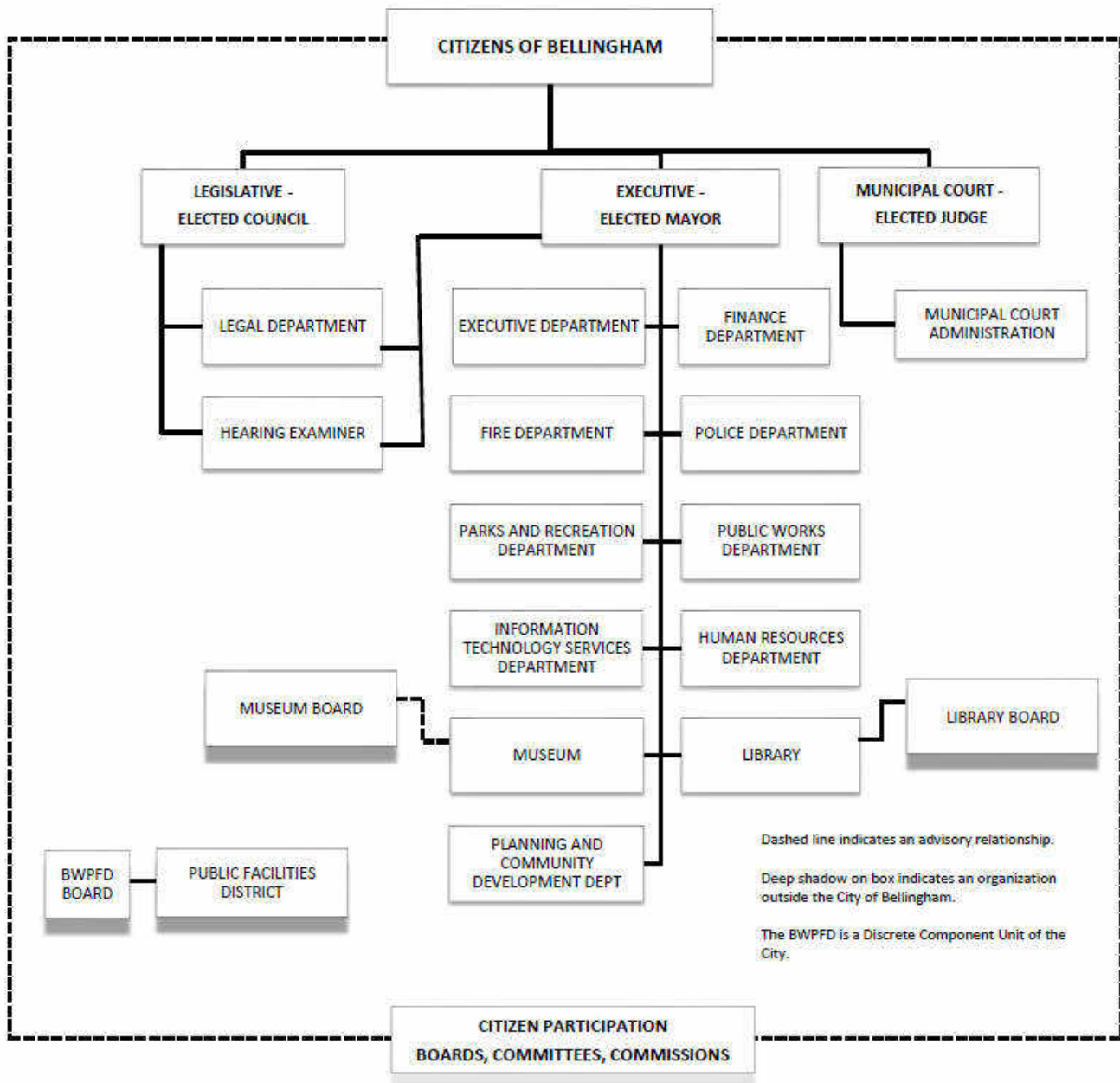
Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of Finance Department staff and other employees throughout the City who assisted in and contributed to its preparation. Further appreciation is extended to the Mayor and City Council for their encouragement, interest, and support in conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



Andy Asbjornsen  
Finance Director  
City of Bellingham

# CITY OF BELLINGHAM ORGANIZATIONAL CHART



**City of Bellingham**  
**List of Elected and Appointed Officials**  
**December 31, 2020**

**Elected Officials**

Mayor	Seth Fleetwood	4 years	December 31, 2023
Municipal Court Judge	Deborah Lev	4 years	December 31, 2021
1st Ward Council Member	Hannah Stone	4 years	December 31, 2023
2nd Ward Council Member	Gene Knutson	4 years	December 31, 2021
3rd Ward Council Member	Daniel Hammill	4 years	December 31, 2023
4th Ward Council Member	Pinky Vargas	4 years	December 31, 2021
5th Ward Council Member	Lisa Anderson	4 years	December 31, 2023
6th Ward Council Member	Michael Lilliquist	4 years	December 31, 2021
At Large Council Member	Hollie Huthman	2 years	December 31, 2021

**Appointed Officials**

Chief of Police	David Doll
City Attorney	Peter Ruffatto
Court Administrator	Darlene Peterson
Deputy Administrator	Brian Heinrich
Finance Director	Andrew Asbjornsen
Fire Chief	Bill Hewett
Hearing Examiner	Sharon Rice
Human Resources Service Manager	KayCee Johnson
Information Technology Director	Marty Mulholland
Library Director	Rebecca Judd
Museum Executive Director	Patricia Leach
Parks & Recreation Director	Nicole Oliver
Planning & Community Development Director	Richard Sepler
Public Works Director	Eric Johnston





Government Finance Officers Association

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Reporting

Presented to

**City of Bellingham  
Washington**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



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

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

Mayor and City Council  
City of Bellingham  
Bellingham, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

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

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Matters of Emphasis**

As discussed in Note 23 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated July 23, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

July 23, 2021





## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Bellingham presents this discussion and analysis as part of the financial statements for the fiscal year ended December 31, 2020. The information presented should be read in conjunction with the letter of transmittal, financial statements, and the notes to the financial statements.

### Financial highlights

- At December 31, 2020, the City's government-wide net position, the amount by which total assets and deferred outflow of resources exceed total liabilities and deferred inflow of resources, totaled \$914.2 million. Of this amount, \$675.6 million, or 73.9%, is the net investment in capital assets. Of the remaining net position, \$50.5 million is unrestricted and may be used to meet the City's ongoing obligations.
- The net position of governmental activities is \$554.8 million, an increase of \$9 million, or 1.7% from 2019. This increase is lower than prior years due to decreased revenues related to COVID-19, increased operating costs and a transfer of \$17 million of pollution remediation liability into governmental activities.
- The net position of business-type activities is \$359.4 million, which represents an increase of \$31.9 million, or 9.8% over 2019. This increase was due primarily to an increase in grants in the Water fund and the closure of the Solid Waste fund into a governmental fund which increased business-type general revenues.

### Overview of the financial statements

This discussion and analysis is intended to provide an introduction to the basic financial statements. The basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### Government-wide financial statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. These statements are reported using full accrual basis of accounting. All funds are represented except custodial fund types.

- **The Statement of Net Position** presents financial information on all assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increased or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- **The Statement of Activities** presents financial information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cashflows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish function of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, natural and economic resources, social services, and culture and recreation. The business-type activities of the City include water, wastewater, surface and stormwater, solid waste, cemetery, golf course, parking, medic one, and development services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate entity, the Bellingham-Whatcom Public Facility District (PFD) (known as the discretely presented component unit) for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

### **Fund financial statements**

While the government-wide statement looks at the City as a whole and focus on types of activities (general government versus business-type activities), the fund financial statements provide a more detailed look at the City's individual major funds and combined fund types.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and custodial funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund statements include balance sheets and statements of revenues, expenditures, and changes in fund balance. The accounting basis used is modified accrual and there are no capital assets or long-term debt included in these statements. Unlike the full accrual basis of accounting used in government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to compare the governmental fund statements and the *governmental activities* in the government-wide statements.

The City reports 21 individual governmental funds. Information for the General fund, the City's only major governmental fund, is presented separately in the basic statements. Data from the City's other governmental funds including special revenue, debt service, capital project, and permanent funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Budgetary comparisons are included with the financial statements in the combining and individual fund statements section of the report and the required supplementary information section for the legally adopted General fund budget. These statements demonstrate compliance with the City's adopted and final revised budget.

**Proprietary funds** are used to account for the City's business-type activities where all, or part, of the cost of activities are supported by fees and charges that are paid directly by those who benefit from the activities. The fund level statements provide the same type of information as the government-wide financial statements, only in more detail since both apply the accrual basis of accounting. In comparing the total assets and total liabilities between the two statement, you will notice only slight differences. Proprietary fund statements include statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows.

The City reports two types of proprietary funds: enterprise and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has nine enterprise funds, which account for the operations of four major funds: Water, Wastewater, Surface and Stormwater, and Solid Waste, and five other funds that are aggregated in the non-major enterprise fund column. *Internal service* funds are used to report activities that provide supplies and services for many City programs and to accumulate and allocate the associated costs of providing these supplies and services to the various functions. The internal service funds account for the nine funds: Fleet Administration, Purchasing Materials Management, Facilities Administration, Technology and Telecom, Claims and Litigation, Unemployment Compensation, Worker's Compensation Self-Insurance, Health Benefits, and Public Works Administration and Engineering. Because these internal fund services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The Proprietary Fund Statement of Net Position and the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position present separate columns of financial data for the four major enterprise funds. Data from the remaining enterprise funds and internal service fund are combined and presented in their own, single, aggregated columns in the fund statement. Individual fund data for each of the non-major enterprise funds, as well as the internal service funds, are provided in combining statement following the basic financial statements.

**Custodial funds** are used to account for resources where the City acts as trustee or agent and is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City has one fund that is reported as a Custodial fund. Custodial funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own operations.

#### **Notes to the financial statements**

The notes provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents comparative budget statements for major governmental funds. This report contains certain required supplementary information concerning the City's Pension and Other Post Employment Benefit funds. Information is also provided for the City's participation in state retirement plans.

#### **Government-wide overall financial analysis**

##### ***Net position***

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Bellingham, assets and deferred outflows of resources exceeded liabilities by \$914.2 million, at December 31, 2020. This was an increase of \$40.9 million, or 4.7%, over December 31, 2019.

<b>Net position (in thousands)</b>						
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>						
Current	\$ 205,575	\$ 192,991	\$ 79,173	\$ 90,688	\$ 284,748	\$ 283,679
Noncurrent	67,034	69,587	27,563	17,372	94,597	86,959
Capital assets (net of depr)	415,900	411,289	337,550	323,210	753,450	734,499
Total assets	688,509	673,867	444,286	431,270	1,132,795	1,105,137
<b>Deferred Outflows of Resources</b>	8,160	7,915	3,745	1,097	11,905	9,013
<b>Liabilities</b>						
Current	9,928	11,360	5,299	5,106	15,227	16,466
Current portion long-term	11,361	8,386	4,854	5,431	16,215	13,817
Long-term noncurrent	110,784	97,819	76,776	92,821	187,559	190,641
Total liabilities	132,072	117,565	86,929	103,358	219,001	220,923
<b>Deferred Inflows of Resources</b>	9,795	18,424	1,738	1,581	11,533	20,005
<b>Net position</b>						
Net investment in capital assets	408,896	406,477	266,693	247,261	675,589	653,738
Restricted	167,300	149,622	20,746	16,079	188,046	165,701
Unrestricted	(21,394)	(10,306)	71,926	64,088	50,531	53,782
<b>Total net position</b>	<u>\$ 554,802</u>	<u>\$ 545,793</u>	<u>\$ 359,365</u>	<u>\$ 327,428</u>	<u>\$ 914,166</u>	<u>\$ 873,221</u>

By far, the largest portion of the City's net position, 73.9%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. During 2020, the net investment in capital assets increased by \$21.9 million.

An additional portion of the City's net position, 20.6%, represents resources that are subject to external restrictions on how they may be used. These restrictions include bond covenants, construction requirements, levy agreements, endowment terms, settlement agreements and the Revised Code of Washington. In 2020, the restricted resources total \$188 million. The remaining balance of \$50.5 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. In 2020 the unrestricted net position decreased \$3.3 million from 2019.

At the end of 2020, the City of Bellingham is able to report positive balances in all reported categories of net position for the government as a whole. The same situation held true for the 2019.

#### **Changes in net position**

In 2020, government-wide net position increased by \$40.9 million, of which governmental activities increased by \$9 million and business-type activities increased by \$31.9 million over 2019. This increase is significantly lower than prior years. In 2020, there were two movements of liabilities between governmental and business-type activities that reduced the net position for governmental activities and increased the net position for business-type activities. The largest of these was the closing of the Solid Waste enterprise fund into a governmental fund. The Solid Waste fund had \$17 million in bond and pollution remediation liabilities that were transferred from business-type activities to governmental activities. Moving these liabilities from business-type activities to governmental activities resulted in net transfers in 2020 from governmental activities to business-type activities of \$10.6 million.

In 2020, the City also reported a prior period adjustment in the amount of \$2 million between governmental and business-type activities. This adjustment documents a reallocation of compensated absence expense and proportionate share of Washington State Department of Retirement Systems Law Enforcement Officers' and Fire Fighters' (LEOFF) plans related assets, deferred inflows and deferred outflows. The prior period adjustment results in a net gain in business-type activities net position.

<b>Changes in net position (in thousands)</b>						
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Program revenues:</b>						
Charges for services	\$ 14,593	\$ 14,792	\$ 76,363	\$ 78,697	\$ 90,957	\$ 93,489
Operating grants and contributions	15,914	11,533	4,831	944	20,745	12,477
Capital grants and contributions	6,684	6,193	12,051	2,301	18,735	8,494
<b>General revenues:</b>						
Property tax	27,313	27,072	-	-	27,313	27,072
Sales and use tax	36,030	37,919	-	-	36,030	37,919
Business tax	33,186	34,513	1,544	1,582	34,730	36,095
Real estate excise tax	3,879	4,064	-	-	3,879	4,064
Other taxes	819	1,126	841	868	1,660	1,994
Investment income	3,767	5,015	1,980	2,826	5,747	7,841
Miscellaneous revenue	2,134	2,852	230	211	2,365	3,063
Sale of capital assets	-	-	18	-	18	-
<b>Total revenues</b>	<b>144,320</b>	<b>145,078</b>	<b>97,860</b>	<b>87,429</b>	<b>242,180</b>	<b>232,507</b>
<b>Program expenses:</b>						
General government	14,716	10,090	-	-	14,716	10,090
Public safety	58,100	52,960	-	-	58,100	52,960
Transportation	22,069	19,315	-	-	22,069	19,315
Natural and economic environment	8,516	8,890	-	-	8,516	8,890
Social services	1,217	300	-	-	1,217	300
Culture and recreation	17,365	18,775	-	-	17,365	18,775
Interest on long-term debt	691	746	-	-	691	746
Water	-	-	26,859	22,916	26,859	22,916
Wastewater	-	-	22,967	21,022	22,967	21,022
Surface & stormwater	-	-	11,837	9,782	11,837	9,782
Solid waste	-	-	1,014	5,304	1,014	5,304
Medicine	-	-	8,258	8,369	8,258	8,369
Other business type activities	-	-	7,624	7,878	7,624	7,878
<b>Total expenses</b>	<b>122,674</b>	<b>111,075</b>	<b>78,560</b>	<b>75,271</b>	<b>201,234</b>	<b>186,346</b>
Excess (deficiency) before transfers	21,646	34,003	19,300	12,158	40,946	46,161
Transfers	(10,603)	2,151	10,603	(2,151)	-	-
<b>Change in net position</b>	<b>11,043</b>	<b>36,154</b>	<b>29,902</b>	<b>10,007</b>	<b>40,946</b>	<b>46,161</b>
<b>Net position - beginning</b>	<b>545,793</b>	<b>495,833</b>	<b>327,428</b>	<b>317,340</b>	<b>873,221</b>	<b>813,173</b>
<b>Prior Period Adjustment</b>	<b>(2,034)</b>	<b>13,806</b>	<b>2,034</b>	<b>82</b>	<b>-</b>	<b>13,887</b>
<b>Net position - ending</b>	<b>\$ 554,802</b>	<b>\$ 545,793</b>	<b>\$ 359,365</b>	<b>\$ 327,428</b>	<b>\$ 914,166</b>	<b>\$ 873,221</b>



***Revenues and expenses – government-wide***

In 2020, overall government-wide revenues increased \$9.7 million, from \$232.6 million in 2019 to \$242.2 million. Program revenues increased \$16 million while general revenues decreased \$6.3 million. Of the program revenues, operating grants and contributions increased \$8.3 million and capital grants and contributions increased \$10.2 million, while charges for services decreased \$2.5 million from the cancellation of some services due to COVID-19 precautionary measures. The \$6.3 million decrease in general revenues were also due to COVID-19 precautionary measures causing temporary closures and reduced services of businesses within the city.

Overall government-wide expenses increased by \$14.9 million, rising from \$186.3 million in 2019 to \$201.2 million in 2020. \$11.6 million of this increase was in the governmental activities and \$3.3 million was in the business-type activities.

***Governmental activities***

Governmental activities total program revenue increased by \$4.7 million, from \$32.5 million in 2019 to \$37.2 million in 2020. While operating grants and contributions increased \$4.4 million and capital grants and contributions increased \$500 thousand, they were offset by a \$200 thousand decrease in charges for services. The increase in operating grants and contributions was mainly from a \$3.6 million increase in general government from CARES Act grant funding. The decrease in charges for services was due to a decrease in culture and recreation charges for services in 2020.

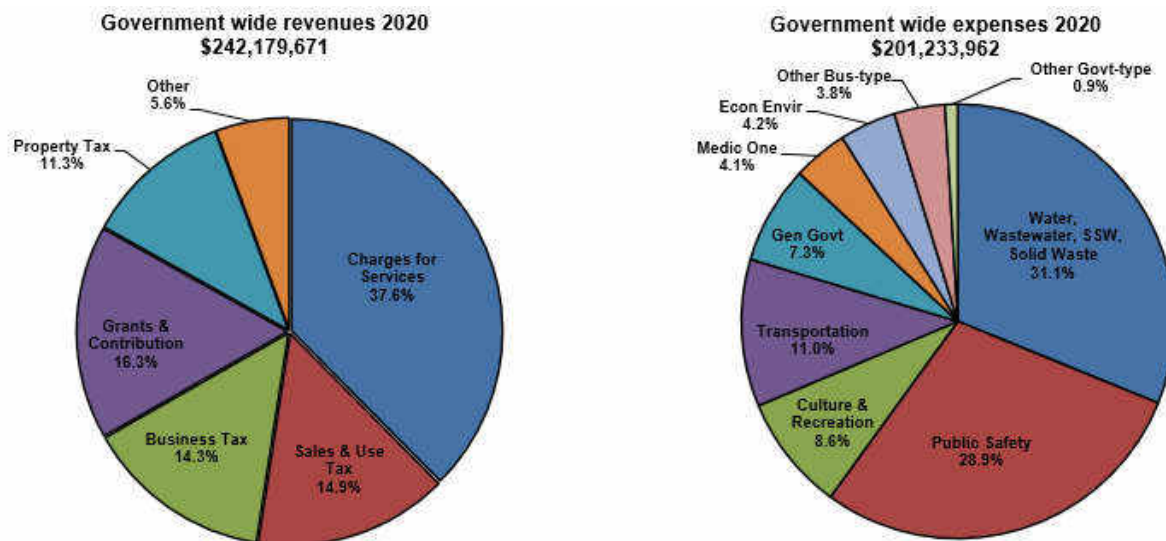
Governmental activities total general revenue decreased by \$18.2 million, from \$114.7 million in 2019 to \$96.5 million in 2020. In addition to the decreases in general revenues caused by COVID-19 precautionary measures, the closure of the Solid Waste enterprise fund into a governmental fund resulted in a net transfer out of governmental activities of \$10.6 million for the year, a \$12.8 million decrease from 2019.

In 2020, expenses for governmental activities experienced an overall increase of 10.4%. Total governmental activity spending was \$122.7 million, a \$11.6 million increase over 2019 spending of \$111.1 million. 47.4% of this increase is attributed to public safety expenses increasing \$5.1 million. Expenses also increased for general government by \$4.6 million, transportation by \$2.8 million and social services by \$918 thousand. These increases were offset by decreases in natural and economic environment of \$374 thousand, culture and recreation of \$1.4 million, and debt expenses of \$55 thousand.

***Business-type activities***

Business-type activities program revenue increased by \$11.3 million, from \$81.9 million in 2019 to \$93.2 million in 2020. Capital grants and contributions increased \$9.8 million, and operating grants and contributions increased \$3.9 million, while charges for services decreased by \$2.3 million. The Water fund accounted for \$8.2 million of the \$9.7 increase in capital grants and contributions. Surface and Stormwater fund accounted for \$2.3 million and Water fund for \$1.9 million of the operating grants and contribution increase. The \$2.3 million decrease in charges for services was primarily related to COVID-19 circumstances. The Water, Wastewater, and Surface and Stormwater funds accounted for \$1.2 million of the decrease, Parking fund \$1 million, and Development Services \$886 thousand. These decreases in charges for services were countered by increases for Medic One of \$459 thousand, Golf fund of \$261 thousand and Cemetery fund of \$62 thousand.

Expenses for business-type activities increased \$3.3 million from the prior year. The largest increase was Water fund expenses at \$3.9 million. Smaller increases were seen in Surface and Stormwater of \$2.1 million, Wastewater of \$1.9 million, Development Services of \$647 thousand, Cemetery fund of \$100 thousand, and Golf fund of \$13 thousand. These increases were offset by decreases in Solid Waste fund expenses of \$4.3 million, Parking of \$1 million, and Medic One of \$110 thousand.



## Fund level financial analysis

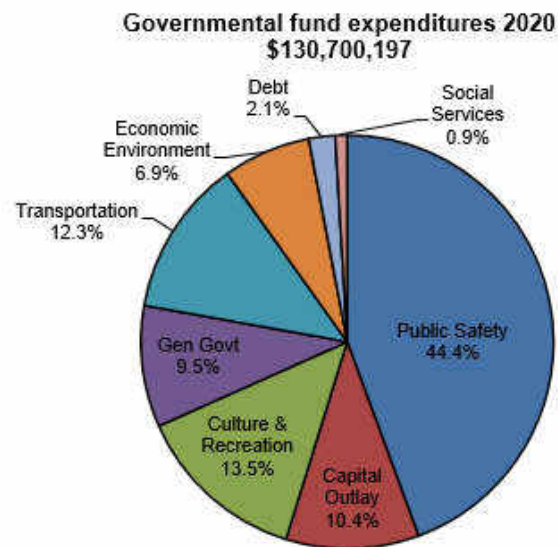
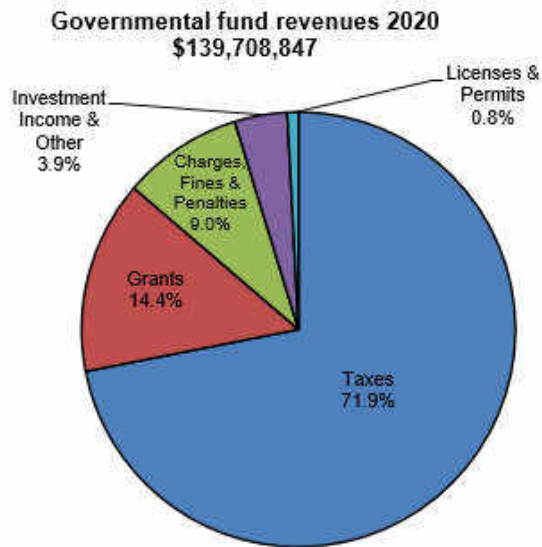
### Governmental funds

#### Revenues

The City of Bellingham uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In 2011, the City began reporting the former special revenue street fund in the General fund. In 2012, after further evaluation of all special revenue funds, the City reported additional activities in the General fund that were previously reported in the special revenue funds given the guidance of GASB 54. Currently, the City has eight special revenue funds reported within the General fund. Two of these funds, pension and OPEB funds, had previously been reported under GASB 68 as *trust fund* fiduciary activities. The pension and OPEB funds are now reported within the General fund under GASB 73 as *non-trust fund* governmental activities. The General fund is the City's only governmental major fund.

Fund balance in governmental funds increased \$12.9 million in 2020. Of this amount, \$9 million is related to excess revenues over expenditures, and \$3.9 million is other financing sources, resulting in a final ending fund balance of \$212.4 million. Overall governmental revenues decreased \$2.1 million, from \$141.8 million in 2019 to \$139.7 million in 2020. While intergovernmental revenue increased \$3.8 million, this was offset by decreases in taxes of \$3.4 million, licenses and permits of \$38 thousand, charges for services of \$800 thousand, fines and penalties of \$269 thousand, and miscellaneous revenues of \$1.4 million. The increase intergovernmental revenue was from CARES Act grant funding. The decreases in the other governmental fund revenues are due to COVID-19 precautionary measures causing temporary closures and reduced services of businesses within the city.

Tax revenue is the City's most significant source of governmental revenue, representing 71.9% of total governmental revenue and 76.6% of General fund revenue. Tax revenue supports services such as streets, fire, police, and parks which are basic to the City's mission, although they do not generate substantial revenue. The major tax categories are retail sales and use, business and occupation, property, and utility tax. Overall, tax collections decreased 3.3% from 2019 to 2020. Within the legally adopted original General fund, property tax had the only increase, \$284 thousand or 1.2%. Decreases were seen in sales and use tax of \$770 thousand, or 2.7%, business tax of \$1.5 million, or 4.3%, real estate excise tax of \$185 thousand, or 4.5%, and other taxes of \$307 thousand, or 27.3%. Many of the decreases in tax revenue are due to COVID-19 precautionary measures causing temporary closures and reduced services of businesses within the city.



### **Expenditures**

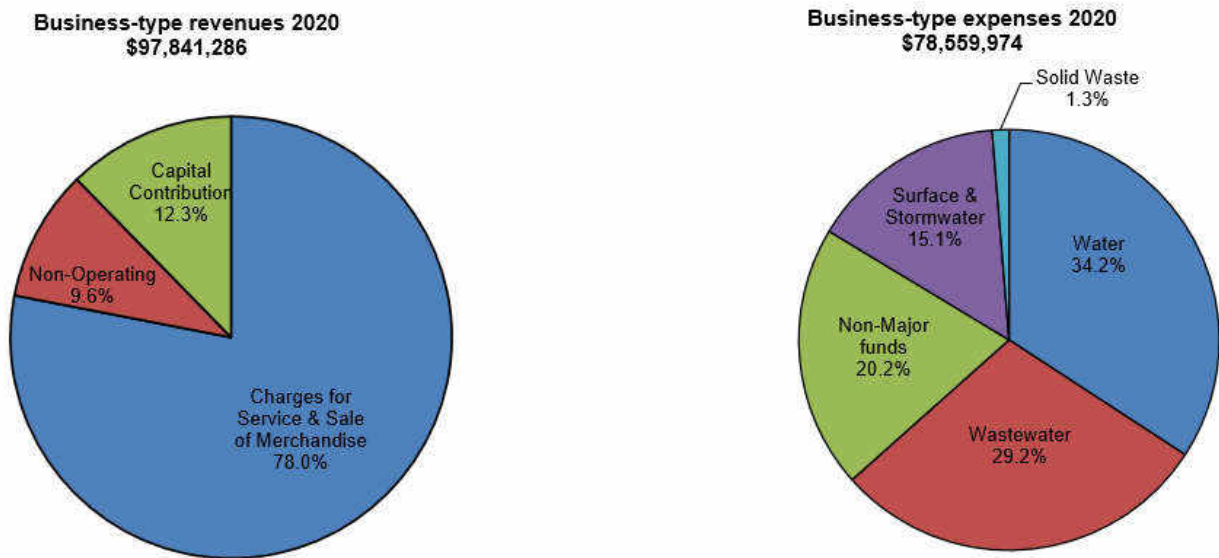
Public safety consisting of fire, police, and municipal court accounts for 44.4% of governmental expenditures. Culture and recreation services, representing 13.5%, includes parks and recreation programs, the museum, and the library. Capital outlay accounts for 10.4%. Transportation includes both the maintenance and construction of transportation infrastructure and accounts for 12.3% of governmental expenditures. General government type expenditures comprising 9.5%, are typically overhead in nature, providing management, accounting, legal, personnel and technical services required by operating programs. Additionally, natural and economic environment is 6.9%, debt expenses is 2.1%, and social services represent .9% of total governmental expenditures.

### **Business-type funds**

Net position increased by \$31.9 million, for a total of \$359.4 million in business-type funds. Operating revenues decreased by \$2.3 million, or 3%, from \$78.7 million in 2019 to \$76.4 million in 2020. Operating expenses decreased by \$1.5 million, or 2.2%, from \$67.1 million in 2019 to \$65.7 million in 2020.

The financial position of the City's business-type funds is largely influenced by the Water and Wastewater funds. Together they comprise 70.3% of operating revenues, 62.4% of expenses, and 80.9% of net position of each respective total for the enterprise funds.

The Cemetery is a business-type activity that requires support from the General fund. In 2020, the Cemetery received \$44 thousand cash operating subsidies. Medic One receives a portion of the voted EMS local sales tax from Whatcom County (see Note 15).



### Financial analysis of City funds

At the end of 2020, the City has 21 governmental funds. The General fund is the primary governmental fund and is the City's only major governmental fund.

The General fund ending fund balance increased \$4.4 million, from \$114.2 million in 2019 to \$118.6 million in 2020. This increase is due to excess revenues over expenditures.

Fund balance for the non-major governmental funds increased by \$8.4 million in 2020, due in large part to excess revenues over expenditures of \$2 million and net transfers-in of \$6.4 million. Overall revenues decreased \$1.3 million while expenses decreased \$363 thousand in 2020, as compared to 2019.

During 2020, the City had nine business-type funds. The four major business-type funds are Water, Wastewater, Surface and Stormwater and Solid Waste. In 2020, the major funds all increased their net positions from 2019, except for Solid Waste which was closed into a governmental fund at the end of 2020. The increases were \$13.4 million in Water, \$4.5 million in Wastewater, and \$2.1 thousand in Surface and Stormwater. Operating revenues decreased \$2.3 million, due to COVID-19 related issues. The City has five non-major enterprise funds: Cemetery, Golf Course, Parking, Medic One and Development Services. Overall net position for the five funds increased by \$204 thousand in 2020, compared to 2019. Golf Course increased in net position by \$137 thousand, while Cemetery, Parking, and Development Services all experienced a decrease. Medic One experienced a decrease in net position during 2020, but due to a \$2 million prior period adjustment that increased the funds LEOFF net pension asset, the fund ended the year with an increase of \$1.6 million in net position.

### General fund budgetary highlights

The budget is legally adopted at the fund level, including the General fund budget. GASB 34 requires the legally adopted budget of the General fund to be presented as required supplementary information (RSI). Accordingly, the General fund in its originally adopted form along with a reconciliation of the General fund presented in the GAAP basis basic financial statements is presented as RSI. The General fund presented in the basic financial statements in accordance with GAAP includes eight other funds with legally adopted budgets that do not meet the requirements of a special revenue fund per GASB 54 and have accordingly been combined with the General fund. To see comparisons of the original General fund and the General fund combined per GASB 54, see the reconciliation schedule in the RSI section of the financial statements.

The City of Bellingham budgets on a biennial basis. The 2019-2020 adopted General fund budget for expenditures (pre-GASB 54 rollup) was \$167.7 million, the final budget after all amendments is \$181.8 million. Amendments to the budget are made for the following purposes:

- Supplemental appropriations approved after the beginning of the year to reflect actual beginning account balances and to correct the estimated amounts in the budget adopted in December 2019.
- Increases and decreases in appropriations to recognize actual program costs.
- New appropriations to acknowledge unanticipated revenues and corresponding expenditures.

2020 was the second year of a two-year budget cycle. The 2019-2020 actual revenues are 95.1% of the final two-year budget amount. Property tax, sales and use tax, business tax, other taxes, and licenses and permits actual revenues finished the year at 84.5-101% of the final two-year budget. Intergovernmental revenue came in above budget at 183.6%. Investment income also came in above budget at 104.5%. These revenues were offset by charges for services, fines and penalties, and miscellaneous revenue which were below estimated budget at 41.7%, 81.5%, and 94.2% respectively. Business taxes included both business and occupation taxes (B&O) taxes as well as utility taxes. Both B&O taxes and utility taxes had been strong in 2019 due to increased business activity from the stronger local economy, but 2020 revenues were reduced due to business closures caused by COVID 19 precautionary measures.

Actual expenditures for 2019-2020 are 88.8% of the final two-year budgeted amount. This is mainly due to general government expenditures coming in at only 63.4% of budget. The General fund actual ending fund balance of \$36.6 million is above the projected final ending balance of \$21.2 million, a \$15.4 million difference.

## Debt administration and capital assets

### Long-term debt

At December 31, 2020, the City's total outstanding debt was \$104.3 million, a decrease of \$3.2 million from 2019.

#### Outstanding debt (in thousands)

	Governmental activities		Business-type activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	2020-2019
General obligation bonds	\$ 24,761	\$ 23,311	\$ -	\$ 3,623	\$ 24,761	\$ 26,934	\$ (2,173)
Revenue bonds	-	-	61,785	61,537	61,785	61,537	248
Government loans	3,053	3,591	14,715	15,444	17,768	19,035	(1,267)
Notes payable	-	48	-	-	-	48	(48)
Total	<u>\$ 27,814</u>	<u>\$ 26,950</u>	<u>\$ 76,500</u>	<u>\$ 80,604</u>	<u>\$ 104,314</u>	<u>\$ 107,554</u>	<u>\$ (3,240)</u>

The City's bond rating as assigned by Standard & Poor's Ratings Services (S&P) is 'AA+' and the rating is a long-term rating to the City's series 2016 limited-tax general obligation (GO) refunding bonds.

State law limits the amount of general obligation debt the City can issue to a percentage of the total assessed value of the taxable property. The limits are 1.5% non-voted, 2.5% voted and non-voted, and 7.5% voted if excess over 2.5% is for utilities, parks, or open space development.

More detailed information about long-term debt is presented in Note 10.



**Capital assets**

At December 31, 2020, the City has invested \$753 million in a wide range of capital assets throughout governmental and business-type activities, an increase of \$19 million from the previous year. This was due to an increase in Improvements/Infrastructure of \$16.1 million and an increase in Land of \$5.2 million. This increase is primarily due to the following projects:

- Cordata Park totaled \$7.9 million
- Watershed property purchases totaled \$3 million
- Horton Rd Conn-Cordata Bus Pk totaled \$2.7 million
- 2019 Transportation non-motorized improvements totaled \$2.4 million
- Property purchase on E Bakerview Rd, Bellingham totaled \$2.3 million

**Capital assets (net of depreciation, in thousands)**

	Governmental activities		Business-type activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	2020-2019
<b>Capital assets, non depreciable:</b>							
Land	\$ 87,758	\$ 85,489	\$ 51,416	\$ 48,440	\$ 139,174	\$ 133,929	\$ 5,245
Improvements/infrastructure	17,615	17,615	-	-	17,615	17,615	-
Construction in progress	6,742	15,706	13,003	3,129	19,745	18,835	909
Intangible right of ways	59,081	58,992	206	206	59,287	59,198	89
<b>Capital assets, net of depreciation:</b>							
Buildings	23,203	24,175	90,322	93,120	113,525	117,294	(3,769)
Improvements/infrastructure	202,371	190,889	181,033	176,397	383,403	367,286	16,117
Machinery and equipment	17,568	17,189	1,570	1,917	19,138	19,107	32
Intangible software	1,563	1,235	-	-	1,563	1,235	328
<b>Total</b>	<b>\$ 415,900</b>	<b>\$ 411,289</b>	<b>\$ 337,550</b>	<b>\$ 323,210</b>	<b>\$ 753,450</b>	<b>\$ 734,499</b>	<b>\$ 18,951</b>

More detailed information about capital assets is presented in Note 6.

In addition to the capital assets shown above, the City also has made commitments to fund several water, wastewater, surface and stormwater, parks, and street projects. Of the current capital commitments, \$19.6 million has been spent to date with \$8.6 million remaining.

**Economic factors and Next Year's Budget**

The City of Bellingham budgets on a biennial basis. 2021 represents the first year of the 2021-2022 Biennial Budget. The budget was initially developed in 2020 and in late 2021 will be modified through a robust mid-biennial process, including an updated revenue forecast.

In 2020, the COVID-19 public health emergency created notable financial volatility. State mandated economic shutdowns had short term impacts on tax and fee revenues. After an initial decline in revenues in the second quarter, federal stimulus efforts buoyed the economy and the City saw tax revenues return to near normal levels in the fourth quarter. The City responded to the crisis by cutting budgets across the General Fund and instituting a city-wide hiring freeze.

The 2021-2022 Biennial Budget was initially adopted to include citywide furloughs as a cost saving measure. However, in response to a brightening fiscal outlook and the widespread availability of a vaccine, the City developed a new revenue forecast and eliminated all furloughs and hiring freezes after the first quarter of 2021. The two-year budget now assumes revenues totaling \$605 million and expenses of \$707 million. The expenses in excess of projected revenues are primarily for capital projects and other one-time expenses.

The current 2021 forecast assumes significant continued economic growth through 2021 and 2022 as the economy rebounds from the losses caused by COVID-19. Revenues from economically variable tax

categories such as sales tax and business and occupation were adjusted up to account for current and expected growth rates. Other fee-based revenues are anticipated to return to pre-COVID levels in 2022 as all economic restrictions are lifted later in 2021 and programs are reinstated.

**Contacting the City's financial management**

This financial report is designed to provide those with an interest in the City's financial condition with a general overview of the City's finances and to demonstrate accountability for the money it receives. The activities of the City's discrete component unit is also reflected in the basic financial statements. Questions concerning any of the information contained herein or requests for additional information should also be addressed to the Finance Director, City of Bellingham, 210 Lottie Street, Bellingham, WA 98225.



**CITY OF BELLINGHAM**  
**Government-Wide**  
**Statement of Net Position**  
**December 31, 2020**

	Total Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	Public Facilities District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,760,111	\$ 15,888,016	\$ 54,648,127	\$ 208,399
Investments	152,406,803	59,141,026	211,547,829	775,739
Receivables, net	14,408,211	4,143,906	18,552,117	317,477
Restricted assets:				
Cash and cash equivalents	2,008	4,046,752	4,048,760	200,090
Investments	7,475	15,063,496	15,070,971	744,809
Due from other governments	3,466,285	4,805,149	8,271,434	234
Due from component units	13,383,721	-	13,383,721	-
Inventory	1,060,514	33,299	1,093,813	-
Prepaid items	111,328	-	111,328	-
Special assessments receivable	-	1,958	1,958	-
Notes and contracts receivable	29,093,142	-	29,093,142	-
Capital assets, nondepreciable:				
Land	87,757,587	51,416,350	139,173,937	1,329,860
Improvements	17,614,900	-	17,614,900	-
Construction in progress	6,741,771	13,002,933	19,744,704	-
Intangible assets - right of ways	59,081,370	206,111	59,287,481	-
Capital assets, net of depreciation:				
Buildings	23,202,590	90,322,478	113,525,068	12,555,554
Improvements	202,370,620	181,032,514	383,403,134	5,634,540
Machinery and equipment	17,568,481	1,569,938	19,138,419	-
Intangibles - software	1,562,523	-	1,562,523	-
Net pension asset	19,909,601	3,612,089	23,521,690	-
<b>Total assets</b>	<b>688,509,041</b>	<b>444,286,015</b>	<b>1,132,795,056</b>	<b>21,766,702</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	1,026,242	2,040,282	3,066,524	470,521
Related to pensions	7,133,700	1,705,175	8,838,875	-
<b>Total deferred outflows of resources</b>	<b>8,159,942</b>	<b>3,745,457</b>	<b>11,905,399</b>	<b>470,521</b>
<b>LIABILITIES</b>				
Accounts payable	3,935,948	4,129,528	8,065,476	36,843
Accrued wages and benefits	3,612,295	935,961	4,548,256	-
Due to other governments	170,042	3,127	173,169	107
Other current liabilities	1,875,671	209,328	2,084,999	-
Unearned revenue	333,715	20,892	354,607	-
Noncurrent liabilities:				
Due within one year	11,360,921	4,854,216	16,215,137	1,501,322
Due in more than one year	110,783,698	76,775,657	187,559,355	11,882,399
<b>Total liabilities</b>	<b>132,072,290</b>	<b>86,928,709</b>	<b>219,000,999</b>	<b>13,420,671</b>

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

**CITY OF BELLINGHAM**  
**Government-Wide**  
**Statement of Net Position**  
**December 31, 2020**

	Total Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	Public Facilities District
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Grants received in advance	7,288	-	7,288	-
Related to OPEB	2,508,302	-	2,508,302	-
Related to pensions	7,279,365	1,738,074	9,017,439	-
<b>Total deferred inflows of resources</b>	<b>9,794,955</b>	<b>1,738,074</b>	<b>11,533,029</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	408,895,734	266,692,917	675,588,651	6,606,753
Restricted:			-	
<i>Expendable</i>				
Affordable housing	37,693,056	-	37,693,056	-
Capital improvements	17,535,138	10,986,475	28,521,613	-
Cemetery services	-	329,100	329,100	-
Debt service	16,697,366	5,481,544	22,178,910	944,899
Environmental remediation	8,149,476	-	8,149,476	-
Firefighter's OPEB	10,085,384	-	10,085,384	-
Firefighter's pension	7,338,055	-	7,338,055	-
Government access TV	991,384	-	991,384	-
Library projects	217,692	-	217,692	-
Park improvements	17,973,923	-	17,973,923	-
Pension asset - LEOFF	19,532,566	3,543,686	23,076,252	-
Public safety dispatch	1,477,158	-	1,477,158	-
Public safety special purpose	340,953	-	340,953	-
Rental property inspections	-	405,078	405,078	-
Tourism	820,860	-	820,860	-
Transportation improvements	9,858,754	-	9,858,754	-
Waterfront redevelopment	8,604,685	-	8,604,685	-
<i>Nonexpendable</i>				
Permanent funds principal	9,984,046	-	9,984,046	-
Unrestricted	(21,394,492)	71,925,889	50,531,397	1,264,900
<b>Total net position</b>	<b>\$ 554,801,738</b>	<b>\$ 359,364,689</b>	<b>\$ 914,166,427</b>	<b>\$ 8,816,552</b>

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

**CITY OF BELLINGHAM**  
**Government-Wide**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government-Wide			Component Unit
					Governmental Activities	Business-Type Activities	Total Primary Government	Public Facilities District
<b>Governmental Activities</b>								
General Government	\$ 14,716,395	\$ 1,902,539	\$ 6,609,093	\$ -	\$ (6,204,763)	\$ -	\$ (6,204,763)	\$ -
Public Safety	58,100,035	8,981,500	6,241,082	-	(42,877,453)	-	(42,877,453)	-
Transportation	22,068,733	1,300,091	169,383	6,684,206	(13,915,053)	-	(13,915,053)	-
Natural and Economic Environment	8,515,837	462,099	1,235,742	-	(6,817,996)	-	(6,817,996)	-
Social Services	1,217,330	-	105,660	-	(1,111,670)	-	(1,111,670)	-
Culture and Recreation	17,364,969	1,947,181	1,552,898	-	(13,864,890)	-	(13,864,890)	-
Interest on long-term debt	690,689	-	-	-	(690,689)	-	(690,689)	-
<b>Total governmental activities</b>	<b>122,673,988</b>	<b>14,593,410</b>	<b>15,913,858</b>	<b>6,684,206</b>	<b>(85,482,514)</b>	<b>-</b>	<b>(85,482,514)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Water	26,859,338	28,647,894	2,120,612	9,027,861	-	12,937,029	12,937,029.05	-
Wastewater	22,966,888	25,017,911	3,637	1,472,438	-	3,527,098	3,527,098.48	-
Surface and Stormwater	11,837,154	9,466,678	2,535,116	1,550,838	-	1,715,478	1,715,478.08	-
Solid Waste	1,013,948	-	-	-	-	(1,013,948)	(1,013,948.10)	-
Cemetery	439,673	348,745	-	-	-	(90,928)	(90,927.69)	-
Golf Course	1,123,511	1,259,969	-	-	-	136,458	136,457.54	-
Parking	2,380,468	1,171,825	-	-	-	(1,208,643)	(1,208,643.10)	-
Medic One	8,258,424	7,180,244	164,577	-	-	(913,603)	(913,603.49)	-
Development Services	3,680,570	3,270,229	7,162	-	-	(403,179)	(403,179.03)	-
<b>Total business-type activities</b>	<b>78,559,974</b>	<b>76,363,495</b>	<b>4,831,104</b>	<b>12,051,137</b>	<b>-</b>	<b>14,685,762</b>	<b>14,685,762</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 201,233,962</b>	<b>\$ 90,956,905</b>	<b>\$ 20,744,962</b>	<b>\$ 18,735,343</b>	<b>\$ (85,482,514)</b>	<b>14,685,762</b>	<b>\$ (70,796,752)</b>	<b>\$ -</b>
<b>Component Unit</b>								
Public Facilities District	\$ 1,232,418	\$ 13,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,218,714)
General revenues								
Taxes:								
Property					27,313,408	-	27,313,408	-
Sales and use					36,030,308	-	36,030,308	1,640,599
Business					33,186,060	1,543,904	34,729,964	-
Real estate excise					3,879,033	-	3,879,033	-
Other					818,693	841,394	1,660,087	-
Investment income					3,766,874	1,979,843	5,746,717	47,402
Miscellaneous revenue					2,134,170	230,408	2,364,578	-
Sale of capital assets					-	18,366	18,366	-
Transfers					(10,602,679)	10,602,679	-	-
<b>Total general revenues and transfers</b>					<b>96,525,867</b>	<b>15,216,594</b>	<b>111,742,461</b>	<b>1,688,001</b>
<b>Change in net position</b>					<b>11,043,353</b>	<b>29,902,356</b>	<b>40,945,709</b>	<b>469,287</b>
<b>Net position - beginning</b>					<b>545,792,801</b>	<b>327,427,917</b>	<b>873,220,718</b>	<b>8,347,265</b>
<b>Prior period adjustment</b>					<b>(2,034,416)</b>	<b>2,034,416</b>	<b>-</b>	<b>-</b>
<b>Net position - ending</b>					<b>\$ 554,801,738</b>	<b>\$ 359,364,689</b>	<b>\$ 914,166,427</b>	<b>\$ 8,816,552</b>

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

**CITY OF BELLINGHAM**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General	Nonmajor Governmental Fund Totals	Governmental Funds Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,469,433	\$ 8,877,563	\$ 32,346,996
Investments	87,941,564	40,593,271	128,534,835
Receivables, net	12,023,851	1,717,713	13,741,564
Due from other funds	47,603	-	47,603
Due from other governments	2,356,757	1,010,539	3,367,296
Due from component units	-	13,383,721	13,383,721
Interfund loans receivable	-	651,443	651,443
Prepaid items	53,015	175	53,190
Notes and contracts receivable	326,843	28,766,299	29,093,142
<b>Total assets</b>	<b>126,219,066</b>	<b>95,000,724</b>	<b>221,219,790</b>
<b>LIABILITIES</b>			
Accounts payable	2,018,490	727,917	2,746,407
Accrued wages and benefits	2,745,706	284,236	3,029,942
Due to other funds	-	47,603	47,603
Interfund loans payable	651,443	-	651,443
Due to other governments	6,666	-	6,666
Other liabilities	798,581	85,366	883,947
Unearned revenue	28,715	-	28,715
<b>Total liabilities</b>	<b>6,249,601</b>	<b>1,145,122</b>	<b>7,394,723</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grants received in advance	7,288		7,288
Unavailable revenue - aid fees	408,054	-	408,054
Unavailable revenue - fines	680,345	-	680,345
Unavailable revenue - property taxes	278,361	47,132	325,493
<b>Total deferred inflows of resources</b>	<b>1,374,048</b>	<b>47,132</b>	<b>1,421,180</b>

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



**CITY OF BELLINGHAM**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	<b>General</b>	<b>Nonmajor Governmental Fund Totals</b>	<b>Governmental Funds Total</b>
<b>FUND BALANCES</b>			
<i>Nonspendable:</i>			
Permanent funds principal	-	9,984,046	9,984,046
Prepaid items	53,015	175	53,190
<i>Restricted:</i>			
Affordable housing	326,843	37,366,213	37,693,056
Capital improvements	17,535,138	-	17,535,138
Debt service	-	16,697,366	16,697,366
Environmental remediation	-	8,149,476	8,149,476
Firefighter's OPEB	10,085,384	-	10,085,384
Firefighter's pension	7,338,055	-	7,338,055
Government access TV	-	991,384	991,384
Library projects	-	217,692	217,692
Park maintenance and improvements	17,973,923	-	17,973,923
Public safety dispatch	-	1,477,158	1,477,158
Public safety special purpose	-	340,953	340,953
Tourism	-	820,860	820,860
Transportation improvements	700,291	9,158,462	9,858,753
Waterfront redevelopment	-	8,604,685	8,604,685
<i>Committed:</i>			
Legal environmental remediation	1,100,616	-	1,100,616
Police officer's OPEB	5,755,882	-	5,755,882
Police officer's pension	4,707,360	-	4,707,360
<i>Assigned:</i>			
Public safety donations	4,342	-	4,342
Streets	13,287,671	-	13,287,671
<i>Unassigned</i>	39,726,897	-	39,726,897
<b>Total fund balances</b>	<b>\$ 118,595,417</b>	<b>\$ 93,808,470</b>	<b>\$ 212,403,887</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 126,219,066</b>	<b>\$ 95,000,724</b>	<b>\$ 221,219,790</b>

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

**CITY OF BELLINGHAM**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2020**

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

<b>Total fund balance of governmental funds</b>	<b>\$ 212,403,888</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	393,602,886
The following long-term (LT) assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Accrued investment interest	334,219
Deferred loss on bond refunding	883,784
Pension asset	19,909,601
Deferred pension outflows	6,272,978
Unearned revenue	1,413,891
Proprietary fund <i>Solid Waste</i> close-out to Governmental fund <i>Environmental Remediation</i> - and acquisition of related LT assets	<u>471,973</u>
	29,286,446
Internal service funds are used by management to charge the cost of certain internal functions, goods, and services to other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	39,348,158
The following long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable on long-term debt	(59,049)
Compensated absences	(6,200,898)
OPEB liability	(30,083,231)
Pension liability	(13,424,459)
Deferred OPEB inflows	(2,508,302)
Deferred pension inflows	(6,445,708)
Pollution remediation costs	(25,050,000)
GO bonds, loans, and notes payable	(17,195,537)
Premiums on long-term debt	(1,445,570)
Proprietary fund <i>Solid Waste</i> close-out to Governmental fund <i>Environmental Remediation</i> - and related pollution remediation indebtedness	<u>(17,426,886)</u>
	(119,839,640)
<b>Net position of governmental activities</b>	<b><u><u>\$ 554,801,738</u></u></b>

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

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

	General	Nonmajor Governmental Funds	Governmental Funds Total
<b>REVENUES</b>			
Taxes:			
Property	\$ 23,295,496	\$ 4,017,911	\$ 27,313,407
Sales and use	27,280,932	7,981,215	35,262,147
Business	33,028,653	157,407	33,186,060
Real estate excise	3,879,033	-	3,879,033
Other	818,693	-	818,693
Licenses and permits	877,455	281,314	1,158,769
Intergovernmental revenue	15,547,941	4,537,638	20,085,579
Charges for services	7,333,806	4,825,012	12,158,818
Fines and penalties	375,709	-	375,709
Investment income	2,410,575	955,704	3,366,279
Miscellaneous revenues	456,218	1,648,135	2,104,353
<b>Total revenues</b>	<b>115,304,511</b>	<b>24,404,336</b>	<b>139,708,847</b>
<b>EXPENDITURES</b>			
Current:			
General government	12,411,380	-	12,411,380
Public safety	50,511,296	7,493,365	58,004,661
Transportation	10,921,818	5,158,349	16,080,167
Natural and economic environment	4,010,411	4,984,052	8,994,463
Social services	1,217,330	-	1,217,330
Cultural and recreation	17,639,409	41,049	17,680,458
Debt service:			
Principal	-	2,004,442	2,004,442
Interest and related charges	16,703	671,681	688,384
Capital outlay	11,620,157	1,998,755	13,618,912
<b>Total expenditures</b>	<b>108,348,504</b>	<b>22,351,693</b>	<b>130,700,197</b>
<b>Revenues over (under) expenditures</b>	<b>6,956,007</b>	<b>2,052,643</b>	<b>9,008,650</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	128,809	-	128,809
Transfers in	-	6,761,866	6,761,866
Transfers out	(2,674,130)	(364,114)	(3,038,244)
<b>Total other financing sources and (uses)</b>	<b>(2,545,321)</b>	<b>6,397,752</b>	<b>3,852,431</b>
<b>Net change in fund balances</b>	<b>4,410,686</b>	<b>8,450,395</b>	<b>12,861,081</b>
<b>Fund balances - beginning</b>	<b>114,184,731</b>	<b>85,358,075</b>	<b>199,542,806</b>
<b>Fund balances - ending</b>	<b>\$ 118,595,417</b>	<b>\$ 93,808,470</b>	<b>\$ 212,403,887</b>

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

**CITY OF BELLINGHAM**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2020**

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

**Net change in fund balances - total governmental funds** **\$ 12,861,080**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Purchases	13,618,912	
Contributions donated	1,918,442	
Abandonments	(243,325)	
Depreciation	(10,503,305)	
Retirements	(468,348)	
Depreciation on retirements	300,765	
		4,623,141

The following revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Accrued investment interest	(159,446)	
Deferred loss on bond refunding	(279,427)	
Net pension asset	8,422,432	
Unearned revenue	218,932	
		8,202,491

Internal service funds are used by management to charge the cost of certain internal functions, goods, and services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 1,838,318

The following expenses in the statement of activities that do not use current financial resources are not reported as expenditures in governmental funds.

Accrued interest payable on long-term debt	(2,304)	
Total OPEB liability	(1,327,635)	
Compensated absences	(406,693)	
GO bonds, loans, and notes payable	2,004,442	
Premiums on long-term debt	205,426	
Proprietary fund <i>Solid Waste</i> close-out to Governmental fund <i>Environmental Remediation</i> - and related pollution remediation net indebtedness	(16,954,913)	
		(16,481,677)

**Change in net position of governmental activities** **\$ 11,043,353**

**CITY OF BELLINGHAM**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Water	Wastewater	Surface and Stormwater	Solid Waste	Nonmajor Enterprise Fund Totals	Enterprise Fund Totals	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 4,104,342	\$ 8,380,528	\$ 1,433,314	\$ -	\$ 1,969,832	\$ 15,888,016	\$ 6,413,115
Investments	15,277,869	31,195,401	5,335,321	-	7,332,435	59,141,026	23,871,967
Receivables, net	1,392,742	1,602,718	739,601	-	408,845	4,143,906	332,428
Due from other governments	3,540,912	4,303	1,144,061	-	115,873	4,805,149	98,989
Inventory	-	-	-	-	33,299	33,299	1,060,514
Prepaid items	-	-	-	-	-	-	58,138
Restricted cash and cash equivalents	358,866	412,640	-	-	-	771,506	2,008
Restricted investments	1,335,830	1,535,998	-	-	-	2,871,828	7,475
<b>Total current assets</b>	<b>26,010,561</b>	<b>43,131,588</b>	<b>8,652,297</b>	<b>-</b>	<b>9,860,284</b>	<b>87,654,730</b>	<b>31,844,634</b>
Noncurrent assets:							
Restricted cash and cash equivalents	703,547	2,486,824	-	-	84,875	3,275,246	-
Restricted investments	2,618,859	9,256,872	-	-	315,937	12,191,668	-
Special assessments receivable	-	1,958	-	-	-	1,958	-
Capital assets, nondepreciable:							
Land	41,111,607	3,925,297	4,857,811	-	1,521,635	51,416,350	40,102
Construction in progress	9,859,805	2,419,501	723,627	-	-	13,002,933	154,884
Intangibles - right of ways	-	118,769	87,342	-	-	206,111	-
Capital assets, net of depreciation:							
Buildings	5,330,370	82,605,085	-	-	2,387,023	90,322,478	932,876
Improvements	84,136,096	52,844,086	43,539,054	-	513,278	181,032,514	4,838,584
Machinery and equipment	306,499	932,037	29,836	-	301,566	1,569,938	15,260,631
Intangibles - software	-	-	-	-	-	-	746,026
Net pension asset	-	-	-	-	3,612,089	3,612,089	-
<b>Total noncurrent assets</b>	<b>144,066,783</b>	<b>154,590,429</b>	<b>49,237,670</b>	<b>-</b>	<b>8,736,403</b>	<b>356,631,285</b>	<b>21,973,103</b>
<b>Total assets</b>	<b>170,077,344</b>	<b>197,722,017</b>	<b>57,889,967</b>	<b>-</b>	<b>18,596,687</b>	<b>444,286,015</b>	<b>53,817,737</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Loss on refunding	172,858	1,867,424	-	-	-	2,040,282	-
Related to pensions	365,884	342,134	192,064	-	805,093	1,705,175	855,060
<b>Total deferred outflows of resources</b>	<b>538,742</b>	<b>2,209,558</b>	<b>192,064</b>	<b>-</b>	<b>805,093</b>	<b>3,745,457</b>	<b>855,060</b>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,585,033	1,761,657	375,543	-	407,295	4,129,528	1,189,538
Accrued wages and benefits	213,898	225,395	113,682	-	382,986	935,961	582,354
Due to other governments	-	10	-	-	3,117	3,127	163,377
Other current liabilities	117	10,423	71,712	-	127,076	209,328	932,674
Unearned revenue	20,892	-	-	-	-	20,892	30,000
Current portion of noncurrent liabilities:							
Bonds payable, net	766,000	1,000,000	-	-	-	1,766,000	-
Compensated absences	318,945	309,663	129,773	-	836,761	1,595,142	664,840
Intergovernmental loans	817,090	-	675,983	-	-	1,493,073	-
Claims and judgments payable	-	-	-	-	-	-	547,055
<b>Total current liabilities</b>	<b>3,721,975</b>	<b>3,307,148</b>	<b>1,366,693</b>	<b>-</b>	<b>1,757,235</b>	<b>10,153,051</b>	<b>4,109,838</b>

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

**CITY OF BELLINGHAM**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Water	Wastewater	Surface and Stormwater	Solid Waste	Nonmajor Enterprise Fund Totals	Enterprise Fund Totals	Internal Service Funds
Noncurrent liabilities:							
Bonds payable, net	3,278,000	56,740,784	-	-	-	60,018,784	6,100,000
Compensated absences	48,539	25,572	26,314	-	29,703	130,128	148,300
Intergovernmental loans	9,394,770	458,350	3,369,019	-	-	13,222,139	-
Claims and judgments payable	-	-	-	-	-	-	1,285,076
Other noncurrent liabilities	-	-	-	-	-	-	275,000
Net pension liability	1,103,246	1,031,632	579,129	-	690,599	3,404,606	2,578,253
<b>Total noncurrent liabilities</b>	<b>13,824,555</b>	<b>58,256,338</b>	<b>3,974,462</b>	<b>-</b>	<b>720,302</b>	<b>76,775,657</b>	<b>10,386,629</b>
<b>Total liabilities</b>	<b>17,546,530</b>	<b>61,563,486</b>	<b>5,341,155</b>	<b>-</b>	<b>2,477,537</b>	<b>86,928,708</b>	<b>14,496,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Related to pensions	354,379	331,375	186,025	-	866,295	1,738,074	828,172
<b>Total deferred inflows of resources</b>	<b>354,379</b>	<b>331,375</b>	<b>186,025</b>	<b>-</b>	<b>866,295</b>	<b>1,738,074</b>	<b>828,172</b>
<b>NET POSITION</b>							
Net investment in capital assets	126,661,375	90,115,374	45,192,667	-	4,723,501	266,692,917	21,973,101
Restricted:							
Capital improvements	3,044,703	7,941,772	-	-	-	10,986,475	-
Cemetery endowment / preneed	-	-	-	-	329,100	329,100	-
Debt service	605,672	4,875,872	-	-	-	5,481,544	-
Pension asset - LEOFF	-	-	-	-	3,543,686	3,543,686	-
Rental property inspections	-	-	-	-	405,078	405,078	-
Unrestricted	22,403,426	35,103,696	7,362,184	-	7,056,583	71,925,889	17,375,057
<b>Total net position</b>	<b>\$ 152,715,177</b>	<b>\$ 138,036,714</b>	<b>\$ 52,554,851</b>	<b>\$ -</b>	<b>\$ 16,057,948</b>	<b>\$ 359,364,689</b>	<b>\$ 39,348,158</b>

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

**CITY OF BELLINGHAM**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>	
	<b>Water</b>	<b>Wastewater</b>	<b>Surface and Stormwater</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Fund Totals</b>	<b>Enterprise Fund Totals</b>	<b>Internal Service Funds</b>
<b>Operating revenues:</b>							
Sales of merchandise	\$ -	\$ -	\$ -	\$ -	\$ 365,398	\$ 365,398	\$ 2,398,491
Less: Cost of goods sold	-	-	-	-	(170,154)	(170,154)	(1,308,625)
Charges for services	28,647,894	25,017,911	9,466,678	-	13,035,769	76,168,252	26,281,383
<b>Total operating revenues</b>	<b>28,647,894</b>	<b>25,017,911</b>	<b>9,466,678</b>	<b>-</b>	<b>13,231,013</b>	<b>76,363,496</b>	<b>27,371,249</b>
<b>Operating expenses:</b>							
Labor	4,234,005	4,957,292	2,530,234	46,641	9,286,332	21,054,504	11,975,567
Materials and supplies	1,467,951	1,573,437	236,556	4,134	327,284	3,609,362	2,462,985
Services	5,770,148	6,106,522	3,522,218	746,549	4,996,938	21,142,375	9,599,075
Depreciation	3,043,751	4,270,843	1,298,689	18,725	321,389	8,953,397	2,202,951
Taxes	6,027,719	3,348,651	1,212,318	13,113	19,550	10,621,351	2,639
Insurance	94,239	63,617	25,566	1,002	44,307	228,731	817,352
Claims	-	-	-	-	50,026	50,026	2,642,400
<b>Total operating expenses</b>	<b>20,637,813</b>	<b>20,320,362</b>	<b>8,825,581</b>	<b>830,164</b>	<b>15,045,826</b>	<b>65,659,746</b>	<b>29,702,968</b>
<b>Operating income (loss)</b>	<b>8,010,081</b>	<b>4,697,549</b>	<b>641,097</b>	<b>(830,164)</b>	<b>(1,814,813)</b>	<b>10,703,750</b>	<b>(2,331,719)</b>
<b>Nonoperating revenues (expenses):</b>							
External grants and subsidies	2,120,612	3,637	2,535,116	-	171,739	4,831,104	594,043
Assessments and tax levies	-	-	-	1,543,904	841,394	2,385,298	768,162
Investment interest	387,689	755,449	110,414	72,053	135,881	1,461,486	376,155
Net incr (decr) in fair value of investments	129,750	315,940	37,081	(16,360)	51,946	518,357	183,885
Interest expense and related charges	(296,988)	(2,456,243)	(74,596)	(103,617)	-	(2,931,444)	(331,530)
Gain (loss) on sale of capital assets	-	(28,139)	-	-	18,366	(9,773)	(79,109)
Other nonoperating revenues	33,724	13,863	4,312	178,427	82	230,408	29,817
Other nonoperating expenses	(5,924,537)	(162,144)	(2,936,977)	(80,168)	(836,821)	(9,940,647)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(3,549,750)</b>	<b>(1,557,637)</b>	<b>(324,650)</b>	<b>1,594,239</b>	<b>382,587</b>	<b>(3,455,211)</b>	<b>1,541,423</b>
<b>Income (loss) before contributions and transfers</b>	<b>4,460,331</b>	<b>3,139,912</b>	<b>316,447</b>	<b>764,075</b>	<b>(1,432,226)</b>	<b>7,248,539</b>	<b>(790,296)</b>
Capital grants and contributions	9,027,861	1,472,438	1,550,838	-	-	12,051,137	-
Transfers in	-	-	364,114	16,954,913	44,000	17,363,027	3,143,612
Transfers out	(114,077)	(100,000)	(100,000)	(6,003,839)	(442,432)	(6,760,348)	(515,000)
<b>Change in net position</b>	<b>13,374,115</b>	<b>4,512,350</b>	<b>2,131,399</b>	<b>11,715,149</b>	<b>(1,830,658)</b>	<b>29,902,355</b>	<b>1,838,316</b>
<b>Total net position - beginning</b>	<b>139,341,062</b>	<b>133,524,364</b>	<b>50,423,452</b>	<b>(11,715,149)</b>	<b>15,854,189</b>	<b>327,427,918</b>	<b>37,509,842</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,034,416</b>	<b>2,034,416</b>	<b>-</b>
<b>Total net position - ending</b>	<b>\$ 152,715,177</b>	<b>\$ 138,036,714</b>	<b>\$ 52,554,851</b>	<b>\$ -</b>	<b>\$ 16,057,947</b>	<b>\$ 359,364,689</b>	<b>\$ 39,348,158</b>

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



**CITY OF BELLINGHAM**  
**Statement of Cash flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>	
	<b>Water</b>	<b>Wastewater</b>	<b>Surface and Stormwater</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Fund Totals</b>	<b>Enterprise Fund Totals</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from outside customers	\$ 28,659,530	\$ 24,901,535	\$ 8,380,335	\$ -	\$ 14,524,188	\$ 76,465,588	\$ 170,651
Receipts from interfund services provided				-	-	-	41,793,593
Payments to employees	(3,897,207)	(4,649,463)	(2,238,796)	(68,021)	(8,935,430)	(19,788,917)	(11,224,524)
Payments to suppliers and service providers	(9,005,615)	(8,409,457)	(2,890,594)	(505,928)	(3,861,589)	(24,673,184)	(23,899,023)
Payments to claimants	-	-	-		(50,026)	(50,026)	(1,885,748)
Payments for interfund services used	(3,622,460)	(2,394,165)	(2,360,205)	(359,163)	(2,788,129)	(11,524,122)	(3,635,060)
Other receipts	33,724	13,863	4,312	178,427	82	230,408	29,817
Other payments	(5,924,537)	(162,144)	(2,936,977)	(80,168)	-	(9,103,826)	-
<b>Net cash from operating activities</b>	<b>6,243,435</b>	<b>9,300,169</b>	<b>(2,041,925)</b>	<b>(834,853)</b>	<b>(1,110,904)</b>	<b>11,555,921</b>	<b>1,349,706</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in from other funds	-	-	364,114	-	44,000	408,114	2,665,000
Transfers out to other funds	(128,153)	(100,000)	(100,000)	(6,010,503)	(25,000)	(6,363,656)	(515,000)
Operating grants and loans	2,120,612	3,637	2,535,116	-	-	4,659,365	594,043
Principal payments on operating debt	-	-	-	(520,000)	-	(520,000)	-
Interest payments on operating debt	-	-	-	(114,339)	-	(114,339)	(331,530)
Excise tax receipts	-	-	-	1,635,445	841,394	2,476,839	768,162
Taxes passed on to other governments	-	-	-	-	(836,821)	(836,821)	-
<b>Net cash from noncapital financing activities</b>	<b>1,992,458</b>	<b>(96,363)</b>	<b>2,799,230</b>	<b>(5,009,397)</b>	<b>23,573</b>	<b>(290,499)</b>	<b>3,180,675</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>							
Local improvement district proceeds	-	2,000	-	-	-	2,000	-
Proceeds from issuance of capital bonds	1,565,000	17,370,000	-	-	-	18,935,000	-
Intergovernmental loan proceeds	-	153,333	602,518	-	-	755,851	-
Capital grants and loans	4,669,964	108,309	134,476	-	-	4,912,749	-
Contributions from developers	-	-	226,458	-	-	226,458	-
Principal payments on capital debt	(3,093,306)	(18,145,677)	(667,232)	-	-	(21,906,215)	-
Interest payments on capital debt	(304,861)	(2,754,989)	(74,596)	-	-	(3,134,446)	-
Purchases of capital assets	(15,165,331)	(3,253,359)	(1,733,594)	-	(417,432)	(20,569,716)	(1,594,843)
Sale of capital assets	-	-	-	-	18,366	18,366	127,680
<b>Net cash from capital financing activities</b>	<b>(12,328,535)</b>	<b>(6,520,383)</b>	<b>(1,511,970)</b>	<b>-</b>	<b>(399,066)</b>	<b>(20,759,953)</b>	<b>(1,467,163)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sales and maturity of investments	13,469,741	20,258,034	3,432,248	4,581,180	5,487,047	47,228,250	10,343,586
Purchase of investments	(10,314,177)	(22,517,777)	(2,861,263)	-	(4,329,658)	(40,022,875)	(12,806,242)
Interest and dividends received	428,242	806,627	120,421	90,759	151,610	1,597,659	400,453
<b>Net cash from investment activities</b>	<b>3,583,806</b>	<b>(1,453,116)</b>	<b>691,406</b>	<b>4,671,939</b>	<b>1,308,999</b>	<b>8,803,034</b>	<b>(2,062,203)</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>(508,835)</b>	<b>1,230,306</b>	<b>(63,259)</b>	<b>(1,172,311)</b>	<b>(177,398)</b>	<b>(691,497)</b>	<b>1,001,015</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>5,675,589</b>	<b>10,049,686</b>	<b>1,496,574</b>	<b>1,172,311</b>	<b>2,232,105</b>	<b>20,626,265</b>	<b>5,414,108</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 5,166,755</b>	<b>\$ 11,279,992</b>	<b>\$ 1,433,314</b>	<b>\$ -</b>	<b>\$ 2,054,707</b>	<b>\$ 19,934,766</b>	<b>\$ 6,415,123</b>

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

**CITY OF BELLINGHAM**  
**Statement of Cash flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>	
	<b>Water</b>	<b>Wastewater</b>	<b>Surface and Stormwater</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Fund Totals</b>	<b>Enterprise Fund Totals</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>							
<b>Operating income (loss)</b>	\$ 8,010,081	\$ 4,697,549	\$ 641,097	\$ (830,164)	\$ (1,814,813)	\$ 10,703,750	\$ (2,331,718)
<i>Adjustments to reconcile operating income (loss) to net cash from operating activities:</i>							
Depreciation	3,043,751	4,270,843	1,298,689	18,725	321,389	8,953,397	2,202,951
Pension expense - proportionate share	268,015	228,252	125,397	(16,154)	(308,599)	296,911	605,789
Miscellaneous income	33,724	13,863	4,312	178,427	82	230,408	29,817
Miscellaneous expenses	(5,924,537)	(162,144)	(2,936,977)	(80,168)	-	(9,103,826)	-
(Increase) decrease in accounts receivable	(161,365)	(116,376)	(266,686)	-	84,575	(459,852)	(92,805)
(Increase) decrease in due from other funds	173,000	-	-	-	-	173,000	-
(Increase) decrease in due from other governments	-	-	(819,657)	-	1,038,446	218,789	(54,744)
(Increase) decrease in inventories	-	-	-	-	14,658	14,658	(517,148)
(Increase) decrease in prepaid items	-	-	-	-	-	-	806,032
Increase (decrease) in accounts payable	779,383	268,915	29,472	(23,243)	(714,586)	339,940	(526,268)
Increase (decrease) in wages and benefits payable	68,782	79,576	22,544	(5,226)	659,501	825,177	145,253
Increase (decrease) in due to other funds	(62,652)	-	(173,000)	-	(95,612)	(331,264)	-
Increase (decrease) in due to other governments	-	10	-	-	3,117	3,127	80,238
Increase (decrease) in other current liabilities	71	7,023	19,758	-	8,401	35,253	(12,550)
Increase (decrease) in other long-term liabilities	15,181	12,657	13,125	(77,051)	(307,463)	(343,551)	1,014,859
Total Adjustments	(1,766,647)	4,602,619	(2,683,023)	(4,690)	703,908	852,170	3,681,424
<b>Net cash from operating activities</b>	<b>\$ 6,243,435</b>	<b>\$ 9,300,169</b>	<b>\$ (2,041,925)</b>	<b>\$ (834,853)</b>	<b>\$ (1,110,904)</b>	<b>\$ 11,555,921</b>	<b>\$ 1,349,706</b>
<b>Schedule of noncash activities:</b>							
Net change in fair value of investments	129,750	315,940	37,081	(16,360)	51,946	518,357	183,885
Contributions from developers	817,006	1,472,438	1,189,904	-	-	3,479,347	-
Fleet Donations	(14,077)	-	-	-	(417,432)	(431,509)	478,612

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

**CITY OF BELLINGHAM**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**December 31, 2020**

	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 166,645
Leasehold tax receivable	<u>25,608</u>
<b>Total assets</b>	<u><u>192,253</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>192,253</u>
<b>Total liabilities</b>	<u><u>192,253</u></u>
<b>NET POSITION</b>	
Restricted for other governments	<u>-</u>
<b>Total net position</b>	<u><u>\$ -</u></u>

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

**CITY OF BELLINGHAM**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended December 31, 2020**

	<u><b>Custodial Fund</b></u>
<b>ADDITIONS</b>	
Court shared revenue collections	\$ 376,257
Leasehold tax collections	74,953
<b>Total additions</b>	<u>451,210</u>
<b>DEDUCTIONS</b>	
Court shared revenue remittances	376,257
Leasehold tax remittances	74,953
<b>Total deductions</b>	<u>451,210</u>
<b>Change in net position</b>	-
<b>Net position - beginning</b>	-
<b>Net position - ending</b>	<u>\$ -</u>

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



**CITY OF BELLINGHAM**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**  
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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bellingham have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies and their application in Bellingham are described below.

### A. Reporting entity

The City of Bellingham was incorporated on July 29, 1904. It operates under the laws of the State of Washington applicable to a first class, home rule, Charter City with a mayor-council form of government.

The City is a general-purpose government and provides public safety, fire prevention, street improvement, parks and recreation, judicial administration, planning, economic development, and general administrative services. The City owns and operates water and wastewater utilities, a golf course, a museum, three libraries, a parking enterprise, a cemetery and an aquatic facility. The City operates police and fire dispatch centers that are jointly funded by local entities. The City's financial statements include all of these operations that are controlled by or are dependent on the City.

For financial reporting purposes, in conformance with GASB 61, the City of Bellingham considered for inclusion all governmental activities, organizations and functions for which the City is financially accountable. Relevant criteria for including an organization as a component unit within the City's reporting entity are delineated in GASB Statement No. 61 and include considerations such as the following:

- Whether or not the City appoints a voting majority of the organization's governing body
- The City is able to impose its will on that organization
- There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City
- The organization is fiscally dependent on the City

The accompanying financial statements present the City and its component unit, an entity for which the City is considered financially accountable. The City's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City and does not meet the criteria for blending as laid out in paragraph eight of GASB No. 61.

#### ***Discretely presented component units***

*The Bellingham-Whatcom Public Facilities District (PFD)*, established in 2002, is a separate Washington municipal corporation and an independent taxing authority created under RCW 35.57, Bellingham Municipal Code Chapter 2.94, and Whatcom County Code Chapter 1.17. The PFD was created in order to receive a state sales tax rebate for the purpose of creating a regional center. The Board of Directors consists of seven members, appointed in accordance with RCW 35.57 and approved by Bellingham City Council. The City, through an interlocal agreement with the PFD, provides administrative services and financial management.

The City issued bonds on behalf of the PFD in 2004 which were refunded in 2012 by the City to achieve debt savings. The PFD issued bonds in 2007 and these bonds were advance refunded and defeased in 2016 by the City also to achieve debt savings. The City issued the 2016 refunding bonds on behalf of the PFD. Payments for both bonds issued by the City on behalf of the PFD, are expected to be made from PFD tax revenues. The PFD is obligated under interlocal agreement 2016-0268 to repay the City for both bonds. Given that the PFD is legally separate from the City, the PFD's board is appointed by the City, the



City can impose its will on the PFD, and none of the criteria in GASB No. 61 paragraph eight apply to the PFD, the PFD qualifies as a discrete component unit.

As a discrete component unit, the PFD is reported in its own column in the government-wide basic financial statements. Separately issued financial statements may be obtained by writing to:

City of Bellingham  
Finance Director  
210 Lottie St.  
Bellingham, WA 98225  
[adasbjornsen@cob.org](mailto:adasbjornsen@cob.org)

#### **B. Basis of presentation - government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Fiduciary fund resources are not available to the City and are not included in the government-wide statements.

The statement of activities shows the degree that the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services that are also offered to the general public. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expense.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the basic financial statements.

The City reports the following major governmental funds:

The *General fund* is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund. Beginning in 2011, street maintenance was added as part of the *General fund* presented in the ACFR. In 2012, several additional former special revenue funds were reported in the *General fund* to comply with GASB Statement No. 54. In 2019, the two former fiduciary pension funds are also reported in the *General fund* to comply with GASB Statement No. 84. As of 2020, there are a total of eight funds in addition to the originally budgeted *General fund* that roll up as part of the combined *General fund* presented in the ACFR. These additional former special revenue and fiduciary funds, now referred to as *General fund*

*subsidiaries*, are budgeted separately from the *General fund* and have individual budget and actual statements included in the combining and individual fund statements. See RSI for the composition of the *General fund*.

The City reports the following four major proprietary funds:

The *Water fund* accounts for the activities of the City's largest utility. The revenues are received from the sales of materials, supplies, and services. Expenses are for maintenance and extension of water service systems. This fund also reflects the accounting of revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve and construction funds.

The *Wastewater fund* accounts for the activities of the City's second largest utility. The revenues are received from the sales of materials, supplies, and services. Expenses are for maintenance and extension of wastewater service systems. This fund also reflects the accounting of revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve and construction funds.

The *Surface and Stormwater fund* accounts for the activities of the utility. The primary source of revenue is a service charge for impervious surface runoff. Expenses are for construction, improvements and maintenance of the City's stormwater facilities, updates of the stormwater master plan, and acquisition of additional wetland and open space.

The *Solid Waste fund* accounts for litter compliance expenses and also accounts for remediation costs of cleaning up several landfill sites. The City has issued two general obligation bonds for the City's share of remediation costs to be repaid primarily by net revenues from the *Solid Waste fund*. These revenues are generated principally by tax revenues paid by the City's garbage contractor. As of December 31, 2020 this fund was closed into the *Environmental Remediation fund*, a governmental fund.

Additionally, the City reports the following fund types as separate columns in the basic financial statements:

*Internal Service funds* account for fleet administration, purchasing and materials, facilities administration, technology and telecommunications, claims and litigation, employee benefits, and PW administration and engineering. These funds provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Because these services benefit governmental operations more than business-type functions, they have been included within governmental activities in the government-wide financial statements.

*Fiduciary funds* are custodial in nature and represent assets held in a trustee or agency capacity for others. These funds do not report results of operation. Custodial funds consist of the *Guaranty Deposit* and *School Impact Fee* funds.

### **C. Measurement focus, basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cashflows. 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.

The 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current 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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, 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 fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

The custodial fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

#### **D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balances**

##### ***Deposits and investments***

The City's cash and cash equivalents are defined as any funds that are available immediately or within 90 days. These funds consist of imprest cash on hand, bank deposits, certificates of deposits, and deposits with the local government investment pool (LGIP).

Investments for the City as well as for its component units are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the pool shares. Investments are reported separately on the balance sheet. Excess cash balances of all City funds are pooled and invested. The annual change in investment balances is shown net of "Proceeds from sales and maturity of investment securities" and "Purchase of investments" on the statement of cash flows.

Interest income is distributed monthly to the funds based on the average daily fund balance. Interest from the following funds is assigned to the *General fund*:

- Library Gift
- CDBG Grant
- Drake Note
- Governmental Debt Service
- Guaranty Deposit
- Accounts Payable
- Payroll Clearing

***Receivables***

Accounts receivable consist of amounts owed from private individuals or organizations for goods and services. Receivables have been recorded net of an allowance for uncollectible amounts. Allowances for uncollectible amounts are calculated as a write-off of bad debt expense.

- 1) Interest receivable consists of amounts earned, but not received, on investments.
- 2) Notes and contracts receivable consists of principal amounts owed on open accounts from private individuals or organizations for goods and services rendered.
- 3) Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties.
- 4) During the year, property tax revenues are recognized when received. There is no allowance for uncollectible taxes. The City considers delinquent taxes fully collectible.

***Interfund activity***

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "interfund loans receivable/interfund loans payable." All other outstanding balances between funds are referred to as "due to/from other funds" in the basic and combining statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

***Inventories and prepaid items***

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are purchased.

Inventories in proprietary funds are valued on a cost basis using the weighted average method.

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

***Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life are not capitalized.

Major outlays for capital and improvements are capitalized as projects are constructed. Street infrastructure assets are entered into the system on a "network" basis since these assets consist of several different components of road and street construction. The project plans maintained in the engineering division of public works provide details regarding these components.

Capital assets are defined by the City as assets with an estimated useful life of more than one year and an individual cost for each asset category in excess of the following amounts. All depreciable assets are depreciated using the straight-line method.

<b>Asset category</b>	<b>Asset threshold</b>	<b>Useful life (years)</b>
Land	Any amount	No limit
Buildings	\$ 50,000	20-50
Equipment:		
Fleet replacement	10,000	3-25
Machinery and equipment	10,000	3-25
Network IT/electronics/communications	25,000	3-25
Intangible software	50,000	7
Improvements:		
Infrastructure	50,000	20-50
Leasehold	50,000	10
Other	50,000	5-50

The City has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. These assets are identified in the asset system as partially grant funded for tracking purposes in the event of a sale or surplus of the item.

#### ***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until consumed.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as a revenue until acquired.

#### ***Compensated absences***

City policy permits employees to accumulate unused vacation leave. Vacation leave is earned at rates established in individual bargaining unit agreements. Each employee may accumulate up to double their established annual accrual rate. Unused vacation is payable upon termination of employment. Upon retiring, contractual limitations have been imposed on PERS I employees to limit vacation payout to a maximum of 240 hours. Currently, certain bargaining groups (by individual contracts) are also eligible for an annual vacation leave cash out program. Employees with accumulated banks of at least 88 hours on October 15 of each of year, have the option of cashing out a minimum of 8 hours to a maximum of 40 hours of vacation leave accumulated. Employee banks will be reduced by the number of hours cashed out and balance of at least 80 hours of accrued vacation leave must remain in the bank when the transaction is complete. Vacation liabilities are recorded at year-end in full accrual funds and in the government-wide statements.

City policy permits employees to accumulate unused sick leave. Sick leave is earned at rates established in individual bargaining unit agreements. Each employee may accumulate a maximum of 1040 hours approximately. This number varies based upon which union you are in. Unused sick leave is payable upon termination only to LEOFF II employees. LEOFF II employees may cash out up to 150-300 hours of their accumulated sick leave balance upon retirement depending upon whether they are fire or police employees. The City maintains a liability in the proprietary funds for future sick leave cash-out payments. Currently, both the Teamsters 231 and the Guild of Pacific Northwest Employees Local 1937 bargaining groups are also eligible for an annual optional sick leave cash out program. Employees with

accumulated banks of at least 480 hours on December 15 of each year, have the option of cashing out 25 percent of sick leave hours accumulated and not used in the prior twelve-months. Employees with 720 hours, have the option of cashing out 50 percent, and employees with 960 hours receive automatic compensation of 48 hours with no leave bank reduction.

***Proprietary funds operating and nonoperating revenues and expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the proprietary funds are charges to customers for sales and services and sales of merchandise both of which are directly related to the fund's principal operations. Operating expenses for enterprise and internal service funds include labor, materials and supplies, services, depreciation, taxes, insurance, and claims all of which are directly related to the fund's principal operations. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

***Pensions***

The net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the City of Bellingham Firefighters' (FFP), City of Bellingham Police Officers' (POP), and the Washington State Department of Retirement Systems (DRS) pension plans', and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by each plan. For this purpose, plan contributions (if applicable) are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other post-employment benefits (OPEB)***

The total liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the City of Bellingham Firefighters' (FHC), City of Bellingham Police Officers' (PHC) healthcare plans', and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Long-term obligations***

In the government-wide financial statements and proprietary 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 statements of net position. Bond premiums and discounts, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Restricted assets***

Enterprise funds have accounts that contain resources for construction and debt services. Certain proceeds of the *Water* and *Wastewater funds'* revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position in compliance with

applicable bond covenants. The amount of these restricted assets is reported in the long-term debt note.

### ***Contributions of capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

### ***Estimates***

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### ***Fund balance***

The City of Bellingham is a first class charter City in the state of Washington organized with a council-mayor form of government. City management is led by the elected Mayor in a strong-Mayor, weak-Council form of government. The Mayor and the City Council are the bodies with the "highest level of decision-making authority". In accordance with GASB Statement 54, governmental fund balance reporting and governmental fund type definitions, the City classifies governmental fund balance as follows:

*Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City has permanent funds, prepaid items, and inventories within the non-spendable fund balance category.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed or constrained due to constitutional provisions or enabling legislation. The City's restricted fund balance includes HUD grant money restricted for federal projects, the spendable portion of permanent funds, debt service, and special revenue funds. Special revenue fund balance, purpose and funding sources can be found in the combining and individual fund statements.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. In order to commit funds to a specific project or activity the City Council, the highest level of decision-making authority, must take the formal action of passing an ordinance. An ordinance becomes part of the City's Municipal Code and is the highest-level action the Council can pass. An ordinance constitutes a binding constraint on the resources affected. In order to modify or rescind an ordinance the Council must amend or repeal the Municipal Code by adopting another ordinance. Items are committed by a majority vote of the City Council except when there has been a veto by the Mayor which then requires a super majority vote of the City Council. The *General fund* has a sum committed for estimated legal environmental costs.

*Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Items are assigned by the Mayor or the Mayor's designee within City funds and within City departments. Fund balance may be assigned by the Finance Director or Budget Manager. The Financial Management Guidelines written and endorsed by the Bellingham City Council with Resolution No. 2010-17 establishes the authority to assign fund balance amounts.

*Unassigned* – the residual balance for the *General fund* is unassigned. The *General fund* is the only fund that can report a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.



When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the City budget considers restricted resources to be spent first. When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the City budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

#### ***Fund reserve goals***

The City has Financial Management Guidelines that sets reserve goals and reserve minimums for selected City funds including the *General fund*, *Water*, *Wastewater*, *Surface and Stormwater*, *Parking*, *Medic One*, *Fleet*, and the *Health Benefits* funds. This document is available on the City's website at:

<https://www.cob.org/Documents/finance/publications/2010-financial-management-guidelines.pdf>

When a fund falls below its minimum reserve level as established in the publication approved above, the Mayor is required to present to Council a financial plan, within 60-days, that will restore the fund reserve balance to at least its minimum level within the shortest time period feasible, not to exceed three years.

Meeting the minimum reserve goal is integral to the budget process and is reported in the Adopted Budget document. The budget department tracks the reserve amounts throughout the year. At year end the actual ending reserves are reviewed and adjustments are made if required.

#### ***Net position***

In accordance with GASB Statement 63, proprietary, fiduciary, and government-wide financial statements shall report net position. Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement 34. The elements of net position are similar to those of net assets. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: net investment in capital assets, restricted, and unrestricted.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary information**

Biennial appropriated budgets are adopted for the general, special revenue and debt service funds on a basis consistent with generally accepted accounting principles (GAAP). Capital project funds adopt budgets on an individual project basis. Proprietary and fiduciary funds are budgeted for management purposes only. National Council on Governmental Accounting Statement No. 1 requires financial statements presenting budgetary comparisons for governmental fund types only.

Biennial appropriated budgets are adopted at the fund level and legal budgetary control is established at the fund level. Legal budgets are adopted for the eight subsidiary funds consolidated with the *General fund* for GAAP reporting. Budget to actual schedules for these consolidated funds are included in the combining statements. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions by department, activity and object class; however, this level of budgetary monitoring is not legally mandated. Appropriations for all funds lapse at the end of every even year.

The City's budget procedures were created in accordance with RCW 35.34. On or before November 1, every even number year, the Mayor submits a proposed budget to the City Council for the following odd and even number years. This budget is based on priorities established by the Council and estimates provided by City departments during the preceding months. The budget is balanced with revenue estimates made by the Finance Director. Council conducts public hearings on the proposed budget on or

before the first Monday in December. The Council makes its adjustments to the proposed budget and adopts, by ordinance, a final balanced budget by fund, no later than December 31. Within 30 days of adoption, the final budget is available to the public.

The Finance Director, designated by the Mayor, authorizes transfers of budgeted amounts between accounts. However, any revisions that alter the total expenditures of a fund must be approved by the City Council. The City Council may determine that it is in the best interest of the City to increase or decrease the appropriation for a particular fund. It must do so by ordinance approved by simple majority, after first holding public meetings providing the public the opportunity to speak.

In the middle of the two year budget cycle, the City may prepare a proposed mid-biennial budget modification. Public hearings on the proposed budget modification are held and the mid-biennium budget modification is presented in an ordinance for adoption by the City Council during this period.

At the end of each two year budget cycle, the City may re-appropriate budget for outstanding encumbrances at December 31, into the following budget cycle. Encumbrances are committed amounts for goods and services ordered or contracted.

#### **B. Deficit fund equity**

As of December 31, 2020, the following funds reported deficits in fund balance or fund equity:

*Fund 530 – The Facilities Administration fund* has a deficit net position of \$547 thousand. This deficit is largely due to issuing qualified energy conservation bonds in 2011 to finance noncapital improvements in over 20 City owned municipal buildings. These improvement expenses did not increase assets. The deficit will be eliminated when the bonds mature in 2025. These are term bonds; principal is due in full on the maturity date. The *Facilities Administration fund* has a long-term bond payable liability of \$6.1 million on December 31, 2020.

#### **C. Excess of expenditures over appropriations**

As of December 31, 2020, there has been no material violation of finance related legal or contractual provisions in any City governmental fund.

### 3. Deposits and investments

#### *Deposits*

The City's deposits and certificates of deposit are entirely covered by the Federal Depository Insurance Commission (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (PDPC). The FDIC insures the City's deposits up to \$250,000; the PDPC covers amounts in excess of \$250,000.

#### *Investments*

The City invests excess and inactive funds, in accordance with City Investment Policy and Washington State statute, RCW 35A.40.060. The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investments are valued at fair value as of December 31, 2020.

The City invests with the Washington State Local Government Investment Pool (LGIP), administered by the Washington State Treasurer, authorized under RCW Chapter 43.250. The LGIP's investment objectives are, in priority order: safety of principal, maintaining adequate liquidity to meet cash flows, and providing a competitive interest rate relative to other comparable investment alternatives. The LGIP offers 100% liquidity to its participants. The amortized cost of the position in the LGIP is the purchase price and is reported on the balance sheet as *cash and cash equivalents*.

#### *Interest rate risk*

Interest rate risk is the risk that changes in interest rates over time may adversely affect the fair value of an investment. To minimize risk of loss arising from interest rate fluctuations, the City purchases a combination of short and longer term investments, normally not to exceed five years, and staggers their maturities. The City intends to hold securities, bonds and certificates of deposits until maturity.

#### *Credit risk*

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City invests primarily in U.S. government debt securities which are considered the safest fixed-income investments available, and Municipal Bonds that hold one of the three highest credit ratings of a nationally recognized rating agency as directed by, and in compliance with, state law. The U.S government debt securities include government sponsored agency securities with implicitly guaranteed federal government backing.

#### *Concentration of credit risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Per the City's Investment Policy, the City diversifies its investments by security type and institution with no more than 50% of the City's total investment portfolio invested in a single security type or with a single financial institution.

#### *Foreign currency risk*

The City does not have any investments in foreign currency and accordingly is not exposed to foreign currency risk.

#### *Custodial credit risk*

Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction the City will not be able to recover the value of the investment or collateral securities. For this reason, per the City's Investment Policy, all security transactions, including collateral for repurchase agreements, entered into by the City of Bellingham are conducted on a delivery-versus-payment (DVP) basis and are held in Safekeeping with U.S. Bank. All of the City's investments are insured or registered in the name of the City or held by the City or its agent in the City's name.

### Fair value of investments as of December 31, 2020

Investment type / issuer	Fair value	Maturity period			% of total	Moody's rating
		≥ 3 months	4-12 months	1-5 years		
U.S. Government Sponsored Agency Securities (implicitly guaranteed):						
Farmer MAC (FMAC)	\$ 20,178,425	\$ -	\$ 5,021,710	\$ 15,156,715	8.84%	Aaa
Federal Farm Credit Bank (FFCB)	33,374,117	-	-	33,374,117	14.63%	Aaa
Federal Home Loan Bank (FHLB)	50,839,763	10,024,920	11,602,928	29,211,915	22.28%	Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	27,434,591	-	-	27,434,591	12.03%	Aaa
Federal National Mortgage Association (FNMA)	63,594,527	-	18,143,547	45,450,980	27.88%	Aaa
Municipal Bonds:						
Resolution Funding STRIPS	4,851,859	4,851,859	-	-	2.13%	Aaa
Port of Seattle WA Passenger FAC	3,017,730	-	3,017,730	-	1.32%	A1
Tulsa CO ISD #5	5,232,700	-	-	5,232,700	2.29%	Aa2
New York City Taxable GO Bonds	5,199,400	-	-	5,199,400	2.28%	Aa1
State of Georgia	5,466,550	-	-	5,466,550	2.40%	Aaa
Midlothian TX Independent School District	3,954,686	-	-	3,954,686	1.73%	Aaa
New York City Taxable GO Bonds	4,995,000	-	-	4,995,000	2.19%	Aa1
Total investments at fair value	\$ 228,139,348	\$ 14,876,779	\$ 37,785,915	\$ 175,476,654	100.00%	

The discretely presented component unit, Public Facilities District, is included in the table above and is listed separately below.

Public Facilities District	
<b>Cash and cash equivalents</b>	
Local Government Investment Pool	\$ 208,399
Deposits	200,090
<b>Total cash and cash equivalents</b>	<b>408,489</b>
<b>Investments at fair value</b>	
U.S. Government Sponsored Agency Securities	1,302,483
Municipal Bonds	218,065
<b>Total investments</b>	<b>1,520,548</b>
<b>Total deposits and investments</b>	<b>\$ 1,929,037</b>
<b>Reconciliation to basic financial statements</b>	
Total investments at fair value	\$ 228,139,348
<b>Cash and cash equivalents</b>	
Local Government Investment Pool	33,935,734
Deposits	25,336,286
<b>Total cash and cash equivalents</b>	<b>59,272,021</b>
<b>Less:</b>	
Fiduciary fund deposits and investments	(166,645)
<b>Government-wide statement of net position</b>	<b>\$ 287,244,724</b>

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

- Level 1 inputs: quoted prices in active markets for identical assets.
- Level 2 inputs: quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs: unobservable inputs for an asset or liability.

**Fair value hierarchy as of December 31, 2020**

	Quoted prices level 1	Significant observable inputs level 2	Significant unobservable inputs level 3	Totals
<b>Investments by fair value level</b>				
U.S. Government Sponsored Agency Securities	\$ -	\$ 195,421,423	\$ -	\$ 195,421,423
Municipal Bonds	-	32,717,925	-	32,717,925
<b>Total investments by fair value level</b>	<b>\$ -</b>	<b>\$ 228,139,348</b>	<b>\$ -</b>	<b>\$ 228,139,348</b>

#### 4. Receivables

Receivables as of year-end for the City's individual major and nonmajor funds, internal service, and fiduciary fund, including the applicable allowances for uncollectible accounts, are as follows:

**Receivables as of December 31, 2020**

<b>Governmental funds</b>	<b>General</b>	<b>Nonmajor governmental</b>
Taxes	\$ 5,624,592	\$ 1,366,030
Accounts	16,912,531	351,683
Gross receivables	22,537,123	1,717,713
Less: allowance for uncollectible	(10,513,272)	-
<b>Total governmental</b>	<b>\$ 12,023,851</b>	<b>\$ 1,717,713</b>

<b>Proprietary funds</b>	<b>Water</b>	<b>Waste water</b>	<b>Surface &amp; stormwater</b>	<b>Solid waste</b>	<b>Nonmajor enterprise</b>	<b>Internal service</b>
Interest	\$ 50,009	\$ 109,179	\$ 13,873	\$ -	\$ 19,887	\$ 62,092
Taxes	-	-	-	-	159,700	148,674
Accounts	1,342,733	1,493,539	725,728	-	1,388,344	121,662
Gross receivables	1,392,742	1,602,718	739,601	-	1,567,931	332,428
Less: allowance for uncollectible	-	-	-	-	(1,159,086)	-
<b>Total business-type</b>	<b>\$ 1,392,742</b>	<b>\$ 1,602,718</b>	<b>\$ 739,601</b>	<b>\$ -</b>	<b>\$ 408,845</b>	<b>\$ 332,428</b>

<b>Fiduciary funds</b>	<b>Guaranty Deposit</b>
Accounts	\$ 25,608
<b>Total fiduciary</b>	<b>\$ 25,608</b>

## 5. Property taxes

The Whatcom County Treasurer collects property taxes levied in the County for all taxing authorities.

Property tax calendar	
January 1	Tax is levied and becomes 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 is established for the following year's levy at 100 percent of market value.
October 31	Second of two equal installment payments is due.

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

Washington State Constitution and Washington State law, RCW 84.52.043, limit the regular levy rate to 1% of the total fair market value within the district and a combined \$5.90/1000 of other local regular levies. If the \$5.90 limit is exceeded, then levies will be prorated in a prearranged order per RCW 84.52.010.

State law authorizes the City to levy up to \$3.60/\$1,000 of assessed value for general governmental services, plus an additional \$.225/\$1,000 for the fire fighter's pension fund.

The total assessed valuation of the City of Bellingham for 2020 was \$13,766,421,449. The City's regular levy rate was \$1.345/\$1,000, for a total regular levy of \$18,517,030.

Special levies approved by the voters are not subject to the same statutory limitations. For 2020, voters authorized an additional special levy rate of \$0.666/\$1,000, totaling \$9,175,559.

### Property tax levies 2020

Purpose of Levy	Type	Rate/\$1,000	Tax
General fund	regular levy	1.1530736785	\$ 15,873,698
Fire pension	regular levy	0.1873321167	2,578,893
New What RDA LIFT	regular levy	0.0046809057	64,439
Total regular levy		1.3450867009	18,517,030
Affordable Housing	special levy	0.2905620763	4,000,000
Greenways IV - parks	special levy	0.3759552836	5,175,559
Total special levy		0.6665173599	9,175,559
Total Levy		2.0116040608	\$ 27,692,589

## 6. Capital assets

Capital asset activity for the year ended December 31, 2020, is summarized as follows:

### Primary government

	Beginning balance 1/1/2020	Additions	Transfer In	Reductions	Ending balance 12/31/2020
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 85,488,948	\$ 2,327,095	\$ -	\$ (58,456)	\$ 87,757,587
Improvements	17,614,900	-	-	-	17,614,900
Construction in progress	15,705,998	2,409,526	-	(11,373,753)	6,741,771
Intangibles - right of ways	58,991,954	89,416	-	-	59,081,370
Total capital assets, not being depreciated/amortized	177,801,800	4,826,037	-	(11,432,209)	171,195,628
Capital assets being depreciated/amortized:					
Buildings	47,024,861	-	52,965	(117,668)	46,960,158
Improvements other than buildings	334,757,368	20,361,598	489,802	-	355,608,768
Machinery and equipment	35,983,930	2,930,215	119,927	(1,869,743)	37,164,329
Intangibles - software	4,621,465	623,387	-	(232,144)	5,012,708
Total capital assets being depreciated/amortized	422,387,624	23,915,200	662,694	(2,219,555)	444,745,963
Less accumulated depreciation/amortization for:					
Buildings	(22,849,967)	(896,997)	(52,965)	42,361	(23,757,568)
Improvements other than buildings	(143,868,618)	(9,124,629)	(244,901)	-	(153,238,148)
Machinery and equipment	(18,794,800)	(2,389,207)	(40,975)	1,629,134	(19,595,848)
Intangibles - software	(3,386,905)	(295,424)	-	232,144	(3,450,185)
Total accumulated depreciation/amortization	(188,900,290)	(12,706,257)	(338,841)	1,903,639	(200,041,749)
Total capital assets, being depreciated/amortized, net	233,487,334	11,208,943	323,853	(315,916)	244,704,214
Governmental activities capital assets, net	\$ 411,289,134	\$ 16,034,980	\$ 323,853	\$ (11,748,125)	\$ 415,899,842

<b>Business-type activities</b>	<b>Beginning balance 1/1/2020</b>	<b>Additions</b>	<b>Transfer Out</b>	<b>Reductions</b>	<b>Ending balance 12/31/2020</b>
Capital assets not depreciated/amortized:					
Land	\$ 48,440,305	\$ 2,976,045	\$ -	\$ -	\$ 51,416,350
Construction in progress	3,129,398	11,157,523	-	(1,283,988)	13,002,933
Intangibles - right of ways	206,111	-	-	-	206,111
Total capital assets, not being depreciated/amortized	51,775,814	14,133,568	-	(1,283,988)	64,625,394
Capital assets depreciated/amortized:					
Buildings	156,379,317	-	(52,965)	(13,300,000)	143,026,352
Improvements other than buildings	294,151,381	10,671,998	(489,802)	(38,227)	304,295,350
Machinery and equipment	6,414,631	124,131	(119,927)	(455,529)	5,963,306
Intangibles - software	284,325	-	-	-	284,325
Total capital assets, being depreciated/amortized	457,229,654	10,796,129	(662,694)	(13,793,756)	453,569,333
Less accumulated depreciation/amortization for:					
Buildings	(63,259,804)	(2,797,035)	52,965	13,300,000	(52,703,874)
Improvements other than buildings	(117,754,129)	(5,791,835)	244,901	38,227	(123,262,836)
Machinery and equipment	(4,497,207)	(364,527)	40,975	427,391	(4,393,368)
Intangibles - software	(284,325)	-	-	-	(284,325)
Total accumulated depreciation/amortization	(185,795,465)	(8,953,397)	338,841	13,765,618	(180,644,403)
Total capital assets, being depreciated/amortized, net	271,434,189	1,842,732	(323,853)	(28,138)	272,924,930
Business-type activities capital assets, net	<u>\$ 323,210,003</u>	<u>\$ 15,976,300</u>	<u>\$ (323,853)</u>	<u>\$ (1,312,126)</u>	<u>\$ 337,550,324</u>

Depreciation expense was charged to functions of the primary government as follows:

<b>Governmental activities</b>	
General governmental	\$ 257,512
Public safety	854,790
Transportation	7,120,103
Cultural and recreational	2,207,268
Economic environment	63,633
Internal service fund capital assets are charged to various functions based on the usage of the assets	2,202,951
Total depreciation expense - governmental activities	<u>\$ 12,706,257</u>
<b>Business-type activities</b>	
Cemetery	\$ 2,940
Water	3,043,751
Wastewater	4,270,843
Storm and surface water	1,298,689
Solid waste	18,725
Golf	47,844
Parking	123,925
Medic one	146,680
Total depreciation expense - business-type activities	<u>\$ 8,953,397</u>



Capital asset activity for the year ended December 31, 2020, is summarized as follows:

Discretely presented component unit				
Bellingham-Whatcom Public Facility District	Beginning balance 1/1/2020	Additions	Reductions	Ending balance 12/31/2020
Capital assets not depreciated:				
Land	\$ 1,329,860	\$ -	\$ -	\$ 1,329,860
Total capital assets, not being depreciated/amortized	1,329,860	-	-	1,329,860
Capital assets depreciated:				
Buildings	19,094,610	-	-	19,094,610
Improvements other than buildings	9,070,078	-	-	9,070,078
To Total capital assets being depreciated/amortized	28,164,688	-	-	28,164,688
Less accumulated depreciation for:				
Buildings	(6,210,458)	(328,599)	-	(6,539,057)
Improvements other than buildings	(3,158,684)	(276,854)	-	(3,435,538)
To Total accumulated depreciation/amortization	(9,369,142)	(605,453)	-	(9,974,595)
Total capital assets, being depreciated/amortized, net	18,795,546	(605,453)	-	18,190,093
Public Facilities District capital assets, net	<u>\$ 20,125,406</u>	<u>\$ (605,453)</u>	<u>\$ -</u>	<u>\$ 19,519,953</u>

## 7. Interfund receivables, payables and transfers

Loans between funds are classified as interfund loans receivable and payable on the statement of net position. All loans between funds must be authorized by City Council with specific repayment terms at a reasonable interest rate.

Due to other funds and due from other funds result from goods issued, work performed, or services rendered to or for the benefit of another fund of the same government when cash is not immediately moved between the funds.

The following schedule shows the interfund loans receivables and loans payables as well as the due to and due from other funds balances. All interfund loans and due to and from balances are expected to be repaid within a year unless other terms are specifically established as noted below.

Interfund balances at December 31, 2020				
	Interfund loans receivable	Interfund loans payable	Due from other funds	Due to other funds
General	\$ -	\$ 651,443	\$ 47,603	\$ -
Nonmajor governmental	651,443	-	-	47,603
Total government-wide	\$ 651,443	\$ 651,443	\$ 47,603	\$ 47,603

*Greenways Endowment fund* made a \$3,232,022 loan to the *Greenways III fund* in 2011 for a land purchase. In 2013, the Chuckanut Community Forest Park District was formed by voter approval for the express purpose of paying off the *Greenways III fund* loan (Interlocal Agreement 2013-0624). The District has levied a property tax of \$0.28 per thousand dollars of assessed valuation to repay the Greenways Endowment fund for this land purchase. The loan is scheduled to be repaid over ten years, beginning in 2014. The loan repayment is based on a variable rate of interest equal to the current rate of return on investments not to exceed 3% annually. In addition, the Chuckanut Community Forest Park District's payment increases from 50% to 90% of the tax levy received over the first three years of the agreement. There is \$651,443 remaining on this loan at year-end, and of that amount an estimated \$31,110 will not be repaid in 2021.

Transfers in/out include transfers to support the operations of other funds, contributions to the capital of enterprise or internal service funds and transfers to establish or reduce working capital in funds.

Transfers at December 31, 2020										
	Transfers In	Transfers Out								
		General	Nonmajor Governmental	Water	Wastewater	Surface & Stormwater	Solid Waste	Nonmajor Enterprise	Internal Service	GW Statements
Nonmajor Governmental	\$ 6,761,866	\$ (783,027)	\$ -	\$ -	\$ -	\$ -	\$ (5,978,839)	\$ -	\$ -	\$ -
Surface & Stormwater	364,114	-	(364,114)	-	-	-	-	-	-	-
Solid waste	16,954,913	-	-	-	-	-	-	-	-	(16,954,913)
Nonmajor Enterprise	44,000	(44,000)	-	-	-	-	-	-	-	-
Internal Service	3,143,612	(1,847,103)	-	(114,077)	(100,000)	(100,000)	(25,000)	(442,432)	(515,000)	-
Total	\$ 27,268,505	\$ (2,674,130)	\$ (364,114)	\$ (114,077)	\$ (100,000)	\$ (100,000)	\$ (6,003,839)	\$ (442,432)	\$ (515,000)	\$ (16,954,913)

## 8. Operating leases

The City leases radio towers, urban village library space, off-site data servicing facilities, fiber optics, office spaces, storage units, office equipment including photocopiers, postage machines, and scanners under operating lease agreements. Operating leases do not give rise to property rights or lease obligations and therefore the results of the lease agreements are not reflected in the City's statement of net position. Operating lease expenditures for 2020 totaled \$624,720. The future minimum lease payments for non-cancelable leases are as follows:

Future minimum lease payments at December 31, 2020		
2021	\$	323,405
2022		312,078
2023		208,917
2024		111,478
2025		6,734
Total	\$	<u>962,612</u>

## 9. Capital construction commitments

The City has outstanding contractual commitments, which include construction and engineering contracts for capital projects currently in progress. The City's total outstanding contract obligations are summarized as follows:

Construction commitments as of December 31, 2020		
	Spent to date	Remaining commitment
Street projects	\$ 5,531,027	\$ 3,894,340
Parks projects	1,055,860	2,287,096
Water projects	9,859,805	119,035
Wastewater projects	2,419,501	2,173,574
Stormwater projects	723,627	144,633
	<u>\$ 19,589,820</u>	<u>\$ 8,618,678</u>

Street projects are financed through sales tax revenue, transportation impact fees and grants. Parks projects are financed through REET revenue, greenway levies, park impact fees and grants. Water, wastewater and stormwater projects are financed through utility revenues, bonds, loans (EDI, DOE) and grants.

**10. Long-term debt****General obligation bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the government. The City has issued general obligation bonds to finance improvements in over 20 City buildings to reduce energy consumption, acquisition of the Sportsplex building, improvements to the Civic Field Stadium, construction of the Whatcom Art and Children's Museum, renovations to Mount Baker Theater, pollution remediation activities, and refunding of previously issued bonds. General obligation bonds have been issued for both governmental activities and are being repaid from the applicable resources. The 2011 QEC bond is being repaid by the *Facilities Administration fund*. The City's portion of the 2012 LTGO Refunding bond is being repaid by general governmental revenue sources and the PFD is repaying its portion of the bond, per the Financing Agreement. The PFD is also repaying the 2016 LTGO Refunding bonds. The 2014 LTGO bonds will be repaid by the *Environmental Remediation fund*.

General obligation bonds outstanding December 31, 2020					
Name of issuance/purpose	Original issue amount	Issue date	Maturity date	Interest rates	Debt outstanding
<b>Governmental activities</b>					
11 LTGO QEC Energy Conservation Improv	\$ 6,480,000	04/27/11	12/01/25	5.43%	\$ 6,100,000
12 LTGO Rfdg of 04 Civic Fld/Sportsplex/PFD	14,370,000	03/29/12	12/01/28	2.00 - 4.00%	6,405,000
16 LTGO Rfdg of 07 PFD bond A Museum/Theater	8,815,000	04/20/16	12/01/27	.60 - 4.00%	7,975,000
14 LTGO Solid Waste Rfdg A Pollution Remediation	3,170,000	12/17/14	12/01/25	3.00 - 4.00%	2,925,000
Total general obligation bonds outstanding	<u>\$ 32,835,000</u>				<u>\$ 23,405,000</u>

General obligation bond annual debt service requirements to maturity			
Year ending December 31	Governmental activities		
	Principal	Interest	Total requirements
2021	\$ 2,155,000	\$ 928,155	\$ 3,083,155
2022	2,305,000	855,355	3,160,355
2023	2,430,000	777,455	3,207,455
2024	2,635,000	685,805	3,320,805
2025	8,940,000	593,030	9,533,030
2026-2028	4,940,000	233,250	5,173,250
Total	<u>\$ 23,405,000</u>	<u>\$ 4,073,050</u>	<u>\$ 27,478,050</u>

As of December 31, 2020, the City has \$4,227,905 available in debt service funds and \$9,401 in the *Facilities Administration fund* to service the general bonded debt.

**Revenue bonds**

The City has issued revenue bonds to finance the acquisition and construction of improvements to capital assets relating to improving the water/wastewater system, and the refunding of previously issued revenue bonds. These assets include real property purchased in the Lake Whatcom Watershed in order to preserve water quality, improvements to the City's water supply/distribution system and wastewater collection/disposal system, expansion of and improvements to Post Point Wastewater Plant,

construction of a 3.5 million gallon reservoir with offsite piping, and pipeline replacements. When issuing revenue bonds, the City pledges future income derived from the acquired or constructed assets to pay the debt service.

**Revenue bonds outstanding December 31, 2020**

<b>Name of issuance/purpose</b>	<b>Original issue amount</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Interest rates</b>	<b>Debt outstanding</b>
<b>Business-type activities</b>					
11 Water/Sewer system improvements	\$ 42,655,000	09/27/11	08/01/41	2.00 - 5.00%	\$ 37,995,000
15 Water/Sewer Rfdg bond system imprvmts	4,035,000	11/10/15	08/01/26	2.17%	2,479,000
20 Water/Sewer Rfdg bond system imprvmts	18,935,000	09/09/20	08/01/43	2.00 - 5.00%	18,935,000
Total revenue bonds outstanding	<u>\$ 65,625,000</u>				<u>\$ 59,409,000</u>

**Revenue bond annual debt service requirements to maturity**

<b>Year ending December 31</b>	<b>Business-type activities</b>		<b>Total requirements</b>
	<b>Principal</b>	<b>Interest</b>	
2021	\$ 1,766,000	\$ 2,224,921	\$ 3,990,921
2022	1,763,000	2,232,121	3,995,121
2023	1,795,000	2,197,699	3,992,699
2024	1,836,000	2,161,868	3,997,868
2025	1,882,000	2,129,161	4,011,161
2026-2030	10,647,000	9,526,018	20,173,018
2031-2035	13,095,000	7,117,659	20,212,659
2036-2040	16,290,000	3,921,633	20,211,633
2041-2043	10,335,000	588,834	10,923,834
Total	<u>\$ 59,409,000</u>	<u>\$ 32,099,914</u>	<u>\$ 91,508,914</u>

The revenue bonds listed above will be repaid solely from water/wastewater system net income and are payable through 2043. The total principal and interest remaining to be paid on the bonds is \$91,508,914. Principal and interest expense for the current year and total net available income were \$3,912,621 and \$24,637,596, respectively.

To service revenue bond debt, \$4,044,689 is available in the reserve accounts of the *Water* and *Wastewater* enterprise funds as of December 31, 2020 in compliance with applicable bond covenants.

Water and Sewer revenue bond covenants require that revenue available for debt service (defined as operating and nonoperating revenues less expenses requiring payment to outside entities) exceed the annual debt payment of both principal and interest by a ratio of 1.25 times the maximum annual debt service (see statistical section). The City complies with bond covenants, with a current ratio coverage of 6.30%. There are numerous limitations and restrictions contained in the various bond indentures. The City is in compliance with all debt covenants.

In proprietary funds, unamortized debt issue costs for insurance are recorded as an asset and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount.

All bond issues comply with arbitrage regulations as verified by an outside consultant. Five-year reports are prepared as required.

### Government loans

The City has received government loans to provide for construction of capital projects. The City's current loan agreements are with the Public Works Trust Fund (PWTF) through Washington State Department of Community Development, Economic Development Investment (EDI) program through Whatcom County, Washington State Water Pollution Control Revolving Fund through the Department of Ecology (DOE), Office of Safe Drinking Water through the Department of Health (DOH) and the Washington State Certificate of Participation (COP) program.

The governmental activity loans are obligations of the general government and will be paid with general governmental revenue sources. The business-type activity loans will be paid from the applicable proprietary fund. The business-type PWTF loan and the DOH loan are being repaid from the *Water fund*. The *Surface and Stormwater fund* is repaying six DOE loans and one EDI loan. The *Wastewater fund* will be repaying one DOE loan.

Government loan debt outstanding December 31, 2020					
Name of issuance/purpose	Original issue amount	Issue date	Maturity date	Interest rates	Debt outstanding
<b>Governmental activities</b>					
PWTF - Street Resurfacing	\$ 2,975,000	07/25/02	07/01/22	0.50%	\$ 315,870
2014 WA State COP - Six Ambulances	867,507	08/28/14	06/01/24	2.13%	399,667
2015 WA State COP - LED Lights	3,205,000	09/24/15	12/01/27	2.70%	2,100,000
Total governmental activities	7,047,507				2,815,537
<b>Business-type activities</b>					
PWTF Water Main Replacement	1,938,000	07/25/02	07/01/22	0.50%	204,567
DOH Water Pre-treatment Plant	11,998,800	05/27/15	10/01/34	1.50%	10,007,293
EDI North End Regional Stormwater Facility	1,675,000	12/18/15	12/18/22	1.00%	490,536
DOE L1200033 Padden Creek Daylighting	1,426,000	05/10/13	12/31/36	2.60%	1,161,670
DOE L1300017 Squalicum Crk Reroute Ph I	528,632	07/01/15	12/31/36	2.70%	446,768
DOE L1400010 Squalicum Crk Reroute Ph II	543,536	07/01/15	12/31/36	2.30%	463,071
DOE L1400025 Texas/Columbia Storm Mains	1,414,000	12/31/14	06/30/23	1.10%	787,148
DOE EL160594 Squalicum Crk Reroute Ph III	513,996	11/09/16	12/31/38	2.40%	513,995
DOE EL180465 Squalicum Crk Reroute Ph IV	181,812	10/31/20	06/30/43	1.50%	181,812
DOE EL190008 Roeder Lift Station Imprv	458,350	06/01/18	10/01/40	1.50%	458,350
Total business-type activities	20,678,126				14,715,210
Total governmental loans outstanding	<u>\$ 27,725,633</u>				<u>\$ 17,530,747</u>

**Government loan annual debt service requirements to maturity**

Year ending December 31	Governmental activities			Business-type activities		
	Principal	Interest	Totals	Principal	Interest	Total requirements
2021	\$ 515,486	\$ 103,755	\$ 619,241	\$ 1,493,073	\$ 216,977	\$ 1,710,050
2022	530,232	84,969	615,201	1,600,730	251,809	1,852,539
2023	392,287	65,440	457,727	1,103,012	209,911	1,312,923
2024	402,532	53,307	455,839	977,610	186,335	1,163,945
2025	310,000	35,869	345,869	992,470	160,753	1,153,223
2026-2030	665,000	30,838	695,838	4,472,450	567,822	5,040,272
2031-2035	-	-	-	3,795,610	199,024	3,994,634
2036-2040	-	-	-	224,534	27,706	252,240
2041-2043	-	-	-	55,721	943	56,664
Total	<u>\$ 2,815,537</u>	<u>\$ 374,178</u>	<u>\$ 3,189,715</u>	<u>\$ 14,715,210</u>	<u>\$ 1,821,280</u>	<u>\$ 16,536,490</u>

The following table is a summary of the changes in long-term liabilities for the year ended December 31, 2020. The portion of the long-term debt due within one year is noted in the table on the far right and is broken out on the Statement of Net Position from the rest of the long-term debt balance. The City of Bellingham did not enter into any short-term debt activity during the year nor does it have any short-term debt outstanding at year-end.

Summary of changes in long-term liabilities for the year ended December 31, 2020						
Debt type	Beginning balance	Additions	Reductions	Ending balance	Due in ≤ 1 year	Due in > 1 year
<b>Governmental activities</b>						
Bonds payable						
General obligation bonds	\$ 15,840,000	\$ 2,925,000	\$ (1,460,000)	\$ 17,305,000	\$ 2,155,000	\$ 15,150,000
Premium	1,371,297	148,606	(163,619)	1,356,284	-	1,356,284
Taxable energy conservation bonds	6,100,000	-	-	6,100,000	-	6,100,000
Total bonds payable	23,311,297	3,073,606	(1,623,619)	24,761,284	2,155,000	22,606,284
Government loans	3,311,508	-	(495,971)	2,815,537	515,486	2,300,051
Premium	279,698	-	(41,807)	237,891	-	237,891
Total government loans	3,591,206	-	(537,778)	3,053,428	515,486	2,537,942
Notes payable	48,471	-	(48,471)	-	-	-
Claims and litigation	1,088,006	2,673,873	(1,929,748)	1,832,131	547,055	1,285,076
Pollution remediation obligation	25,050,000	14,325,358	-	39,375,358	1,357,054	38,018,304
Net pension liability, state	11,700,151	-	(1,829,936)	9,870,215	-	9,870,215
OPEB liability	28,366,155	1,717,076	-	30,083,231	1,149,679	28,933,552
Total pension liability, local	6,348,993	-	(199,425)	6,149,568	-	6,149,568
Compensated absences	6,700,766	545,260	(226,622)	7,019,404	5,636,647	1,382,757
<b>Governmental activities long-term liabilities</b>	<b>\$106,205,045</b>	<b>\$ 22,335,173</b>	<b>\$ (6,395,599)</b>	<b>\$122,144,619</b>	<b>\$ 11,360,921</b>	<b>\$ 110,783,698</b>
<b>Business-type activities</b>						
Bonds payable						
Revenue bonds	\$ 58,736,000	\$ 18,935,000	\$ (18,262,000)	\$ 59,409,000	\$ 1,766,000	\$ 57,643,000
Premium	2,801,491	-	(425,707)	2,375,784	-	2,375,784
Total revenue bonds	61,537,491	18,935,000	(18,687,707)	61,784,784	1,766,000	60,018,784
General obligation bonds	3,445,000	-	(3,445,000)	-	-	-
Premium	178,327	-	(178,327)	-	-	-
Total general obligation bonds	3,623,327	-	(3,623,327)	-	-	-
Total bonds payable	65,160,818	18,935,000	(22,311,034)	61,784,784	1,766,000	60,018,784
Government loans	15,443,684	755,851	(1,484,323)	14,715,212	1,493,073	13,222,139
Pollution remediation obligation	14,402,408	-	(14,402,408)	-	-	-
Net pension liability, state	2,192,804	1,211,802	-	3,404,606	-	3,404,606
Compensated absences	1,052,420	689,123	(16,273)	1,725,270	1,595,142	130,128
<b>Total business-type activities long-term liabilities</b>	<b>\$ 98,252,134</b>	<b>\$ 21,591,776</b>	<b>\$ (38,214,038)</b>	<b>\$ 81,629,872</b>	<b>\$ 4,854,215</b>	<b>\$ 76,775,657</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term and short-term liabilities are included as part of the above totals for governmental activities. At year-end, long-term liabilities of \$148,300 and short-term liabilities of \$664,840 for internal service fund compensated absences are included in the above amounts. For the governmental activities, compensated absences are generally liquidated by the *General fund*.



The *General fund* is responsible for ensuring that each pension fund has adequate cash to pay their pension benefit obligations, OPEB benefit obligations, and administrative expenses each year. Governmental activities for claims and litigation and pollution remediation are also financed through General fund revenues.

### Discretely presented component units

#### ***Bellingham-Whatcom Public Facilities District***

The *PFD* entered into an agreement with the City of Bellingham to borrow funds from the City's 2004 LTGO PFD/Civic/Aquatic refunding bond. Of the total \$16,375,000 bond issue, \$9,370,000 was for the *PFD* to fund the construction of the Whatcom Art and Children's Museum. In 2012 the City of Bellingham advanced refunded the 2004 LTGO bond with the issuance of the 2012 LTGO Refunding bond. The *PFD* pays the debt service costs on its portion of the bond. The *PFD* portion of the bond matures in 2026. The City made a contingent loan commitment for these bonds per contract 2007-0552. The contingent loan commitment established in contract 2007-0552 was superseded with interlocal financing agreement 2016-0268 between the City and the *PFD* in 2016.

The *PFD* entered into an agreement with the City of Bellingham in 2008 to borrow \$2,800,000 for the purpose of funding the construction of the Whatcom Art and Children's Museum. This loan had a 10-year term with interest only payments for the first five years. In 2010, the *PFD* made an unscheduled \$1,000,000 principal payment, reducing the outstanding principal amount to \$1,800,000. In 2013 the loan was restructured, setting an interest rate of 3.25% and extending the loan term to mature on December 31, 2027.

The *PFD* issued a limited sales tax obligation bond in the amount of \$9,995,000 on December 20, 2007. The issue funded a portion of the construction cost of the Whatcom Art and Children's Museum, a portion of the cost of phase II renovations to the Mount Baker Theatre as part of the regional center owned and operated by the *PFD*, and issue costs of the bonds. On April 20, 2016, these bonds were refunded by the City of Bellingham and reissued as LTGO debt of the City of Bellingham in the amount of \$9,640,000 with a new interlocal bond agreement between the City and the *PFD* establishing new repayment terms. These bonds are financed by state sales tax rebate revenue and will mature in 2027.

<b>Bonds outstanding December 31, 2020</b>					
<b>Name of issuance/purpose</b>	<b>Original issue amount</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Interest rates</b>	<b>Debt outstanding</b>
12 LTGO Rfdg Museum/Theater	\$ 9,370,000	11/9/04	12/1/28	2.00 - 4.00%	\$ 4,406,922
08 Museum Construction	2,800,000	12/31/08	12/31/27	3.25%	1,001,799
16 LTGO Rfdg Museum/Theater	9,640,000	04/20/16	12/01/27	.60 - 4.00%	7,975,000
Total bonds outstanding	<u>\$ 21,810,000</u>				<u>\$ 13,383,721</u>

### Limited sales tax annual debt service requirements to maturity

Year ending December 31	Discretely presented component unit		
	Principal	Interest	Total requirements
2021	\$ 1,501,322	\$ 472,318	\$ 1,973,640
2022	1,633,518	417,522	2,051,040
2023	1,775,854	358,336	2,134,190
2024	1,922,959	285,431	2,208,390
2025	2,115,214	201,339	2,316,553
2026-2027	4,434,854	172,954	4,607,808
Total	<u>\$ 13,383,721</u>	<u>\$ 1,907,900</u>	<u>\$ 15,291,621</u>

### Summary of changes in long-term liabilities for the year ended December 31, 2020

Debt type	Beginning balance	Additions	Reductions	Ending balance	Due in ≤ 1 year	Due in > 1 year
Bonds	\$ 14,747,607	\$ -	\$ (1,363,886)	\$ 13,383,721	\$ 1,501,322	\$ 11,882,399
Total long-term liabilities	<u>\$ 14,747,607</u>	<u>\$ -</u>	<u>\$ (1,363,886)</u>	<u>\$ 13,383,721</u>	<u>\$ 1,501,322</u>	<u>\$ 11,882,399</u>

### Defeased Debt

On September 9, 2020, the City issued \$18,935,000 in 2020 Water-Sewer Revenue Refunding Bonds with an interest cost of 2.44%. The City issued the bonds to advance refund \$16,845,000 of the outstanding 2012 Water-Sewer Revenue Bonds and 2013 Water-Sewer Revenue Bonds with interest rates ranging between 2.0% - 5.0%, and maturity years of 2021-2043. The proceeds of these bonds were deposited directly with the refunded debt escrow agent and used to purchase securities that were placed in an irrevocable trust to provide for all future debt service payments on the refunded portion of the bonds until the bonds are called. As a result, that portion of the debt is considered defeased and therefore the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$16,845,000 at December 31, 2020. The taxable advanced refunding bonds reduced total debt service payment over the next 23 years by \$4,277,977. This results in an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$2,820,522.

### 11. Restricted component of net position

The government-wide statement of net position reports \$178,062,333 of restricted component of net position, of which \$86,231,400 is restricted by enabling legislation.

## 12. Risk management

The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has established four risk management internal service funds to account for and finance general liability, property damage, and risks to employee health and welfare. The City's four funds are *Claims and Litigation*, *Unemployment Compensation*, *Workers' Compensation*, and *Health Benefits*.

The risk management internal service funds are funded by charges to the City's other funds and are based primarily upon the contributing funds' claims experience. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims.

The *Claims, Litigation and Property Loss fund* is the source for payment of third-party claims and judgments, excess liability insurance premiums, and property insurance premiums. Currently the City maintains commercial property insurance for fire and other hazards on City properties. During the current and preceding two years, no City property losses exceeded the City's insurance coverage.

The City purchases excess liability insurance with a \$1 million retained self-insurance limit and \$15 million in policy limits. The City Council has established by Ordinance No. 2002-03-018 a goal of \$5 million as the minimum amount to be made available to cover losses.

In the normal course of its various operations, the City of Bellingham is involved in lawsuits and receives claims for damages alleging City responsibility for damage incurred by third parties. Claims and/or litigation arise in such areas as police civil liability (false arrest), street and sidewalk design and/or maintenance, utility maintenance, zoning, building and other land-use regulations, equipment operation and other areas. These claims or lawsuits are a natural consequence of conducting the City's business. The City of Bellingham self-insures to cover most of its liability risk as reflected in the retained self-insurance limit.

The *Unemployment Compensation fund* is the source for collecting contributions and making payments to reimburse the State of Washington Employment Security Department, on a quarterly basis, for unemployment compensation claims paid to former employees. State statutes mandate that most other employers pay a tax on employed compensation to support the unemployment insurance system. The City budgets contribution rates to each department based upon past experience and expected future claims.

The *Worker's Compensation fund* is the source for collecting contributions and making payments towards employee injury claims and other related costs. The City's workers compensation program is self-insured and follows specific guidelines established by the State of Washington. Claims are administered by a third party and the program has reinsurance with a \$550,000 per occurrence deductible. Premiums are assessed to City departments based upon the number of hours worked by covered employees. Rates are based on an internal formula derived from Washington State standard rates and are revised annually to generate revenues sufficient to cover anticipated expenditures and provide a reserve for incurred but unreported future expenses.

*The Health Benefits fund* is the source for collecting contributions and paying premiums for employee medical, dental, and vision benefits. Both the City and employee contribute to the cost of medical insurance premiums. The City alone contributes towards dental insurance and a self-insured vision plan for full time employees. City departments are charged composite rates to cover the cost of insurance premiums and plan contributions for each employee. Insurance for employees is purchased through employee unions and City Sponsored benefit plans. The Association of Washington City's Employee Benefit Trust is one of the third-party administrators the City uses to purchase insurance and administer plans.

#### *Health and Welfare*

The City is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2020, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only

occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

#### Changes in estimated claims liabilities

	Claims and Litigation		Unemployment Comp		Workers' Comp	
	2019	2020	2019	2020	2019	2020
Beginning liability	\$ 525,000	\$ 680,067	\$ 84,900	\$ 80,677	\$ 341,482	\$ 327,262
Claims incurred	570,503	2,253,997	65,336	87,909	288,003	331,967
Claims paid	(415,436)	(1,498,988)	(69,559)	(88,164)	(302,223)	(342,596)
Ending liability	\$ 680,067	\$ 1,435,076	\$ 80,677	\$ 80,422	\$ 327,262	\$ 316,633

It is management's opinion, that the City's insurance policies and self-insurance are adequate to pay all known or pending claims.

### 13. Contingencies

*Cleanup contingencies* - The City of Bellingham (the City) has been named as a potentially liable person (PLP) (as that term is defined in the Model Toxics Control Act) by the Washington State Department of Ecology (DOE) with respect to several cleanup sites. Cleanup at these sites is in a variety of stages, from investigation to post-construction monitoring and maintenance. For most of these sites, the City is eligible for, and has received or hopes to receive, 50% matching funds from DOE for the cleanups. At several of the sites, the City is not the only PLP and is in, or plans to be in, negotiation with the other PLPs as to each party's responsibility to fund the remedial actions. The City has issued two general obligation bonds for the City's share of remediation costs to be repaid primarily by net revenues from the *Solid Waste fund*. These revenues are generated principally by tax revenues paid by the City's solid waste contractor. The *Solid Waste fund's* projected cash flow indicates sufficient net revenue to repay the existing estimated principal and interest costs over a twenty-year period. See Note 14 for additional detail about the current estimated costs.

*Grant contingencies* - The City participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. There are no known or estimated liabilities as the result of these audits as of year-end.

### 14. Pollution remediation obligations

The City records pollution remediation obligations as a liability. The City accounts for remediation activity in governmental funds. The City's future remediation obligations are reviewed and updated at the end of each year to reflect current year activity and to revise estimates of future obligations. All sites are overseen by the Washington State Department of Ecology. The City has been named as a potentially liable person (PLP) by the Washington State Department of Ecology for each of the five sites listed below. To determine the City's remediation liability, project estimates were used from engineers and other remediation specialists. In each case, legal and finance staff determined that a single project option was the best representation of the City's future liability. The City expects to receive up to half of the cost of all environmental remediation costs from the State of Washington through the issuance of Department of Ecology local cleanup grants. These grants are issued on a biennial basis with each grant being awarded following the issuance of a cleanup order from the Department of Ecology. These grants are not recognized by the City until they are received and accordingly the estimates of the future pollution remediation obligation costs are not reduced by the anticipated grant amounts.

As projects move from the feasibility stage to the cleanup action plan phase and on to design phase and/or when the City receives updated cost-forecast estimates from consultants for remediation sites, the estimated pollution remediation obligation balances are updated to reflect the revised estimates. The pollution remediation obligation is an estimate subject to changes resulting from price increases or reductions, technology, and changes in applicable laws and regulations.

This schedule reflects the estimated pollution remediation obligations for the five named sites as of December 31, 2020:

Estimated pollution remediation obligations	
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Site	Governmental activities
South State Street Manufacturing Gas Plant (f.k.a Boulevard Park)	\$ 9,330,000
Cornwall Avenue Landfill Site	11,240,761
RG Haley Site	15,720,000
Eldridge Avenue Municipal Landfill	133,118
Central Waterfront	2,951,479
Total	<u>\$ 39,375,358</u>

In 2005, the City and the Port of Bellingham (the Port) entered into an agreement to clean up the Central Waterfront and Cornwall sites and the City prefunded its share of that original estimate by paying the Port \$3.7 million upfront. Of this \$3.7 million prepayment, \$1.44 million was allocated to Cornwall and \$2.26 million was allocated to Central Waterfront. As of December 31, 2020, total accumulated expenses for these sites have exceeded the prepayment amount by \$359,790, and the City no longer reports a prepaid asset.

South State Street Manufactured Gas Plant site (SSMGP) – Remediation is required to clean up contamination from the use of this site for the manufacturing of gas from coal. The current estimated cost of remediation is \$9.3 million based on a draft feasibility study prepared by GeoEngineers. The City is negotiating for financial contributions from other potentially liable persons. A final RI/FS was issued in January 2019.

Cornwall Avenue Landfill site – Remediation is required to clean up contamination from the use of this site as a landfill for solid waste. In 2005, the City and the Port of Bellingham entered into an agreement to clean up this site. A RI/FS was prepared and issued for the Cornwall Avenue Landfill Site in December 2013. The Consent Decree for the Cornwall Avenue Landfill Site was signed in December 2014 and dictates the cleanup that will be constructed. Anchor QEA consulting provided the City (and the Port, another PLP) with a revised report of the estimated cost-forecasts as of December 31, 2020. The Cornwall Avenue Landfill site estimated costs have increased since the issuance of the RI/FS in 2013 after taking into account an escalation rate inflator and adding additional project contingency costs and the completion of 30% design in the 2020 Engineering and Design Report. The balance of the City's pollution remediation obligation related to the Cornwall Avenue Landfill site is \$11.2 million.

RG Haley site – Remediation is required to clean up contamination from the use of this site as a wood treatment facility and from cross contamination from garbage landfill activities on the adjacent property, which is part of the Cornwall Avenue Landfill Site. A final RI/FS was prepared and issued for RG Haley on February 1, 2016, and a final Cleanup Action Plan was issued in April 2018. The estimated pollution remediation obligation for the RG Haley site is \$15.7 million.

Eldridge Avenue Municipal Landfill – Remediation was required to clean up contamination from the use of this site as a landfill for garbage. Construction of the cleanup is complete. Monitoring and maintenance activities pursuant to the Consent Decree are the remaining remediation obligations. The year-end estimate for those activities as of December 31, 2020, is \$133,118.

Central Waterfront – Remediation is required to clean up contamination from the use of this area as a landfill for solid waste, as well as other contaminants from adjoining sites, which were consolidated with the City's Roeder Avenue Landfill Site by Ecology. The Central Waterfront pollution remediation obligation was decreased compared to the prior year estimate due to the identified preferred alternative selected

in the RI/FS for site cleanup in the upland region, which was issued in 2018. Updated cost estimates are based on forecasts prepared by Anchor QEA consulting as of December 31, 2020. The pollution remediation obligation estimate is \$3.0 million for Central Waterfront.

## **15. Interlocal agreements**

### ***Whatcom Medic One***

In November 2005, Whatcom County voters approved a ballot proposition authorizing the County to collect 1/10th of one percent sales tax for the purposes of supporting countywide emergency medical and law enforcement services. One-third of this tax remains with the county/cities for law enforcement and two-thirds of this tax is remitted to the County to be used for countywide emergency medical services. The City of Bellingham has a contract with the County to provide ambulance service in certain areas of the county.

### ***What-Comm/Prospect Communications Center***

The City of Bellingham participates with Whatcom County and other local governmental jurisdictions to provide two communication centers; the first is for law enforcement and is the primary public safety answering point. The other is for fire and emergency medical services and serves as the secondary public safety answering point. Each center is capable of providing back up support for the other.

City police department personnel operate "What-Comm Communications Center" and administration of this center is the responsibility of the Bellingham Police Chief. City fire department personnel operate "Prospect Communications Center" and administration of this center is the responsibility of the Bellingham Fire Chief. The City is responsible for maintaining records and statistics regarding the two operations.

The City operates and manages the communications centers under advisement of an administrative board composed of eight voting members and one nonvoting member. The administrative board has the authority to establish broad policy guidelines and establishes the annual financial contributions to be made by the member jurisdictions. In 2020, the City contributed \$1,365,413 to the Public Safety Dispatch fund as its share of operations, approximately 20% of total revenues.

### ***Waterfront redevelopment***

The Bellingham City Council and the Port of Bellingham's Board of Commissioners approved a package of Waterfront District Master Plan documents and related development agreements in December 2013. These documents include the Waterfront District Sub-Area Plan, Design Standards, Development Regulations, Development Agreement, Planned Action Ordinance, and the Interlocal Agreement for Facilities. The Port and City acknowledge that redeveloping the Waterfront District in conformance with the Master Plan will require facilities. The Port's and City's obligations for providing such facilities and the phasing of such facilities are based on a set of triggers that are set forth in the Interlocal Agreement for Facilities. The Port and the City have agreed to jointly prioritize and pursue outside funding assistance from federal, state, and other sources.

### ***Lake Whatcom Management Program (LWMP) and Aquatic Invasive Species (AIS)***

The City of Bellingham, Whatcom County, and the Lake Whatcom Water and Sewer District (LWWSD) came together in 1998 to formalize, by interlocal agreement, the Lake Whatcom Management Program. The goal of the program is to improve lake water quality by jointly implementing programs affecting the Lake Whatcom Watershed. In 2010 the LWMP 2010-2014 work plan was adopted which included several



capital projects all three entities committed to completing. In this timeframe the Aquatic Invasive Species (AIS) Prevention Program was also launched as a joint program funded by LWWSD, Whatcom County, the City, and program fees. The City, County, and LWWSD have all agreed through the interlocal agreement to commit funds towards land preservation, stormwater management, land use, education and engagement, monitoring and data, hazardous materials mitigation, recreation, AIS, utilities and transportation, and administration. The 2015-2019 work plan cost estimates for the LWMP included contributions totaling \$43.7 million between the City, County, and LWWSD over the five-year period.

In 2020 the City contributed \$324,349 towards the AIS program, LWWSD contributed \$54,000, the County contributed \$132,840, and programs revenues were \$146,344.

### **Fire District No. 8**

Whatcom County Fire Protection District No. 8 is a distinct municipal entity and is not a component unit of the City.

In 2016, Whatcom County Fire Protection District No. 8 and the City of Bellingham entered into a new interlocal agreement, 2016-0336, for the provision of fire and emergency medical services (EMS). The parties have a long-term relationship for providing mutual and automatic aid in the delivery of fire and EMS and wish to evaluate consolidation options, and if appropriate, plan for a longer-term consolidation, including consideration of a Regional Fire Authority.

In 2020, Fire District No. 8 paid the City \$1,848,782 for providing these services.

### **Park Districts Loan**

The Chuckanut Community Forest Park District (Park District) is a distinct municipal entity with its own assets, liabilities, and board of commissioners. This entity was created on February 12, 2013, when voters in a southern portion of the City approved a ballot measure to create the Chuckanut Community Forest Park District. The Park District taxes property owners within its boundaries to repay the loan from the *Greenways Endowment fund* in exchange for a conservation easement ensuring the entirety of the property purchased with the original loan is protected in perpetuity in public ownership. The property will be protected with the conservation easement with respect for its ecological, recreational and educational functions. The Park District is not a component unit of the City.

The specific terms and conditions of the loan repayment are included in Interlocal agreement #2013-0624 which was signed at the end of 2013. In this agreement the Park District agreed to begin making payments to the City to pay off the loan of \$3,232,022, \$100,335 of accrued interest on the loan through June 30, 2014, and future interest on the loan after June 30, 2014. The District has levied a \$0.28 per thousand dollars of assessed valuation to repay the *Greenways Endowment fund* for this land purchase. The Park District made principal payments of \$603,629 in 2020. As of December 31, 2020, the loan balance is \$651,443.

## **16. Endowments**

*Greenways Maintenance Endowment fund* – This endowment was created internally by ordinance 1998-02-004. In November 1997, the voters passed a ballot issue to levy increased property taxes in the amount of \$20 million over nine years to provide funds for continuing acquisition, improvement and maintenance of current and future open space, greenways, parks, athletic fields, recreation facilities, trails and wetlands. The City created two funds to account for this levy. The first was the *Beyond Greenways fund* with 90% of the levy property tax receipts to be used for acquisition and development/improvement of property. The other 10% of the property tax levy receipts and interest earnings were allocated into the *Beyond Greenways Endowment fund*. The money allocated to this fund was not yet needed for operational

purposes. Additionally, any principal donations that are intended to be kept in a nonexpendable trust are also put in the *Beyond Greenways Endowment fund*.

On May 16, 2006, the voters passed a ballot authorizing the City to increase its regular property tax levy in 2007 to \$2.49 per thousand (which included \$0.057 per thousand from the beyond greenways levy) of assessed valuation on all taxable property within the City. The ballot specified increases in 2008 and each of the nine succeeding years as allowed by RCW 84.55 to be used for the costs of parks, greenways, trails, and open space property acquisition, development, and maintenance. The City created the *Greenways III fund* with ordinance 2007-01-004 to account for the property tax levy receipts. These receipts are to be used for acquisition and development/improvement of property.

Ordinance 2007-04-034 changed the name of the *Beyond Greenways Endowment fund* to *Greenways Maintenance Endowment fund* and expanded the scope of the fund to include maintenance activities for properties acquired or developed with any greenway levy funding. This ordinance also set aside 9% of the greenways III levy to the endowment fund.

The interest earned within the *Greenways Maintenance Endowment fund* is transferred when needed. It helps pay for parks and recreation department maintenance of properties acquired and developed with Greenway levy funding.

As of December 31, 2020, a total of \$5,984,046 in property taxes and donations has been receipted into the endowment fund and is nonspendable. All interest earned in this fund has been spent.

*Natural Resources Protect and Restore fund* – As a result of the 1999 Olympic Pipeline disaster, an agreement was reached in December 2003 between the City of Bellingham and the Washington State Department of Ecology establishing an endowment fund to be used solely for (a) the purchase of conservation easements, or (b) restoration of damaged ecological processes. Ordinance 2004-01-001 incorporated the agreement and its governing rules and regulations. The \$4.0 million endowment was received December 16, 2003.

According to the terms of the agreement, the corpus (or original lump payment received) cannot be expended for 50 years. Only the interest earned by that corpus or any other outside revenues received (such as donations) may be expended for (a) or (b) as defined above. As of December 31, 2020, \$986,631 is available to spend.

The fund balance of the endowment fund is reflected in the governmental portion of the statement of net position and the statement of activities. Washington State authorizes the spending of net appreciation on investments of endowments in RCW 24.44.020. Investments for the endowment funds meet the same criteria as other City funds. The City's investment risk is described in Note 3.

**17. Pension plans****Aggregate pension amounts for state and local pension plans as of 12/31/2020**

Pension liabilities	\$ 19,424,389
Pension assets	\$ 23,521,689
Deferred outflows of resources	\$ 8,838,875
Deferred inflows of resources	\$ 9,017,440
Pension expense/expenditures	\$ 789,237

**A. 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information for each plan. The DRS Comprehensive Annual Financial Report may be obtained by writing to:

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

Or the DRS Comprehensive Annual Financial Report 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 2020 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee*</b>
January – August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.86%</b>	<b>6.00%</b>
September – December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.97%</b>	<b>6.00%</b>

\* For employees participating in JBM, the contribution rate was 12.26%.

**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 2020 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January – August 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.86%</b>	<b>7.90%</b>
September – December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.97%</b>	<b>7.90%</b>

\* For employees participating in JBM, the contribution rate was 19.75%.

The City's actual PERS plan contributions were \$1,905,959 to PERS Plan 1 and \$3,143,590 to PERS Plan 2/3 for the year ended December 31, 2020.

#### **Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)**

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

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

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

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

### *Contributions*

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, for as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2020. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% in 2020.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – December 2020		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>

The City's actual contributions to the plan were \$1,748,999 for the year ended December 31, 2020.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$1,118,352.

#### *Actuarial Assumptions*

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

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using 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-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of 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, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values

at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See [leg.wa.gov/osa](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 (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

#### **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, 2020, 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 Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

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

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.



Plan	1% Decrease 6.40%	Current Discount 7.40%	1% Increase 8.40%
PERS 1	\$ 11,315,486	\$ 9,033,910	\$ 7,044,142
PERS 2/3	\$ 26,388,085	\$ 4,240,911	\$ (13,997,298)
LEOFF 1	\$ (4,150,320)	\$ (5,098,993)	\$ (5,919,756)
LEOFF 2	\$ (364,714)	\$ (18,422,697)	\$ (33,208,583)

#### *Pension Plan Fiduciary Net Position*

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

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

At June 30, 2020, the City reported a proportionate share of net pension liabilities and assets as follows:

Plan	Liability (Asset)
PERS 1	\$ 9,033,910
PERS 2/3	4,240,911
<b>TOTAL LIABILITY</b>	<b>\$ 13,274,821</b>
LEOFF 1	\$ (5,098,993)
LEOFF 2	(18,422,697)
<b>TOTAL ASSET</b>	<b>\$ (23,521,690)</b>

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability asset, the related State support, and the total portion of the net pension liability/(asset) that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ 5,098,993	\$ 18,422,697
State's proportionate share associated with the City	34,489,463	11,779,919
<b>TOTAL</b>	<b>\$ 39,588,456</b>	<b>\$ 30,202,615</b>

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

Plan	Proportionate Share 6/30/2019	Proportionate Share 6/30/2020	Change in Proportion
PERS 1	0.273189%	0.255879%	-0.017310%
PERS 2/3	0.348783%	0.331595%	-0.017188%
LEOFF 1	0.264289%	0.270001%	0.005712%
LEOFF 2	0.902086%	0.903138%	0.001052%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension

amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

#### *Pension Expense*

For the year ended December 31, 2020, the City's recognized pension expense is as follows:

Plan	Pension Expense
PERS 1	\$ (268,236)
PERS 2/3	352,729
LEOFF 1	(363,261)
LEOFF 2	601,295
<b>TOTAL</b>	<b>\$ 322,527</b>

#### *Deferred Outflows of Resources and Deferred Inflows of Resources*

At December 31, 2020, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 50,298
Contributions subsequent to the measurement date	974,021	-
<b>TOTAL</b>	<b>\$ 974,021</b>	<b>\$ 50,298</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,518,185	\$ 531,487
Net difference between projected and actual investment earnings on pension plan investments	-	215,377
Changes of assumptions	60,402	2,896,909
Changes in proportion and differences between contributions and proportionate share of contributions	250,989	569,996
Contributions subsequent to the measurement date	1,598,912	-
<b>TOTAL</b>	<b>\$ 3,428,488</b>	<b>\$ 4,213,769</b>
<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 53,335
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 53,335</b>
<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,549,084	\$ 326,743
Net difference between projected and actual investment earnings on pension plan investments	-	205,336
Changes of assumptions	26,689	2,852,650
Changes in proportion and differences between contributions and proportionate share of contributions	294,376	758,646
Contributions subsequent to the measurement date	881,122	-
<b>TOTAL</b>	<b>\$ 3,751,271</b>	<b>\$ 4,143,375</b>
<b>TOTAL ALL STATE PLANS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,067,269	\$ 858,231
Net difference between projected and actual investment earnings on pension plan investments	-	524,346
Changes of assumptions	87,091	5,749,559
Changes in proportion and differences between contributions and proportionate share of contributions	545,365	1,328,642
Contributions subsequent to the measurement date	3,454,055	-
<b>TOTAL</b>	<b>\$ 8,153,780</b>	<b>\$ 8,460,777</b>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent of the measurement date 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:

	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2	TOTAL
2021	\$ (228,251)	\$ (1,822,222)	\$ (190,391)	\$ (1,432,220)	\$ (3,673,084)
2022	(7,179)	(483,133)	(9,925)	(243,727)	(743,964)
2023	69,646	12,878	54,124	211,215	347,863
2024	115,486	342,001	92,857	554,945	1,105,289
2025	-	(171,301)	-	(185,273)	(356,574)
Thereafter	-	(262,415)	-	(178,165)	(440,580)
<b>Total</b>	<b>\$ (50,298)</b>	<b>\$ (2,384,192)</b>	<b>\$ (53,335)</b>	<b>\$ (1,273,225)</b>	<b>\$ (3,761,050)</b>

**B. Local Sponsored Pension Plans*****City of Bellingham Firefighters' (FFP) and Police Officers' Pension (POP) Plans******Plan description***

The City provides two closed single-employer defined benefit pension plans for retired and disabled firefighters' and police officers'. The FFP and POP provide retirement, disability, and death benefits to plan members and their beneficiaries. The plans are governed by the firefighters' and police officers' pension boards which are responsible for the management of the plan assets. Both systems were established and are administered in accordance with state laws RCW 41.18 and 41.20. Financial reporting for both of these plans are contained solely in the basic and individual fund statements of this report.

***Board membership***

The FFP is administered by a fire pension board comprised of the city council finance committee chairperson, the mayor, the finance director, two active members of the plan, and an alternate firefighter.

The POP is administered by a police pension board comprised of the president of the city council, the mayor, the finance director, and three active members of the plan.

***Summary of significant accounting and funding policies***

Both plans are closed to new participants, no longer have any active employees and are no longer receiving employee nor employer contributions. Pension benefits have been pre-funded with employer contributions however the accumulated assets do not meet the irrevocable, dedicated, and legally protected requirements provided for under paragraph 4 of GASB 73.

***Plan benefits***

The City's obligation under the plans consists of paying full benefits, including payment to beneficiaries, for members who retired prior to March 1, 1970, and partial or excess benefits over LEOFF Plan I benefits for those members who retired or will retire after March 1, 1970. Pension benefits are tied to the current employee pay rates including cost of living adjustments. Benefits are calculated at 2% per year of service and on the average final compensation for the last two years of credited service. Each member in service on March 1, 1970, receives the greater of benefit payable under the DRS LEOFF Plan I system or the benefits available under the old law. Where benefits under the old law exceed those under LEOFF Plan I, the excess benefits are paid by the pension fund of the City employing them on March 1, 1970. There were no changes in benefit provisions in the current year.

FFP members are eligible for retirement after completing 5 years of service and attaining the age of 50. A member is eligible for disability benefits if disabled for a minimum of 6 months. An individual becomes vested after 5 years of service. All existing members of this closed plan are fully vested.

POP plan members are eligible for benefits after completing 25 years of service. A member is eligible for disability benefits if disabled for a minimum of 6 months. An individual becomes vested after 5 years of service. All existing members of this closed plan are fully vested.

*Plan Membership*

	FFP 12/31/2020	POP 12/31/2020
Active employees	0	0
Total number retirees	14	10
Total number beneficiaries	15	0
Total number participants	29	10
Average retiree age	80.1	79.4
Average beneficiary age	84.8	0.0
Average retiree monthly benefit	\$1,113	\$783
Average beneficiary monthly benefit	\$1,293	\$0

*Actuarial methods and assumptions*

Actuarial valuations and projections of benefits for financial reporting purposes are made using estimates, methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility. The actuarial calculations of the plans reflect a long-term perspective about the probability of events far into the future and the amounts are subject to continual revision. Both the measurement date and reporting date of the pension liability is December 31, 2020. A full actuarial valuation is performed every two years, with the most recent valuation being performed December 31, 2019.

The following significant assumptions are used in the most current study:

Pension actuarial methods and assumptions for FFP and POP
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Actuarial valuation date	12/31/2019
Actuaial measurement date	12/31/2020
Fiscal year end date	12/31/2020
Actuarial cost method	entry age normal, level % of salary
Interest rate for discounting future liabilities	2.25%
General inflation	2.5%
Payroll growth	3.0%
Mortality rates - healthy participants	RP-2014, with scale MP-2014, projected to 2024.
Mortality rates - disabled participants	RP-2014 , with scale MP-2014, projected to 2024, set forward 3 yrs.
Future COLA for city benefits	3.0%
Future COLA for LEOFF benefits	2.5%
Changes since prior valuation	Discount rate was lowered from 4% to reflect the change from prefunded reporting under GASB 68, to non prefunded reporting under GASB 73.

*Pension expense***Pension expense for year ending 12/31/2020**

	<b>FFP</b>	<b>POP</b>
Change in total pension liability	\$ (182,880)	\$ (16,545)
(Increase)/decrease in deferred outflows	152,083	85,246
Increase/(decrease) in deferred inflows	(54,857)	(80,141)
Benefit payments	460,113	103,691
<b>Total pension expense</b>	<b>\$ 374,459</b>	<b>\$ 92,251</b>
Interest	\$ 132,937	\$ 33,908
Recognition of assumption changes	154,904	63,731
Recognition of experience gains and losses	86,618	(5,388)
<b>Total pension expense</b>	<b>\$ 374,459</b>	<b>\$ 92,251</b>

*Changes in total Pension liability***Changes in total Pension liability**

	<b>FFP</b>	<b>POP</b>
<b>Total Pension liability, 1/1/2020</b>	<b>\$ 5,064,132</b>	<b>\$ 1,284,861</b>
<b>Changes for the year:</b>		
Interest cost	132,937	33,908
Changes in actuarial assumptions	144,296	53,238
Benefit payments, net of refunds	(460,113)	(103,691)
<b>Net changes</b>	<b>(182,880)</b>	<b>(16,545)</b>
<b>Total Pension liability, 12/31/2020</b>	<b>\$ 4,881,252</b>	<b>\$ 1,268,316</b>

*Rate sensitivity*

The following schedule presents the total pension liability and its sensitivity to calculations using discount rates that are 1% higher and 1% lower than the current rate.

**Total Pension liability discount rate sensitivity**

<b>Pension Plan</b>	<b>1% Decrease 1.25%</b>	<b>Current rate 2.25%</b>	<b>1% Increase 3.25%</b>
<b>FFP</b>	\$ 5,248,464	\$ 4,881,252	\$ 4,556,423
<b>POP</b>	\$ 1,376,707	\$ 1,268,316	\$ 1,173,335

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At December 31, 2020, the City's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<b>FFP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 332,738	\$ 121,480
Changes of assumptions	164,673	123,688
<b>TOTAL</b>	<b>\$ 497,411</b>	<b>\$ 245,168</b>
<b>POP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 140,441	\$ 302,428
Changes of assumptions	47,241	9,066
<b>TOTAL</b>	<b>\$ 187,682</b>	<b>\$ 311,494</b>
<b>TOTAL</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 473,179	\$ 423,908
Changes of assumptions	211,914	132,754
<b>TOTAL</b>	<b>\$ 685,093</b>	<b>\$ 556,662</b>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>FFP</b>	<b>POP</b>	<b>TOTAL</b>
2021	\$ 97,226	\$ 5,110	\$ 102,336
2022	97,226	5,105	102,331
2023	97,222	(60,583)	36,639
2024	866	(73,444)	(72,578)
2025	(40,297)	-	(40,297)
Thereafter	-	-	-
<b>Total</b>	<b>\$ 252,243</b>	<b>\$ (123,812)</b>	<b>\$ 128,431</b>



<b>Pension Financial Statements</b>
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## City of Bellingham

## Balance Sheet

December 31, 2020

	<b>Firefighter <u>Pension</u></b>	<b>Police <u>Pension</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 859,019	\$ 558,822
Investments in government securities	<u>6,515,505</u>	<u>4,158,036</u>
<b>Total assets</b>	<u><u>7,374,524</u></u>	<u><u>4,716,858</u></u>
<b>LIABILITIES</b>		
Accrued benefit payments	<u>36,468</u>	<u>9,498</u>
<b>Total liabilities</b>	<u><u>36,468</u></u>	<u><u>9,498</u></u>
<b>FUND BALANCE</b>	<u><u>\$ 7,338,056</u></u>	<u><u>\$ 4,707,360</u></u>

<b>Pension Financial Statements</b>
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**City of Bellingham**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2020**

	<b><u>Firefighter Pension</u></b>	<b><u>Police Pension</u></b>
<b>ADDITIONS</b>		
Contributions:		
Auction proceeds	\$ -	\$ 6,395
Fire insurance premium tax	168,205	-
<b>Total trust contributions</b>	<u>168,205</u>	<u>6,395</u>
Investment income:		
Interest	125,282	78,892
Net incr (decr) in fair value of investments	49,489	31,814
Net investment income	<u>174,771</u>	<u>110,706</u>
<b>Total additions</b>	<u>342,976</u>	<u>117,101</u>
<b>DEDUCTIONS</b>		
Participant reimbursements	460,113	103,691
Administrative expense	3,000	3,000
<b>Total deductions</b>	<u>463,113</u>	<u>106,691</u>
<b>Change in equity</b>	(120,137)	10,410
<b>Fund Balance - Beginning</b>	<u>7,458,193</u>	<u>4,696,950</u>
<b>Fund Balance - Ending</b>	<u>\$ 7,338,056</u>	<u>\$ 4,707,360</u>

**18. Other post-employment benefits (OPEB)****Aggregate OPEB amounts - all plans as of December 31, 2020**

OPEB liabilities	\$ 30,083,231
Deferred outflows of resources	\$ -
Deferred inflows of resources	\$ 2,508,302
OPEB expense	\$ 2,279,474

***City of Bellingham Firefighters' (FHC) and Police Officers' (PHC) Health Care Plans****Plan description*

The City provides two closed single-employer defined benefit healthcare plans for firefighters' and police officers' employed prior to October 1, 1977, in accordance with the Revised Code of Washington (RCW) 41.26. The FHC and PHC plans provide LEOFF Plan 1 retired employees with lifetime medical and long-term care benefits. Dependent spouses and children are not covered. Financial reporting for both the FHC and PHC are contained solely in the basic and individual fund statements of this report.

*Board membership*

The FHC is administered by a fire pension board comprised of the city council finance committee chairperson, the mayor, the finance director, two active members of the plan, and an alternate firefighter.

The PHC is administered by a police pension board comprised of the president of the city council, the mayor, the finance director, and three active members of the plan.

*Summary of significant accounting and funding policies*

Funding for LEOFF 1 retiree healthcare costs is provided entirely by the City as required by the Revised Code of Washington (RCW) 41.26. There are no active employee nor retiree contributions. The plans are both closed to new participants.

Medical care benefits are funded on a pay-as-you-go basis as such there are no assets accumulating.

Long-term care benefits are being pre-funded with employer contributions however the accumulating assets do not meet the irrevocable, dedicated, and legally protected requirements provided for under paragraph 4 of GASB 75.

*Plan benefits*

The plan purchases 1 of 2 types of Premiera medical insurance for plan participants depending upon the participant's age, reimburses participants for out-of-pocket medical expenses (including Medicare premiums), and pays for long-term care costs.

*Plan Membership*

	<b>FHC 12/31/20</b>	<b>PHC 12/31/20</b>
Active employees	0	0
Total number of participants	60	39
Average participant age	74.5	73.3

*Actuarial methods and assumptions*

Actuarial valuations and projections of benefits for financial reporting purposes are made using estimates, methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility. The actuarial calculations of the plans reflect a long-term perspective about the probability of events far into the future and the amounts are subject to continual revision. Both the measurement date and reporting date of the pension liability is December 31, 2020. A full actuarial valuation is performed every two years, with the most recent valuation being performed December 31, 2019.

The following significant assumptions are used in the most current study:

<b>OPEB actuarial methods and assumptions for FHC and PHC</b>	
Actuarial valuation date	12/31/2019
Actuarial measurement date	12/31/2020
Fiscal year end date	12/31/2020
Actuarial cost method	entry age normal, level % of salary
Interest rate for discounting future liabilities	2.25% per yr., based on all yrs. discounted at municipal bond rate (bond buyer 20-bond GO index as of the measurement date).
General inflation	2.5% per yr.
Payroll growth	3.0% per yr.
Annual premium rate	6.2% in 2020 decreasing .1% each yr. thereafter.
Mortality rates - healthy participants	RP-2014, with scale MP-2014, projected to 2024.
Mortality rates - disabled participants	RP-2014, with scale MP-2014, projected to 2024, set forward 3 yrs.
Long-term care costs	Current costs were used for retirees receiving LT care. For all others, costs were assumed at \$63,749 per yr. in 2020, with an average duration of 2.2 yrs.
Health care reimbursements	Average of the prior 3 yrs. annual reimbursements by individual were valued, increased with health care trend to 2020.
Changes since prior valuation	The interest rate for discounting future liabilities was changed to reflect current municipal bond rates. Premium increase rates were modified to better reflect anticipated experience. LT care cost assumptions were revised. Health care reimbursement assumptions were revised.

*OPEB expense***OPEB expense for year ending 12/31/2020**

	<b>FHC</b>	<b>PHC</b>
Change in total OPEB liability	\$ 1,004,140	\$ 712,936
Increase/(decrease) in deferred inflows	(217,775)	(171,666)
Benefit payments	508,704	443,135
<b>Total OPEB expense</b>	<b>\$ 1,295,069</b>	<b>\$ 984,405</b>
Interest	\$ 435,574	\$ 331,408
Recognition of assumption changes	1,028,936	782,457
Recognition of experience gains and losses	(169,441)	(129,460)
<b>Total OPEB expense</b>	<b>\$ 1,295,069</b>	<b>\$ 984,405</b>

*Changes in total OPEB liability***Changes in total OPEB liability**

	<b>FHC</b>	<b>PHC</b>
<b>Total OPEB liability, 1/1/2020</b>	<b>\$ 16,093,400</b>	<b>\$ 12,272,755</b>
<b>Changes for the year:</b>		
Interest cost	435,574	331,408
Differences, expected and actual experience	-	-
Changes in actuarial assumptions	1,077,270	824,663
Benefit payments, net of refunds	(508,704)	(443,135)
<b>Net changes</b>	<b>1,004,140</b>	<b>712,936</b>
<b>Total OPEB liability, 12/31/2020</b>	<b>\$ 17,097,540</b>	<b>\$ 12,985,691</b>

\* Service cost, differences, and changes are zero dollars for non valuation years. Next valuation is scheduled for 12/31/21.

*Rate Sensitivity*

The following schedule presents the total OPEB liability and its sensitivity to changes in the discount rate and healthcare cost trend rates.

**Total OPEB liability discount rate sensitivity**

<b>OPEB Plan</b>	<b>1% Decrease 1.25%</b>	<b>Current rate 2.25%</b>	<b>1% Increase 3.25%</b>
<b>FHC</b>	\$ 19,263,071	\$ 17,097,540	\$ 15,276,289
<b>PHC</b>	\$ 14,647,173	\$ 12,985,691	\$ 11,589,743

**Total OPEB liability healthcare cost trend rate sensitivity**

OPEB Plan	1% Decrease 5.3% grading down to 3.5% over 1 yr.	Current rate 6.3% grading down to 4.5% over 1 yr.	1% Increase 7.3% grading down to 5.5% over 1 yr.
<b>FHC</b>	\$ 15,231,815	\$ 17,097,540	\$ 19,271,055
<b>PHC</b>	\$ 11,555,441	\$ 12,985,691	\$ 14,653,589

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At December 31, 2020, the City's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>FHC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,016,646
Changes in actuarial assumptions	-	290,004
<b>TOTAL</b>	\$ -	\$ 1,306,650
<b>PHC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 906,215
Changes in actuarial assumptions	-	295,437
<b>TOTAL</b>	\$ -	\$ 1,201,652
<b>TOTAL</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,922,861
Changes in actuarial assumptions	-	585,441
<b>TOTAL</b>	\$ -	\$ 2,508,302

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31:</b>	<b>FHC</b>	<b>PHC</b>	<b>TOTAL</b>
2021	\$ (217,775)	\$ (171,666)	\$ (389,441)
2022	(217,775)	(171,666)	(389,441)
2023	(217,775)	(171,666)	(389,441)
2024	(217,775)	(171,666)	(389,441)
2025	(217,775)	(171,666)	(389,441)
Thereafter	(217,775)	(343,322)	(561,097)
<b>Total</b>	<b>\$ (1,306,650)</b>	<b>\$ (1,201,652)</b>	<b>\$ (2,508,302)</b>

<b>OPEB Financial Statements</b>
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**City of Bellingham  
Balance Sheet  
OPEB Plans  
December 31, 2020**

	<b>Firefighter <u>Healthcare</u></b>	<b>Police <u>Healthcare</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	2,745,334	1,599,260
Investments in government securities	7,332,649	4,156,874
Receivables, net	37,753	-
<b>Total assets</b>	<u>10,115,736</u>	<u>5,756,134</u>
<b>LIABILITIES</b>		
Vouchers payable	127	252
<b>Total liabilities</b>	<u>127</u>	<u>252</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Property tax	30,225	-
<b>Total deferred inflows</b>	<u>30,225</u>	<u>-</u>
<b>FUND BALANCE</b>	<u>10,085,384</u>	<u>5,755,882</u>

<b>OPEB Financial Statements</b>
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**City of Bellingham**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2020**

	<b><u>Firefighter Healthcare</u></b>	<b><u>Police Healthcare</u></b>
<b>ADDITIONS</b>		
Contributions:		
Property taxes	\$ 2,543,094	\$ -
General fund	205,220	1,344,780
<b>Total trust contributions</b>	<u>2,748,314</u>	<u>1,344,780</u>
Investment income:		
Interest	122,137	75,221
Net incr (decr) in fair value of investments	57,760	31,426
Net investment income	179,897	106,647
<b>Total additions</b>	<u>2,928,211</u>	<u>1,451,427</u>
<b>DEDUCTIONS</b>		
Participant reimbursements	30,451	174,412
Medical insurance	478,252	268,723
Total benefit payments	508,703	443,135
Administrative expense	87,573	82,747
<b>Total deductions</b>	<u>596,276</u>	<u>525,882</u>
<b>Change in equity</b>	2,331,935	925,545
<b>Fund Balance - Beginning</b>	7,753,450	4,830,338
<b>Fund Balance - Ending</b>	<u>\$ 10,085,385</u>	<u>\$ 5,755,883</u>



## 19. Tax abatements

The City provides tax abatements under two programs: Multifamily Housing, and an Urban Village Business and Occupation (B&O) phased tax credit.

The Multifamily Housing program was established under RCW 84.14 and municipal code chapter 17.82. The program is used to encourage increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers, and to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers. To be eligible for this program the housing project must be located within a targeted residential area, not displace existing residential tenants, include at least four units of multifamily housing and at least 50 percent of the space for multifamily housing must be provided for permanent residential occupancy. The program provides an exemption from ad valorem property taxation for 8 or 12 years for the value of new housing construction, conversion, and rehabilitation improvements that qualify under the program. To qualify for the 12 year exemption the applicant must commit to renting or selling at least 20 percent of the multi-unit housing units as affordable housing units. The owner must continue to comply with the requirements of the program and is subject to a compliance review annually. If it is determined the owner is not complying with the terms of the contract, the tax exemption will be cancelled. The City currently has agreements with twelve property owners that qualify under the program for a total property tax valuation of \$80,939,184 and an estimated tax abatement of \$162,818 for fiscal year 2020.

The Urban Village B&O phased tax credit was established under municipal code chapter 6.04.105. New businesses and branches that locate in Downtown, Old Town, Waterfront, Samish Way or the Fountain District are eligible for a graduated tax credit of 90% for the first year, 75% for the second year, and 50% for the third year of operations for all Business and Occupation taxes due to the City. The business owner must submit an application and receive approval from the Finance Director for the credit. If the owner relocates the business outside the eligible urban village within three years of the effective date of the credit, the total amount of taxes for which the credit has been claimed for current and prior reporting periods shall be immediately due. The City currently has eleven agreements with businesses in this program. B&O tax payments are considered confidential information and are not disclosable to unauthorized individuals per RCW 82.32.330(6) and 19.02.115(5).

## 20. Closed funds

**Fund 131 – Olympic Pipeline Incident** - In 2005, the City of Bellingham passed Ordinance 2005-10-082 creating the Olympic Pipeline Incident fund. This fund was used to implement maintenance and monitoring tasks on Whatcom Creek pursuant to the Olympic Pipeline Whatcom Creek Restoration Plan. In 2020, the accounting for this revenue was consolidated into the Surface and Stormwater fund. On December 14, 2020, the Bellingham City Council passed Ordinance 2020-12-040, dissolving the Olympic Pipeline Incident fund. The residual cash in the fund was transferred to the *Surface and Stormwater fund*.

**Fund 231 – Drake Note** - The City of Bellingham passed Ordinances 10347, 48, 49 and 10378 creating the Drake Note fund. This fund was created to account for the debt payments on the Big Rock Garden Nursery Note. In 2020, the Note was paid in full. On December 14, 2020, the Bellingham City Council passed Ordinance 2020-12-039, dissolving the *Drake Note fund*.

**Fund 440 – Solid Waste** - The City of Bellingham created the *Solid Waste fund* for the purpose of accounting for the utility tax levied on solid waste collection and disposal activities conducted in the City of Bellingham. The revenue received from this tax is restricted by BMC 4.76.040 to expenditures and financing relating to city solid waste and recycling programs, environmental remediation of landfill or otherwise contaminated sites and nuisance abatement. On December 7, 2020, the Bellingham City

Council passed Ordinance 2020-12-035, dissolving the *Solid Waste fund*, and amending BMC 4.76.040 to *Environmental Remediation fund*. The residual cash in the *Solid Waste fund* was transferred to the *Environmental Remediation fund*.

## **21. Implementation of Governmental Accounting Standards Board (GASB) pronouncements**

Effective for fiscal year 2020 reporting, the City adopted the following standard issued by the Governmental Accounting Standards Board (GASB):

Statement No. 83, *Certain Asset Retirement Obligations*, this statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable.

The City owns Dams that are used to control the level of water in both Lakes Whatcom and Padden, and that are used for flood control purposes. The City continually monitors and maintains these Dams and plans to use these assets in perpetuity. Retirement of City Dams is not reasonably estimable.

The City has three underground storage tanks. WAC 173-360A-0810 outlines requirements when decommissioning underground storage tanks. The three tanks cannot be separately identified in capital asset records and individually would not meet the City's capital asset threshold. An approximate cost to remove the tanks, in compliance with the WAC, is \$45,000 based on an inquiry with an external supplier/contractor and staff evaluation. The City has no plans to decommission the storage tanks. The cost to decommission is below the City's capital asset threshold and has been determined to be immaterial for financial reporting purposes.

## **22. Prior period adjustment**

The city has reported a prior period adjustment in the amount of \$2,034,416 between governmental and business-type activities on the government-wide statements and on the proprietary fund statements. This adjustment documents a reallocation of compensated absence expense and proportionate share of Washington State Department of Retirement Systems Law Enforcement Officers' and Fire Fighters' (LEOFF) plans related assets, deferred inflows and deferred outflows. Fire Fighter personnel labor costs have historically been charged to the general fund and reallocated based on work performed between the general fund and Medic One proprietary fund with a much smaller portion charged to Developmental Services proprietary fund. Going forward the full base cost of personnel are allocated within the Medic One and Development Services proprietary funds. The prior period adjustment results in a net gain in proprietary funds net position which is predominantly driven by Medic One bearing a much greater share of Fire Fighter labor costs and its related proportionate share of the LEOFF net pension asset.

## **23. COVID-19 pandemic**

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

In May 2020, the City's Finance Department projected an approximately 9% revenue shortfall in the General Fund; however, the four major General Fund tax sources cumulatively missed budget targets by approximately 3.9% and were down only approximately 1.4% from 2019. The City was awarded approximately \$4 million in Coronavirus Relief Funds, which was used to offset increased expenses

related to the public health emergency and to support local businesses, food security, homeless populations and childcare services. The City also took steps to reduce expenses within the General Fund and was able to end 2020 without the need to draw upon reserves.

The City continues to review the potential impacts of the pandemic on the General Fund and on City-wide operations. The approved 2021-2022 budget included additional reductions in expenses; however, based on how 2020 ended and the improved tax revenue collection to start 2021, a hiring freeze has been lifted and furloughs have been eliminated. The City is also eligible for approximately \$21 million in funding from the American Recovery Plan Act.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the city is unknown at this time.



**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Original General Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts	2020 Actual Amounts	Total Amounts	Variance with Final Budget
	Original	Final	Legal Basis	Legal Basis	Legal Basis	
<b>REVENUES</b>						
<i>Taxes:</i>						
Property	\$ 30,603,530	\$ 30,603,530	\$ 15,250,716	\$ 15,650,160	\$ 30,900,875	\$ 297,345
Sales and use	36,619,673	36,538,254	18,301,613	17,806,937	36,108,551	(429,703)
Business	69,667,460	69,989,932	34,513,081	33,028,653	67,541,733	(2,448,199)
Other	2,250,000	2,302,000	1,125,713	818,693	1,944,407	(357,594)
Licenses and permits	1,865,800	1,842,800	908,066	871,084	1,779,151	(63,650)
Intergovernmental revenue	5,891,406	9,358,736	6,516,523	10,662,583	17,179,106	7,820,370
Charges for services	17,975,221	22,818,041	4,594,501	4,918,836	9,513,337	(13,304,704)
Fines and penalties	1,616,092	1,250,892	644,225	375,709	1,019,934	(230,958)
Investment income	679,424	1,646,424	985,338	734,936	1,720,274	73,850
Miscellaneous revenues	1,249,824	1,247,824	808,129	367,848	1,175,977	(71,847)
<b>Total revenues</b>	<b>168,418,430</b>	<b>177,598,433</b>	<b>83,647,906</b>	<b>85,235,438</b>	<b>168,883,344</b>	<b>(8,715,089)</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
General government	30,038,780	35,478,638	10,121,132	12,365,550	22,486,682	(12,991,956)
Public safety	95,050,039	100,633,770	48,106,871	48,819,333	96,926,204	(3,707,566)
Natural and economic environment	8,443,940	8,754,552	3,901,157	3,566,166	7,467,323	(1,287,230)
Social services	334,698	1,794,698	299,812	1,217,330	1,517,142	(277,556)
Cultural and recreation	33,324,515	32,439,614	16,570,420	16,198,076	32,768,496	328,882
<i>Debt service:</i>						
Principal	221,068	321,068	-	-	-	(321,068)
Interest and related charges	1,861	1,861	1,861	-	1,861	-
Capital outlay	333,000	2,416,336	-	270,853	270,853	(2,145,483)
<b>Total expenditures</b>	<b>167,747,901</b>	<b>181,840,537</b>	<b>79,001,253</b>	<b>82,437,308</b>	<b>161,438,561</b>	<b>(20,401,977)</b>
<b>Revenues over (under) expenditures</b>	<b>670,529</b>	<b>(4,242,104)</b>	<b>4,646,652</b>	<b>2,798,130</b>	<b>7,444,783</b>	<b>11,686,887</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	-	-	-	128,809	128,809	128,809
Transfers out	(4,484,370)	(4,574,533)	(2,794,968)	(1,854,461)	(4,649,429)	(74,896)
<b>Total other financing sources and (uses)</b>	<b>(4,484,370)</b>	<b>(4,574,533)</b>	<b>(2,794,968)</b>	<b>(1,725,652)</b>	<b>(4,520,620)</b>	<b>53,913</b>
<b>Net change in fund balances</b>	<b>(3,813,841)</b>	<b>(8,816,637)</b>	<b>1,851,685</b>	<b>1,072,478</b>	<b>2,924,163</b>	<b>11,740,800</b>
<b>Fund balances - beginning</b>	<b>23,438,732</b>	<b>29,989,312</b>	<b>33,686,143</b>	<b>40,139,234</b>	<b>33,686,143</b>	<b>3,696,831</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>4,601,406</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 19,624,891</b>	<b>\$ 21,172,675</b>	<b>\$ 40,139,234</b>	<b>\$ 41,211,712</b>	<b>\$ 36,610,306</b>	<b>\$ 15,437,632</b>

**CITY OF BELLINGHAM**  
**Reconciliation of the Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Differences in Actual Amounts for General Fund Legal Basis and General Fund GAAP Basis**  
**For the Year Ended December 31, 2020**

**REVENUES**

<b>General Fund legal basis</b>	\$85,235,438
<i>Budgeted separately and consolidated for GASB 54 reporting</i>	
Street	14,597,862
First 1/4% Real Estate Excise Tax	2,120,776
Second 1/4% Real Estate Excise Tax	2,155,979
Greenway III Levy	6,026,722
Park Impact Fees	1,875,553
Sportsplex	2,467
Fire Pension	3,065,966
Police Pension	223,748
<b>General Fund GAAP Basis</b>	<u><u>115,304,512</u></u>

**EXPENDITURES**

<b>General Fund legal basis</b>	82,437,308
<i>Budgeted separately and consolidated for GASB 54 reporting</i>	
Street	13,581,359
First 1/4% Real Estate Excise Tax	1,007,932
Second 1/4% Real Estate Excise Tax	261,556
Greenway III Levy	6,333,957
Park Impact Fees	3,034,430
Sportsplex	-
Fire Pension	1,059,390
Police Pension	632,574
<b>General Fund GAAP Basis</b>	<u><u>108,348,505</u></u>

**OTHER FINANCING SOURCES (USES)**

<b>General Fund legal basis</b>	(1,725,652)
<i>Budgeted separately and consolidated for GASB 54 reporting</i>	(819,669)
<b>General Fund GAAP Basis</b>	<u><u>(2,545,321)</u></u>

**NET CHANGES IN FUND BALANCES**

<b>General Fund legal basis</b>	1,072,478
<i>Budgeted separately and consolidated for GASB 54 reporting</i>	3,338,208
<b>General Fund GAAP Basis</b>	<u><u>\$ 4,410,686</u></u>

*Note: The funds delineated above are legally separate and budgeted individually as presented in the combining and individual fund statements. The funds are combined into general fund for GAAP basis basic financial statement reporting purposes as they may not meet the definition of special revenue funds under GASB 54.*

## Pension Plans

## Washington State Department of Retirement Systems - PERS and LEOFF

## Schedule of City's proportionate share of state net pension liability as of June 30

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
<b>PERS 1</b>							
Proportionate % of NPL	0.255879%	0.273189%	0.271961%	0.276119%	0.283775%	0.283816%	0.292219%
Proportionate share of NPL	\$ 9,033,910	\$ 10,505,087	\$ 12,145,871	\$ 13,102,062	\$ 15,240,054	\$ 14,846,216	\$ 14,720,669
Covered payroll	\$ 38,770,071	\$ 36,571,870	\$ 35,588,234	\$ 34,095,019	\$ 33,129,932	\$ 31,529,976	\$ 30,954,423
Proportionate share of NPL as a % of covered payroll	23.30%	28.72%	34.13%	38.43%	46.00%	47.09%	47.56%
Fiduciary net position (FNP)	\$ 19,769,867	\$ 21,448,831	\$ 20,879,474	\$ 20,700,421	\$ 20,222,944	\$ 21,451,699	\$ 23,206,738
Total pension liability (TPL)	\$ 28,803,777	\$ 31,953,917	\$ 33,025,345	\$ 33,802,482	\$ 35,462,999	\$ 36,297,915	\$ 37,927,408
FNP as a % of TPL	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%
<b>PERS 2/3</b>							
Proportionate % of NPL	0.331595%	0.348783%	0.338229%	0.340802%	0.346439%	0.345119%	0.347973%
Proportionate share of NPL	\$ 4,240,911	\$ 3,387,869	\$ 5,774,959	\$ 11,841,240	\$ 17,442,930	\$ 12,331,299	\$ 7,033,791
Covered payroll	\$ 38,704,809	\$ 36,405,608	\$ 35,152,185	\$ 33,482,840	\$ 32,435,206	\$ 30,696,116	\$ 29,876,074
Proportionate share of NPL as a % of covered payroll	10.96%	9.31%	16.43%	35.37%	53.78%	40.17%	23.54%
Fiduciary net position (FNP)	\$ 148,394,045	\$ 148,343,786	\$ 130,844,961	\$ 119,283,437	\$ 105,603,698	\$ 101,851,378	\$ 97,776,269
Total pension liability (TPL)	\$ 152,634,956	\$ 151,731,654	\$ 136,619,920	\$ 131,124,677	\$ 123,046,628	\$ 114,182,676	\$ 104,810,059
FNP as a % of TPL	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%
<b>LEOFF 1</b>							
Proportionate % of NPA	0.270001%	0.264289%	0.261836%	0.264742%	0.263337%	0.259501%	0.254508%
Proportionate share of NPA	\$ 5,098,993	\$ 5,223,965	\$ 4,753,638	\$ 4,016,719	\$ 2,713,124	\$ 3,127,561	\$ 3,086,650
State proportionate share of NPA associated with City	\$ 34,489,463	\$ 35,334,772	\$ 32,153,488	\$ 27,168,985	\$ 18,351,505	\$ 21,154,742	\$ 20,878,024
Total proportionate share	\$ 39,588,456	\$ 40,558,738	\$ 36,907,126	\$ 31,185,703	\$ 21,064,629	\$ 24,282,302	\$ 23,964,674
Covered payroll	\$ -	\$ 80,700	\$ 67,074	\$ 120,974	\$ 132,029	\$ 144,697	\$ 465,881
Proportionate share of NPA as a % of covered payroll	0.00%	6473.34%	7087.15%	3320.31%	2054.94%	2161.45%	662.54%
Fiduciary net position (FNP)	\$ 15,976,397	\$ 15,933,553	\$ 15,455,480	\$ 15,186,917	\$ 14,143,483	\$ 14,558,393	\$ 14,554,819
Total pension liability (TPL)	\$ 10,877,403	\$ 10,709,588	\$ 10,701,842	\$ 11,170,198	\$ 11,430,358	\$ 11,430,832	\$ 11,468,169
FNP as a % of TPL	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%	126.91%
<b>LEOFF 2</b>							
Proportionate % of NPA	0.903138%	0.902086%	0.881963%	0.918952%	0.828452%	0.816862%	0.853588%
Proportionate share of NPA	\$ 18,422,697	\$ 20,898,563	\$ 17,905,772	\$ 12,752,076	\$ 4,818,525	\$ 8,395,708	\$ 11,327,480
State proportionate share of NPA associated with City	\$ 11,779,919	\$ 13,685,759	\$ 11,593,649	\$ 8,272,034	\$ 3,141,323	\$ 5,551,241	\$ 7,401,154
Total proportionate share	\$ 30,202,615	\$ 34,584,322	\$ 29,499,421	\$ 21,024,110	\$ 7,959,848	\$ 13,946,948	\$ 18,728,634
Covered payroll	\$ 34,319,549	\$ 31,668,870	\$ 29,121,105	\$ 28,930,093	\$ 25,125,355	\$ 23,723,220	\$ 23,786,119
Proportionate share of NPL as a % of covered payroll	53.68%	66.12%	61.49%	44.08%	19.18%	35.39%	47.62%
Fiduciary net position (FNP)	\$ 134,804,247	\$ 128,443,199	\$ 114,704,157	\$ 108,216,955	\$ 84,590,086	\$ 80,319,337	\$ 78,963,736
Total pension liability (TPL)	\$ 116,381,551	\$ 107,544,636	\$ 96,798,385	\$ 95,464,878	\$ 79,771,560	\$ 71,923,629	\$ 67,636,256
FNP as a % of TPL	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%	116.75%

\* Information is available beginning in 2014.

**Pension Plans***Washington State Department of Retirement Systems - PERS and LEOFF***Schedule of contributions for the year ended December 31**

Plan	Year	Statutorily required contributions	Actual contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a % of covered employee payroll
<b>PERS 1</b>	2014	\$ 1,314,562	\$ 1,314,562	\$ -	\$ 31,370,215	4.19%
	2015	1,435,640	1,435,640	-	31,814,277	4.51%
	2016	1,655,872	1,655,872	-	33,913,177	4.88%
	2017	1,853,370	1,853,370	-	37,248,276	4.98%
	2018	1,897,144	1,897,144	-	37,339,174	5.08%
	2019	1,899,391	1,899,391	-	38,780,875	4.90%
	2020	1,905,959	1,905,959	-	40,398,885	4.72%
<b>PERS 2/3</b>	2014	\$ 1,517,744	\$ 1,517,744	\$ -	\$ 30,387,959	4.99%
	2015	1,752,785	1,752,785	-	31,107,241	5.63%
	2016	2,065,838	2,065,838	-	33,206,141	6.22%
	2017	2,522,447	2,522,447	-	36,541,240	6.90%
	2018	2,747,129	2,747,129	-	36,632,138	7.50%
	2019	2,933,273	2,933,273	-	38,073,839	7.70%
	2020	3,143,590	3,143,590	-	39,691,849	7.92%
<b>LEOFF 1</b>	2014	\$ -	\$ -	\$ -	\$ 255,654	0.00%
	2015	-	-	-	189,324	0.00%
	2016	-	-	-	83,296	0.00%
	2017	-	-	-	95,040	0.00%
	2018	-	-	-	76,487	0.00%
	2019	-	-	-	27,747	0.00%
	2020	-	-	-	-	0.00%
<b>LEOFF 2</b>	2014	\$ 1,198,658	\$ 1,198,658	\$ -	\$ 23,735,711	5.05%
	2015	1,248,036	1,248,036	-	24,713,647	5.05%
	2016	1,352,566	1,352,566	-	26,783,467	5.05%
	2017	1,494,326	1,494,326	-	28,975,221	5.16%
	2018	1,551,353	1,551,353	-	29,441,705	5.27%
	2019	1,712,186	1,712,186	-	32,828,388	5.22%
	2020	1,748,999	1,748,999	-	33,958,049	5.15%

\* Information is available beginning in 2014.



**Pension Plans***Firefighters' (FFP) and Police Officers' (POP) Pension Plans***Schedule of Changes in Total Pension Liability and Related Ratios**

<b>Firefighters' Pension Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total Pension liability</b>					
Interest cost	\$ 132,937	\$ 194,919	\$ 166,745	\$ 211,196	\$ 184,397
Differences, expected and actual experience	-	(124,920)	(194,368)	-	887,308
Changes in actuarial assumptions	144,296	420,578	(128,029)	329,349	(116,456)
Benefit payments, net of refunds	(460,113)	(598,816)	(460,310)	(768,196)	(415,501)
<b>Net change in total Pension liability</b>	<b>(182,880)</b>	<b>(108,239)</b>	<b>(615,962)</b>	<b>(227,651)</b>	<b>539,748</b>
<b>Total Pension liability - beginning</b>	<b>5,064,132</b>	<b>5,172,371</b>	<b>5,788,333</b>	<b>6,015,984</b>	<b>5,476,236</b>
<b>Total Pension liability - ending</b>	<b>\$ 4,881,252</b>	<b>\$ 5,064,132</b>	<b>\$ 5,172,371</b>	<b>\$ 5,788,333</b>	<b>\$ 6,015,984</b>
Covered payroll	-	-	-	-	132,470
Total Pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	4541.39%
<b>Police Officers' Pension Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total Pension liability</b>					
Interest cost	\$ 33,908	\$ 39,621	\$ 47,003	\$ 57,571	\$ 41,693
Differences, expected and actual experience	-	193,532	(529,249)	-	491,536
Changes in actuarial assumptions	53,238	120,269	15,153	90,031	(31,736)
Benefit payments, net of refunds	(103,691)	(118,157)	(100,144)	(131,995)	(182,997)
<b>Net change in total Pension liability</b>	<b>(16,545)</b>	<b>235,265</b>	<b>(567,237)</b>	<b>15,607</b>	<b>318,496</b>
<b>Total Pension liability - beginning</b>	<b>1,284,861</b>	<b>1,049,596</b>	<b>1,616,833</b>	<b>1,601,226</b>	<b>1,282,730</b>
<b>Total Pension liability - ending</b>	<b>\$ 1,268,316</b>	<b>\$ 1,284,861</b>	<b>\$ 1,049,596</b>	<b>\$ 1,616,833</b>	<b>\$ 1,601,226</b>
Covered payroll	-	-	-	-	45,026
Total Pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	3556.23%

\* Information is available beginning in 2016.

**Other Post Employment Benefit Plans (OPEB)***Firefighters' (FHC) and Police Officers' (PHC) Healthcare Plans***Schedule of Changes in Total OPEB Liability and Related Ratios**

<b>Firefighters' Healthcare Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability</b>			
Interest cost	\$ 435,574	\$ 780,698	\$ 648,081
Differences, expected and actual experience	-	(1,916,676)	(1,524,971)
Changes in actuarial assumptions	1,077,270	(1,916,802)	(435,004)
Benefit payments, net of refunds	(508,704)	(742,516)	(804,209)
<b>Net change in total OPEB liability</b>	<b>1,004,140</b>	<b>(3,795,296)</b>	<b>(2,116,103)</b>
<b>Total OPEB liability - beginning</b>	<b>16,093,400</b>	<b>19,888,696</b>	<b>22,004,799</b>
<b>Total OPEB liability - ending</b>	<b>\$ 17,097,540</b>	<b>\$ 16,093,400</b>	<b>\$ 19,888,696</b>
Covered payroll	-	-	142,572
Total OPEB liability as a % of covered payroll	0.00%	0.00%	13949.93%
<b>Police Officers' Healthcare Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability</b>			
Interest cost	\$ 331,408	\$ 493,707	\$ 423,336
Differences, expected and actual experience	-	(255,025)	(1,294,595)
Changes in actuarial assumptions	824,663	(49,254)	(422,055)
Benefit payments, net of refunds	(443,135)	(518,671)	(431,801)
<b>Net change in total OPEB liability</b>	<b>712,936</b>	<b>(329,243)</b>	<b>(1,725,115)</b>
<b>Total OPEB liability - beginning</b>	<b>12,272,755</b>	<b>12,601,998</b>	<b>14,327,113</b>
<b>Total OPEB liability - ending</b>	<b>\$ 12,985,691</b>	<b>\$ 12,272,755</b>	<b>\$ 12,601,998</b>
Covered payroll	-	-	-
Total OPEB liability as a % of covered payroll	0.00%	0.00%	0.00%

*\* Information is available beginning in 2018.*

Medical care benefits are funded on a pay-as-you-go basis as such there are no assets accumulating.

Long-term care benefits are being pre-funded with employer contributions however the accumulating assets do not meet the irrevocable, dedicated, and legally protected requirements provided for under paragraph 4 of GASB 75.

The following assumptions have changed since the last measurement date: The interest rate for discounting future liabilities was changed to reflect current municipal bond rates. Premium increase rates were modified to better reflect anticipated experience. LT care cost assumptions were revised. Health care reimbursement assumptions were revised.



**FUNDS CONSOLIDATED WITH 001-GENERAL FUND GASB STATEMENT NO. 54 FOR REPORTING****111 – Streets**

Responsible for maintenance for all City streets. This funds revenues are derived from state sales tax, diverted county road property tax, permits, grants, and impact fees.

**141 – First ¼% Real Estate Excise Tax**

Proceeds from this tax fund construction, repair, replacement, rehabilitation, or improvement projects as authorized by RCW 82.46.010. Established by Ordinance 9270 and amended by Ordinance 10273.

**142 – Second ¼% Real Estate Excise Tax**

Proceeds from the second ¼% real estate tax are used solely for financing capital projects specified in a capital facilities plan element of the comprehensive plan as authorized by RCW 82.46.035. Established by Ordinance 10007.

**173 – Greenway III Levy**

Funded by increased property tax of \$.57 per thousand of assessed valuation, to be collected over ten years. Continues the acquisition, improvement and maintenance of greenways areas begun by the original greenway levy. Voter approved levy passed in 2006. The fund was established by Ordinance 2007-01-004.

**177 – Park Impact Fee**

Park impact fees and interest earnings are invested until utilized for an approved project or refunded to the property owner if not utilized in the prescribed amount of time. Established by Ordinance 2006-02-012.

**178 – Sportsplex**

Created as a repository for the security deposit and the accumulated interest on the security deposit for the Whatcom Soccer Commission lease of the Sportsplex. The lease agreement requires that any interest accrued on the deposited monies be added to and become part of the security deposit. Established by Ordinance 2006-02-012.

**612 – Firefighters Pensions**

Pension payments for pre March 1, 1970 firefighters or surviving spouses, and medical and long-term care benefits for firefighters hired prior to October 1, 1977. Revenue is derived from property tax, fire insurance premium tax, and general fund contributions. Authorized by City Council July 26, 1909 and by Ordinance 1999-12-083.

**613 – Police Officers Pensions**

Pension payments for pre March 1, 1970 police officers or surviving spouses, and medical and long-term benefits for police officers hired prior to October 1, 1977. Revenue is derived from general fund contributions and sales of unclaimed property. Authorized by City Council July 26, 1909 and by Ordinances 1489 and 1999-12-083.

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Original General Fund**  
**For the Year Ended December 31, 2020**

Page 1 of 10

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Property	\$ 30,603,530	\$ 30,603,530	\$ 15,250,716	\$ 15,650,160	\$ 30,900,875	\$ 297,345
Sales and use	36,619,673	36,538,254	18,301,613	17,806,937	36,108,551	(429,703)
Business	69,667,460	69,989,932	34,513,081	33,028,653	67,541,733	(2,448,199)
Other	2,250,000	2,302,000	1,125,713	818,693	1,944,407	(357,594)
Licenses and permits	1,865,800	1,842,800	908,066	871,084	1,779,151	(63,650)
Intergovernmental revenue	5,891,406	9,358,736	6,516,523	10,662,583	17,179,106	7,820,370
Charges for services	17,975,221	22,818,041	4,594,501	4,918,836	9,513,337	(13,304,704)
Fines and penalties	1,616,092	1,250,892	644,225	375,709	1,019,934	(230,958)
Investment income	679,424	1,646,424	985,338	734,936	1,720,274	73,850
Miscellaneous revenues	1,249,824	1,247,824	808,129	367,848	1,175,977	(71,847)
<b>Total revenues</b>	<b>168,418,430</b>	<b>177,598,433</b>	<b>83,647,906</b>	<b>85,235,438</b>	<b>168,883,344</b>	<b>(8,715,089)</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
General government	30,038,780	35,478,638	10,121,132	12,365,550	22,486,682	(12,991,956)
Public safety	95,050,039	100,633,770	48,106,871	48,819,333	96,926,204	(3,707,566)
Natural and economic environment	8,443,940	8,754,552	3,901,157	3,566,166	7,467,323	(1,287,230)
Social services	334,698	1,794,698	299,812	1,217,330	1,517,142	(277,556)
Cultural and recreation	33,324,515	32,439,614	16,570,420	16,198,076	32,768,496	328,882
<i>Debt service:</i>						
Principal	221,068	321,068	-	-	-	(321,068)
Interest and related charges	1,861	1,861	1,861	-	1,861	-
Capital outlay	333,000	2,416,336	-	270,853	270,853	(2,145,483)
<b>Total expenditures</b>	<b>167,747,901</b>	<b>181,840,537</b>	<b>79,001,253</b>	<b>82,437,308</b>	<b>161,438,561</b>	<b>(20,401,977)</b>
<b>Revenues over (under) expenditures</b>	<b>670,529</b>	<b>(4,242,104)</b>	<b>4,646,652</b>	<b>2,798,130</b>	<b>7,444,783</b>	<b>11,686,887</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	-	-	-	128,809	128,809	128,809
Transfers out	(4,484,370)	(4,574,533)	(2,794,968)	(1,854,461)	(4,649,429)	(74,896)
<b>Total other financing sources and (uses)</b>	<b>(4,484,370)</b>	<b>(4,574,533)</b>	<b>(2,794,968)</b>	<b>(1,725,652)</b>	<b>(4,520,620)</b>	<b>53,913</b>
<b>Net change in fund balances</b>	<b>(3,813,841)</b>	<b>(8,816,637)</b>	<b>1,851,685</b>	<b>1,072,478</b>	<b>2,924,163</b>	<b>11,740,800</b>
<b>Fund balances - beginning</b>	<b>23,438,732</b>	<b>29,989,312</b>	<b>33,686,143</b>	<b>40,139,234</b>	<b>33,686,143</b>	<b>3,696,831</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>4,601,406</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 19,624,891</b>	<b>\$ 21,172,675</b>	<b>\$ 40,139,234</b>	<b>\$ 41,211,712</b>	<b>\$ 36,610,306</b>	<b>\$ 15,437,632</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Street Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Taxes:						
Property	\$ -	\$ -	\$ 193,148	\$ 61	\$ 193,209	\$ 193,209
Sales and use	17,500,000	19,300,000	9,749,704	9,473,994	19,223,698	(76,302)
Licenses and permits	2,000	2,000	700	6,371	7,071	5,071
Intergovernmental revenue	15,770,000	15,770,000	3,884,884	4,076,821	7,961,705	(7,808,295)
Charges for services	3,158,426	3,158,426	1,633,471	741,347	2,374,818	(783,608)
Investment income	270,412	270,412	251,812	243,394	495,206	224,794
Miscellaneous revenues	98,000	98,000	85,306	55,875	141,180	43,180
<b>Total revenues</b>	<b>36,798,838</b>	<b>38,598,838</b>	<b>15,799,025</b>	<b>14,597,862</b>	<b>30,396,887</b>	<b>(8,201,951)</b>
<b>EXPENDITURES</b>						
Current:						
General government	104,000	-	-	-	-	-
Transportation	19,961,109	20,288,303	10,023,257	10,290,371	20,313,628	25,324
Natural and economic environment	1,052,408	1,334,875	396,269	444,246	840,515	(494,360)
Capital outlay	21,367,000	23,947,696	3,527,124	2,846,743	6,373,867	(17,573,829)
<b>Total expenditures</b>	<b>42,484,517</b>	<b>45,570,874</b>	<b>13,946,650</b>	<b>13,581,359</b>	<b>27,528,009</b>	<b>(18,042,865)</b>
<b>Revenues over (under) expenditures</b>	<b>(5,685,678)</b>	<b>(6,972,036)</b>	<b>1,852,375</b>	<b>1,016,503</b>	<b>2,868,878</b>	<b>9,840,914</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,800,000	1,800,000	435,571	1,500,000	1,935,571	135,571
Transfers out	(1,319,432)	(1,319,432)	(995,482)	(557,310)	(1,552,792)	(233,360)
<b>Total other financing sources and (uses)</b>	<b>480,568</b>	<b>480,568</b>	<b>(559,911)</b>	<b>942,690</b>	<b>382,779</b>	<b>(97,789)</b>
<b>Net change in fund balances</b>	<b>(5,205,111)</b>	<b>(6,491,468)</b>	<b>1,292,464</b>	<b>1,959,193</b>	<b>3,251,657</b>	<b>9,743,125</b>
<b>Fund balances - beginning</b>	<b>6,162,307</b>	<b>8,872,384</b>	<b>10,736,306</b>	<b>12,028,770</b>	<b>10,736,306</b>	<b>1,863,922</b>
<b>Fund balances - ending</b>	<b>\$ 957,196</b>	<b>\$ 2,380,916</b>	<b>\$ 12,028,770</b>	<b>\$ 13,987,963</b>	<b>\$ 13,987,963</b>	<b>\$ 11,607,046</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**First 1/4% Real Estate Excise Tax Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Real estate excise	\$ 3,400,000	\$ 3,400,000	\$ 2,031,918	\$ 1,939,517	\$ 3,971,434	\$ 571,434
Intergovernmental revenue	-	-	49,550	-	49,550	49,550
Investment income	166,872	166,872	280,729	181,078	461,806	294,934
Miscellaneous revenues	-	-	351	182	533	533
<b>Total revenues</b>	<b>3,566,872</b>	<b>3,566,872</b>	<b>2,362,547</b>	<b>2,120,776</b>	<b>4,483,323</b>	<b>916,451</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
General government	45,612	45,612	22,806	23,292	46,098	486
Transportation	-	-	-	631,447	631,447	631,447
Cultural and recreation	385,000	523,183	237,913	148,675	386,588	(136,595)
Capital outlay	2,856,281	3,089,032	1,420,411	204,518	1,624,930	(1,464,103)
<b>Total expenditures</b>	<b>3,286,893</b>	<b>3,657,827</b>	<b>1,681,131</b>	<b>1,007,932</b>	<b>2,689,063</b>	<b>(968,765)</b>
<b>Revenues over (under) expenditures</b>	<b>279,979</b>	<b>(90,955)</b>	<b>681,416</b>	<b>1,112,844</b>	<b>1,794,260</b>	<b>1,885,216</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(2,300,000)	(3,650,000)	(1,900,000)	(1,750,000)	(3,650,000)	-
<b>Total other financing sources and (uses)</b>	<b>(2,300,000)</b>	<b>(3,650,000)</b>	<b>(1,900,000)</b>	<b>(1,750,000)</b>	<b>(3,650,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,020,021)</b>	<b>(3,740,955)</b>	<b>(1,218,584)</b>	<b>(637,156)</b>	<b>(1,855,740)</b>	<b>1,885,216</b>
<b>Fund balances - beginning</b>	<b>7,127,778</b>	<b>10,116,212</b>	<b>10,021,580</b>	<b>8,802,996</b>	<b>10,021,580</b>	<b>(94,632)</b>
<b>Fund balances - ending</b>	<b>\$ 5,107,757</b>	<b>\$ 6,375,257</b>	<b>\$ 8,802,996</b>	<b>\$ 8,165,841</b>	<b>\$ 8,165,840</b>	<b>\$ 1,790,583</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Second 1/4% Real Estate Excise Tax Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Real estate excise	\$ 3,400,000	\$ 3,400,000	\$ 2,031,918	\$ 1,939,517	\$ 3,971,434	\$ 571,434
Intergovernmental revenue	40,000	40,000	20,000	20,000	40,000	-
Investment income	132,834	132,834	235,073	196,458	431,531	298,697
Miscellaneous revenues	-	-	-	4	4	4
<b>Total revenues</b>	<b>3,572,834</b>	<b>3,572,834</b>	<b>2,286,991</b>	<b>2,155,979</b>	<b>4,442,969</b>	<b>870,135</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
General government	44,682	594,682	22,341	22,539	44,880	(549,803)
Cultural and recreation	817,000	825,445	256,492	239,017	495,509	(329,936)
Capital outlay	302,309	15,309	-	-	-	(15,309)
<b>Total expenditures</b>	<b>1,163,991</b>	<b>1,435,436</b>	<b>278,833</b>	<b>261,556</b>	<b>540,388</b>	<b>(895,048)</b>
<b>Revenues over (under) expenditures</b>	<b>2,408,843</b>	<b>2,137,398</b>	<b>2,008,158</b>	<b>1,894,423</b>	<b>3,902,581</b>	<b>1,765,183</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(2,050,000)	(6,050,000)	(550,000)	(1,500,000)	(2,050,000)	4,000,000
<b>Total other financing sources and (uses)</b>	<b>(2,050,000)</b>	<b>(6,050,000)</b>	<b>(550,000)</b>	<b>(1,500,000)</b>	<b>(2,050,000)</b>	<b>4,000,000</b>
<b>Net change in fund balances</b>	<b>358,843</b>	<b>(3,912,602)</b>	<b>1,458,158</b>	<b>394,423</b>	<b>1,852,581</b>	<b>5,765,183</b>
<b>Fund balances - beginning</b>	<b>5,133,009</b>	<b>7,584,861</b>	<b>7,516,716</b>	<b>8,974,874</b>	<b>7,516,716</b>	<b>(68,145)</b>
<b>Fund balances - ending</b>	<b>\$ 5,491,852</b>	<b>\$ 3,672,259</b>	<b>\$ 8,974,874</b>	<b>\$ 9,369,298</b>	<b>\$ 9,369,297</b>	<b>\$ 5,697,038</b>



**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Greenway III Levy Fund**  
**For the Year Ended December 31, 2020**

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	<b>2019-2020 Biennial Budgeted Amounts</b>		<b>2019 Actual Amounts Legal Basis</b>	<b>2020 Actual Amounts Legal Basis</b>	<b>Total Amounts Legal Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>				
<b>REVENUES</b>						
Taxes:						
Property	\$ 10,451,189	\$ 10,451,189	\$ 5,074,646	\$ 5,102,181	\$ 10,176,828	\$ (274,362)
Intergovernmental revenue	1,000,000	1,000,000	541,308	620,333	1,161,641	161,641
Charges for services	-	-	80	-	80	80
Investment income	268,236	268,236	389,565	278,293	667,858	399,622
Miscellaneous revenues	-	-	21,981	25,915	47,895	47,895
<b>Total revenues</b>	<b>11,719,425</b>	<b>11,719,425</b>	<b>6,027,579</b>	<b>6,026,722</b>	<b>12,054,301</b>	<b>334,876</b>
<b>EXPENDITURES</b>						
Current:						
Cultural and recreation	1,774,004	2,083,681	989,694	945,670	1,935,364	(148,317)
Debt service:						
Principal	930,000	930,000	-	-	-	(930,000)
Interest and related charges	70,000	70,000	29,547	16,703	46,250	(23,750)
Capital outlay	10,273,301	10,796,199	3,734,485	5,371,584	9,106,070	(1,690,130)
<b>Total expenditures</b>	<b>13,047,305</b>	<b>13,879,880</b>	<b>4,753,726</b>	<b>6,333,957</b>	<b>11,087,684</b>	<b>(2,792,196)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,327,880)</b>	<b>(2,160,455)</b>	<b>1,273,853</b>	<b>(307,236)</b>	<b>966,617</b>	<b>3,127,072</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	573	-	573	573
Transfers out	(429,000)	(429,000)	(429,000)	-	(429,000)	-
<b>Total other financing sources and (uses)</b>	<b>(429,000)</b>	<b>(429,000)</b>	<b>(428,427)</b>	<b>-</b>	<b>(428,427)</b>	<b>573</b>
<b>Net change in fund balances</b>	<b>(1,756,880)</b>	<b>(2,589,455)</b>	<b>845,425</b>	<b>(307,236)</b>	<b>538,190</b>	<b>3,127,645</b>
<b>Fund balances - beginning</b>	<b>9,469,000</b>	<b>9,876,022</b>	<b>8,078,700</b>	<b>8,924,125</b>	<b>8,078,700</b>	<b>(1,797,322)</b>
<b>Fund balances - ending</b>	<b>\$ 7,712,120</b>	<b>\$ 7,286,566</b>	<b>\$ 8,924,125</b>	<b>\$ 8,616,889</b>	<b>\$ 8,616,889</b>	<b>\$ 1,330,323</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Park Impact Fees Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Charges for services	\$ 3,800,000	\$ 3,800,000	\$ 2,454,441	\$ 1,673,623	\$ 4,128,064	\$ 328,064
Investment income	172,018	172,018	300,114	201,930	502,044	330,026
Miscellaneous revenues	-	-	16,084	-	16,084	16,084
<b>Total revenues</b>	<b>3,972,018</b>	<b>3,972,018</b>	<b>2,770,638</b>	<b>1,875,553</b>	<b>4,646,191</b>	<b>674,173</b>
<b>EXPENDITURES</b>						
Current:						
Cultural and recreation	316,282	510,880	182,558	107,972	290,530	(220,351)
Capital outlay	9,217,285	9,733,004	1,688,917	2,926,458	4,615,375	(5,117,629)
<b>Total expenditures</b>	<b>9,533,567</b>	<b>10,243,884</b>	<b>1,871,474</b>	<b>3,034,430</b>	<b>4,905,905</b>	<b>(5,337,979)</b>
<b>Revenues over (under) expenditures</b>	<b>(5,561,549)</b>	<b>(6,271,866)</b>	<b>899,164</b>	<b>(1,158,877)</b>	<b>(259,713)</b>	<b>6,012,152</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(5,561,549)</b>	<b>(6,271,866)</b>	<b>899,164</b>	<b>(1,158,877)</b>	<b>(259,713)</b>	<b>6,012,152</b>
<b>Fund balances - beginning</b>	<b>9,801,361</b>	<b>9,715,961</b>	<b>9,616,748</b>	<b>10,515,911</b>	<b>9,616,748</b>	<b>(99,214)</b>
<b>Fund balances - ending</b>	<b>\$ 4,239,812</b>	<b>\$ 3,444,096</b>	<b>\$ 10,515,911</b>	<b>\$ 9,357,034</b>	<b>\$ 9,357,034</b>	<b>\$ 5,912,939</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Sportsplex Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 6,084	\$ 6,084	\$ 7,107	\$ 2,467	\$ 9,575	\$ 3,491
Miscellaneous revenues	-	87,834	-	-	-	(87,834)
<b>Total revenues</b>	<b>6,084</b>	<b>93,918</b>	<b>7,107</b>	<b>2,467</b>	<b>9,575</b>	<b>(84,343)</b>
<b>EXPENDITURES</b>						
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>6,084</b>	<b>93,918</b>	<b>7,107</b>	<b>2,467</b>	<b>9,575</b>	<b>(84,343)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(147,725)	-	(62,359)	(62,359)	85,366
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>(147,725)</b>	<b>-</b>	<b>(62,359)</b>	<b>(62,359)</b>	<b>85,366</b>
<b>Net change in fund balances</b>	<b>6,084</b>	<b>(53,807)</b>	<b>7,107</b>	<b>(59,891)</b>	<b>(52,784)</b>	<b>1,023</b>
<b>Fund balances - beginning</b>	<b>49,186</b>	<b>54,562</b>	<b>52,784</b>	<b>59,891</b>	<b>52,784</b>	<b>(1,778)</b>
<b>Fund balances - ending</b>	<b>\$ 55,270</b>	<b>\$ 755</b>	<b>\$ 59,891</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (755)</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Fire Pension Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Taxes:						
Property	\$ 4,030,000	\$ 4,030,000	\$ 2,493,262	\$ 2,543,094	\$ 5,036,356	\$ 1,006,356
Intergovernmental revenue	240,000	240,000	145,767	168,205	313,972	73,972
Investment income	276,400	276,400	368,266	354,667	722,933	446,533
Miscellaneous revenues	6,200	6,200	-	-	-	(6,200)
<b>Total revenues</b>	<b>4,552,600</b>	<b>4,552,600</b>	<b>3,007,295</b>	<b>3,065,966</b>	<b>6,073,261</b>	<b>1,520,661</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	3,880,477	3,880,477	1,579,201	1,059,390	2,638,590	(1,241,886)
<b>Total expenditures</b>	<b>3,880,477</b>	<b>3,880,477</b>	<b>1,579,201</b>	<b>1,059,390</b>	<b>2,638,590</b>	<b>(1,241,886)</b>
<b>Revenues over (under) expenditures</b>	<b>672,123</b>	<b>672,123</b>	<b>1,428,094</b>	<b>2,006,577</b>	<b>3,434,671</b>	<b>2,762,547</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	410,440	410,440	205,220	205,220	410,440	-
<b>Total other financing sources and (uses)</b>	<b>410,440</b>	<b>410,440</b>	<b>205,220</b>	<b>205,220</b>	<b>410,440</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,082,563</b>	<b>1,082,563</b>	<b>1,633,314</b>	<b>2,211,797</b>	<b>3,845,110</b>	<b>2,762,547</b>
<b>Fund balances - beginning</b>	<b>11,232,040</b>	<b>13,422,395</b>	<b>13,578,329</b>	<b>15,211,643</b>	<b>13,578,329</b>	<b>155,934</b>
<b>Fund balances - ending</b>	<b>\$ 12,314,603</b>	<b>\$ 14,504,958</b>	<b>\$ 15,211,643</b>	<b>\$ 17,423,439</b>	<b>\$ 17,423,440</b>	<b>\$ 2,918,482</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual Legal Basis**  
**Police Pension Fund**  
**For the Year Ended December 31, 2020**

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	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts Legal Basis	2020 Actual Amounts Legal Basis	Total Amounts Legal Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 187,940	\$ 187,940	\$ 236,686	\$ 217,353	\$ 454,039	\$ 266,099
Miscellaneous revenues	30,000	30,000	20,837	6,395	27,231	(2,769)
<b>Total revenues</b>	<b>217,940</b>	<b>217,940</b>	<b>257,523</b>	<b>223,748</b>	<b>481,271</b>	<b>263,331</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	2,243,127	2,243,127	691,260	632,574	1,323,833	(919,294)
<b>Total expenditures</b>	<b>2,243,127</b>	<b>2,243,127</b>	<b>691,260</b>	<b>632,574</b>	<b>1,323,833</b>	<b>(919,294)</b>
<b>Revenues over (under) expenditures</b>	<b>(2,025,187)</b>	<b>(2,025,187)</b>	<b>(433,737)</b>	<b>(408,826)</b>	<b>(842,563)</b>	<b>1,182,625</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,689,560	2,689,560	1,344,780	1,344,780	2,689,560	-
<b>Total other financing sources and (uses)</b>	<b>2,689,560</b>	<b>2,689,560</b>	<b>1,344,780</b>	<b>1,344,780</b>	<b>2,689,560</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>664,373</b>	<b>664,373</b>	<b>911,043</b>	<b>935,954</b>	<b>1,846,997</b>	<b>1,182,625</b>
<b>Fund balances - beginning</b>	<b>7,816,265</b>	<b>8,679,272</b>	<b>8,616,245</b>	<b>9,527,288</b>	<b>8,616,245</b>	<b>(63,027)</b>
<b>Fund balances - ending</b>	<b>\$ 8,480,638</b>	<b>\$ 9,343,645</b>	<b>\$ 9,527,288</b>	<b>\$ 10,463,242</b>	<b>\$ 10,463,242</b>	<b>\$ 1,119,597</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**General Fund**  
**For the Year Ended December 31, 2020**

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	<b>2019-2020 Biennial Budgeted Amounts</b>		<b>2019 Actual Amounts GAAP Basis</b>	<b>2020 Actual Amounts GAAP Basis</b>	<b>Total Amounts GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>				
<b>REVENUES</b>						
<i>Taxes:</i>						
Property	\$ 45,084,719	\$ 45,084,719	\$ 23,011,772	\$ 23,295,496	\$ 46,307,268	\$ 1,222,549
Sales and use	54,119,673	55,838,254	28,051,317	27,280,932	55,332,249	(506,005)
Business	69,667,460	69,989,932	34,513,081	33,028,653	67,541,733	(2,448,199)
Real estate excise	6,800,000	6,800,000	4,063,835	3,879,033	7,942,868	1,142,868
Other	2,250,000	2,302,000	1,125,713	818,693	1,944,407	(357,594)
Licenses and permits	1,867,800	1,844,800	908,766	877,455	1,786,221	(58,579)
Intergovernmental revenue	22,941,406	26,408,736	11,158,032	15,547,941	26,705,974	297,237
Charges for services	24,933,647	29,776,467	8,682,493	7,333,806	16,016,299	(13,760,169)
Fines and penalties	1,616,092	1,250,892	644,225	375,709	1,019,934	(230,958)
Investment income	2,160,220	3,127,220	3,054,689	2,410,575	5,465,265	2,338,045
Miscellaneous revenues	1,384,024	1,469,858	952,687	456,218	1,408,905	(60,953)
<b>Total revenues</b>	<b>232,825,041</b>	<b>243,892,879</b>	<b>116,166,610</b>	<b>115,304,512</b>	<b>231,471,122</b>	<b>(12,421,757)</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
General government	30,233,074	36,118,933	10,166,280	12,411,380	22,577,660	(13,541,273)
Public safety	101,173,643	106,757,374	50,377,331	50,511,296	100,888,628	(5,868,746)
Transportation	19,961,109	20,288,303	10,023,257	10,921,818	20,945,075	656,771
Natural and economic environment	9,496,348	10,089,427	4,297,426	4,010,411	8,307,837	(1,781,590)
Social services	334,698	1,794,698	299,812	1,217,330	1,517,142	(277,556)
Cultural and recreation	36,616,801	36,382,803	18,237,077	17,639,409	35,876,486	(506,317)
<i>Debt service:</i>						
Principal	1,151,068	1,251,068	-	-	-	(1,251,068)
Interest and related charges	71,861	71,861	31,408	16,703	48,111	(23,750)
Capital outlay	44,349,176	49,997,576	10,370,937	11,620,157	21,991,094	(28,006,482)
<b>Total expenditures</b>	<b>243,387,778</b>	<b>262,752,044</b>	<b>103,803,528</b>	<b>108,348,505</b>	<b>212,152,033</b>	<b>(50,600,011)</b>
<b>Revenues over (under) expenditures</b>	<b>(10,562,737)</b>	<b>(18,859,165)</b>	<b>12,363,082</b>	<b>6,956,007</b>	<b>19,319,089</b>	<b>38,178,254</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	-	-	-	128,809	128,809	128,809
Transfers in	4,900,000	4,900,000	1,986,144	3,050,000	5,036,144	136,144
Transfers out	(10,582,802)	(16,170,690)	(6,669,450)	(5,724,130)	(12,393,580)	3,777,110
<b>Total other financing sources and (uses)</b>	<b>(5,682,802)</b>	<b>(11,270,690)</b>	<b>(4,683,306)</b>	<b>(2,545,321)</b>	<b>(7,228,627)</b>	<b>4,042,063</b>
<b>Net change in fund balances</b>	<b>(16,245,539)</b>	<b>(30,129,855)</b>	<b>7,679,776</b>	<b>4,410,685</b>	<b>12,090,462</b>	<b>42,220,317</b>
<b>Fund balances - beginning</b>	<b>80,229,678</b>	<b>98,310,980</b>	<b>101,903,550</b>	<b>114,184,732</b>	<b>216,088,282</b>	<b>117,777,302</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>4,601,406</b>	<b>-</b>	<b>4,601,406</b>	<b>4,601,406</b>
<b>Fund balances - ending</b>	<b>\$ 63,984,139</b>	<b>\$ 68,181,125</b>	<b>\$114,184,732</b>	<b>\$118,595,418</b>	<b>#####</b>	<b>\$ 164,599,024</b>



**CITY OF BELLINGHAM**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2020**

	Special Revenue Funds	Debt Service Funds	Capital Project Fund	Permanent Funds	Nonmajor Governmental Fund Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,959,144	\$ 895,294	\$ 1,821,172	\$ 201,954	\$ 8,877,563
Investments	21,366,108	3,332,612	6,779,071	9,115,481	40,593,271
Receivables, net	1,539,481	172,905	5,326	-	1,717,713
Due from other governments	1,010,539	-	-	-	1,010,539
Due from component units	-	12,381,922	-	1,001,799	13,383,721
Interfund loans receivable	-	-	-	651,443	651,443
Prepaid items	175	-	-	-	175
Notes and contracts receivable	28,766,299	-	-	-	28,766,299
<b>Total assets</b>	<b>58,641,746</b>	<b>16,782,732</b>	<b>8,605,569</b>	<b>10,970,677</b>	<b>95,000,724</b>
<b>LIABILITIES</b>					
Accounts payable	727,917	-	-	-	727,917
Accrued wages and benefits	284,236	-	-	-	284,236
Due to other funds	47,603	-	-	-	47,603
Other liabilities	-	85,366	-	-	85,366
<b>Total liabilities</b>	<b>1,059,756</b>	<b>85,366</b>	<b>-</b>	<b>-</b>	<b>1,145,122</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	46,248	-	884	-	47,132
<b>Total deferred inflows of resources</b>	<b>46,248</b>	<b>-</b>	<b>884</b>	<b>-</b>	<b>47,132</b>
<b>FUND BALANCES</b>					
Nonspendable	175	-	-	9,984,046	9,984,221
Restricted	57,535,567	16,697,366	8,604,685	986,631	83,824,249
<b>Total fund balances</b>	<b>57,535,742</b>	<b>16,697,366</b>	<b>8,604,685</b>	<b>10,970,677</b>	<b>93,808,470</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 58,641,746</b>	<b>\$ 16,782,732</b>	<b>\$ 8,605,569</b>	<b>\$ 10,970,677</b>	<b>\$ 95,000,724</b>



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

	Special Revenue Funds	Debt Service Funds	Capital Project Fund	Permanent Funds	Nonmajor Governmental Fund Totals
<b>REVENUES</b>					
<i>Taxes:</i>					
Property	\$ 3,944,669	\$ -	\$ 73,242	\$ -	\$ 4,017,911
Sales and use	6,981,215	-	1,000,000	-	7,981,215
Business	157,407	-	-	-	157,407
Licenses and permits	281,314	-	-	-	281,314
Intergovernmental revenue	4,537,638	-	-	-	4,537,638
Charges for services	4,825,012	-	-	-	4,825,012
Investment income	513,889	87,657	170,960	183,198	955,704
Miscellaneous revenues	553,839	1,094,296	-	-	1,648,135
<b>Total revenues</b>	<b>21,794,982</b>	<b>1,181,953</b>	<b>1,244,203</b>	<b>183,198</b>	<b>24,404,335</b>
<b>EXPENDITURES</b>					
<i>Current:</i>					
Public safety	7,493,365	-	-	-	7,493,365
Transportation	5,158,349	-	-	-	5,158,349
Natural and economic environment	4,975,045	-	-	9,007	4,984,052
Cultural and recreation	27,254	-	-	13,794	41,049
<i>Debt service:</i>					
Principal	-	2,004,442	-	-	2,004,442
Interest and related charges	-	671,681	-	-	671,681
Capital outlay	1,998,755	-	-	-	1,998,755
<b>Total expenditures</b>	<b>19,652,768</b>	<b>2,676,124</b>	<b>-</b>	<b>22,801</b>	<b>22,351,693</b>
<b>Revenues over (under) expenditures</b>	<b>2,142,214</b>	<b>(1,494,171)</b>	<b>1,244,203</b>	<b>160,396</b>	<b>2,052,642</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,978,839	783,027	-	-	6,761,866
Transfers out	(364,114)	-	-	-	(364,114)
<b>Total other financing sources and (uses)</b>	<b>5,614,725</b>	<b>783,027</b>	<b>-</b>	<b>-</b>	<b>6,397,752</b>
<b>Net change in fund balances</b>	<b>7,756,939</b>	<b>(711,144)</b>	<b>1,244,203</b>	<b>160,396</b>	<b>8,450,394</b>
<b>Fund balances - beginning</b>	<b>49,778,802</b>	<b>17,408,510</b>	<b>7,360,483</b>	<b>10,810,280</b>	<b>85,358,075</b>
<b>Fund balances - ending</b>	<b>\$ 57,535,741</b>	<b>\$ 16,697,366</b>	<b>\$ 8,604,685</b>	<b>\$ 10,970,677</b>	<b>\$ 93,808,469</b>



**SPECIAL REVENUE FUNDS****126 – Library Gift**

Accumulates cash gifts from private donors, for donor specified library projects. Established by Ordinance 7573 and transferred to special revenue classification by Ordinance 2001-11-086.

**131 – Olympic Pipeline Incident**

Environmental incident settlement funds used to implement maintenance and monitoring tasks on Whatcom Creek pursuant to the Olympic Pipeline Whatcom Creek Restoration Plan. Established by Ordinance 2005-10-082. In 2020 this fund was closed into the Surface and Stormwater fund.

**136 – Environmental Remediation**

Created to account for revenues, provided by other responsible parties, for the purpose of funding environmental remediation. Established by Ordinance 2011-06-029.

**150's - Police Special Purpose****151 – Police Federal Equitable Sharing**

Created when the City entered into agreement with the Department of the Treasury to participate in the program for federally forfeited property or proceeds. Money received under the program is spent pursuant to federal guidelines. Established by Ordinance 10623.

**152 – Asset Forfeiture/Drug Enforcement**

Proceeds of seizures are deposited into this fund. Used exclusively for expansion of narcotics enforcement services. Established by Ordinance 9894 and amended by Ordinance 10624.

**153 – Criminal Justice**

Funded by state entitlements. Supplements staffing costs and capital equipment purchases. Established by Ordinance 1999-07-045.

**160 – Public Safety Dispatch**

Provides communication services for Bellingham's police, fire and EMS units, and participating public safety agencies in Whatcom County. Funding is provided by user agency fees and intergovernmental revenue derived from 911 tax. This separate fund facilitates reporting financial operations to user agencies and to the 911 Center's Board of Administration. Established by Ordinance 9165.

**161 – Transportation**

A voter approved 0.2% sales tax that began in April of 2011, and runs for ten years. Funds are used to pay for Sunday bus service in Bellingham and maintain and build transportation infrastructure. Established by Ordinance 2011-02-006.

**162 – Public, Education and Government Access Television**

Created to account for revenues and expenses related to the operation of public, education and government access television. Funded by a portion of the revenue received from Comcast's cable television franchise agreement. Established by Ordinance 2011-12-076.

**180 – Tourism**

A tax that pays costs of promotion, acquisition, and operation of tourism-related activities and facilities. The source of revenue is a four percent special excise tax on transient lodging, pursuant to RCW 67.28.180 and Ordinances 8319 and 10915.

**181 – Low Income Housing**

A voter approved seven-year, \$21 million, property tax levy to provide housing assistance for homeless and low income citizens, beginning in 2013. Established by Ordinance 2012-06-033. In November 2018, a ten-year, \$40 million, property tax levy was voter approved.

**190 – HUD Grants**

Federal grant revenue dedicated to upgrade neighborhoods, expand affordable housing choices, assist community social service agencies, address basic human needs and create employment opportunities for individuals with low and moderate incomes.

CITY OF BELLINGHAM  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2020

	Library Gift	Olympic Pipeline Incident	Environmental Remediation	Police Special Purpose	Public Safety Dispatch	Transportation	Public, Education & Govt TV	Tourism	Low Income Housing	HUD Grants	Special Revenue Fund Totals
<b>ASSETS</b>											
Cash and cash equivalents	\$ 219,219	\$ -	\$ 1,482,254	\$ 66,865	\$ 317,826	\$ 1,613,805	\$ 212,002	\$ 195,286	\$ 1,851,888	\$ -	\$ 5,959,144
Investments	-	-	5,517,493	248,895	1,183,066	6,007,173	789,149	726,926	6,893,407	-	21,366,108
Receivables, net	-	-	162,401	-	-	1,166,391	-	136,956	57,767	15,967	1,539,481
Due from other governments	-	-	45,853	36,901	266,857	568,484	-	-	-	92,444	1,010,539
Prepaid items	-	-	-	-	175	-	-	-	-	-	175
Notes and contracts receivable	-	-	-	-	-	-	-	-	11,560,110	17,206,189	28,766,299
<b>Total assets</b>	<b>219,219</b>	<b>-</b>	<b>7,208,001</b>	<b>352,660</b>	<b>1,767,924</b>	<b>9,355,852</b>	<b>1,001,151</b>	<b>1,059,168</b>	<b>20,363,172</b>	<b>17,314,599</b>	<b>58,641,746</b>
<b>LIABILITIES</b>											
Accounts payable	1,527	-	42,239	11,707	20,544	195,286	1,121	237,785	190,514	27,194	727,917
Accrued wages and benefits	-	-	2,917	-	270,048	2,104	8,645	522	-	-	284,236
Due to other funds	-	-	-	-	-	-	-	-	-	47,603	47,603
<b>Total liabilities</b>	<b>1,527</b>	<b>-</b>	<b>45,156</b>	<b>11,707</b>	<b>290,592</b>	<b>197,390</b>	<b>9,766</b>	<b>238,307</b>	<b>190,514</b>	<b>74,797</b>	<b>1,059,756</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	46,248	-	46,248
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,248</b>	<b>-</b>	<b>46,248</b>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	-	175	-	-	-	-	-	175
Restricted	217,692	-	7,162,845	340,953	1,477,158	9,158,462	991,384	820,860	20,126,410	17,239,802	57,535,567
<b>Total fund balances</b>	<b>217,692</b>	<b>-</b>	<b>7,162,845</b>	<b>340,953</b>	<b>1,477,333</b>	<b>9,158,462</b>	<b>991,384</b>	<b>820,860</b>	<b>20,126,410</b>	<b>17,239,802</b>	<b>57,535,742</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 219,219</b>	<b>\$ -</b>	<b>\$ 7,208,001</b>	<b>\$ 352,660</b>	<b>\$ 1,767,924</b>	<b>\$ 9,355,852</b>	<b>\$ 1,001,151</b>	<b>\$ 1,059,168</b>	<b>\$ 20,363,172</b>	<b>\$ 17,314,599</b>	<b>\$ 58,641,746</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Special Revenue Funds**  
**For the Year Ended December 31, 2020**

	Library Gift	Olympic Pipeline Incident	Environmental Remediation	Police Special Purpose	Public Safety Dispatch	Transportation	Public, Education & Govt TV	Tourism	Low Income Housing	HUD Grants	Special Revenue Fund Totals
<b>REVENUES</b>											
<i>Taxes:</i>											
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,944,669	\$ -	\$ 3,944,669
Sales and use	-	-	-	-	-	6,023,531	-	957,684	-	-	6,981,215
Business	-	-	157,407	-	-	-	-	-	-	-	157,407
Licenses and permits	-	-	-	-	-	-	281,314	-	-	-	281,314
Intergovernmental revenue	-	90,163	138,057	274,693	2,178,877	858,326	-	-	-	997,522	4,537,638
Charges for services	-	-	-	-	4,727,147	-	1,615	-	96,250	-	4,825,012
Investment income	-	5,089	77,281	6,917	25,705	174,553	21,003	20,638	179,729	2,974	513,889
Miscellaneous revenues	132,404	-	29,840	15,660	2,543	6,484	115,405	-	97,344	154,159	553,839
<b>Total revenues</b>	<b>132,404</b>	<b>95,252</b>	<b>402,585</b>	<b>297,269</b>	<b>6,934,271</b>	<b>7,062,893</b>	<b>419,336</b>	<b>978,323</b>	<b>4,317,992</b>	<b>1,154,655</b>	<b>21,794,982</b>
<b>EXPENDITURES</b>											
<i>Current:</i>											
Public safety	-	-	-	255,686	7,237,678	-	-	-	-	-	7,493,365
Transportation	-	-	-	-	-	5,158,349	-	-	-	-	5,158,349
Natural and economic environment	-	175,188	409,024	-	-	-	308,745	1,702,556	1,614,557	764,976	4,975,045
Cultural and recreation	27,254	-	-	-	-	-	-	-	-	-	27,254
Capital outlay	-	-	-	54,171	-	1,906,548	38,036	-	-	-	1,998,755
<b>Total expenditures</b>	<b>27,254</b>	<b>175,188</b>	<b>409,024</b>	<b>309,857</b>	<b>7,237,678</b>	<b>7,064,897</b>	<b>346,781</b>	<b>1,702,556</b>	<b>1,614,557</b>	<b>764,976</b>	<b>19,652,768</b>
<b>Revenues over (under) expenditures</b>	<b>105,150</b>	<b>(79,937)</b>	<b>(6,439)</b>	<b>(12,588)</b>	<b>(303,407)</b>	<b>(2,004)</b>	<b>72,555</b>	<b>(724,233)</b>	<b>2,703,435</b>	<b>389,680</b>	<b>2,142,214</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	-	-	5,978,839	-	-	-	-	-	-	-	5,978,839
Transfers out	-	(364,114)	-	-	-	-	-	-	-	-	(364,114)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>(364,114)</b>	<b>5,978,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,614,725</b>
<b>Net change in fund balances</b>	<b>105,150</b>	<b>(444,051)</b>	<b>5,972,400</b>	<b>(12,588)</b>	<b>(303,407)</b>	<b>(2,004)</b>	<b>72,555</b>	<b>(724,233)</b>	<b>2,703,435</b>	<b>389,680</b>	<b>7,756,939</b>
<b>Fund balances - beginning</b>	<b>112,542</b>	<b>444,051</b>	<b>1,190,445</b>	<b>353,540</b>	<b>1,780,740</b>	<b>9,160,466</b>	<b>918,829</b>	<b>1,545,093</b>	<b>17,422,975</b>	<b>16,850,122</b>	<b>49,778,802</b>
<b>Fund balances - ending</b>	<b>\$ 217,692</b>	<b>\$ -</b>	<b>\$ 7,162,845</b>	<b>\$ 340,953</b>	<b>\$ 1,477,333</b>	<b>\$ 9,158,462</b>	<b>\$ 991,384</b>	<b>\$ 820,860</b>	<b>\$ 20,126,410</b>	<b>\$ 17,239,801</b>	<b>\$ 57,535,741</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Library Gift Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Miscellaneous revenues	\$ 100,000	\$ 250,000	\$ 64,922	\$ 132,404	\$ 197,327	\$ (52,674)
<b>Total revenues</b>	<b>100,000</b>	<b>250,000</b>	<b>64,922</b>	<b>132,404</b>	<b>197,327</b>	<b>(52,674)</b>
<b>EXPENDITURES</b>						
Current:						
Cultural and recreation	100,156	250,156	39,354	27,254	66,608	(183,548)
<b>Total expenditures</b>	<b>100,156</b>	<b>250,156</b>	<b>39,354</b>	<b>27,254</b>	<b>66,608</b>	<b>(183,548)</b>
<b>Revenues over (under) expenditures</b>	<b>(156)</b>	<b>(156)</b>	<b>25,568</b>	<b>105,150</b>	<b>130,719</b>	<b>130,875</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(156)</b>	<b>(156)</b>	<b>25,568</b>	<b>105,150</b>	<b>130,719</b>	<b>130,875</b>
Fund balances - beginning	25,473	86,974	86,974	112,542	86,974	-
Fund balances - ending	\$ 25,317	\$ 86,818	\$ 112,542	\$ 217,692	\$ 217,692	\$ 130,875

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Olympic Pipeline Incident Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 90,163	\$ 90,163	\$ 90,163
Investment income	-	-	12,830	5,089	17,919	17,919
<b>Total revenues</b>	-	-	12,830	95,252	108,082	108,082
<b>EXPENDITURES</b>						
Current:						
Natural and economic environment	3,037	186,402	11,213	175,188	186,402	-
<b>Total expenditures</b>	3,037	186,402	11,213	175,188	186,402	-
<b>Revenues over (under) expenditures</b>	(3,037)	(186,402)	1,617	(79,937)	(78,320)	108,082
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(400,000)	(364,114)	-	(364,114)	(364,114)	-
<b>Total other financing sources and (uses)</b>	(400,000)	(364,114)	-	(364,114)	(364,114)	-
<b>Net change in fund balances</b>	(403,037)	(550,516)	1,617	(444,051)	(442,434)	108,082
<b>Fund balances - beginning</b>	403,037	446,948	442,434	444,051	442,434	(4,514)
<b>Fund balances - ending</b>	\$ -	\$ (103,568)	\$ 444,051	\$ -	\$ -	\$ 103,568



**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Environmental Remediation Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Business	\$ -	\$ -	\$ -	\$ 157,407	\$ 157,407	\$ 157,407
Intergovernmental revenue	-	-	328,193	138,057	466,250	466,250
Investment income	15,982	15,982	30,339	77,281	107,621	91,639
Miscellaneous revenues	-	-	33,615	29,840	63,455	63,455
<b>Total revenues</b>	<b>15,982</b>	<b>15,982</b>	<b>392,148</b>	<b>402,585</b>	<b>794,733</b>	<b>778,751</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
Natural and economic environment	1,233,311	1,959,795	797,809	409,024	1,206,833	(752,962)
<b>Total expenditures</b>	<b>1,233,311</b>	<b>1,959,795</b>	<b>797,809</b>	<b>409,024</b>	<b>1,206,833</b>	<b>(752,962)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,217,329)</b>	<b>(1,943,812)</b>	<b>(405,661)</b>	<b>(6,439)</b>	<b>(412,100)</b>	<b>1,531,713</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,200,000	1,200,000	600,000	5,978,839	6,578,839	5,378,839
<b>Total other financing sources and (uses)</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>600,000</b>	<b>5,978,839</b>	<b>6,578,839</b>	<b>5,378,839</b>
<b>Net change in fund balances</b>	<b>(17,329)</b>	<b>(743,812)</b>	<b>194,339</b>	<b>5,972,400</b>	<b>6,166,739</b>	<b>6,910,551</b>
<b>Fund balances - beginning</b>	<b>50,550</b>	<b>993,969</b>	<b>996,106</b>	<b>1,190,445</b>	<b>996,106</b>	<b>2,137</b>
<b>Fund balances - ending</b>	<b>\$ 33,221</b>	<b>\$ 250,157</b>	<b>\$ 1,190,445</b>	<b>\$ 7,162,845</b>	<b>\$ 7,162,845</b>	<b>\$ 6,912,688</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Police Special Purpose Funds**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Intergovernmental revenue	\$ 847,670	\$ 847,670	\$ 463,984	\$ 274,693	\$ 738,677	\$ (108,994)
Investment income	18,758	18,758	14,690	6,917	21,607	2,849
Miscellaneous revenues	-	-	3,876	15,660	19,536	19,536
<b>Total revenues</b>	<b>866,428</b>	<b>866,428</b>	<b>482,551</b>	<b>297,269</b>	<b>779,820</b>	<b>(86,608)</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	1,042,997	1,077,997	266,806	255,686	522,493	(555,504)
Capital outlay	-	-	432,290	54,171	486,461	486,461
<b>Total expenditures</b>	<b>1,042,997</b>	<b>1,077,997</b>	<b>699,096</b>	<b>309,857</b>	<b>1,008,953</b>	<b>(69,043)</b>
<b>Revenues over (under) expenditures</b>	<b>(176,569)</b>	<b>(211,568)</b>	<b>(216,546)</b>	<b>(12,588)</b>	<b>(229,133)</b>	<b>(17,565)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(176,569)</b>	<b>(211,568)</b>	<b>(216,546)</b>	<b>(12,588)</b>	<b>(229,133)</b>	<b>(17,565)</b>
<b>Fund balances - beginning</b>	<b>381,603</b>	<b>479,152</b>	<b>570,087</b>	<b>353,540</b>	<b>570,087</b>	<b>90,935</b>
<b>Fund balances - ending</b>	<b>\$ 205,034</b>	<b>\$ 267,583</b>	<b>\$ 353,541</b>	<b>\$ 340,953</b>	<b>\$ 340,953</b>	<b>\$ 73,370</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Public Safety Dispatch Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Intergovernmental revenue	\$ 3,900,000	\$ 3,900,000	\$ 2,105,211	\$ 2,178,877	\$ 4,284,089	\$ 384,089
Charges for services	10,255,757	10,255,757	4,189,808	4,727,147	8,916,955	(1,338,802)
Investment income	83,260	83,260	59,529	25,705	85,234	1,974
Miscellaneous revenues	3,200	3,200	56,617	2,543	59,160	55,960
<b>Total revenues</b>	<b>14,242,217</b>	<b>14,242,217</b>	<b>6,411,167</b>	<b>6,934,271</b>	<b>13,345,438</b>	<b>(896,779)</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	13,923,634	13,948,634	6,967,322	7,237,678	14,205,000	256,367
Capital outlay	549,100	549,100	-	-	-	(549,100)
<b>Total expenditures</b>	<b>14,472,734</b>	<b>14,497,734</b>	<b>6,967,322</b>	<b>7,237,678</b>	<b>14,205,000</b>	<b>(292,733)</b>
<b>Revenues over (under) expenditures</b>	<b>(230,517)</b>	<b>(255,517)</b>	<b>(556,155)</b>	<b>(303,407)</b>	<b>(859,562)</b>	<b>(604,045)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(230,517)</b>	<b>(255,517)</b>	<b>(556,155)</b>	<b>(303,407)</b>	<b>(859,562)</b>	<b>(604,045)</b>
<b>Fund balances - beginning</b>	<b>1,961,767</b>	<b>2,363,303</b>	<b>2,336,895</b>	<b>1,780,740</b>	<b>2,336,895</b>	<b>(26,408)</b>
<b>Fund balances - ending</b>	<b>\$ 1,731,250</b>	<b>\$ 2,107,786</b>	<b>\$ 1,780,739</b>	<b>\$ 1,477,333</b>	<b>\$ 1,477,333</b>	<b>\$ (630,454)</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Transportation Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Sales and use	\$ 12,303,830	\$ 12,303,830	\$ 6,197,523	\$ 6,023,531	\$ 12,221,054	\$ (82,776)
Intergovernmental revenue	2,710,209	2,710,209	1,041,035	858,326	1,899,361	(810,848)
Charges for services	-	-	62,486	-	62,486	62,486
Investment income	166,416	166,416	226,971	174,553	401,523	235,107
Miscellaneous revenues	-	-	10,000	6,484	16,484	16,484
<b>Total revenues</b>	<b>15,180,455</b>	<b>15,180,455</b>	<b>7,538,015</b>	<b>7,062,893</b>	<b>14,600,908</b>	<b>(579,547)</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
Transportation	1,370,481	1,370,481	3,006,111	5,158,349	8,164,461	6,793,979
Capital outlay	18,626,480	19,677,414	4,496,432	1,906,548	6,402,980	(13,274,434)
<b>Total expenditures</b>	<b>19,996,962</b>	<b>21,047,896</b>	<b>7,502,543</b>	<b>7,064,897</b>	<b>14,567,440</b>	<b>(6,480,455)</b>
<b>Revenues over (under) expenditures</b>	<b>(4,816,506)</b>	<b>(5,867,440)</b>	<b>35,471</b>	<b>(2,004)</b>	<b>33,468</b>	<b>5,900,908</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,816,506)</b>	<b>(5,867,440)</b>	<b>35,471</b>	<b>(2,004)</b>	<b>33,468</b>	<b>5,900,908</b>
<b>Fund balances - beginning</b>	<b>6,000,000</b>	<b>8,150,786</b>	<b>9,124,994</b>	<b>9,160,466</b>	<b>9,124,994</b>	<b>974,208</b>
<b>Fund balances - ending</b>	<b>\$ 1,183,494</b>	<b>\$ 2,283,346</b>	<b>\$ 9,160,465</b>	<b>\$ 9,158,462</b>	<b>\$ 9,158,462</b>	<b>\$ 6,875,116</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Public, Education & Govt TV Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Licenses and permits	\$ 600,000	\$ 600,000	\$ 288,237	\$ 281,314	\$ 569,550	\$ (30,450)
Charges for services	5,020	5,020	1,995	1,615	3,610	(1,410)
Investment income	27,784	27,784	26,886	21,003	47,889	20,104
Miscellaneous revenues	250,000	250,000	123,803	115,405	239,207	(10,793)
<b>Total revenues</b>	<b>882,804</b>	<b>882,804</b>	<b>440,920</b>	<b>419,336</b>	<b>860,256</b>	<b>(22,548)</b>
<b>EXPENDITURES</b>						
Current:						
Natural and economic environment	893,951	893,951	404,878	308,745	713,623	(180,328)
Capital outlay	322,200	322,200	-	38,036	38,036	(284,164)
<b>Total expenditures</b>	<b>1,216,151</b>	<b>1,216,151</b>	<b>404,878</b>	<b>346,781</b>	<b>751,659</b>	<b>(464,491)</b>
<b>Revenues over (under) expenditures</b>	<b>(333,347)</b>	<b>(333,347)</b>	<b>36,041</b>	<b>72,555</b>	<b>108,597</b>	<b>441,944</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(333,347)</b>	<b>(333,347)</b>	<b>36,041</b>	<b>72,555</b>	<b>108,597</b>	<b>441,944</b>
<b>Fund balances - beginning</b>	<b>666,702</b>	<b>892,220</b>	<b>882,787</b>	<b>918,829</b>	<b>882,787</b>	<b>(9,433)</b>
<b>Fund balances - ending</b>	<b>\$ 333,355</b>	<b>\$ 558,873</b>	<b>\$ 918,829</b>	<b>\$ 991,384</b>	<b>\$ 991,384</b>	<b>\$ 432,511</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Tourism Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<i>Taxes:</i>						
Sales and use	\$ 3,600,793	\$ 3,600,793	\$ 1,879,315	\$ 957,684	\$ 2,836,999	\$ (763,794)
Investment income	18,892	18,892	36,622	20,638	57,261	38,369
<b>Total revenues</b>	<b>3,619,685</b>	<b>3,619,685</b>	<b>1,915,938</b>	<b>978,323</b>	<b>2,894,260</b>	<b>(725,425)</b>
<b>EXPENDITURES</b>						
<i>Current:</i>						
Natural and economic environment	4,321,526	4,331,076	1,700,915	1,702,556	3,403,470	(927,606)
<b>Total expenditures</b>	<b>4,321,526</b>	<b>4,331,076</b>	<b>1,700,915</b>	<b>1,702,556</b>	<b>3,403,470</b>	<b>(927,606)</b>
<b>Revenues over (under) expenditures</b>	<b>(701,841)</b>	<b>(711,391)</b>	<b>215,023</b>	<b>(724,233)</b>	<b>(509,210)</b>	<b>202,181</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(701,841)</b>	<b>(711,391)</b>	<b>215,023</b>	<b>(724,233)</b>	<b>(509,210)</b>	<b>202,181</b>
<b>Fund balances - beginning</b>	<b>840,651</b>	<b>1,114,528</b>	<b>1,330,070</b>	<b>1,545,093</b>	<b>1,330,070</b>	<b>215,542</b>
<b>Fund balances - ending</b>	<b>\$ 138,810</b>	<b>\$ 403,137</b>	<b>\$ 1,545,093</b>	<b>\$ 820,860</b>	<b>\$ 820,860</b>	<b>\$ 417,723</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Low Income Housing Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Taxes:						
Property	\$ 3,000,000	\$ 8,000,000	\$ 3,996,458	\$ 3,944,669	\$ 7,941,128	\$ (58,872)
Charges for services	-	-	1,333	96,250	97,583	97,583
Investment income	40,307	40,307	175,138	179,729	354,868	314,561
Miscellaneous revenues	103,818	103,818	116,304	97,344	213,648	109,829
<b>Total revenues</b>	<b>3,144,125</b>	<b>8,144,125</b>	<b>4,289,234</b>	<b>4,317,992</b>	<b>8,607,226</b>	<b>463,100</b>
<b>EXPENDITURES</b>						
Current:						
Natural and economic environment	6,715,257	11,490,998	1,319,058	1,614,557	2,933,615	(8,557,383)
<b>Total expenditures</b>	<b>6,715,257</b>	<b>11,490,998</b>	<b>1,319,058</b>	<b>1,614,557</b>	<b>2,933,615</b>	<b>(8,557,383)</b>
<b>Revenues over (under) expenditures</b>	<b>(3,571,132)</b>	<b>(3,346,873)</b>	<b>2,970,176</b>	<b>2,703,435</b>	<b>5,673,611</b>	<b>9,020,484</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(3,571,132)</b>	<b>(3,346,873)</b>	<b>2,970,176</b>	<b>2,703,435</b>	<b>5,673,611</b>	<b>9,020,484</b>
<b>Fund balances - beginning</b>	<b>3,571,132</b>	<b>5,004,003</b>	<b>14,452,799</b>	<b>17,422,975</b>	<b>14,452,799</b>	<b>9,448,796</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 1,657,130</b>	<b>\$ 17,422,975</b>	<b>\$ 20,126,410</b>	<b>\$ 20,126,410</b>	<b>\$ 18,469,280</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**HUD Grants Funds**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Intergovernmental revenue	\$ 6,098,347	\$ 6,098,347	\$ 1,228,863	\$ 997,522	\$ 2,226,385	\$ (3,871,962)
Charges for services	529,254	529,254	-	-	-	(529,254)
Investment income	952	952	4,649	2,974	7,623	6,671
Miscellaneous revenues	140,601	140,601	156,636	154,159	310,796	170,194
<b>Total revenues</b>	<b>6,769,154</b>	<b>6,769,154</b>	<b>1,390,148</b>	<b>1,154,655</b>	<b>2,544,804</b>	<b>(4,224,351)</b>
<b>EXPENDITURES</b>						
Current:						
Natural and economic environment	6,769,154	6,769,154	633,984	764,976	1,398,960	(5,370,194)
<b>Total expenditures</b>	<b>6,769,154</b>	<b>6,769,154</b>	<b>633,984</b>	<b>764,976</b>	<b>1,398,960</b>	<b>(5,370,194)</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>756,164</b>	<b>389,680</b>	<b>1,145,843</b>	<b>1,145,843</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>756,164</b>	<b>389,680</b>	<b>1,145,843</b>	<b>1,145,843</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>-</b>	<b>16,093,960</b>	<b>16,850,123</b>	<b>16,093,960</b>	<b>16,093,960</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,850,123</b>	<b>\$ 17,239,802</b>	<b>\$ 17,239,803</b>	<b>\$ 17,239,803</b>





**DEBT SERVICE FUNDS****224 – 2004 Sportsplex LTGO Bond**

\$4,315,000 to finance the cost of acquiring the Sportsplex building, an indoor ice-rink and soccer facility. These facilities are leased to the Whatcom Soccer Commission. Established by Ordinance 2004-02-011. This bond was refunded by the 2012 refunding bond.

**225 – 2004 PFD/Civic Field LTGO Bond 126 – Library Gift**

\$16,375,000 to finance the cost of development of a regional center, improvements to the City-owned civic field complex, and the refunding of the 1996 aquatic facility bonds. Established by Ordinance 2004-12-093. This bond was refunded by the 2012 refunding bond.

**226 – 2011 Qualified Energy Conservation Bond (QECB)**

\$6,480,000 to finance the costs of improvements in over 20 City-owned municipal buildings. These bonds are term bonds, principal is due in full at the maturity date. The City is accumulating money in this fund to make the principal payment in 2025. Established by Ordinance 2011-12-077.

**227 - 2016 PFD Refunding Bond**

Refunding of \$9,640,000 bonds originally issued in 2007 to finance the cost of development of the Art and Children's Museum and restoration of the Mt. Baker Theatre. Established by Ordinance 2016-03-009.

**231 – Drake Note**

\$225,000 for the Big Rock Garden Nursery. Established by Ordinances 10347, 48, 49 and 10378. In 2020 this debt was paid in full and the fund was closed.

**235 – Governmental Debt Service**

This fund is used to account for debt service payments on governmental loans. Established by Ordinance 2013-05-035.

**245 – Local Improvement District (LID) Guaranty**

The guaranty fund assures that payments on individual LID's will be made on time if collections from district property holders are insufficient. Property in arrears is foreclosed and the proceeds deposited to the guaranty fund. The balance in the guaranty fund is maintained at twelve percent of the combined assessments in the LID funds. The LID guaranty fund was established by Ordinance 4764. When an LID bond's final debt service payment has been made to the fiscal agent, and there are still collections due from the property owners, these LIDs are moved to the guaranty fund until the remainder of collections from district property holders are complete.

**CITY OF BELLINGHAM**  
**Combining Balance Sheet**  
**Debt Service Funds**  
**December 31, 2020**

	2004 Sportsplex LTGO Bond	2004 PFD/Civic Field LTGO Bond	2011 QEC Bond	2016 PFD Refunding Bond	Drake Note	Governmental Debt Service	LID Guaranty	Debt Service Fund Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 878,603	\$ -	\$ -	\$ -	\$ 16,691	\$ 895,294
Investments	-	-	3,270,482	-	-	-	62,129	3,332,612
Receivables, net	172,905	-	-	-	-	-	-	172,905
Due from component units	-	4,406,922	-	7,975,000	-	-	-	12,381,922
<b>Total assets</b>	<u>172,905</u>	<u>4,406,922</u>	<u>4,149,085</u>	<u>7,975,000</u>	<u>-</u>	<u>-</u>	<u>78,820</u>	<u>16,782,732</u>
<b>LIABILITIES</b>								
Other liabilities	85,366	-	-	-	-	-	-	85,366
<b>Total liabilities</b>	<u>85,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,366</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted	87,539	4,406,922	4,149,085	7,975,000	-	-	78,820	16,697,366
<b>Total fund balances</b>	<u>87,539</u>	<u>4,406,922</u>	<u>4,149,085</u>	<u>7,975,000</u>	<u>-</u>	<u>-</u>	<u>78,820</u>	<u>16,697,366</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 172,905</u>	<u>\$ 4,406,922</u>	<u>\$ 4,149,085</u>	<u>\$ 7,975,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,820</u>	<u>\$ 16,782,732</u>

**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Debt Service Funds**  
**For the Year Ended December 31, 2020**

	2004 Sportsplex LTGO Bond	2004 PFD/Civic Field LTGO Bond	2011 QEC Bond	2016 PFD Refunding Bond	Drake Note	Governmental Debt Service	LID Guaranty	Debt Service Fund Totals
<b>REVENUES</b>								
Investment income	\$ 660	\$ -	\$ 85,337	\$ -	\$ -	\$ -	\$ 1,661	\$ 87,657
Miscellaneous revenues	222,147	196,777	377,471	297,900	-	-	-	1,094,296
<b>Total revenues</b>	<b>222,807</b>	<b>196,777</b>	<b>462,808</b>	<b>297,900</b>	<b>-</b>	<b>-</b>	<b>1,661</b>	<b>1,181,953</b>
<b>EXPENDITURES</b>								
Debt service:								
Principal	200,000	570,000	-	690,000	48,471	495,971	-	2,004,442
Interest and related charges	74,481	175,238	-	297,900	2,504	121,560	-	671,681
<b>Total expenditures</b>	<b>274,481</b>	<b>745,238</b>	<b>-</b>	<b>987,900</b>	<b>50,975</b>	<b>617,531</b>	<b>-</b>	<b>2,676,124</b>
<b>Revenues over (under) expenditures</b>	<b>(51,674)</b>	<b>(548,460)</b>	<b>462,808</b>	<b>(690,000)</b>	<b>(50,975)</b>	<b>(617,531)</b>	<b>1,661</b>	<b>(1,494,171)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	114,522	-	-	-	50,975	617,531	-	783,027
<b>Total other financing sources and (uses)</b>	<b>114,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,975</b>	<b>617,531</b>	<b>-</b>	<b>783,027</b>
<b>Net change in fund balances</b>	<b>62,848</b>	<b>(548,460)</b>	<b>462,808</b>	<b>(690,000)</b>	<b>-</b>	<b>-</b>	<b>1,661</b>	<b>(711,144)</b>
<b>Fund balances - beginning</b>	<b>24,691</b>	<b>4,955,382</b>	<b>3,686,277</b>	<b>8,665,000</b>	<b>-</b>	<b>-</b>	<b>77,160</b>	<b>17,408,510</b>
<b>Fund balances - ending</b>	<b>\$ 87,539</b>	<b>\$ 4,406,922</b>	<b>\$ 4,149,085</b>	<b>\$ 7,975,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,820</b>	<b>\$ 16,697,366</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**2004 Sportsplex LTGO Bond Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 800	\$ 800	\$ 514	\$ 660	\$ 1,174	\$ 374
Miscellaneous revenues	580,000	580,000	269,016	222,147	491,162	(88,838)
<b>Total revenues</b>	<b>580,800</b>	<b>580,800</b>	<b>269,529</b>	<b>222,807</b>	<b>492,336</b>	<b>(88,464)</b>
<b>EXPENDITURES</b>						
Current:						
Debt service:						
Principal	390,000	390,000	190,000	200,000	390,000	-
Interest and related charges	154,176	154,176	79,016	74,481	153,496	(680)
<b>Total expenditures</b>	<b>544,176</b>	<b>544,176</b>	<b>269,016</b>	<b>274,481</b>	<b>543,496</b>	<b>(680)</b>
<b>Revenues over (under) expenditures</b>	<b>36,624</b>	<b>36,624</b>	<b>514</b>	<b>(51,674)</b>	<b>(51,160)</b>	<b>(87,784)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	199,888	-	114,522	114,522	(85,366)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>199,888</b>	<b>-</b>	<b>114,522</b>	<b>114,522</b>	<b>(85,366)</b>
<b>Net change in fund balances</b>	<b>36,624</b>	<b>236,512</b>	<b>514</b>	<b>62,848</b>	<b>63,362</b>	<b>(173,150)</b>
<b>Fund balances - beginning</b>	<b>68,838</b>	<b>24,424</b>	<b>24,177</b>	<b>24,691</b>	<b>24,177</b>	<b>(246)</b>
<b>Fund balances - ending</b>	<b>\$ 105,462</b>	<b>\$ 260,935</b>	<b>\$ 24,691</b>	<b>\$ 87,539</b>	<b>\$ 87,539</b>	<b>\$ (173,396)</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**2004 PFD/Civic Field LTGO Bond**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Miscellaneous revenues	\$ 414,567	\$ 414,567	\$ 216,939	\$ 196,777	\$ 413,716	\$ (851)
<b>Total revenues</b>	<b>414,567</b>	<b>414,567</b>	<b>216,939</b>	<b>196,777</b>	<b>413,716</b>	<b>(851)</b>
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,100,000	1,100,000	530,000	570,000	1,100,000	-
Interest and related charges	363,376	363,376	187,288	175,238	362,525	(851)
<b>Total expenditures</b>	<b>1,463,376</b>	<b>1,463,376</b>	<b>717,288</b>	<b>745,238</b>	<b>1,462,525</b>	<b>(851)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,048,809)</b>	<b>(1,048,809)</b>	<b>(500,349)</b>	<b>(548,460)</b>	<b>(1,048,809)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,048,809)</b>	<b>(1,048,809)</b>	<b>(500,349)</b>	<b>(548,460)</b>	<b>(1,048,809)</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>-</b>	<b>5,455,731</b>	<b>4,955,382</b>	<b>5,455,731</b>	<b>5,455,731</b>
<b>Fund balances - ending</b>	<b>\$ (1,048,809)</b>	<b>\$ (1,048,809)</b>	<b>\$ 4,955,382</b>	<b>\$ 4,406,922</b>	<b>\$ 4,406,922</b>	<b>\$ 5,455,731</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**2011 QEC Bond Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Charges for services	\$ 746,536	\$ 373,268	\$ -	\$ -	\$ -	\$ (373,268)
Investment income	46,938	46,938	98,827	85,337	184,163	137,225
Miscellaneous revenues	-	373,268	374,708	377,471	752,179	378,912
<b>Total revenues</b>	<b>793,474</b>	<b>793,474</b>	<b>473,535</b>	<b>462,808</b>	<b>936,343</b>	<b>142,869</b>
<b>EXPENDITURES</b>						
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>793,474</b>	<b>793,474</b>	<b>473,535</b>	<b>462,808</b>	<b>936,343</b>	<b>142,869</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>793,474</b>	<b>793,474</b>	<b>473,535</b>	<b>462,808</b>	<b>936,343</b>	<b>142,869</b>
<b>Fund balances - beginning</b>	<b>3,010,640</b>	<b>3,245,494</b>	<b>3,212,742</b>	<b>3,686,277</b>	<b>3,212,742</b>	<b>(32,752)</b>
<b>Fund balances - ending</b>	<b>\$ 3,804,114</b>	<b>\$ 4,038,967</b>	<b>\$ 3,686,277</b>	<b>\$ 4,149,085</b>	<b>\$ 4,149,085</b>	<b>\$ 110,117</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**2016 PFD Refunding Bond Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Miscellaneous revenues	\$ 608,350	\$ 608,350	\$ 309,600	\$ 297,900	\$ 607,500	\$ (850)
<b>Total revenues</b>	<b>608,350</b>	<b>608,350</b>	<b>309,600</b>	<b>297,900</b>	<b>607,500</b>	<b>(850)</b>
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,320,000	1,320,000	630,000	690,000	1,320,000	-
Interest and related charges	608,350	608,350	309,600	297,900	607,500	(850)
<b>Total expenditures</b>	<b>1,928,350</b>	<b>1,928,350</b>	<b>939,600</b>	<b>987,900</b>	<b>1,927,500</b>	<b>(850)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,320,000)</b>	<b>(1,320,000)</b>	<b>(630,000)</b>	<b>(690,000)</b>	<b>(1,320,000)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,320,000)</b>	<b>(1,320,000)</b>	<b>(630,000)</b>	<b>(690,000)</b>	<b>(1,320,000)</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>-</b>	<b>9,295,000</b>	<b>8,665,000</b>	<b>9,295,000</b>	<b>9,295,000</b>
<b>Fund balances - ending</b>	<b>\$ (1,320,000)</b>	<b>\$ (1,320,000)</b>	<b>\$ 8,665,000</b>	<b>\$ 7,975,000</b>	<b>\$ 7,975,000</b>	<b>\$ 9,295,000</b>



**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Drake Note Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<b>Total revenues</b>	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Debt service:						
Principal	\$ 29,081	\$ 67,081	\$ 14,033	\$ 48,471	\$ 62,504	\$ (4,577)
Interest and related charges	6,847	6,847	3,931	2,504	6,434	(412)
<b>Total expenditures</b>	35,928	73,928	17,963	50,975	68,938	(4,990)
<b>Revenues over (under) expenditures</b>	(35,928)	(73,928)	(17,963)	(50,975)	(68,938)	4,990
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	35,928	73,928	17,963	50,975	68,938	(4,990)
<b>Total other financing sources and (uses)</b>	35,928	73,928	17,963	50,975	68,938	(4,990)
<b>Net change in fund balances</b>	-	-	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Governmental Debt Service Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
<b>Total revenues</b>	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Debt service:						
Principal	\$ 1,029,154	\$ 1,029,154	\$ 533,183	\$ 495,971	\$ 1,029,154	\$ -
Interest and related charges	260,720	260,720	139,159	121,560	260,718	(2)
<b>Total expenditures</b>	1,289,874	1,289,874	672,341	617,531	1,289,872	(2)
<b>Revenues over (under) expenditures</b>	(1,289,874)	(1,289,874)	(672,341)	(617,531)	(1,289,872)	2
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,289,874	1,289,874	672,341	617,531	1,289,872	(2)
<b>Total other financing sources and (uses)</b>	1,289,874	1,289,874	672,341	617,531	1,289,872	(2)
<b>Net change in fund balances</b>	-	-	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**LID Guaranty Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ -	\$ -	\$ 2,220	\$ 1,661	\$ 3,881	\$ 3,881
<b>Total revenues</b>	-	-	2,220	1,661	3,881	3,881
<b>EXPENDITURES</b>						
<b>Total expenditures</b>	-	-	-	-	-	-
<b>Revenues over (under) expenditures</b>	-	-	2,220	1,661	3,881	3,881
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	-	-	-	-	-	-
<b>Net change in fund balances</b>	-	-	2,220	1,661	3,881	3,881
Fund balances - beginning	67,849	75,704	74,940	77,160	74,940	(764)
Fund balances - ending	\$ 67,849	\$ 75,704	\$ 77,160	\$ 78,820	\$ 78,821	\$ 3,117



**CAPITAL PROJECTS FUND****371 – Waterfront Construction #1**

Accounts for Local Infrastructure Financing Tool (LIFT) revenue received from the state for up to twenty-five years. The funds are to be spent on public infrastructure projects within the Revenue Development Area - the Waterfront District. Established by Ordinance 2013-12-098.

**CITY OF BELLINGHAM**  
**Balance Sheet**  
**Capital Project Fund**  
**December 31, 2020**

	<u><b>Waterfront Construction</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,821,172
Investments	6,779,071
Receivables, net	5,326
<b>Total assets</b>	<u><u>8,605,569</u></u>
<b>LIABILITIES</b>	
<b>Total liabilities</b>	<u><u>-</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	884
<b>Total deferred inflows of resources</b>	<u><u>884</u></u>
<b>FUND BALANCES</b>	
Restricted	8,604,685
<b>Total fund balances</b>	<u><u>8,604,685</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 8,605,569</u></u>

**CITY OF BELLINGHAM**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Capital Project Fund**  
**For the Year Ended December 31, 2020**

	<b>Waterfront Construction</b>
<b>REVENUES</b>	
<i>Taxes:</i>	
Property	\$ 73,242
Sales and use	1,000,000
Investment income	170,960
<b>Total revenues</b>	<b>1,244,203</b>
<b>EXPENDITURES</b>	
<b>Total expenditures</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>1,244,203</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Total other financing sources and (uses)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,244,203</b>
<b>Fund balances - beginning</b>	<b>7,360,483</b>
<b>Fund balances - ending</b>	<b>\$ 8,604,685</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Waterfront Construction**  
**From Inception and For the Year Ended December 31, 2020**

	<b>Total Project Budgeted</b>	<b>Prior Years' Actuals</b>	<b>Current Year Actuals</b>	<b>Total Actuals to Date</b>
<b>REVENUES</b>				
<i>Taxes:</i>				
Property	\$ 213,566	\$ 309,600	\$ 73,242	\$ 382,842
Sales and use	7,055,300	7,000,000	1,000,000	8,000,000
Investment income	177,856	300,853	170,960	471,813
<b>Total revenues</b>	<b>7,446,722</b>	<b>7,610,453</b>	<b>1,244,203</b>	<b>8,854,655</b>
<b>EXPENDITURES</b>				
Capital outlay	627,980	499,970	-	499,970
<b>Total expenditures</b>	<b>627,980</b>	<b>499,970</b>	<b>-</b>	<b>499,970</b>
<b>Revenues over (under) expenditures</b>	<b>6,818,742</b>	<b>7,110,483</b>	<b>1,244,203</b>	<b>8,354,685</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	125,000	250,000	-	250,000
<b>Total other financing sources and (uses)</b>	<b>125,000</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>
<b>Net change in fund balances</b>	<b>6,943,742</b>	<b>7,360,483</b>	<b>1,244,203</b>	<b>8,604,685</b>
<b>Fund balances - beginning</b>			<b>7,360,483</b>	<b>-</b>
<b>Fund balances - ending</b>			<b>\$ 8,604,685</b>	<b>\$ 8,604,685</b>





**PERMANENT FUNDS****701 – Greenways Maintenance Endowment**

Revenue is derived from property tax levies, donations, and interest earnings for the purpose of maintaining properties acquired and developed with greenway funds. Originally established by Ordinance 1998-02-004, transfer authorized by Ordinance 2001-11-086 to replace non-expendable trust fund (601) in preparation of GASB 34 implementation and reporting in 2002, and modified by Ordinance 2007-04-034 for inclusion of the Greenways III Levy.

**702 – Natural Resource Protection and Restoration**

This permanent fund was created in 2004 to account for the \$4 million settlement passed on by the State as a part of the Olympic Pipeline Settlement. The principal cannot be spent for 50 years. Interest earnings will be spent on protection and restoration projects. Established by Ordinance 2004-01-001.

**CITY OF BELLINGHAM**  
**Combining Balance Sheet**  
**Permanent Funds**  
**December 31, 2020**

	<b>Greenways Maintenance Endowment</b>	<b>Natural Resources Protection &amp; Restoration</b>	<b>Permanent Fund Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 201,954	\$ 201,954
Investments	5,332,603	3,782,878	9,115,481
Due from component units	-	1,001,799	1,001,799
Interfund loans receivable	651,443	-	651,443
<b>Total assets</b>	<b>5,984,046</b>	<b>4,986,631</b>	<b>10,970,677</b>
<b>LIABILITIES</b>			
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable	5,984,046	4,000,000	9,984,046
Restricted	-	986,631	986,631
<b>Total fund balances</b>	<b>5,984,046</b>	<b>4,986,631</b>	<b>10,970,677</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,984,046</b>	<b>\$ 4,986,631</b>	<b>\$ 10,970,677</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Permanent Funds**  
**For the Year Ended December 31, 2020**

	<b>Greenways Maintenance Endowment</b>	<b>Natural Resources Protection &amp; Restoration</b>	<b>Permanent Fund Totals</b>
<b>REVENUES</b>			
Investment income	\$ 58,449	\$ 124,749	\$ 183,198
<b>Total revenues</b>	<u>58,449</u>	<u>124,749</u>	<u>183,198</u>
<b>EXPENDITURES</b>			
Current:			
Natural and economic environment	-	9,007	9,007
Cultural and recreation	13,794	-	13,794
<b>Total expenditures</b>	<u>13,794</u>	<u>9,007</u>	<u>22,801</u>
<b>Revenues over (under) expenditures</b>	44,655	115,742	160,396
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>Total other financing sources and (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	44,655	115,742	160,396
<b>Fund balances - beginning</b>	5,939,391	4,870,889	10,810,280
<b>Fund balances - ending</b>	<u>\$ 5,984,046</u>	<u>\$ 4,986,631</u>	<u>\$ 10,970,677</u>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Greenways Maintenance Endowment**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 77,568	\$ 77,568	\$ 56,151	\$ 58,449	\$ 114,600	\$ 37,032
<b>Total revenues</b>	<b>77,568</b>	<b>77,568</b>	<b>56,151</b>	<b>58,449</b>	<b>114,600</b>	<b>37,032</b>
<b>EXPENDITURES</b>						
Current:						
Cultural and recreation	27,589	27,589	13,794	13,794	27,589	-
<b>Total expenditures</b>	<b>27,589</b>	<b>27,589</b>	<b>13,794</b>	<b>13,794</b>	<b>27,589</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>49,979</b>	<b>49,979</b>	<b>42,356</b>	<b>44,655</b>	<b>87,011</b>	<b>37,032</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>49,979</b>	<b>49,979</b>	<b>42,356</b>	<b>44,655</b>	<b>87,011</b>	<b>37,032</b>
<b>Fund balances - beginning</b>	<b>4,086,848</b>	<b>4,172,306</b>	<b>5,897,035</b>	<b>5,939,391</b>	<b>5,897,035</b>	<b>1,724,729</b>
<b>Fund balances - ending</b>	<b>\$ 4,136,827</b>	<b>\$ 4,222,286</b>	<b>\$ 5,939,392</b>	<b>\$ 5,984,046</b>	<b>\$ 5,984,046</b>	<b>\$ 1,761,761</b>

**CITY OF BELLINGHAM**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual GAAP Basis**  
**Natural Resources Protection & Restoration**  
**For the Year Ended December 31, 2020**

	2019-2020 Biennial Budgeted Amounts		2019 Actual Amounts GAAP Basis	2020 Actual Amounts GAAP Basis	Total Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 156,032	\$ 156,032	\$ 143,320	\$ 124,749	\$ 268,068	\$ 112,036
<b>Total revenues</b>	<b>156,032</b>	<b>156,032</b>	<b>143,320</b>	<b>124,749</b>	<b>268,068</b>	<b>112,036</b>
<b>EXPENDITURES</b>						
Current:						
Natural and economic environment	932,727	18,014	9,007	9,007	18,014	-
<b>Total expenditures</b>	<b>932,727</b>	<b>18,014</b>	<b>9,007</b>	<b>9,007</b>	<b>18,014</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(776,695)</b>	<b>138,018</b>	<b>134,313</b>	<b>115,742</b>	<b>250,055</b>	<b>112,036</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(776,695)</b>	<b>138,018</b>	<b>134,313</b>	<b>115,742</b>	<b>250,055</b>	<b>112,036</b>
<b>Fund balances - beginning</b>	<b>3,422,335</b>	<b>3,641,031</b>	<b>4,736,577</b>	<b>4,870,889</b>	<b>4,736,577</b>	<b>1,095,546</b>
<b>Fund balances - ending</b>	<b>\$ 2,645,640</b>	<b>\$ 3,779,050</b>	<b>\$ 4,870,889</b>	<b>\$ 4,986,631</b>	<b>\$ 4,986,631</b>	<b>\$ 1,207,582</b>



**ENTERPRISE FUNDS****456 – Cemetery**

Operates and maintains Bayview Cemetery. Revenue is derived from the sale of lots, interment charges and sale of grave liners and memorials. Perpetual care for upkeep of graves and cemetery property is funded from sale of gravesites and City funding. Established by Ordinances 52 and 9898.

**460 – Golf Course**

Lake Padden Golf Course was constructed in 1970 as part of Lake Padden Park with funding from a bond issue and additional City funding. The parks and recreation department leases out the operation of the golf course. Established in the 1971 Budget by Ordinance 7967.

**465 – Parking Services**

Operates and maintains municipal parking system consisting of parking garages, surface lots, on-street parking and commercial space rental. Revenue primarily derived from fees and rentals. Established by Ordinances 7747 and 10367.

**470 – Medic One**

Provides countywide ambulance service through a contract with Whatcom County. Established by Ordinance 8328.

**475 – Development Services**

Primary source of revenue is fees for inspection services. Ensures compliance with state and local codes. Established by Ordinance 10035.



**CITY OF BELLINGHAM**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2020**

	Cemetery	Golf Course	Parking	Medic One	Development Services	Nonmajor Enterprise Fund Totals
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2	\$ 29,223	\$ 214,068	\$ 128,622	\$ 1,597,917	\$ 1,969,832
Investments	7	108,778	796,838	478,780	5,948,032	7,332,435
Receivables, net	822	283	225,608	160,839	21,292	408,845
Due from other governments	-	-	-	115,873	-	115,873
Inventory	-	33,299	-	-	-	33,299
<b>Total current assets</b>	<b>830</b>	<b>171,583</b>	<b>1,236,514</b>	<b>884,115</b>	<b>7,567,241</b>	<b>9,860,284</b>
Noncurrent assets:						
Restricted cash and cash equivalents	84,875	-	-	-	-	84,875
Restricted investments	315,937	-	-	-	-	315,937
Capital assets, nondepreciable:						
Land	359,274	-	1,109,904	52,457	-	1,521,635
Capital assets, net of depreciation:						
Buildings	20,577	245,972	1,946,664	173,810	-	2,387,023
Improvements	-	174,509	338,769	-	-	513,278
Machinery and equipment	-	22,183	-	279,383	-	301,566
Net pension asset	-	-	-	3,461,464	150,625	3,612,089
<b>Total noncurrent assets</b>	<b>780,663</b>	<b>442,664</b>	<b>3,395,337</b>	<b>3,967,114</b>	<b>150,625</b>	<b>8,736,403</b>
<b>Total assets</b>	<b>781,493</b>	<b>614,247</b>	<b>4,631,851</b>	<b>4,851,229</b>	<b>7,717,866</b>	<b>18,596,687</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	15,500	2,055	11,305	563,188	213,045	805,093
<b>Total deferred outflows of resources</b>	<b>15,500</b>	<b>2,055</b>	<b>11,305</b>	<b>563,188</b>	<b>213,045</b>	<b>805,093</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	2,134	46,668	23,796	326,866	7,831	407,295
Accrued wages and benefits	8,754	963	782	250,532	121,955	382,986
Due to other governments	-	-	-	-	3,117	3,117
Other current liabilities	71,712	41,386	13,408	-	570	127,076
Current portion of noncurrent liabilities:						
Compensated absences	18,946	1,123	308	616,353	200,031	836,761
<b>Total current liabilities</b>	<b>101,545</b>	<b>90,139</b>	<b>38,294</b>	<b>1,193,752</b>	<b>333,503</b>	<b>1,757,235</b>
Noncurrent liabilities:						
Compensated absences	2,209	-	-	13,906	13,588	29,703
Net pension liability	46,737	6,196	34,089	33,619	569,958	690,599
<b>Total noncurrent liabilities</b>	<b>48,946</b>	<b>6,196</b>	<b>34,089</b>	<b>47,525</b>	<b>583,546</b>	<b>720,302</b>
<b>Total liabilities</b>	<b>150,492</b>	<b>96,335</b>	<b>72,383</b>	<b>1,241,277</b>	<b>917,049</b>	<b>2,477,537</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	15,013	1,990	10,950	628,389	209,953	866,295
<b>Total deferred inflows of resources</b>	<b>15,013</b>	<b>1,990</b>	<b>10,950</b>	<b>628,389</b>	<b>209,953</b>	<b>866,295</b>
<b>NET POSITION</b>						
Net investment in capital assets	379,851	442,663	3,395,337	505,650	-	4,723,501
Restricted:						
Cemetery endowment / preneed	329,100	-	-	-	-	329,100
Pension asset - LEOFF	-	-	-	3,395,913	147,773	3,543,686
Rental property inspections	-	-	-	-	405,078	405,078
Unrestricted	(77,463)	75,313	1,164,486	(356,812)	6,251,059	7,056,583
<b>Total net position</b>	<b>\$ 631,488</b>	<b>\$ 517,976</b>	<b>\$ 4,559,823</b>	<b>\$ 3,544,751</b>	<b>\$ 6,803,909</b>	<b>\$ 16,057,948</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2020**

	<b>Cemetery</b>	<b>Golf Course</b>	<b>Parking</b>	<b>Medic One</b>	<b>Development Services</b>	<b>Nonmajor Enterprise Fund Totals</b>
<b>Operating revenues:</b>						
Sales of merchandise	\$ 84,931	\$ 280,467	\$ -	\$ -	\$ -	\$ 365,398
Less: Cost of goods sold	(31,707)	(138,447)	-	-	-	(170,154)
Charges for services	295,521	1,117,950	1,171,825	7,180,244	3,270,229	13,035,769
<b>Total operating revenues</b>	<b>348,745</b>	<b>1,259,969</b>	<b>1,171,825</b>	<b>7,180,244</b>	<b>3,270,229</b>	<b>13,231,012</b>
<b>Operating expenses:</b>						
Labor	244,225	33,434	175,331	5,766,494	3,066,848	9,286,332
Supplies	20,817	-	(39,920)	335,210	11,177	327,284
Services	161,219	1,033,437	2,103,996	1,109,053	589,233	4,996,938
Depreciation	2,940	47,844	123,925	146,680	-	321,389
Taxes	5,046	6,792	7,693	19	-	19,550
Insurance	5,426	2,004	9,443	14,122	13,312	44,307
Claims	-	-	-	50,026	-	50,026
<b>Total operating expenses</b>	<b>439,673</b>	<b>1,123,511</b>	<b>2,380,468</b>	<b>7,421,603</b>	<b>3,680,570</b>	<b>15,045,825</b>
<b>Operating income (loss)</b>	<b>(90,928)</b>	<b>136,459</b>	<b>(1,208,643)</b>	<b>(241,360)</b>	<b>(410,341)</b>	<b>(1,814,813)</b>
<b>Nonoperating revenues (expenses):</b>						
External grants and subsidies	-	-	-	164,577	7,162	171,739
Assessments and tax levies	-	-	-	841,394	-	841,394
Investment interest	5,846	(355)	15,857	6,237	108,296	135,881
Net incr (decr) in fair value of investments	2,262	1,177	717	4,783	43,007	51,946
Gain (loss) on sale of capital assets	-	-	-	18,366	-	18,366
Other nonoperating revenues	7	-	-	-	75	82
Other nonoperating expenses	-	-	-	(836,821)	-	(836,821)
<b>Total nonoperating revenues (expenses)</b>	<b>8,115</b>	<b>822</b>	<b>16,574</b>	<b>198,536</b>	<b>158,542</b>	<b>382,589</b>
<b>Income (loss) before contributions and transfers</b>	<b>(82,813)</b>	<b>137,280</b>	<b>(1,192,069)</b>	<b>(42,824)</b>	<b>(251,800)</b>	<b>(1,432,226)</b>
Transfers in	44,000	-	-	-	-	44,000
Transfers out	-	-	(25,000)	(417,432)	-	(442,432)
<b>Change in net position</b>	<b>(38,813)</b>	<b>137,280</b>	<b>(1,217,069)</b>	<b>(460,256)</b>	<b>(251,800)</b>	<b>(1,830,658)</b>
<b>Total net position - beginning</b>	<b>670,301</b>	<b>380,696</b>	<b>5,776,892</b>	<b>1,957,730</b>	<b>7,068,570</b>	<b>15,854,189</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,047,277</b>	<b>(12,861)</b>	<b>2,034,416</b>
<b>Total net position - ending</b>	<b>\$ 631,488</b>	<b>\$ 517,976</b>	<b>\$ 4,559,823</b>	<b>\$ 3,544,751</b>	<b>\$ 6,803,909</b>	<b>\$ 16,057,947</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2020**

	Cemetery	Golf Course	Parking	Medic One	Development Services	Nonmajor Enterprise Fund Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from outside customers	\$ 381,297	\$ 1,398,417	\$ 1,265,868	\$ 8,214,222	\$ 3,264,384	\$ 14,524,188
Payments to employees	(219,322)	(35,132)	(220,588)	(5,559,105)	(2,901,283)	(8,935,430)
Payments to suppliers and service providers	(107,477)	(1,216,185)	(1,422,287)	(954,532)	(161,108)	(3,861,589)
Payments to claimants	-	-	-	(50,026)	-	(50,026)
Payments for interfund services used	(119,015)	(11,374)	(1,410,903)	(806,638)	(440,199)	(2,788,129)
Other receipts	7	-	-	-	75	82
<b>Net cash from operating activities</b>	<b>(64,511)</b>	<b>135,725</b>	<b>(1,787,910)</b>	<b>843,921</b>	<b>(238,131)</b>	<b>(1,110,904)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in from other funds	44,000	-	-	-	-	44,000
Transfers out to other funds	-	-	(25,000)	-	-	(25,000)
Excise tax receipts	-	-	-	841,394	-	841,394
Taxes passed on to other governments	-	-	-	(836,821)	-	(836,821)
<b>Net cash from noncapital financing activities</b>	<b>44,000</b>	<b>-</b>	<b>(25,000)</b>	<b>4,573</b>	<b>-</b>	<b>23,573</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	-	-	(417,432)	-	(417,432)
Sale of capital assets	-	-	-	18,366	-	18,366
<b>Net cash from capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(399,066)</b>	<b>-</b>	<b>(399,066)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales and maturity of investments	184,609	71,794	1,862,500	8,727	3,359,417	5,487,047
Purchase of investments	(169,436)	(178,015)	(427,334)	(365,018)	(3,189,854)	(4,329,658)
Interest and dividends received	6,362	(632)	22,863	5,471	117,546	151,610
<b>Net cash from investment activities</b>	<b>21,535</b>	<b>(106,854)</b>	<b>1,458,029</b>	<b>(350,819)</b>	<b>287,109</b>	<b>1,308,999</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>1,024</b>	<b>28,871</b>	<b>(354,881)</b>	<b>98,609</b>	<b>48,977</b>	<b>(177,398)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>83,853</b>	<b>352</b>	<b>568,949</b>	<b>30,014</b>	<b>1,548,939</b>	<b>2,232,105</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 84,877</b>	<b>\$ 29,223</b>	<b>\$ 214,068</b>	<b>\$ 128,622</b>	<b>\$ 1,597,917</b>	<b>\$ 2,054,707</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>						
<b>Operating income (loss)</b>	<b>\$ (90,928)</b>	<b>\$ 136,459</b>	<b>\$ (1,208,643)</b>	<b>\$ (241,360)</b>	<b>\$ (410,341)</b>	<b>\$ (1,814,813)</b>
<i>Adjustments to reconcile operating income (loss) to net cash from operating activities:</i>						
Depreciation	2,940	47,844	123,925	146,680	-	321,389
Pension expense - proportionate share	18,443	484	(19,394)	(422,781)	114,649	(308,599)
Miscellaneous income	7	-	-	-	75	82
(Increase) decrease in accounts receivable	845	-	94,043	(4,467)	(5,846)	84,575
(Increase) decrease in due from other governments	-	-	-	1,038,446	-	1,038,446
(Increase) decrease in inventories	-	14,658	-	-	-	14,658
Increase (decrease) in accounts payable	737	16,508	(747,151)	19,110	(3,791)	(714,586)
Increase (decrease) in wages and benefits payable	6,460	(2,182)	(25,863)	630,170	50,916	659,501
Increase (decrease) in due to other funds	-	(95,612)	-	-	-	(95,612)
Increase (decrease) in due to other governments	-	-	-	-	3,117	3,117
Increase (decrease) in other current liabilities	(4,959)	17,566	(4,827)	-	620	8,401
Increase (decrease) in other long-term liabilities	1,944	-	-	(321,877)	12,470	(307,463)
Total Adjustments	26,416	(733)	(579,267)	1,085,281	172,210	703,908
<b>Net cash from operating activities</b>	<b>\$ (64,511)</b>	<b>\$ 135,725</b>	<b>\$ (1,787,910)</b>	<b>\$ 843,921</b>	<b>\$ (238,131)</b>	<b>\$ (1,110,904)</b>
<b>Schedule of noncash activities:</b>						
Net change in fair value of investments	2,262	1,177	717	4,783	43,007	51,947
Fleet Donations	-	-	-	(417,432)	-	(417,432)



**INTERNAL SERVICE FUNDS****510 – Fleet Administration**

Consolidates vehicles and equipment under one fund for acquisition, repair, maintenance and replacement. Revenue is derived from renting these assets to user funds and mechanical shop services to other funds and other government agencies. Established by Ordinance 7684.

**520 – Purchasing and Materials Management**

Consolidates the functions of purchasing, warehousing and issuing supplies to various departments of the City. Revenue is derived from inventory sales and overhead charges. Established by Ordinance 8929 and 8976.

**530 – Facilities Administration**

Consolidates custodial services and facility maintenance under one fund. Established by Ordinance 10269.

**540 – Technology and Telecommunications**

Purchases telecommunications and technology equipment and services, and recovers the costs from the user departments. Provides a source for centralized payment of telecommunication and technology expenses. Excess funding is used for future acquisitions. Established by Ordinance 9747, revised by Ordinance 2011-12-075.

**550 – Claims and Litigation**

Established in 1977 to pay expenses for claims, litigation, administrative costs and settlements and judgments on behalf of all City departments. Departments pay insurance premiums into this fund for future contingencies. Costs over \$500,000 are covered by excess liability insurance. Established by Ordinance 8616.

**561 – Unemployment Compensation**

Established to reimburse the State on a quarterly basis for unemployment claims paid to former employees. State law requires that municipalities participate in the State Unemployment Compensation Plan. Effective January 1, 1978, to finance this fund, a percentage of payroll is transferred each payroll period as required. Established in the 1978 Budget by Ordinance 8627.

**562 – Worker's Compensation Self-Insurance**

Covers the cost of claims resulting from injuries on the job or job-related illnesses, and related preventive, safety and disability programs. Established and amended by Ordinances 8616 and 1999-02-005.

**565 – Health Benefits**

Covers the costs of providing medical, dental, vision and employee wellness benefits to City employees. Revenue is derived from employer (paid by City departments on a per employee basis) and employee premium charges. Established by Ordinance 8942.

**570 – Public Works Administration and Engineering**

Established to track and distribute the costs of management and engineering services shared within the public works department and other City funds that contract for their services. Established by ordinance 2014-12-071.

**CITY OF BELLINGHAM**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2020**

	<b>Fleet Administration</b>	<b>Purchasing Materials Management</b>	<b>Facilities Administration</b>	<b>Technology &amp; Telecom</b>	<b>Claims &amp; Litigation</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,132,627	\$ 125,740	\$ 465,278	\$ 831,466	\$ 889,803
Investments	7,938,419	468,051	1,731,934	3,095,022	3,312,175
Receivables, net	179,449	1,217	115,452	8,648	8,612
Due from other governments	95,011	-	3,978	-	-
Inventory	-	1,060,514	-	-	-
Prepaid items	-	-	-	-	143
Restricted cash and cash equivalents	-	-	2,008	-	-
Restricted investments	-	-	7,475	-	-
<b>Total current assets</b>	<b>10,345,506</b>	<b>1,655,522</b>	<b>2,326,124</b>	<b>3,935,136</b>	<b>4,210,735</b>
Noncurrent assets:					
Capital assets, nondepreciable:					
Land	-	-	40,102	-	-
Construction in progress	-	-	154,884	-	-
Capital assets, net of depreciation:					
Buildings	-	-	932,876	-	-
Improvements	1,514,967	-	3,323,617	-	-
Machinery and equipment	15,013,467	-	20,408	202,074	-
Intangibles - software	-	-	-	746,026	-
<b>Total noncurrent assets</b>	<b>16,528,434</b>	<b>-</b>	<b>4,471,887</b>	<b>948,099</b>	<b>-</b>
<b>Total assets</b>	<b>26,873,940</b>	<b>1,655,522</b>	<b>6,798,012</b>	<b>4,883,236</b>	<b>4,210,735</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	113,546	71,773	146,310	52,078	22,158
<b>Total deferred outflows of resources</b>	<b>113,546</b>	<b>71,773</b>	<b>146,310</b>	<b>52,078</b>	<b>22,158</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	114,381	43,681	589,948	400,533	1,025
Accrued wages and benefits	64,944	42,148	102,534	24,123	12,452
Due to other governments	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Unearned revenue	30,000	-	-	-	-
Current portion of noncurrent liabilities:					
Compensated absences	71,840	42,088	98,383	36,115	31,794
Claims and judgments payable	-	-	-	-	150,000
<b>Total current liabilities</b>	<b>281,165</b>	<b>127,917</b>	<b>790,865</b>	<b>460,771</b>	<b>195,272</b>
Noncurrent liabilities:					
Bonds payable, net	-	-	6,100,000	-	-
Compensated absences	13,514	3,861	17,686	1,776	556
Claims and judgments payable	-	-	-	-	1,285,076
Other noncurrent liabilities	275,000	-	-	-	-
Net pension liability	342,373	216,416	441,167	157,031	66,812
<b>Total noncurrent liabilities</b>	<b>630,887</b>	<b>220,277</b>	<b>6,558,853</b>	<b>158,807</b>	<b>1,352,444</b>
<b>Total liabilities</b>	<b>912,052</b>	<b>348,193</b>	<b>7,349,718</b>	<b>619,578</b>	<b>1,547,716</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	109,976	69,516	141,709	50,440	21,461
<b>Total deferred inflows of resources</b>	<b>109,976</b>	<b>69,516</b>	<b>141,709</b>	<b>50,440</b>	<b>21,461</b>
<b>NET POSITION</b>					
Net investment in capital assets	16,528,434	-	4,471,886	948,099	-
Unrestricted	9,437,024	1,309,586	(5,018,992)	3,317,197	2,663,715
<b>Total net position</b>	<b>\$ 25,965,458</b>	<b>\$ 1,309,586</b>	<b>\$ (547,106)</b>	<b>\$ 4,265,296</b>	<b>\$ 2,663,715</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2020**

	Unemployment Compensation	Workers Compensation Self-Insurance	Health Benefits	PW Administration & Engineering	Internal Service Fund Totals
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 147,614	\$ 320,806	\$ 882,863	\$ 616,917	\$ 6,413,115
Investments	549,472	1,194,159	3,286,341	2,296,393	23,871,967
Receivables, net	1,429	3,105	8,545	5,971	332,428
Due from other governments	-	-	-	-	98,989
Inventory	-	-	-	-	1,060,514
Prepaid items	-	56,015	-	1,979	58,138
Restricted cash and cash equivalents	-	-	-	-	2,008
Restricted investments	-	-	-	-	7,475
<b>Total current assets</b>	<b>698,515</b>	<b>1,574,086</b>	<b>4,177,750</b>	<b>2,921,261</b>	<b>31,844,634</b>
Noncurrent assets:					
Capital assets, nondepreciable:					
Land	-	-	-	-	40,102
Construction in progress	-	-	-	-	154,884
Capital assets, net of depreciation:					
Buildings	-	-	-	-	932,876
Improvements	-	-	-	-	4,838,584
Machinery and equipment	-	-	-	24,682	15,260,631
Intangibles - software	-	-	-	-	746,026
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,682</b>	<b>21,973,103</b>
<b>Total assets</b>	<b>698,515</b>	<b>1,574,086</b>	<b>4,177,750</b>	<b>2,945,942</b>	<b>53,817,737</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	676	5,670	23,500	419,349	855,060
<b>Total deferred outflows of resources</b>	<b>676</b>	<b>5,670</b>	<b>23,500</b>	<b>419,349</b>	<b>855,060</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	344	9,118	30,509	1,189,538
Accrued wages and benefits	561	3,401	115,417	216,773	582,354
Due to other governments	24,056	59,858	79,462	-	163,377
Other current liabilities	-	-	23,727	908,947	932,674
Unearned revenue	-	-	-	-	30,000
Current portion of noncurrent liabilities:					
Compensated absences	1,161	4,545	20,019	358,893	664,840
Claims and judgments payable	80,422	316,633	-	-	547,055
<b>Total current liabilities</b>	<b>106,200</b>	<b>384,781</b>	<b>247,744</b>	<b>1,515,122</b>	<b>4,109,838</b>
Noncurrent liabilities:					
Bonds payable, net	-	-	-	-	6,100,000
Compensated absences	-	-	718	110,189	148,300
Claims and judgments payable	-	-	-	-	1,285,076
Other noncurrent liabilities	-	-	-	-	275,000
Net pension liability	2,040	17,097	70,860	1,264,457	2,578,253
<b>Total noncurrent liabilities</b>	<b>2,040</b>	<b>17,097</b>	<b>71,578</b>	<b>1,374,646</b>	<b>10,386,629</b>
<b>Total liabilities</b>	<b>108,240</b>	<b>401,878</b>	<b>319,323</b>	<b>2,889,768</b>	<b>14,496,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	655	5,492	22,761	406,162	828,172
<b>Total deferred inflows of resources</b>	<b>655</b>	<b>5,492</b>	<b>22,761</b>	<b>406,162</b>	<b>828,172</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	24,682	21,973,101
Unrestricted	590,296	1,172,385	3,859,166	44,680	17,375,057
<b>Total net position</b>	<b>\$ 590,296</b>	<b>\$ 1,172,385</b>	<b>\$ 3,859,166</b>	<b>\$ 69,362</b>	<b>\$ 39,348,158</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	<b>Fleet Administration</b>	<b>Purchasing Materials Management</b>	<b>Facilities Administration</b>	<b>Technology &amp; Telecom</b>	<b>Claims &amp; Litigation</b>
<b>Operating revenues:</b>					
Sales of merchandise	\$ -	\$ 2,398,491	\$ -	\$ -	\$ -
Less: Cost of goods sold	-	(1,308,625)	-	-	-
Charges for services	6,841,038	130,974	4,642,189	1,992,069	958,518
<b>Total operating revenues</b>	<b>6,841,038</b>	<b>1,220,840</b>	<b>4,642,189</b>	<b>1,992,069</b>	<b>958,518</b>
<b>Operating expenses:</b>					
Labor	1,675,604	1,076,694	2,264,584	710,492	325,727
Supplies	821,853	19,254	359,618	1,126,575	755
Services	1,771,021	411,010	3,791,017	1,269,352	275,470
Depreciation	1,923,657	-	156,492	122,802	-
Taxes	1,811	-	828	-	-
Insurance	15,610	5,367	11,457	-	662,107
Claims	-	140	-	-	1,498,988
<b>Total operating expenses</b>	<b>6,209,556</b>	<b>1,512,464</b>	<b>6,583,995</b>	<b>3,229,221</b>	<b>2,763,048</b>
<b>Operating income (loss)</b>	<b>631,482</b>	<b>(291,624)</b>	<b>(1,941,805)</b>	<b>(1,237,152)</b>	<b>(1,804,530)</b>
<b>Nonoperating revenues (expenses):</b>					
External grants and subsidies	-	-	219,042	375,001	-
Assessments and tax levies	768,162	-	-	-	-
Investment interest	123,717	12,977	30,264	49,170	65,512
Net incr (decr) in fair value of investments	63,628	1,279	13,888	22,445	21,442
Interest expense and related charges	-	-	(331,530)	-	-
Gain (loss) on sale of capital assets	(79,109)	-	-	-	-
Other nonoperating revenues	26,878	-	-	12	-
<b>Total nonoperating revenues (expenses)</b>	<b>903,276</b>	<b>14,256</b>	<b>(68,336)</b>	<b>446,628</b>	<b>86,954</b>
<b>Income (loss) before contributions and transfers</b>	<b>1,534,758</b>	<b>(277,368)</b>	<b>(2,010,142)</b>	<b>(790,524)</b>	<b>(1,717,576)</b>
Transfers in	478,612	-	2,250,000	415,000	-
Transfers out	(100,000)	-	-	-	-
<b>Change in net position</b>	<b>1,913,370</b>	<b>(277,368)</b>	<b>239,858</b>	<b>(375,524)</b>	<b>(1,717,576)</b>
<b>Total net position - beginning</b>	<b>24,052,089</b>	<b>1,586,953</b>	<b>(786,964)</b>	<b>4,640,820</b>	<b>4,381,291</b>
<b>Total net position - ending</b>	<b>\$ 25,965,459</b>	<b>\$ 1,309,586</b>	<b>\$ (547,106)</b>	<b>\$ 4,265,296</b>	<b>\$ 2,663,715</b>



**CITY OF BELLINGHAM**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Unemployment Compensation	Workers Compensation Self-Insurance	Health Benefits	PW Administration & Engineering	Internal Service Fund Totals
<b>Operating revenues:</b>					
Sales of merchandise	\$ -	\$ -	\$ -	\$ -	\$ 2,398,491
Less: Cost of goods sold	-	-	-	-	(1,308,625)
Charges for services	142,871	577,208	3,278,119	7,718,396	26,281,383
<b>Total operating revenues</b>	<b>142,871</b>	<b>577,208</b>	<b>3,278,119</b>	<b>7,718,396</b>	<b>27,371,249</b>
<b>Operating expenses:</b>					
Labor	10,657	84,616	360,119	5,467,074	11,975,567
Supplies	-	171	30,166	104,593	2,462,985
Services	9,932	110,876	311,279	1,649,119	9,599,075
Depreciation	-	-	-	-	2,202,951
Taxes	-	-	-	-	2,639
Insurance	-	84,286	700	37,825	817,352
Claims	88,164	342,596	712,512	-	2,642,400
<b>Total operating expenses</b>	<b>108,752</b>	<b>622,545</b>	<b>1,414,776</b>	<b>7,258,610</b>	<b>29,702,968</b>
<b>Operating income (loss)</b>	<b>34,119</b>	<b>(45,337)</b>	<b>1,863,344</b>	<b>459,786</b>	<b>(2,331,719)</b>
<b>Nonoperating revenues (expenses):</b>					
External grants and subsidies	-	-	-	-	594,043
Assessments and tax levies	-	-	-	-	768,162
Investment interest	9,647	21,397	44,955	18,516	376,155
Net incr (decr) in fair value of investments	4,145	8,884	29,383	18,791	183,885
Interest expense and related charges	-	-	-	-	(331,530)
Gain (loss) on sale of capital assets	-	-	-	-	(79,109)
Other nonoperating revenues	-	-	2,129	798	29,817
<b>Total nonoperating revenues (expenses)</b>	<b>13,792</b>	<b>30,281</b>	<b>76,467</b>	<b>38,105</b>	<b>1,541,423</b>
<b>Income (loss) before contributions and transfers</b>	<b>47,911</b>	<b>(15,056)</b>	<b>1,939,810</b>	<b>497,891</b>	<b>(790,296)</b>
Transfers in	-	-	-	-	3,143,612
Transfers out	-	-	-	(415,000)	(515,000)
<b>Change in net position</b>	<b>47,911</b>	<b>(15,056)</b>	<b>1,939,810</b>	<b>82,891</b>	<b>1,838,316</b>
<b>Total net position - beginning</b>	<b>542,385</b>	<b>1,187,441</b>	<b>1,919,356</b>	<b>(13,529)</b>	<b>37,509,842</b>
<b>Total net position - ending</b>	<b>\$ 590,296</b>	<b>\$ 1,172,385</b>	<b>\$ 3,859,166</b>	<b>\$ 69,362</b>	<b>\$ 39,348,158</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	<b>Fleet Administration</b>	<b>Purchasing Materials Management</b>	<b>Facilities Administration</b>	<b>Technology &amp; Telecom</b>	<b>Claims &amp; Litigation</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from outside customers	\$ -	\$ -	\$ 60,820	\$ 1,076	\$ -
Receipts from interfund services provided	6,801,666	1,220,840.49	4,472,659	1,991,526	958,518
Payments to employees	(1,587,662)	(1,019,032)	(2,186,191)	(682,872)	(278,456)
Payments to suppliers and service providers	(1,974,504)	(629,295)	(3,424,045)	(2,016,060)	(816,483)
Payments to claimants	-	(140)	-	(2,922)	(743,423)
Payments for interfund services used	(850,789)	(338,442)	(513,068)	(67,821)	(142,259)
Other receipts	26,878	-	-	12	-
<b>Net cash from operating activities</b>	<b>2,415,590</b>	<b>(766,069)</b>	<b>(1,589,824)</b>	<b>(777,061)</b>	<b>(1,022,104)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	-	-	2,250,000	415,000	-
Transfers out to other funds	(100,000)	-	-	-	-
Operating grants and loans	-	-	219,042	375,001	-
Interest payments on operating debt	-	-	(331,530)	-	-
Excise tax receipts	768,162	-	-	-	-
<b>Net cash from noncapital financing activities</b>	<b>668,162</b>	<b>-</b>	<b>2,137,512</b>	<b>790,001</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Purchases of capital assets	(1,310,547)	-	(153,308)	(106,306)	-
Sale of capital assets	127,680	-	-	-	-
<b>Net cash from capital financing activities</b>	<b>(1,182,866)</b>	<b>-</b>	<b>(153,308)</b>	<b>(106,306)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturity of investments	2,739,198	853,945	615,251	1,729,510	2,572,530
Purchase of investments	(4,257,273)	(251,010)	(932,823)	(1,659,821)	(1,776,278)
Interest and dividends received	128,939	16,113	31,469	53,907	73,528
<b>Net cash from investment activities</b>	<b>(1,389,137)</b>	<b>619,048</b>	<b>(286,102)</b>	<b>123,596</b>	<b>869,780</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>511,749</b>	<b>(147,021)</b>	<b>108,277</b>	<b>30,230</b>	<b>(152,323)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,620,878</b>	<b>272,761</b>	<b>359,009</b>	<b>801,236</b>	<b>1,042,127</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,132,627</b>	<b>\$ 125,740</b>	<b>\$ 467,286</b>	<b>\$ 831,466</b>	<b>\$ 889,803</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	<b>Fleet Administration</b>	<b>Purchasing Materials Management</b>	<b>Facilities Administration</b>	<b>Technology &amp; Telecom</b>	<b>Claims &amp; Litigation</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>					
<b>Operating income (loss)</b>	\$ 631,482	\$ (291,624)	\$ (1,941,805)	\$ (1,237,152)	\$ (1,804,530)
<i>Adjustments to reconcile operating income (loss) to net cash from operating activities:</i>					
Depreciation	1,923,657	-	156,492	122,802	-
Pension expense - proportionate share	83,096	49,381	69,566	42,589	28,499
Miscellaneous income	26,878	-	-	12	-
(Increase) decrease in accounts receivable	16,444	-	(108,723)	(525)	-
(Increase) decrease in due from other governments	(55,815)	-	13	1,058	-
(Increase) decrease in inventories	-	(517,148)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-	(143)
Increase (decrease) in accounts payable	(185,662)	(18,635)	225,333	312,047	(20,266)
Increase (decrease) in wages and benefits payable	4,846	8,281	8,827	(14,969)	18,772
Increase (decrease) in due to other governments	-	-	-	-	-
Increase (decrease) in other current liabilities	-	-	(3,618)	-	(205,067)
Increase (decrease) in other long-term liabilities	(29,336)	3,677	4,091	(2,922)	960,632
Total Adjustments	1,784,108	(474,445)	351,981	460,092	782,426
<b>Net cash from operating activities</b>	<b>\$ 2,415,590</b>	<b>\$ (766,069)</b>	<b>\$ (1,589,824)</b>	<b>\$ (777,061)</b>	<b>\$ (1,022,104)</b>
<b>Schedule of noncash activities:</b>					
Net change in fair value of investments	63,628	1,279	13,888	22,445	21,442
Fleet Donations	478,612	-	-	-	-

**CITY OF BELLINGHAM**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Unemployment Compensation	Workers Compensation Self-Insurance	Health Benefits	PW Administration & Engineering	Internal Service Fund Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from outside customers	\$ -	\$ -	\$ -	\$ 108,754	\$ 170,651
Receipts from interfund services provided	142,871	577,208	18,018,663	7,609,642	41,793,593
Payments to employees	(9,571)	(77,370)	(317,294)	(5,066,075)	(11,224,524)
Payments to suppliers and service providers	(0)	(95,303)	(14,890,027)	(53,306)	(23,899,023)
Payments to claimants	(84,154)	(342,596)	(712,512)	-	(1,885,748)
Payments for interfund services used	(9,932)	(21,198)	(234,526)	(1,457,026)	(3,635,060)
Other receipts	-	-	2,129	798	29,817
<b>Net cash from operating activities</b>	<b>39,213</b>	<b>40,742</b>	<b>1,866,432</b>	<b>1,142,787</b>	<b>1,349,706</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	-	-	-	-	2,665,000
Transfers out to other funds	-	-	-	(415,000)	(515,000)
Operating grants and loans	-	-	-	-	594,043
Interest payments on operating debt	-	-	-	-	(331,530)
Excise tax receipts	-	-	-	-	768,162
<b>Net cash from noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(415,000)</b>	<b>3,180,675</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Purchases of capital assets	-	-	-	(24,682)	(1,594,843)
Sale of capital assets	-	-	-	-	127,680
<b>Net cash from capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,682)</b>	<b>(1,467,163)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturity of investments	262,042	604,450	282,177	684,484	10,343,586
Purchase of investments	(294,675)	(640,412)	(1,762,423)	(1,231,526)	(12,806,242)
Interest and dividends received	10,304	22,968	43,639	19,586	400,453
<b>Net cash from investment activities</b>	<b>(22,329)</b>	<b>(12,995)</b>	<b>(1,436,607)</b>	<b>(527,457)</b>	<b>(2,062,203)</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>16,884</b>	<b>27,747</b>	<b>429,825</b>	<b>175,648</b>	<b>1,001,015</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>130,730</b>	<b>293,059</b>	<b>453,038</b>	<b>441,269</b>	<b>5,414,108</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 147,614</b>	<b>\$ 320,806</b>	<b>\$ 882,863</b>	<b>\$ 616,917</b>	<b>\$ 6,415,123</b>

**CITY OF BELLINGHAM**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Unemployment Compensation	Workers Compensation Self-Insurance	Health Benefits	PW Administration & Engineering	Internal Service Fund Totals
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>					
<b>Operating income (loss)</b>	\$ 34,119	\$ (45,337)	\$ 1,863,344	\$ 459,786	\$ (2,331,718)
<i>Adjustments to reconcile operating income (loss) to net cash from operating activities:</i>					
Depreciation	-	-	-	-	2,202,951
Pension expense - proportionate share	531	4,717	22,487	304,923	605,789
Miscellaneous income	-	-	2,129	798	29,817
(Increase) decrease in accounts receivable	-	-	-	-	(92,805)
(Increase) decrease in due from other governments	-	-	-	-	(54,744)
(Increase) decrease in inventories	-	-	-	-	(517,148)
(Increase) decrease in prepaid items	-	84,286	723,869	(1,979)	806,032
Increase (decrease) in accounts payable	(3,967)	(55,609)	(788,711)	9,203	(526,268)
Increase (decrease) in wages and benefits payable	554	2,529	20,338	96,075	145,253
Increase (decrease) in due to other governments	8,231	60,784	11,223	-	80,238
Increase (decrease) in other current liabilities	(255)	(10,629)	11,036	195,983	(12,550)
Increase (decrease) in other long-term liabilities	-	-	718	77,999	1,014,859
Total Adjustments	5,094	86,079	3,088	683,001	3,681,424
<b>Net cash from operating activities</b>	<b>\$ 39,213</b>	<b>\$ 40,742</b>	<b>\$ 1,866,432</b>	<b>\$ 1,142,787</b>	<b>\$ 1,349,706</b>
<b>Schedule of noncash activities:</b>					
Net change in fair value of investments	4,145	8,884	29,383	18,791	183,885
Fleet Donations	-	-	-	-	478,612



**STATISTICAL SECTION**

This part of the City of Bellingham’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 government’s overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> —————	178
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> —————	184
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> —————	189
<i>These schedules 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>Demographic and Economic Information</b> —————	194
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
<b>Operating Information</b> —————	197
<i>These schedules 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>	

**City of Bellingham**  
**Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Governmental activities</i>										
Net investment in capital assets	\$ 324,665,481	\$ 324,871,812	\$ 333,862,114	\$ 342,989,693	\$ 362,378,047	\$ 362,904,143	\$ 366,839,801	\$ 378,166,235	\$ 406,476,617	\$ 408,895,734
Restricted	59,689,364	63,216,204	62,125,404	70,368,152	88,313,935	107,165,902	114,199,262	128,102,242	149,621,721	167,300,496
Unrestricted	<u>3,956,622</u>	<u>10,683,052</u>	<u>23,564,996</u>	<u>27,350,712</u>	<u>(21,127,164)</u>	<u>(20,525,708)</u>	<u>(2,824,122)</u>	<u>(10,435,280)</u>	<u>(10,305,530)</u>	<u>(21,394,492)</u>
<b>Total governmental activities net position</b>	<u>\$ 388,311,467</u>	<u>\$ 398,771,068</u>	<u>\$ 419,552,514</u>	<u>\$ 440,708,557</u>	<u>\$ 429,564,818</u>	<u>\$ 449,544,337</u>	<u>\$ 478,214,941</u>	<u>\$ 495,833,197</u>	<u>\$ 545,792,808</u>	<u>\$ 554,801,738</u>
<i>Business-type activities</i>										
Net investment in capital assets	\$ 202,646,637	\$ 207,441,809	\$ 210,438,253	\$ 215,294,427	\$ 229,373,343	\$ 235,121,659	\$ 238,300,273	\$ 247,652,580	\$ 247,261,373	\$ 266,692,917
Restricted	56,042,820	10,839,307	14,645,165	4,978,708	13,004,866	13,914,042	13,586,485	12,589,428	16,078,932	20,745,883
Unrestricted	<u>(26,780,033)</u>	<u>19,030,468</u>	<u>20,202,114</u>	<u>36,528,460</u>	<u>24,174,486</u>	<u>35,863,739</u>	<u>49,068,048</u>	<u>57,097,488</u>	<u>64,087,613</u>	<u>71,925,889</u>
<b>Total business-type activities net position</b>	<u>\$ 231,909,424</u>	<u>\$ 237,311,584</u>	<u>\$ 245,285,532</u>	<u>\$ 256,801,595</u>	<u>\$ 266,552,695</u>	<u>\$ 284,899,440</u>	<u>\$ 300,954,806</u>	<u>\$ 317,339,496</u>	<u>\$ 327,427,918</u>	<u>\$ 359,364,689</u>
<i>Primary government</i>										
Net investment in capital assets	\$ 527,312,118	\$ 532,313,621	\$ 544,300,367	\$ 558,284,120	\$ 591,751,390	\$ 598,025,802	\$ 605,140,074	\$ 625,818,815	\$ 653,737,990	\$ 675,588,651
Restricted	115,732,184	74,055,511	76,770,569	75,346,860	101,318,801	121,079,944	127,785,747	140,691,670	165,700,653	188,046,379
Unrestricted	<u>(22,823,411)</u>	<u>29,713,520</u>	<u>43,767,110</u>	<u>63,879,172</u>	<u>3,047,322</u>	<u>15,338,031</u>	<u>46,243,926</u>	<u>46,662,208</u>	<u>53,782,083</u>	<u>50,531,397</u>
<b>Total primary government net position</b>	<u>\$ 620,220,891</u>	<u>\$ 636,082,652</u>	<u>\$ 664,838,046</u>	<u>\$ 697,510,152</u>	<u>\$ 696,117,513</u>	<u>\$ 734,443,777</u>	<u>\$ 779,169,747</u>	<u>\$ 813,172,693</u>	<u>\$ 873,220,726</u>	<u>\$ 914,166,427</u>

Source: City of Bellingham, government-wide statement of activities (SOA).



**City of Bellingham**  
**Schedule 2**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Page 1 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities										
General government	\$ 14,476,790	\$ 15,336,663	\$ 12,938,178	\$ 13,330,765	\$ 21,382,635	\$ 11,391,809	\$ 12,120,974	\$ 12,069,270	\$ 10,089,864	\$ 14,716,395
Public safety	40,327,955	39,889,144	40,543,763	41,780,157	40,230,260	46,056,110	47,454,897	44,921,075	52,959,963	58,100,035
Physical environment	5,383,923	6,345,653	5,262,932	-	-	-	-	-	-	-
Transportation	12,136,460	11,838,466	14,739,413	15,313,990	20,888,508	17,292,839	16,702,711	16,418,105	19,314,775	22,068,733
Natural and economic environment	4,340,166	4,207,740	6,935,800	12,398,818	18,702,452	7,747,615	9,362,815	7,189,654	8,890,146	8,515,837
Social services	47,024	77,562	238,327	-	158,903	154,308	186,873	187,762	299,812	1,217,330
Culture and recreation	15,799,406	14,773,090	13,142,560	13,553,671	13,768,352	18,863,236	14,537,391	16,918,935	18,774,899	17,364,969
Interest & redemption of long-term debt	865,859	619,606	2,277,874	1,929,924	562,560	970,283	861,915	799,658	745,903	690,689
Total governmental activities expenses	<u>93,377,583</u>	<u>93,087,924</u>	<u>96,078,847</u>	<u>98,307,325</u>	<u>115,693,670</u>	<u>102,476,200</u>	<u>101,227,575</u>	<u>98,504,458</u>	<u>111,075,362</u>	<u>122,673,988</u>
Business-type activities										
Water	16,338,457	17,830,958	18,831,300	19,497,081	18,327,036	21,320,769	19,414,055	21,630,618	22,915,547	26,859,338
Wastewater	15,474,647	17,715,664	18,726,642	18,840,811	17,696,811	19,130,362	22,459,980	21,774,931	21,022,170	22,966,888
Surface and stormwater	5,192,494	5,550,615	5,887,978	6,470,574	6,528,425	7,597,240	8,234,425	8,428,683	9,782,259	11,837,154
Solid waste	1,251,060	1,070,494	3,820,556	1,059,053	4,639,246	557,331	1,391,372	1,646,867	5,303,940	1,013,948
Cemetery	526,959	534,234	557,285	553,247	477,242	624,515	475,706	288,186	339,613	439,673
Golf course	121,507	124,476	265,759	382,598	127,290	149,609	240,901	1,200,065	1,110,470	1,123,511
Parking	1,470,114	1,323,104	1,285,864	2,129,923	1,936,191	2,373,829	2,523,746	2,359,361	3,395,219	2,380,468
Medic one	7,312,579	7,306,912	9,019,331	7,033,307	5,844,420	7,006,788	6,903,949	7,279,999	8,368,737	8,258,424
Development services	1,608,250	1,685,449	1,870,090	1,987,896	2,378,351	2,330,614	2,840,794	3,323,520	3,033,173	3,680,570
Total business-type activities expenses	<u>49,296,067</u>	<u>53,141,906</u>	<u>60,264,805</u>	<u>57,954,490</u>	<u>57,955,012</u>	<u>61,091,057</u>	<u>64,484,928</u>	<u>67,932,230</u>	<u>75,271,128</u>	<u>78,559,974</u>
Total primary government expenses	<u>\$ 142,673,650</u>	<u>\$ 146,229,830</u>	<u>\$ 156,343,652</u>	<u>\$ 156,261,815</u>	<u>\$ 173,648,682</u>	<u>\$ 163,567,257</u>	<u>\$ 165,712,503</u>	<u>\$ 166,436,688</u>	<u>\$ 186,346,490</u>	<u>\$ 201,233,962</u>

Source: City of Bellingham, government-wide statement of activities (SOA).

**City of Bellingham**  
**Schedule 2**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Page 2 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues</b>										
<i>Governmental activities</i>										
Charges for services:										
General government	\$ 7,341,172	\$ 8,609,125	\$ 9,995,525	\$ 10,926,041	\$ 7,662,685	\$ 3,220,350	\$ 2,770,294	\$ 2,355,313	\$ 2,143,986	\$ 1,902,539
Public safety	3,919,904	4,847,396	5,021,635	6,555,208	5,871,325	4,525,825	4,778,237	7,117,741	7,393,728	8,981,500
Physical environment	3,059,867	2,986,750	2,851,207	2,932,433	1,580,528	-	-	-	-	-
Transportation	1,797,675	1,832,860	2,744,691	1,554,120	137,924	1,443,136	2,112,891	1,609,622	1,696,657	1,300,091
Natural and economic environment	30,159	21,557	13,771	148,321	-	145,319	130,670	16,151	36,295	462,099
Culture and recreation	3,235,228	3,348,290	4,136,307	4,049,345	3,730,015	3,331,067	3,066,500	3,392,983	3,521,355	1,947,181
Operating grants and contributions	5,458,395	6,169,221	6,118,748	5,420,055	6,183,359	7,885,832	9,250,586	7,729,986	11,532,667	15,913,858
Capital grants and contributions	<u>3,352,046</u>	<u>3,287,138</u>	<u>9,392,828</u>	<u>7,695,787</u>	<u>10,457,416</u>	<u>10,589,089</u>	<u>7,522,671</u>	<u>18,729,180</u>	<u>6,192,930</u>	<u>6,684,206</u>
<b>Total governmental activities program revenues</b>	<u>28,194,446</u>	<u>31,102,337</u>	<u>40,274,712</u>	<u>39,281,310</u>	<u>35,623,252</u>	<u>31,140,618</u>	<u>29,631,849</u>	<u>40,950,976</u>	<u>32,517,618</u>	<u>37,191,474</u>
<i>Business-type activities</i>										
Charges for services:										
Water	17,374,266	20,657,488	22,823,773	23,305,823	24,091,668	25,440,410	26,968,245	27,921,131	28,840,430	28,647,894
Wastewater	17,442,198	18,866,004	19,389,261	20,766,951	21,299,246	22,674,616	24,181,185	25,518,227	25,649,680	25,017,911
Surface and stormwater	5,398,976	5,526,016	6,500,655	7,202,502	8,502,059	8,437,892	8,734,819	8,635,868	9,870,144	9,466,678
Solid waste	220,301	236,780	209,253	236,188	193,954	-	18,538	-	-	-
Cemetery	301,334	274,244	275,548	281,712	318,244	385,306	337,474	280,675	286,276	348,745
Golf course	189,450	201,016	224,818	213,790	156,019	170,961	142,698	1,032,541	999,203	1,259,969
Parking	2,229,067	2,173,587	2,085,321	2,189,751	2,552,235	2,480,115	2,233,043	2,207,928	2,173,553	1,171,825
Medic one	6,106,185	2,301,064	6,714,586	5,911,804	4,795,313	4,989,151	6,170,702	6,356,248	6,721,225	7,180,244
Development services	1,912,283	2,123,596	2,607,991	2,896,780	3,220,430	3,361,294	3,644,024	3,918,500	4,156,191	3,270,229
Operating grants and contributions	769,988	3,722,655	1,692,473	420,099	548,128	71,400	45,824	2,050,604	944,316	4,831,104
Capital grants and contributions	<u>1,563,673</u>	<u>1,118,079</u>	<u>1,438,295</u>	<u>2,412,989</u>	<u>7,978,361</u>	<u>6,549,965</u>	<u>3,318,479</u>	<u>4,507,921</u>	<u>2,301,005</u>	<u>12,051,137</u>
<b>Total business-type activities revenues</b>	<u>53,507,721</u>	<u>57,200,529</u>	<u>61,028,977</u>	<u>65,838,389</u>	<u>73,655,657</u>	<u>74,561,110</u>	<u>75,795,031</u>	<u>82,429,643</u>	<u>81,942,023</u>	<u>93,245,736</u>
<b>Total primary government program revenues</b>	<u>\$ 81,702,167</u>	<u>\$ 88,302,866</u>	<u>\$ 101,303,689</u>	<u>\$ 105,119,699</u>	<u>\$ 109,278,909</u>	<u>\$ 105,701,728</u>	<u>\$ 105,426,880</u>	<u>\$ 123,380,619</u>	<u>\$ 114,459,641</u>	<u>\$ 130,437,210</u>
<b>Net revenue (expense)</b>										
Governmental activities	\$ (64,893,478)	\$ (61,985,587)	\$ (55,804,135)	\$ (77,993,135)	\$ (80,070,418)	\$ (71,335,582)	\$ (71,595,726)	\$ (57,553,482)	\$ (78,557,744)	\$ (85,482,514)
Business-type activities	<u>365,815</u>	<u>4,058,623</u>	<u>764,172</u>	<u>8,957,530</u>	<u>12,564,600</u>	<u>13,470,053</u>	<u>11,310,103</u>	<u>14,497,413</u>	<u>6,670,895</u>	<u>14,685,762</u>
<b>Total primary government net expense</b>	<u>\$ (64,527,663)</u>	<u>\$ (57,926,964)</u>	<u>\$ (55,039,963)</u>	<u>\$ (69,035,605)</u>	<u>\$ (64,369,773)</u>	<u>\$ (57,865,529)</u>	<u>\$ (60,285,623)</u>	<u>\$ (43,056,069)</u>	<u>\$ (71,886,849)</u>	<u>\$ (70,796,752)</u>

Source: City of Bellingham, government-wide statement of activities (SOA).

**City of Bellingham**  
**Schedule 2**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Page 3 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Assets</b>										
Taxes:										
Property	\$ 17,351,542	\$ 17,628,836	\$ 20,986,967	\$ 21,420,754	\$ 21,921,209	\$ 22,236,396	\$ 25,227,041	\$ 23,317,634	\$ 27,072,421	\$ 27,313,408
Sales and use	22,978,303	25,823,907	28,021,708	29,355,254	30,320,519	31,721,766	33,661,575	36,294,219	37,918,673	36,030,308
Business	25,305,263	26,097,370	27,109,401	27,648,814	29,884,433	31,249,275	32,565,751	33,921,912	34,513,080	33,186,060
Real estate excise	-	-	-	-	3,663,842	3,762,944	4,270,238	4,987,075	4,063,836	3,879,033
Other	2,466,211	3,081,317	3,275,785	3,507,729	1,023,206	1,081,410	1,040,408	1,126,888	1,125,714	818,693
Investment income	1,366,413	1,134,224	176,643	1,556,628	1,396,110	1,293,161	936,410	2,084,395	5,014,538	3,766,874
Miscellaneous revenue	338,277	-	-	125,433	1,625,021	1,061,761	2,400,214	2,078,616	2,852,368	2,134,170
Transfers	(1,455,455)	(1,411,894)	(2,763,834)	(1,304,553)	1,715,147	(1,091,620)	164,698	1,879,521	2,151,174	(10,602,679)
<b>Total governmental activities</b>	<u>68,350,554</u>	<u>72,353,760</u>	<u>76,806,670</u>	<u>82,310,059</u>	<u>91,549,487</u>	<u>91,315,093</u>	<u>100,266,335</u>	<u>105,690,260</u>	<u>114,711,804</u>	<u>96,525,867</u>
<i>Business-type activities</i>										
Business taxes	1,252,349	1,244,127	1,274,696	1,330,240	1,370,813	1,393,427	1,417,406	1,442,063	1,582,043	1,543,904
Other taxes	-	-	-	636,485	663,189	687,714	745,263	817,625	867,972	841,394
Investment income	773,678	774,753	(211,280)	775,424	433,883	306,063	593,805	1,193,178	2,826,410	1,979,843
Miscellaneous revenue	(1,535,605)	-	54,548	454,998	55,025	1,397,864	2,153,483	178,448	210,549	230,408
Sale of capital assets	-	-	-	-	-	-	-	-	-	18,366
Transfers	1,455,455	1,411,894	2,763,834	1,304,553	(1,715,147)	1,091,620	(164,698)	(1,879,521)	(2,151,174)	10,602,679
Special items	-	-	1,176,877	(869,536)	-	-	-	-	-	-
<b>Total business-type activities</b>	<u>1,945,877</u>	<u>3,430,774</u>	<u>7,991,672</u>	<u>3,632,164</u>	<u>807,763</u>	<u>4,876,688</u>	<u>4,745,259</u>	<u>1,751,793</u>	<u>3,335,800</u>	<u>15,216,594</u>
<b>Total primary government</b>	<u>\$ 70,296,431</u>	<u>\$ 75,784,534</u>	<u>\$ 84,798,342</u>	<u>\$ 85,942,223</u>	<u>\$ 92,357,250</u>	<u>\$ 96,191,781</u>	<u>\$ 105,011,594</u>	<u>\$ 107,442,053</u>	<u>\$ 118,047,604</u>	<u>\$ 111,742,461</u>
<b>Change in net position</b>										
Governmental activities	\$ 3,167,417	\$ 10,368,173	\$ 21,002,535	\$ 23,284,044	\$ 11,479,069	\$ 19,979,511	\$ 28,670,609	\$ 27,132,516	\$ 36,154,060	\$ 11,043,353
Business-type activities	6,157,531	7,489,397	8,755,844	11,516,063	16,508,408	18,346,741	16,055,362	8,422,688	10,006,695	29,902,356
Prior period adjustments	464,252.0	(1,995,809.0)	(1,002,979.0)	(2,128,001.0)	(29,380,114.0)	-	-	(30,383,029)	13,887,281.7	-
<b>Total primary government</b>	<u>\$ 9,789,200</u>	<u>\$ 15,861,761</u>	<u>\$ 28,755,400</u>	<u>\$ 32,672,106</u>	<u>\$ (1,392,637)</u>	<u>\$ 38,326,252</u>	<u>\$ 44,725,971</u>	<u>\$ 5,172,175</u>	<u>\$ 60,048,037</u>	<u>\$ 40,945,709</u>

Source: City of Bellingham, government-wide statement of activities (SOA).

Note : REET was pulled out and reported separately from "Other taxes" beginning in 2015.

**City of Bellingham**  
**Schedule 3**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	640,985	744,750	185,207	3,500	4,214	331,188	328,343	11,752	51,720	53,015
Restricted	853,834	13,410,236	17,658,044	21,273,248	20,202,023	27,151,024	34,580,195	36,740,176	54,309,033	53,959,634
Committed	9,156,556	11,125,469	10,967,686	10,864,827	8,975,034	1,114,183	1,104,499	1,101,766	10,610,829	11,563,858
Assigned	150,409	8,210,509	8,429	11,159	4,142	7,917,779	7,149,535	9,627,262	10,509,711	13,292,014
Unassigned	<u>4,708,440</u>	<u>4,663,166</u>	<u>14,508,167</u>	<u>16,246,739</u>	<u>20,113,545</u>	<u>22,587,604</u>	<u>25,354,134</u>	<u>32,241,438</u>	<u>38,703,439</u>	<u>39,726,896</u>
<b>Total general fund</b>	<u>15,510,224</u>	<u>38,154,130</u>	<u>43,327,533</u>	<u>48,399,473</u>	<u>49,298,958</u>	<u>59,101,778</u>	<u>68,516,706</u>	<u>79,722,394</u>	<u>114,184,732</u>	<u>118,595,417</u>
<b>All Other Governmental Funds</b>										
Reserved, reported in:										
Nonspendable	7,880,845	20,836,763	8,766,712	9,096,202	9,545,096	45,172,181	48,512,839	9,884,136	9,939,391	9,984,221
Restricted	46,611,880	17,843,562	35,051,972	39,889,984	43,745,102	23,817,423	28,466,861	71,369,467	75,418,687	83,824,249
Assigned	<u>-</u>	<u>1,019,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<u>54,492,725</u>	<u>39,699,865</u>	<u>43,818,684</u>	<u>48,986,186</u>	<u>53,290,198</u>	<u>68,989,604</u>	<u>76,979,700</u>	<u>81,253,603</u>	<u>85,358,078</u>	<u>93,808,470</u>
<b>Total governmental funds</b>	<u>\$ 70,002,949</u>	<u>\$ 77,853,995</u>	<u>\$ 87,146,217</u>	<u>\$ 97,385,659</u>	<u>\$ 102,589,156</u>	<u>\$ 128,091,382</u>	<u>\$ 145,496,406</u>	<u>\$ 160,975,997</u>	<u>\$ 199,542,810</u>	<u>\$ 212,403,887</u>

Source: City of Bellingham CAFR, governmental fund balance sheet.

Note: In 2011, GASB statement no. 54 changed the classification of fund balances and the definition of special revenue funds. As a result of the revised definition of special revenue funds, several separately budgeted funds are merged into the General Fund for reporting purposes. In 2013, it was determined that a \$8.5M rainy day fund within the General Fund, previously reported as restricted fund balance, should be reported as unassigned and has since been reclassified. In 2018, it was determined that the long-term portion of notes receivable in other governmental funds should be reclassified as restricted fund balance.

**City of Bellingham**  
**Schedule 4**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<b>Revenues</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Taxes (see schedule 5)</i>										
Property	\$ 17,355,250	\$ 17,660,090	\$ 21,050,298	\$ 21,421,965	\$ 21,949,543	\$ 22,276,130	\$ 22,594,301	\$ 23,317,634	\$ 27,072,421	\$ 27,313,407
Sales and use	22,978,302	25,823,907	28,021,705	29,355,254	29,692,863	31,062,115	32,963,034	35,535,800	37,128,156	35,262,147
Business	25,365,107	26,097,371	27,314,468	27,648,814	29,884,433	31,249,275	32,565,751	33,921,912	34,513,080	33,186,060
Real estate excise	1,729,100	2,296,408	2,337,770	2,529,869	3,663,842	3,762,944	4,270,238	4,987,075	4,063,836	3,879,033
Other	685,526	784,908	732,950	977,860	1,023,206	1,081,410	1,040,408	1,126,888	1,125,714	818,693
Licenses and permits	1,078,032	1,232,642	1,300,553	1,258,008	1,284,618	1,402,554	1,304,761	1,236,413	1,197,004	1,158,769
Intergovernmental revenue	9,972,732	10,624,466	11,452,576	11,508,745	14,993,044	12,120,722	13,873,654	23,086,494	16,327,449	20,085,579
Charges for services	16,086,214	18,196,715	21,243,000	21,838,838	16,885,318	9,893,767	10,727,758	12,780,111	12,938,116	12,158,818
Fines and penalties	1,224,859	1,172,060	1,159,922	1,072,066	986,371	826,412	755,587	704,626	644,224	375,709
Investment income	-	-	-	-	-	-	667,392	1,710,933	4,133,788	3,366,279
Miscellaneous revenues	2,828,548	2,595,705	1,952,598	2,839,951	2,812,043	2,750,058	2,951,278	2,245,572	2,688,725	2,104,353
<b>Total revenues</b>	<b>99,303,670</b>	<b>106,484,272</b>	<b>116,565,840</b>	<b>120,451,370</b>	<b>123,175,281</b>	<b>116,425,387</b>	<b>123,714,162</b>	<b>140,653,458</b>	<b>141,832,513</b>	<b>139,708,847</b>
<b>Expenditures</b>										
General government services	13,923,871	14,913,851	12,416,812	13,278,942	15,364,903	9,177,841	10,629,413	10,720,049	9,527,154	12,411,380
Public safety	37,962,289	39,354,251	40,200,861	41,363,417	42,045,095	45,416,863	48,954,353	49,642,527	59,161,463	58,004,661
Physical environment	5,476,279	6,638,368	54,331	-	-	-	-	-	-	-
Transportation	5,698,525	5,992,118	14,472,294	15,052,977	12,923,158	11,006,887	10,092,881	9,732,871	13,029,576	16,080,167
Natural and economic environment	3,863,451	3,831,392	6,798,451	7,197,542	7,477,652	8,206,985	7,367,531	7,774,777	9,303,293	8,994,463
Social services	47,024	77,562	238,327	-	154,472	154,308	190,909	187,762	299,812	1,217,330
Cultural and recreation	12,921,869	13,573,330	13,008,471	13,170,826	13,338,061	15,212,783	14,663,124	16,214,573	17,250,349	17,680,458
Debt service:										-
Principal	1,810,964	1,721,544	1,375,686	1,386,839	1,396,604	1,801,382	1,786,400	2,096,674	1,897,216	2,004,442
Interest and other charges	871,130	637,312	553,657	545,172	544,850	956,459	868,158	804,221	750,400	688,384
Capital outlay	17,739,732	9,469,488	13,663,061	16,346,125	26,366,311	8,045,683	12,568,539	32,072,541	15,313,266	13,618,912
<b>Total expenditures</b>	<b>100,315,134</b>	<b>96,209,216</b>	<b>102,781,951</b>	<b>108,341,840</b>	<b>119,611,106</b>	<b>99,979,191</b>	<b>107,121,308</b>	<b>129,245,995</b>	<b>126,532,529</b>	<b>130,700,197</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,011,464)</b>	<b>10,275,056</b>	<b>13,783,889</b>	<b>12,109,530</b>	<b>3,564,175</b>	<b>16,446,196</b>	<b>16,592,854</b>	<b>11,407,463</b>	<b>15,299,984</b>	<b>9,008,650</b>
<b>Other Financing Sources (Uses)</b>										
Bonds issued	-	508,824	-	1,010,336	3,205,000	9,640,000	-	-	-	-
Premiums on bonds	-	-	-	-	330,418	1,181,489	-	-	-	-
Sale of general capital assets	338,277	-	-	-	-	367,613	2,599,876	-	-	128,809
Transfers in	2,950,709	3,497,509	2,202,093	1,662,223	2,534,966	1,994,425	2,835,136	3,049,876	1,726,448	6,761,866
Transfers out	(4,967,928)	(6,756,819)	(6,693,764)	(4,542,647)	(4,431,062)	(4,127,502)	(4,622,830)	(5,476,351)	(5,255,594)	(3,038,244)
<b>Total other financing sources and (uses)</b>	<b>(1,678,942)</b>	<b>(2,750,486)</b>	<b>(4,491,671)</b>	<b>(1,870,088)</b>	<b>1,639,322</b>	<b>9,056,025</b>	<b>812,182</b>	<b>(2,426,475)</b>	<b>(3,529,146)</b>	<b>3,852,431</b>
<b>Prior period adjustments</b>	<b>(1,269,587)</b>	<b>326,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,498,603</b>	<b>26,795,980</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (2,690,406)</b>	<b>\$ 7,524,570</b>	<b>\$ 9,292,218</b>	<b>\$ 10,239,442</b>	<b>\$ 5,203,497</b>	<b>\$ 25,502,221</b>	<b>\$ 17,405,036</b>	<b>\$ 15,479,591</b>	<b>\$ 38,566,818</b>	<b>\$ 12,861,081</b>
Debt service as a % of non-capital expenditures	3.2%	2.7%	2.2%	2.1%	2.1%	3.0%	2.8%	3.0%	2.4%	2.3%

Source: City of Bellingham, governmental fund statement of revenues, expenditures, and changes in fund balances.

Note: Investment income was comingled with miscellaneous revenues until 2017 when it became it's own revenue activity for presentation purposes..

**City of Bellingham**  
**Schedule 5**  
**Tax Revenues by Source, Governmental and Fiduciary Funds**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Property</b>	<b>Local retail sales &amp; use</b>	<b>Special purpose excise*</b>	<b>Business &amp; occupation</b>	<b>Utility</b>	<b>Real estate excise</b>	<b>Other**</b>	<b>Total</b>
2011	19,245,460	17,828,713	5,149,590	11,475,976	13,804,184	1,729,100	770,473	70,003,496
2012	19,532,409	18,620,593	7,203,314	11,930,958	14,144,904	2,296,408	806,418	74,535,004
2013	22,937,490	19,845,322	8,176,386	12,402,011	14,707,392	2,337,770	938,015	81,344,386
2014	23,344,239	20,087,333	9,267,921	12,467,403	15,181,410	2,529,869	977,860	83,856,035
2015	23,950,298	20,294,217	9,398,646	14,637,925	15,246,507	3,663,842	1,023,206	88,214,641
2016	24,364,896	21,328,982	9,733,133	15,394,306	15,854,969	3,762,944	1,081,410	91,520,640
2017	24,703,307	22,586,157	10,376,877	16,114,671	16,451,080	4,270,238	1,040,408	95,542,738
2018	25,780,549	24,522,230	11,013,570	17,165,749	16,756,163	4,987,075	1,126,888	101,352,224
2019	27,072,421	25,560,034	11,568,122	18,036,584	16,476,496	4,063,836	1,125,714	103,903,207
2020	27,313,407	24,837,229	10,424,918	16,836,762	16,349,298	3,879,033	818,693	100,459,340
Change								
2011-2020	41.92%	39.31%	102.44%	46.71%	18.44%	124.34%	6.26%	43.51%

Source: City of Bellingham, governmental and fiduciary fund operating statements.

\* Special purpose excise includes lodging, brokered natural gas, criminal justice funding, transportation benefit district and local revitalization tax.

\*\* Other includes leasehold, admissions, and timber tax.

**City of Bellingham**  
**Schedule 6**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Assessment year</b>	<b>Real Property</b>	<b>Personal property</b>	<b>Total taxable property</b>	<b>Total levy rate</b>
2011	8,011,858,018	404,941,014	8,416,799,032	2.30346
2012	7,926,656,654	400,634,706	8,327,291,360	2.34812
2013	7,948,478,438	400,149,623	8,348,628,061	2.73554
2014	8,134,585,561	419,461,150	8,554,046,711	2.73538
2015	8,430,205,958	450,981,681	8,881,187,639	2.69496
2016	8,817,117,291	484,620,541	9,301,737,832	2.62945
2017	9,377,723,331	491,151,552	9,868,874,883	2.52391
2018	10,324,045,873	497,204,824	10,821,250,697	2.35101
2019	11,692,600,611	494,730,037	12,187,330,648	2.20724
2020	13,272,777,935	493,643,514	13,766,421,449	2.01160

*Source: Whatcom County Assessor's Office, certification of values by tax area.*

*Note: Property in Whatcom County is reassessed annually using 100% of fair market value. Tax rates per \$1,000 of assessed value.*

**City of Bellingham**  
**Schedule 7**  
**Direct and Overlapping Property Tax Rates by Levy Year**  
**Last Ten Fiscal Years**  
*(per \$1,000 of assessed value)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Direct Levy</b>										
<b>Nonvoted</b>										
General fund	\$ 1.52788	\$ 1.58776	\$ 1.60885	\$ 1.61634	\$ 1.59702	\$ 1.56102	\$ 1.48812	\$ 1.38135	\$ 1.25279	\$ 1.15307
Fire pension	0.22500	0.22500	0.22500	0.22499	0.22499	0.22499	0.21418	0.22500	0.20480	0.18733
Whatcom RDA LIFT	0.00226	0.00302	0.00293	0.00384	0.00414	0.00399	0.00517	0.00510	0.00458	0.00468
Total nonvoted	1.75514	1.81578	1.83678	1.84518	1.82615	1.78999	1.70747	1.61144	1.46216	1.34509
<b>Voted</b>										
Greenways	0.51645	0.53235	0.53942	0.53949	0.53101	0.51694	0.50000	0.46234	0.41686	0.37596
Affordable housing	-	-	0.35934	0.35071	0.33780	0.32252	0.31634	0.27723	-	0.29056
Voted excess levies	0.03187	-	-	-	-	-	-	-	-	-
Total voted	0.54832	0.53235	0.89876	0.89020	0.86881	0.83946	0.81634	0.73957	0.41686	0.66652
<b>Total City</b>	<u>\$ 2.30346</u>	<u>\$ 2.34813</u>	<u>\$ 2.73554</u>	<u>\$ 2.73538</u>	<u>\$ 2.69496</u>	<u>\$ 2.62945</u>	<u>\$ 2.52381</u>	<u>\$ 2.35101</u>	<u>\$ 1.87903</u>	<u>\$ 2.01160</u>
<b>Overlapping districts levy</b>										
State schools	\$ 2.45657	\$ 2.50814	\$ 2.67073	\$ 2.61643	\$ 2.48364	\$ 2.30668	\$ 2.23350	\$ 3.20040	\$ 2.76358	\$ 3.06880
County levy	1.11230	1.13438	1.15453	1.16469	1.15423	1.12775	1.08190	1.04144	0.94634	0.87284
Conservation futures	0.04125	0.04205	0.04279	0.04313	0.04274	0.04176	0.04003	0.03853	0.03501	0.03229
Flood control	0.13243	0.13512	0.13755	0.13883	0.13760	0.13444	0.12902	0.16593	0.15083	0.13909
Port of Bellingham	0.29719	0.28899	0.28610	0.28871	0.28776	0.27644	0.26461	0.25044	0.22757	0.20990
Bellingham School District	3.41363	3.60646	3.87995	4.48506	4.48220	4.40084	4.80975	4.55180	3.57140	3.61394
<b>Total overlapping districts</b>	<u>\$ 7.45337</u>	<u>\$ 7.71514</u>	<u>\$ 8.17165</u>	<u>\$ 8.73685</u>	<u>\$ 8.58817</u>	<u>\$ 8.28790</u>	<u>\$ 8.56303</u>	<u>\$ 9.24853</u>	<u>\$ 7.69473</u>	<u>\$ 7.93687</u>
<b>Combined City and overlapping districts levies</b>	<u>\$ 9.75683</u>	<u>\$ 10.06327</u>	<u>\$ 10.66763</u>	<u>\$ 11.23842</u>	<u>\$ 11.28313</u>	<u>\$ 10.91735</u>	<u>\$ 11.08684</u>	<u>\$ 11.59955</u>	<u>\$ 9.57376</u>	<u>\$ 9.94847</u>

*Tax rates by collection year*

*Source: Whatcom County Assessor's Office, tax book.*

*Note: A portion of the City of Bellingham lies within the Meridian School District. The 2020 levy rate for Meridian is 3.39324.*



**City of Bellingham  
Schedule 8  
Principal Property Tax Payers  
Current Year and Nine Years Prior**

2020				2011			
Taxpayer	Taxable assessed		Percentage of total assessed	Taxable assessed		Percentage of total assessed	
	value	Rank		value	Rank		
Puget Sound Energy	\$ 168,745,540	1	1.23%	\$ 113,371,742	1	1.35%	
Bellis Fair Partners	55,728,783	2	0.40%	42,284,652	2	0.50%	
SSC Bellingham Apartments LLC	51,436,298	3	0.37%	-	-	0.00%	
PKII Sunset Square LLC	49,433,865	4	0.36%	34,817,760	3	0.41%	
Costco Wholesale Corp	32,711,748	5	0.24%	-	-	0.00%	
Cohanim Bellwether LLC	28,762,563	6	0.21%	-	-	0.00%	
Belleau Woods LLC	28,643,591	7	0.21%	-	-	0.00%	
Barkley Lifestyle LLC	23,510,177	8	0.17%	-	-	0.00%	
Meridian Kellogg LLC	22,758,761	9	0.17%	-	-	0.00%	
URG Bellingham Cold Storage Co	22,565,294	10	0.16%	-	-	0.00%	
Sisters of St Joseph of PeaceHealth	-	-	0.00%	21,825,339	4	0.26%	
Qwest Corporation	-	-	0.00%	19,985,829	5	0.24%	
Madrona Medical - 4545 Cordata Parkway LLC	-	-	0.00%	17,573,030	6	0.21%	
Bellingham Cold Storage	-	-	0.00%	16,983,462	7	0.20%	
Fred Meyer - Roundup Company	-	-	0.00%	16,613,571	8	0.20%	
Metropolitan Life Insurance	-	-	0.00%	16,502,190	9	0.20%	
KIR Bellingham LP	-	-	0.00%	16,425,783	10	0.20%	
<b>Total top ten principal taxpayers</b>	<b>484,296,620</b>		<b>3.52%</b>	<b>316,383,358</b>		<b>3.76%</b>	
<b>Total all taxpayers</b>	<b>\$ 13,766,421,449</b>		<b>100.00%</b>	<b>\$ 8,416,799,032</b>		<b>100.00%</b>	

Source: Whatcom County Assessor's Office, top taxpayer report.

**City of Bellingham**  
**Schedule 9**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Taxes levied for the fiscal year</b>	<b>Amount collected in the 1st year</b>	<b>Percent collected in the 1st year</b>	<b>Cumulative Levy adjustments</b>	<b>Amount collected in subsequent years</b>	<b>Total amount collected</b>	<b>Total percent collected</b>	<b>Tax levy balance due</b>
2011	19,384,545	19,048,860	98.268%	5,846	341,528	19,390,388	100.000%	2.86
2012	19,553,465	19,253,132	98.464%	2,538	302,870	19,556,002	100.000%	1.69
2013	22,841,687	22,549,616	98.721%	29,013	321,082	22,870,698	100.000%	2.23
2014	23,403,537	23,111,156	98.751%	13,138	305,186	23,416,342	99.999%	333.16
2015	23,940,035	23,702,605	99.008%	(14,465)	222,609	23,925,214	99.999%	356.09
2016	24,464,096	24,199,918	98.920%	(70,163)	190,052	24,389,971	99.984%	3,962.01
2017	24,792,922	24,552,738	99.031%	(33,994)	192,436	24,745,174	99.945%	13,754.09
2018	25,449,308	25,229,914	99.138%	(26,824)	161,602	25,391,516	99.878%	30,968.07
2019	26,908,779	26,697,530	99.215%	(10,140)	127,774	26,825,304	99.727%	73,335.45
2020	27,702,447	27,398,507	98.903%	(20,092)	-	27,398,507	98.975%	283,847.25

Source: Whatcom County Treasurer's Office.

**City of Bellingham**  
**Schedule 10**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal year	Governmental activities				Business-type activities				Primary government		
	General obligation bonds	Special assessment bonds	Notes payable	Government loans payable	Revenue bonds (net)*	General obligation bonds (net)	Notes payable	Government loans payable	Total primary government	Percentage of personal income**	Per capita**
2011	22,691,244	84,361	137,529	1,737,284	61,989,516	6,980,607	-	1,661,959	95,282,500	3.11%	1,175
2012	22,478,634	45,986	128,920	1,929,349	60,091,269	6,505,921	2,700,000	1,022,833	94,902,912	2.95%	1,166
2013	21,424,160	-	119,689	1,722,894	74,537,514	6,181,280	2,700,000	959,904	107,645,441	3.25%	1,308
2014	19,812,874	-	109,790	2,383,462	72,382,472	6,155,606	2,700,000	861,850	104,406,054	3.04%	1,261
2015	18,640,526	-	99,176	5,759,398	70,346,772	5,668,278	-	4,987,356	105,501,506	2.97%	1,262
2016	27,992,153	-	87,794	5,267,591	67,967,896	5,182,941	-	5,619,716	112,118,091	2.97%	1,317
2017	26,553,534	-	75,591	4,726,589	65,548,444	4,667,770	-	10,376,177	111,948,105	2.73%	1,257
2018	24,824,916	-	62,503	4,166,195	63,053,992	4,148,048	-	15,345,888	111,601,542	3.96%	1,231
2019	23,311,297	-	48,471	3,591,206	61,537,491	3,623,327	-	15,443,684	107,555,476	3.78%	1,165
2020	24,761,284	-	-	3,053,428	61,784,784	-	-	14,715,212	104,314,708	-	~1,130

Source: City of Bellingham, long-term debt note, US Census Bureau.

Notes: \*\* See Schedule 15 for per capita personal income and population data. 2020 per capita information is not available at the time of this report, ~1,130 estimate provided.

**City of Bellingham**  
**Schedule 11**  
**Ratios of General Obligation Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>General obligation bonds</b>	<b>Less: Amounts available for debt service</b>	<b>Net general obligation bonds</b>	<b>GO debt as a % of taxable property value</b>	<b>General bonded debt per capita</b>
2011	29,635,000	311,540	29,323,460	0.35%	362
2012	28,150,000	902,492	27,247,508	0.33%	335
2013	27,605,440	1,328,937	25,371,063	0.30%	308
2014	25,968,480	1,671,726	24,296,754	0.27%	293
2015	24,308,804	22,001	24,286,803	0.26%	291
2016	33,175,094	3,142,033	30,033,061	0.30%	353
2017	31,221,304	3,543,721	27,677,583	0.26%	316
2018	28,972,964	4,005,323	24,967,641	0.23%	280
2019	26,934,624	3,762,734	23,171,890	0.19%	256
2020	24,761,284	4,237,306	20,523,978	0.15%	222

*Source: City of Bellingham, limitation of indebtedness schedule, and US Censes Bureau.*

City of Bellingham  
Schedule 12  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2020

Governmental unit	Debt outstanding	Estimated percentage applicable	Estimated share of direct and overlapping debt
Overlapping debt:			
Bellingham School District #501	\$ 238,075,000	78.79%	\$ 187,575,247
Port of Bellingham	3,760,000	38.90%	1,462,798
Meridian School District #505	11,515,000	23.64%	2,722,651
Whatcom County	1,700,000	38.90%	661,372
Ferndale School District #502	72,925,000	0.20%	<u>147,277</u>
Total overlapping debt			192,569,344
City of Bellingham direct debt		100.00%	<u>27,814,712</u>
Total direct and overlapping debt			<u>\$ 220,384,056</u>

*Source: Outstanding debt values provided by Whatcom County and Port of Bellingham.*

*Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City.*

*This schedule estimates the portion of the outstanding debt of those overlapping governments. This process recognizes that when considering the City's ability to issue and repay debt, the entire debt burden should be taken into account.*

**City of Bellingham**  
**Schedule 13**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2020**

Total assessed value	\$ 14,910,058,837
Debt limit:	
Non-voted debt limit (1.5% of assessed value)	223,650,883
Voted debt limit (1.0% of assessed value)	<u>149,100,588</u>
Total debt limit	<u>372,751,471</u>
Debt applicable to limit:	
Governmental activities - general obligation bonds	24,761,284
Business-type activities - general obligation bonds	<u>-</u>
Total debt applicable to limit	<u>24,761,284</u>
Legal debt margin	<u>\$ 347,990,187</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total assessed valuation	\$ 8,327,291,360	\$ 8,348,628,061	\$ 8,554,046,711	\$8,881,187,639	\$9,301,737,832	\$9,868,874,883	\$10,821,250,697	\$12,187,330,648	\$13,766,421,449	\$ 14,910,058,837
Legal debt limit	208,182,284	208,715,702	213,851,168	222,029,691	232,543,446	246,721,872	270,531,267	304,683,266	344,160,536	372,751,471
Outstanding indebtedness	<u>29,460,989</u>	<u>27,726,428</u>	<u>25,792,232</u>	<u>24,353,046</u>	<u>24,308,804</u>	<u>33,175,094</u>	<u>31,221,304</u>	<u>28,972,964</u>	<u>26,934,624</u>	<u>24,761,284</u>
Legal debt margin	<u>\$ 178,721,295</u>	<u>\$ 180,989,274</u>	<u>\$ 188,058,936</u>	<u>\$ 197,676,645</u>	<u>\$ 208,234,642</u>	<u>\$ 213,546,778</u>	<u>\$ 239,309,963</u>	<u>\$ 275,710,302</u>	<u>\$ 317,225,912</u>	<u>\$ 347,990,187</u>
% of legal debt limit exhausted	14.2%	13.3%	12.1%	11.0%	10.5%	13.4%	11.5%	9.5%	7.8%	6.6%

Source: City of Bellingham, limitation of Indebtedness schedule, and Whatcom County Assessor's Office, tax book.

Note: The legal general purposes debt limit of 2.5% is authorized by RCW 39.36.020. section(2)(b)

**City of Bellingham  
Schedule 14  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Fiscal year	Water-Sewer revenue bonds						Special assessment (LID) bonds		
	Operating revenue	Operating expense	Nonoperating income(expense)	Net available revenue	Principal & interest payments	Debt service coverage ratio	Collections	Principal & interest payments	Debt service coverage ratio
2011	32,855,741	19,535,924	2,291,162	15,610,979	4,596,396	3.40	135,889	150,300	0.90
2012	36,658,554	21,256,791	3,258,296	18,660,059	4,596,396	4.06	98,618	52,200	1.89
2013	40,295,129	21,952,315	1,233,129	19,575,943	4,473,226	4.38	113,012	79,500	1.42
2014	42,363,233	22,463,509	1,409,273	21,308,997	5,188,632	4.11	-	-	-
2015	44,860,441	21,819,955	782,906	23,823,392	5,230,818	4.55	-	-	-
2016	48,115,026	23,595,087	(347,176)	24,172,763	5,206,467	4.64	-	-	-
2017	51,149,430	25,171,069	263,455	26,241,816	5,194,718	5.05	-	-	-
2018	53,439,358	26,227,966	972,203	28,183,595	5,191,250	5.43	-	-	-
2019	54,490,110	26,060,320	842,005	29,271,795	4,115,862	7.11	-	-	-
2020	53,665,805	26,014,286	(3,013,923)	24,637,596	3,912,621	6.30	-	-	-

Source: City of Bellingham, proprietary funds statement of revenues, expenses, and changes of net position.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses are exclusive of depreciation and utility tax.

**City of Bellingham**  
**Schedule 15**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Year	Population	Total households	Median household		Average family size	Graduated high school	Unemployment rate
			income	Per capita income			
2011	81,070	33,933	39,299	38,211	2.86	92.5%	9.0%
2012	81,360	33,805	40,844	40,396	2.88	92.3%	8.1%
2013	82,310	33,625	40,648	40,260	2.89	92.5%	7.4%
2014	82,810	33,847	42,440	41,456	2.89	92.6%	6.6%
2015	83,580	33,764	43,536	42,511	2.91	92.7%	6.0%
2016	85,146	34,096	44,441	44,273	2.95	92.7%	5.8%
2017	89,044	35,296	47,886	46,028	2.87	93.6%	5.0%
2018	90,665	35,694	50,844	29,030	2.31	93.8%	4.8%
2019	92,314	36,864	53,396	30,791	2.28	94.5%	5.2%
2020	***	***	***	***	***	***	9.3%

\*\*\* Information was unavailable at the time this schedule was prepared.

Sources: United States Census Bureau, US Dept. of Labor, Bureau of Labor Statistics.



**City of Bellingham  
Schedule 16  
Principal Employers  
Current Year and Nine Years Prior**

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of total employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of total employment</b>
St Joseph Hospital	3,116	1	3.04%	2,753	1	2.92%
Lummi Nation	2,083	2	2.03%			-
Western Washington University	2,060	3	2.01%	1,592	2	1.69%
Bellingham Public Schools	1,606	4	1.57%	1,312	3	1.39%
BP Cherry Point	975	5	0.95%			-
The City of Bellingham	917	6	0.89%	899	4	0.95%
Matrix Service Inc	870	7	0.85%			0.00%
Ferndale School District	847	8	0.83%			-
Whatcom County	826	9	0.80%	864	5	0.92%
Haggen	750	10	0.73%	850	6	-
Heath Techna	-	-	-	704	7	0.75%
Sodexo Services	-	-	-	652	8	0.69%
Sterling Health	-	-	-	650	9	0.69%
Fred Meyer's	-	-	-	613	10	0.65%
Total employed by the top 10 employers	14,050		13.69%	10,889		10.66%
Total employment of Bellingham, WA (MSA)	102,611			94,166		

*Source: Western Washington University, CBE, and United States Dept of Labor, BLS.*

**City of Bellingham**  
**Schedule 17**  
**Full-time Equivalent City Government Employees by Groups**  
**Last Ten Fiscal Years**

<b>Employee groups</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Elected Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Elected City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Elected Municipal Judge	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Non-Represented Employee Group	76.9	79.6	77.1	79.3	76.5	76.0	77.0	75.0	78.1	79.4
Supervisors & Professionals	97.5	97.0	96.0	100.5	102.0	105.8	107.1	107.1	118.5	118.5
Professional Librarians	7.0	6.7	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Emergency Med Svcs Dispatch	13.0	13.0	13.0	13.0	13.0	13.0	13.0	15.0	15.0	15.0
Fire Supervisors	8.0	8.0	8.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0
Firefighters	133.0	133.0	127.5	123.5	120.0	121.0	129.0	129.0	133.0	135.0
Police	101.0	102.0	101.0	103.0	105.0	106.0	108.0	110.0	112.0	114.0
Police Lieutenants	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
WHAT COMM Dispatch	26.0	26.0	26.0	26.0	26.0	26.0	26.0	29.0	29.0	29.0
Non-Uniformed	<u>310.2</u>	<u>314.9</u>	<u>313.7</u>	<u>325.0</u>	<u>325.1</u>	<u>337.9</u>	<u>338.6</u>	<u>346.1</u>	<u>349.7</u>	<u>350.7</u>
<b>Total regular workforce</b>	786.6	794.2	783.3	799.8	797.1	815.2	828.2	841.7	865.8	872.1
Temporary labor	<u>60.6</u>	<u>60.2</u>	<u>62.5</u>	<u>62.0</u>	<u>68.0</u>	<u>66.0</u>	<u>63.2</u>	<u>63.2</u>	<u>62.3</u>	<u>62.3</u>
<b>Total paid workforce</b>	<u>847.2</u>	<u>854.4</u>	<u>845.8</u>	<u>861.8</u>	<u>865.1</u>	<u>881.2</u>	<u>891.4</u>	<u>904.9</u>	<u>928.1</u>	<u>934.4</u>

*Source: City of Bellingham adopted budget report for budgeted employees.*

**City of Bellingham**  
**Schedule 18**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Community Development</b>										
Low-income housing units created	82	8	6	11	150	61	85	135	40	4
Rental assistance to homeless families	21	18	18	26	31	32	30	28	42	148
First time home buyer assistance	5	8	4	11	12	10	11	2	8	4
<b>Development Services</b>										
Building permits issued	675	702	778	865	874	795	768	857	811	680
All permits issued	3,615	3,602	4,112	4,417	4,520	4,641	4,522	5,444	5,621	4,967
New lots created	26	79	22	99	81	40	149	64	171	104
<b>Human Resources</b>										
Turnover rate	5.55%	4.44%	6.39%	7.63%	6.30%	5.84%	7.74%	9.27%	8.31%	5.89%
Benefit cost as a % of base wage	36.29%	38.22%	38.15%	38.64%	36.67%	37.76%	40.38%	39.54%	41.45%	43.10%
Overtime cost as a % of base wage	2.82%	2.43%	3.02%	3.86%	4.44%	4.22%	5.89%	5.77%	6.08%	4.85%
<b>Information Technology Services</b>										
Ave. # of unique website visitors/month	50,282	53,991	59,447	64,528	72,583	51,500	57,193	68,071	83,211	71,428
<b>Judicial Services</b>										
Infractions filed	7,483	7,213	7,048	6,898	6,604	5,621	5,064	4,687	3,735	1,537
Misdemeanors filed	3,576	3,442	3,606	3,131	2,838	2,909	2,697	2,805	2,939	1,909
Parking citations filed	44,966	43,681	35,475	30,657	31,250	30,531	21,250	17,017	13,138	6,203
Hearings	19,216	23,918	19,404	18,638	14,884	13,671	13,622	13,915	14,401	9,420
<b>Legal Services</b>										
Criminal filings	3,576	3,442	3,631	2,972	2,682	2,744	2,463	2,543	2,679	1,879
Claims filed	58	48	35	52	59	60	52	53	29	46
<b>Library</b>										
Circulation per capita	20	20	20	20	19	18	18	19	20	12
Persons visiting	862,300	842,200	825,800	830,900	837,700		787,700	773,800	737,400	154,200
<b>Museum</b>										
Total attendance	64,977	72,400	73,800	73,100	71,900	71,907	73,257	62,478	64,100	16,200
<b>Parks</b>										
Park acreage	3,561	3,574	3,580	3,587	3,615	3,643	3,643	3,759	3,620	3,649
Trail miles	68	68	69	69	70	71	72	72	84	84
Greenway levy acres / easements	812	824	830	837	893	894	894	3,192	3,192	3,265
<b>Public Safety Services</b>										
Total dispatch incidents/CAD	127,248	124,480	134,300	140,200	143,900	151,000	133,233	153,000	171,900	155,600
Incidents per dispatcher	5,533	5,081	5,839	6,096	6,257	6,293	5,793	5,885	6,367	5,556
Reportable police calls	22,123	21,953	24,577	25,930	23,748	23,925	23,516	77,664	79,450	72,999
Fire incidents	10,993	10,105	11,030	11,301	11,784	16,036	18,063	18,793	21,655	17,170
Paramedic incidents	11,213	8,024	9,443	10,497	8,807	8,809	9,118	9,769	9,697	8,940
<b>Transportation</b>										
Feet of streets resurfaced	26,664	24,552	30,254	13,992	9,240	4,066	5,040	12,888	16,727	44,975
Miles of bicycle lanes and trails	43	48	49	52	58	62	67	73	167	160
<b>Wastewater</b>										
Million of gallons wastewater/day	12	13	12	12	12	12	12	12	11	12
Feet of wastewater main added	27,964	5,586	27,192	2,265	11,095	5,711	5,832	7,530	9,430	3,451
<b>Water</b>										
Million of gallons water treated/day	9	9	8	8	7	8	9	9	9	8
Feet of water main added	18,188	6,264	4,148	3,057	8,626	13,760	21,999	15,614	22,558	5,584
<b>Watershed</b>										
Cumulative acres acquired	1,390	1,759	1,788	1,893	1,893	1,979	1,987	2,004	2,209	2,355
Current year acquisitions	-	369	29	105	-	85	8	17	39	147

Source: City of Bellingham departments.

\*\*\* Statistical figures were not available at the time of this report compilation.

**City of Bellingham**  
**Schedule 19**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Governmental Services</b>										
City Hall	1	1	1	1	1	1	1	1	1	1
Federal building (gifted to City)	1	1	1	1	1	1	1	1	1	1
Municipal court building	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police										
Station	1	1	1	1	1	1	1	1	1	1
Police vehicles	44	46	49	51	52	49	50	51	51	55
Police motorcycles	***	7	9	7	7	7	7	7	8	8
Armored unit	1	1	1	1	1	1	1	1	1	1
Mobile precinct	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	6	6	6	6	6	6	6	6	6	6
Fire trucks	10	10	10	10	10	10	10	11	11	11
Command vehicle	1	1	1	1	1	1	1	1	1	1
Ambulances	13	13	13	13	12	11	12	11	11	11
<b>Physical Environment</b>										
Public Works										
Operations facility	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	396	413	414	416	417	420	423	425	427	429
Sewer mains (miles)	314	315	314	314	317	315	316	318	320	320
Storm mains (miles)	311	311	263	263	268	270	272	275	280	282
<b>Transportation</b>										
Parking										
Parking garage	2	2	2	2	2	2	2	2	2	2
Surface parking lots	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	297	297	301	301	302	304	305	308	309	310
Sidewalks (miles)	291	291	291	296	298	301	302	306	312	315
Traffic signals maintained	199	203	205	205	219	219	219	224	224	244
<b>Culture and Recreation</b>										
Library										
Libraries (buildings)	2	2	2	2	2	2	2	2	2	2
Museum										
Museums (buildings)	2	2	2	2	2	2	2	2	2	2
Parks Department										
Parks / open space	45	52	52	70	71	91	91	92	94	95
Community gardens	3	3	3	3	3	3	3	3	3	3
Fish hatcheries	2	2	2	2	2	2	2	2	2	2
Trail corridors	13	13	13	13	14	24	24	26	26	26
Softball fields	4	4	4	6	8	10	10	10	10	10
Playgrounds	***	***	***	***	***	28	28	29	32	32
Multi-use fields	***	***	***	***	***	***	***	***	7	7
Off-leash dog area	***	***	***	***	***	***	***	***	8	8
Overwater dock/pier	1	1	1	1	1	3	3	4	4	4
Boat launch ramps	***	***	***	***	***	2	2	2	2	2
Skateboard park	1	1	1	1	1	4	4	4	4	4
Football stadium	1	1	1	1	1	1	1	1	1	1
Ice arena	1	1	1	1	1	1	1	1	1	1
Baseball stadium	1	1	1	1	1	1	1	1	1	1
Aquatic center - swimming pools	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
<b>Public Facilities District (PFD)</b>										
Theater	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1

Source: City of Bellingham, Public Works and Parks departments.

\*\*\* Statistical figures were not available at the time of this report compilation.

**City of Bellingham  
Schedule 20  
Municipal Utilities  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Water customers</b>										
Single family (SF)	18,828	19,311	19,569	19,773	21,232	21,351	21,878	21,835	20,715	20,830
Multi-family & commercial	5,940	5,867	6,009	4,862	4,897	5,848	6,590	6,048	5,532	5,376
<b>Water monthly rates</b>										
Single family base rates										
Metered 5/8"	11.11	11.61	13.10	14.21	15.42	19.35	20.33	21.46	22.14	22.84
Metered 3/4"	15.42	15.97	18.02	19.55	21.21	26.62	27.97	29.52	30.45	31.42
Metered 1"	24.02	24.69	27.85	30.23	32.78	41.15	43.24	45.64	47.08	48.58
Metered 1 1/2"	45.55	46.51	52.47	56.94	61.76	77.52	81.44	85.98	88.69	91.51
Metered 2"	71.37	72.68	82.00	88.98	96.51	121.13	127.27	134.36	138.59	143.00
Metered 3"	140.25	142.49	160.76	174.44	189.21	237.48	249.52	263.41	271.70	280.36
Metered 4"	217.74	221.02	249.35	270.57	293.48	368.37	387.03	408.58	421.45	434.89
Metered 6"	432.97	439.16	495.45	537.62	583.14	731.93	769.02	811.83	837.39	864.09
Volume rate per 1 CCF	1.43	1.53	1.58	1.63	1.67	1.72	1.82	1.94	2.00	2.06
Non-single family base rates										
Metered 5/8"	17.43	19.51	21.00	21.75	22.39	25.56	28.32	30.86	31.83	32.84
Metered 3/4"	24.89	27.82	29.95	31.01	31.93	36.44	40.39	44.01	45.40	46.84
Metered 1"	39.82	44.45	44.45	49.55	51.01	58.22	64.53	70.32	72.53	74.84
Metered 1 1/2"	77.13	86.01	92.59	95.88	98.70	112.66	124.86	136.06	140.34	144.81
Metered 2"	121.91	135.89	146.28	151.49	155.94	178.00	197.27	214.97	221.74	228.81
Metered 3"	241.31	268.90	289.46	299.76	308.58	352.23	390.36	425.38	438.78	452.77
Metered 4"	375.65	418.54	450.54	466.57	480.30	548.24	607.59	662.10	682.95	704.72
Metered 6"	748.80	834.21	898.00	929.95	957.32	1,092.71	1,211.02	1,319.66	1,361.22	1,404.62
Metered 8"	1,196.58	1,333.00	2,240.24	1,485.99	1,529.71	1,746.06	1,935.11	2,108.70	2,175.10	2,244.46
Metered 10"	1,866.25	2,081.20	3,045.74	2,319.94	2,388.21	2,725.98	3,021.12	3,292.14	3,395.81	3,504.10
Metered 12"	n/a	n/a	n/a	3,154.11	3,246.93	3,706.15	4,107.41	4,475.88	4,616.83	4,764.06
Volume rate per 1 CCF	1.43	1.53	1.63	1.77	1.93	1.94	1.94	1.97	2.03	2.09
Irrigation vol. rate per 1 CCF	2.20	2.30	2.35	2.40	2.45	2.50	2.55	2.60	2.68	2.76
<b>Wastewater customers</b>										
Single family	18,828	19,311	19,569	19,784	20,465	21,131	21,804	21,541	19,433	19,526
Multi-family & commercial	5,940	5,867	6,009	4,860	4,865	4,978	5,394	5,465	5,036	5,048
<b>Wastewater monthly rates</b>										
Single family (rate class 1)	31.20	33.23	33.97	35.07	37.24	39.47	41.66	43.16	44.52	45.93
Non-single family										
Base rate (class 2-4)	31.20	33.23	33.97	35.07	37.24	39.47	41.66	43.16	44.52	45.93
Volume rate per 1 CCF > 16 CCF	3.28	3.49	4.09	4.66	4.99	5.43	5.80	6.07	6.26	6.45
Base rate (class 5 and up)	31.90	33.23	33.97	44.35	56.84	59.84	62.97	65.23	67.29	69.42
Volume rate per 1 CCF > 16 CCF	3.59	3.49	4.09	6.09	7.83	8.44	8.98	9.40	9.70	10.00
<b>Stormwater monthly base rates</b>										
Small footprint < 1k sq. ft.	4.20	4.20	5.08	5.39	5.71	6.05	6.42	6.58	6.79	7.00
Medium footprint 1k-2.99k sq. ft.	7.00	7.00	8.47	8.98	9.52	10.09	10.69	10.96	11.30	11.66
Large footprint > 3k sq. ft., per sq ft.	0.00466	0.00466	0.00564	0.00598	0.00634	0.00672	0.00712	0.00730	0.00753	0.00777
<b>Watershed monthly rates</b>										
Single family, base rate only	5.00	5.00	12.33	12.41	12.63	12.86	13.13	13.46	13.89	14.325
Non-single family & Irrigation										
Base rate	5.00	5.00	5.14	5.17	5.265	5.36	5.475	5.61	5.785	5.97
Volume rate per 1 CCF > 22 CCF	0.27	0.27	0.66	0.66	0.6761	0.682	0.6963	0.7137	0.7362	0.76

All rates shown are for inside city limits  
1 CCF (100 cubic feet) = 748 gallons