

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year
January 1 - December 31, 2021

King County, Washington



King County

Finance and
Business Operations Division



ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

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Annual Comprehensive Financial Report

December 31, 2021

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Operations Division**

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June 28, 2022

The Honorable Dow Constantine, King County Executive,
Members of the Metropolitan King County Council and
Citizens of King County

We are pleased to transmit to you the Annual Comprehensive Financial Report of King County, Washington (the County) for the fiscal year ended December 31, 2021. Now into our second full year of a global pandemic, the County continues to feel its impacts. Yet, as devastating a human toll as this virus has caused — and without diminishing the loss, sadness, pain, and suffering of the afflicted — the County has endured the global pandemic; and, by using Federal assistance prudently, the County’s overall financial position as measured by Net Position has improved 16 percent compared to last year.

The financial statements within this report are prepared according to generally accepted accounting principles that are prescribed by the Governmental Accounting Standards Board (GASB) for all state and local governments in the United States of America. This report covers the activities of King County, the primary government, and other legal entities whose activities are inextricably bound to those of the County including the King County Flood Control District, Harborview Medical Center, the King County Cultural Development Authority, and NJB Properties. These other entities are called “component units” and are reported within these financial statements alongside the County’s own operations. The relationship between the Flood Control District and the County is sufficiently close that they are presented as a County agency; the financial results of the other entities may be found in the Component Unit section of this report.

The Annual Comprehensive Financial Report (ACFR) contains management’s representations concerning the finances of the County and, therefore, we assume full responsibility for its completeness and the reliability of all information presented. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the government’s assets from loss, theft, or misuse. Because the cost of internal controls should not outweigh their benefits, the County’s framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatements. We assert, to the best of our knowledge and belief, the ACFR is complete and reliable in all material respects.

The County’s financial statements have been audited by the Washington State Auditor’s Office. We are pleased to have earned an unmodified opinion on these statements, meaning that in all material respects the County’s financial statements fairly represent the financial position of the County in conformity with generally accepted accounting principles for governments in the United States (GAAP). The auditor’s report is presented as the first component in the financial section of this report.

Management’s discussion and analysis (MD&A), which immediately follows the independent auditor’s report, provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and includes a profile of the County, an economic outlook, a discussion of major initiatives, and a recap of awards and acknowledgments.

Profile of the County

The County ranks number one in population in the state of Washington and is the financial, economic and industrial center of the Pacific Northwest region. Located between the sparkling blue waters of Puget Sound and the snow-capped Cascade Mountains, the County consists of 2,132 square miles, ranking 11th in geographical size

among Washington's 39 counties. King County is nearly twice as large as the average county in the United States. With a population of 2.3 million, it also ranks as the 13th most populous county in the nation.

King County, named after Dr. Martin Luther King, Jr., is organized under the executive-council form of county government. The Metropolitan King County Council is the policy-determining legislative body while the Executive serves as the chief executive officer. Other elected officials include the prosecuting attorney, assessor, director of elections and Superior and District Court judges. The Executive presents to the Council annual statements of the County's financial and governmental affairs, the proposed biennial budget, and capital improvement plans.

The Executive signs or authorizes the signing, of all deeds, contracts and other instruments on behalf of the County and appoints the director of each executive department. The Metropolitan King County Council (the "Council") serves as the legislative body for the County, approving all laws (called Ordinances) and the biennial budget. Operating budgets are adopted at the appropriation unit level, which generally represents a department or division; these budgets expire at the end of the biennium unless reappropriated by the Council. The capital budget is adopted at the fund and project levels and continues until disappropriated by the Council, until the project has been completed or abandoned, or until three consecutive years have passed without expense/expenditure or encumbrance in a project. Please refer to Note 3 in the financial statements for a more detailed discussion of budgetary levels of control.

King County delivers essential and critical services regionally to both incorporated and unincorporated areas. While a second tier of services is provided only locally to unincorporated areas, cities and other incorporated areas contract with the County for select individual or suites of services. Within appropriate jurisdictions, the County provides public transportation, wastewater treatment, waste disposal and recycling, behavioral and physical health care, emergency medical and E-911, elections, tax assessments and collections, law enforcement, criminal detention, court services, licensing, animal control, surface water management, flood control, road construction and maintenance, low-income housing, agricultural services, parks and recreation, land use planning and permitting, zoning, radio communications, internet and other services.

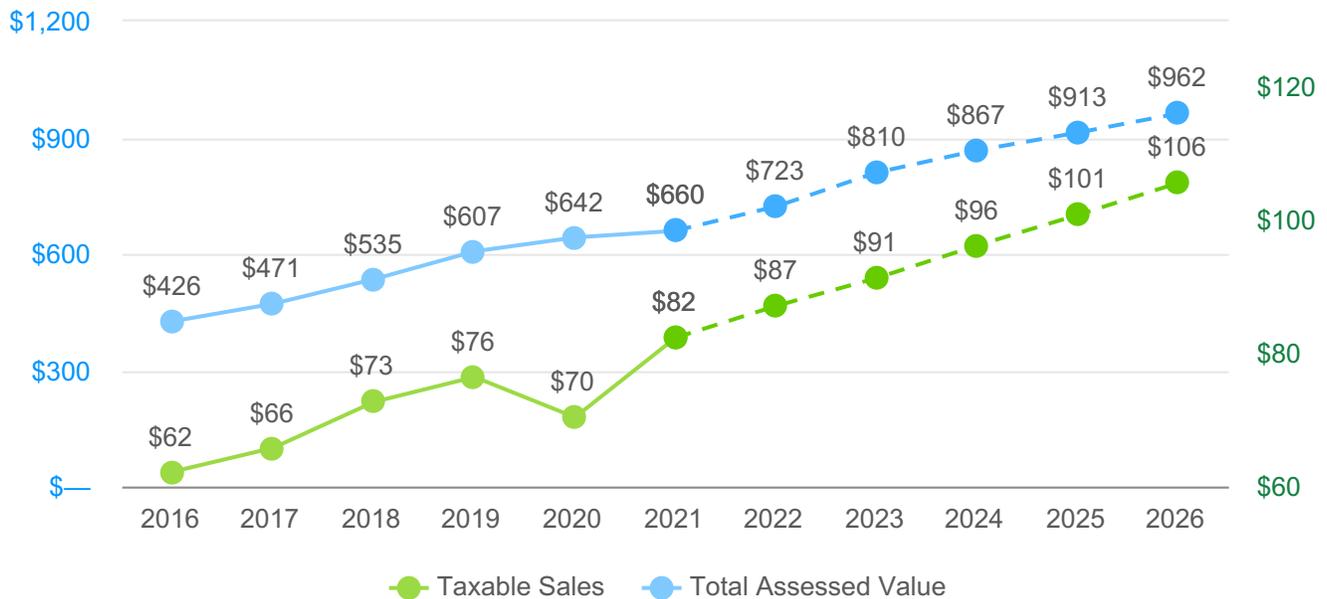
Economic Outlook

Economic conditions have a direct impact on the County's revenues and the demand for its services. The County's economy was thrown into turmoil in the first half of 2020 due to a global pandemic, the effects of which were lessened by the diverse composition of businesses in the region. Headquartered within the County are large retailers like Costco and Nordstrom; high-tech conglomerates like Amazon and Microsoft; and industry leaders like Starbucks, Paccar, Expeditors International, Expedia, Alaska Air Group and Weyerhaeuser. Despite numerous setbacks, the Boeing Company continues to conduct a significant portion of its airplane manufacturing business in the area. The presence of these companies along with their networks of suppliers and supporting organizations, and combined with large institutional employers such as universities, local governments and hospitals, contribute to a robust local economy with a strong employment base.

The County's main revenue sources include taxes, such as property and retail sales, charges for services, and intergovernmental revenues, such as grants and other financial assistance. The largest of these are combined property and sales taxes, comprising 40 percent of total countywide revenues, and charges for services at 37 percent, mostly generated by the County's large enterprise operations. The County's portion of sales tax revenue is relatively small as most of the tax is allocated to other governments including the State of Washington, cities, and Sound Transit. Retail sales and use taxes are dependent on the level of retail sales which is largely driven by economic factors such as consumer confidence, personal income growth and market interest rates. Taxable sales increased by 17 percent in 2021 following a tumultuous year in 2020 due to the economic effects of the global pandemic. Thanks to pent-up demand and the stimulating effects of government transfers, taxable sales growth rebounded significantly in 2021 and the County expects growth to return to baseline values in 2022 and beyond.

Property taxes tend to be a more stable revenue source since the amount of revenue generated is based on the previous year's levy amount plus an increment (usually one percent), plus the property tax assessed on the value of new construction. In the County's general fund, property taxes made up the bulk of revenues at 39 percent, followed by charges for services at 29 percent, and retail sales and use taxes at 17 percent.

King County Tax Base (in Billions - dashed lines represent forecasts)



Real property assessed values, measured using total assessed value (TAV), continued to rise in 2021 increasing by 3 percent. Questions remain about the commercial building landscape in a post-pandemic world. For now, however, strong growth in all building sectors is expected in the near-term, particularly in the residential sector. Total assessed value per capita in 2021 was \$288 thousand, relatively high compared to neighboring counties (Snohomish County \$184 thousand; Pierce County \$172 thousand).

For other revenues, the steadier times from the latter half of the 2010s have come to an end for the near-term. In addition to ongoing pandemic-related issues, the prospect of a protracted war in Ukraine threatens the world's already shaky global supply chain and presents heightened risk for extreme volatility in energy markets. In addition to continued pandemic-related financial challenges, the County anticipates 2022 will exhibit higher costs than previously expected.

Major initiatives

The County approached its response to the COVID-19 pandemic through the lens of its priorities: Best Run Government, Equity and Social Justice, Confronting Climate Change, Regional Mobility, and addressing Homelessness. It is through these strategic initiatives and programs that the County is advancing towards our True North vision: "Making King County a welcoming community where every person can thrive."

COVID-19 Response and Recovery

With vaccines becoming widely available in the first half of the year, the County focused efforts towards equitable distribution and removing barriers to vaccination. Using two mass vaccination sites, one in Kent and one in Auburn, and five mobile strike teams the County sought to make getting the vaccine easy and widespread. Following passage of the American Rescue Plan Act (ARPA; Pub.L. 117-2), the County dedicated over 40 percent of its allocation, an amount exceeding \$250 million, to public health response, vaccinations, and operations. In addition to vaccination, these funds supported continued sheltering operations and contact tracing. The County's efforts paid off and on June 15 the County achieved a 70 percent vaccination rate, a number representing the effective deployment of vaccine to 1.3 million residents over the age of sixteen, nearly two weeks earlier than the June 30 goal set for this milestone when vaccine administration began in December 2020. The County's strategy continued to pay dividends into the second half of the year as well. On August 24 the County was the first large county in the United States to have administered at least one vaccine dose to 70 percent of the population across all age groups (twelve and older) and all racial/ethnic groups, more than three million doses in total. By year's end, the County would count 85 percent of its residents above the age of twelve as fully vaccinated.

Notwithstanding the ongoing vaccination effort, and the arrival of the Delta and Omicron variants of COVID-19, the County was able to undertake recovery efforts in 2021. March saw the creation of a \$40 million jobs program, creating 400 temporary jobs in the County's Parks, Facilities Management, and Roads agencies and with other County partners. Aligning support with the impacts of the pandemic the County directed \$25 million to support BIPOC businesses through a business and economic resiliency fund; \$20 million to support more than 100 businesses and organizations in the creative economy; and \$10 million to fund new construction apprenticeship and job training opportunities through partnerships with cities, school districts and colleges. In May, the County launched a \$145 million eviction prevention and rental assistance fund for households throughout King County that fell behind in rent due to unemployment, lost wages or health crisis related to COVID-19; the program covered rent and utility bills for more than 16,000 households by year end.

Equity and Social Justice

King County is investing and realigning itself to be an anti-racist and pro-equity government through initiatives ranging from transforming policing and the criminal legal system to making down-payments towards economic and racial justice. Efforts include co-creating change in partnership with communities, in attempts to disrupt systemic racism at its roots. The Office of Equity and Social Justice is coordinating the County's efforts to use equity and social justice considerations to guide decision making both internally and externally. This Office developed the Equity and Social Justice Strategic Plan which agencies use to advance goals and objectives in six goal areas: leadership, operations and services; plans, policies, and budgets; workplace and workforce; community partnerships; communication and education; and facility and system improvements.

Building on last year's declaration of racism as a public health crisis, in 2021 the Racism as a Public Health Crisis Community Oversight Committee began to take shape with the appointment of two prominent community leaders as co-chairs of the committee. The County also dedicated \$25 million to a community fund, which the Oversight Committee will work with community representatives to allocate. In the unincorporated area, the County launched a participatory budgeting process with people representing Skyway, White Center/North Highline, East Federal Way, Fairwood, and East Renton Highlands. Participatory budgeting is a democratic process in which community members directly decide how to spend part of a public budget. For the County, these 21 individuals will allocate \$10 million in capital budget and \$1.3 million in budget for services to address community challenges so the funding can have the most benefit, centered on racial equity.

Confronting Climate Change

The County is guided by its 2020 Strategic Climate Action Plan (SCAP) in confronting climate change. The SCAP is a five-year blueprint for County climate action, integrating climate change into all areas of County operations and work with King County cities, partners, communities, and residents. The SCAP outlines King County's priorities and commitments for climate action for decision-makers, employees, partners, and the public. In addition to establishing targets and performance measures to track and assess the County's progress, the SCAP details more than 225 Priority Actions that the County will carry out over the plan's 5-year tenure from 2020-2025. These actions cover diverse strategies including transit, renewable energy, green building, recycling, and preparing for local climate impacts such as increasing flood risks and extreme weather.

Transportation is the region's largest source of greenhouse gas emissions, emitting more than a third of all greenhouse gas emissions. In 2021, the County took delivery of four new all-electric battery buses as an initial installment for testing on our routes prior to delivery of the remaining 36 zero emission buses in the order. These forty new buses (twenty 40-foot coaches and twenty 60-foot coaches) are part of a "jump start" program authorized by the Council in 2020 under Ordinance 19052 which seeks to transition the County's revenue bus fleet to zero emission vehicles by 2035.

In green building, the Executive developed and proposed a revised Green Building Ordinance (GBO) which holds County-funded construction (either new construction or substantial retrofits) to new, higher, environmental standards. These practices foster energy and water efficiency, renewable energy production, reduction of carbon emissions, diversion of materials from landfills, improved stormwater management, utility cost savings, use of healthy building materials, habitat restoration, and integration of equity and social justice concepts. In achieving these objectives, County agencies have access to a broader array of green building rating systems. The Green Building Ordinance passed the Council unanimously in early 2022.

Regional Mobility

The County's response to regional mobility includes a four-prong strategy: make transit easy to use and available to all; add capacity through bus, base, and route expansion; partner with others in the public and private sector to improve transit infrastructure; and support top-quality work by Metro employees through apprenticeship, wellness, and training programs. In 2021 new Sound Transit light rail service opened to Northgate, Roosevelt, and the U-District with service every eight minutes during peak periods and every ten minutes during off-peak periods. Reliable, traffic-free travel on light rail is anticipated to nearly triple in size, from the current 26-mile-long network to 62 miles with the addition of service to Bellevue in 2023 and Redmond, Lynwood, and Federal Way in 2024.

Homelessness

Homelessness should be rare, brief, and one time in nature. Yet, a December 2021 County estimate predicted that over 40,000 residents experienced homelessness at some point in 2020, a dramatically higher count than prior single-point-in-time counting methodologies previously used (the January 2020 point-in-time count identified 11,700 homeless individuals on a single night). The Council acted quickly on new authority granted by the Washington State Legislature in 2020 to levy a 0.01 percent sales tax on taxable sales within the County starting January 1, 2021 for homelessness services and affordable housing. The County earned \$61 million in tax revenue this first year, using a portion of those revenues to support a \$262 million Limited General Obligation bond sale. Proceeds from the bonds were used to purchase nine former hotels and other developed properties in Seattle, Renton, Redmond, Auburn, and Federal Way. The County anticipates the purchase of three more such properties in 2022 with a goal of bringing 1,600 units of affordable housing online with related services targeting persons who are experiencing chronic homelessness, or are at risk of experiencing chronic homelessness. The County defines chronic homelessness as having a disability and having been homeless for twelve or more months continuously or for several periods of time over the last three years totaling twelve months in total.

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 King County for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the 40th consecutive year in which the County received this prestigious award. The Certificate of Achievement is valid for a period of one year only. We believe that our 2021 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's excellence requirements and we are submitting it to the GFOA for review.

In closing, preparation of this report would not have been possible without the dedication and outstanding work ethic of the Financial Accounting Unit staff of the Finance and Business Operations Division. We would also like to express our appreciation to all members of the division and finance staff of County agencies who assisted and contributed to the preparation of this report. Finally, we appreciate County Executive Dow Constantine, County Council members and other elected officials for their support in maintaining the highest standards of professionalism and ethical leadership in the stewardship of the County's finances.

Respectfully submitted,



Ken Guy
Finance Director
Finance and Business Operations Division



Cheryl Lee, CPA
Chief Accountant/Manager
Finance and Business Operations Division



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**King County
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Merrill

Executive Director/CEO



**King County Executive
Dow Constantine**



**King County Assessor
John Wilson**



**King County Prosecuting Attorney
Daniel T. Satterberg**



**King County Elections Director
Julie Wise**

ELECTED OFFICIALS (at time of publication)



METROPOLITAN KING COUNTY COUNCIL

King County Councilmembers (from top left): **Girmay Zahilay** (District 2), **Sarah Perry** (District 3), **Rod Dembowski** (District 1), **Vice Chair Joe McDermott** (District 8), **Claudia Balducci** (District 6), **Vice Chair Reagan Dunn** (District 9), **Council Chair Dave Upthegrove** (District 5), **Pete von Reichbauer** (District 7), and **Jeanne Kohl-Welles** (District 4).



**Presiding Judge
King County Superior Court
Patrick Oishi**



**Chief Presiding Judge
King County District Court
Matthew York**

ELECTED OFFICIALS (at time of publication)

Acknowledgments

The following were instrumental in performing the year-end closing of the County's general ledger and in supporting the preparation of the 2021 Annual Comprehensive Financial Report:

FINANCE AND BUSINESS OPERATIONS

Brianna Anderson	Amy Korn	Laura Otanez	Mark Thompson
Mike Bacnis	Hongnhan Le-Huynh	Sheryl Petersen	Flor Tubo
Carla Beck	Nigel Lewis	Jean Prepotente	
Martha Diesner	Lynn Mckiernan Ngari	David Reed	
Cindy Funai	Roxanne Oliver	Mike Smith	

The following furnished data, special research, information or technical support to the 2021 Annual Comprehensive Financial Report:

NATURAL RESOURCES AND PARKS

Nitin Chadha	Doug Hodson	Sergey Kovalchuk	Sue Sweany
Kristin Cline	Lin Hsin	Jennifer Lehman	Alexis Tilley
Veronica Doherty	Omar Ibrahim	Anna Markee	Doan Vuong
Trish Emry	Andrew Israel	Hong Nguyen	Ken Wong
Cheryl Florendo	Katrina Johnston	David Pierce	Genelle Woodbury
Sandy Fujioka	Amy Kaminishi	Andrea Smith	Sheila Yao
Jesse Gonzalez	Steve Klusman	Aaron Sommer	

EXECUTIVE SERVICES

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Sherrie Chatman	Tony Eayrs	Hanh Mai	Karl Nygard
Darcy Cinq-Mars	Chauntelle Hellner	Morlene Mitchell	

PUBLIC HEALTH

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Dee Dhlamini	Silvia Lim	Minh Ta	Madelaine Yun
Becky Ellis	Yinka Otusanya	Michael Trinh	June Zhai
Theresa George	Michael Perez	Lynette Unrau	
Amy Harris	Laura Pitarys	Orion White	
Susan Harris	Nollin Rose	Byron Williams	

COMMUNITY AND HUMAN SERVICES

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Maria Cabrales	Krystal Hackmeister	Scott Miller	
Rhonda Chong	Kendra Hinger	Florence Nabagenyi	
Ta-Win Fernandes	Carla Ikehara	Ryan Namahoe	

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Vikki Johnson	Paul Mudrovich	George Vida	Thomas Wood
Bryan Karol			

METRO TRANSIT

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OFFICE OF THE EXECUTIVE

Helene Ellickson	Christopher McGowan	Jim Record	Connor Wakayama
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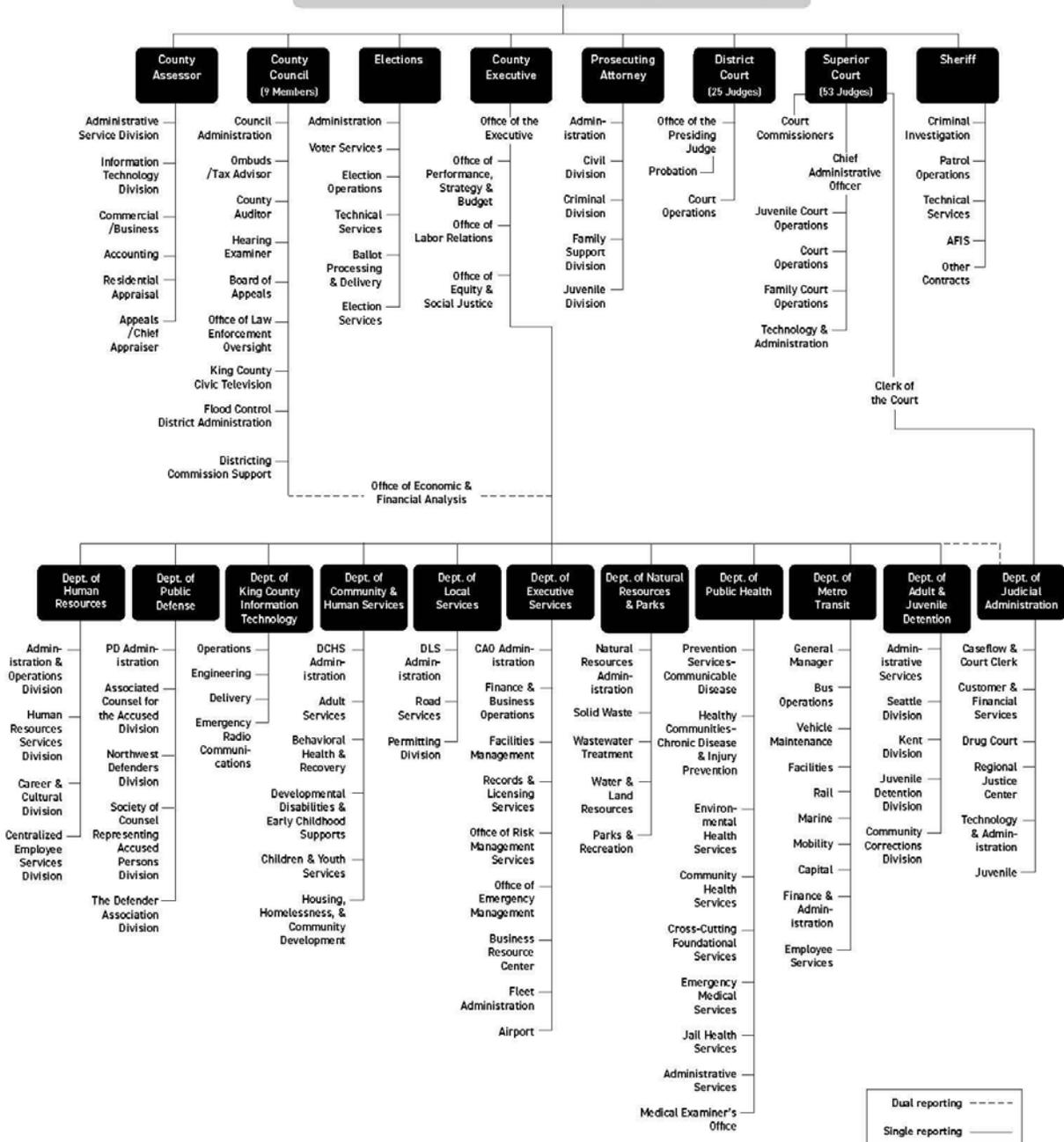
LOCAL SERVICES

Warren Cheney	SHERIFF'S OFFICE	HUMAN RESOURCES	
Ray Marquez	Cheri Allan	Christine Chou	Renee Richards
		Andres Fuerte	

COMPONENT UNITS

4Culture	NJB Properties	Flood Control District	Harborview Medical Center
Mike Griggs	Eleanora Rocker	Francis and Co, PLLC	Tzeghe Makonnen

The Electorate of King County



2021-2022 King County Organization Elected Officials, Departments and Divisions

SEPTEMBER 2020



Financial Section

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington



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

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

Council and Executive
King County
Seattle, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of King County as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of King County, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Public Transportation, Water Quality, or Solid Waste funds, which in aggregate represent 98 percent, 96 percent and 96 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Transportation, Water Quality, and Solid Waste funds, is based solely on the reports of the other auditors.

Basis for Opinions

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

our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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.

Other Information

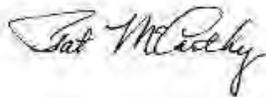
The other information comprises the Introductory and Statistical Sections but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinion on the basic financial statements do not cover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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2022, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 27, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of King County's Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the County for the year ended December 31, 2021. The County encourages readers to consider this information in conjunction with that furnished in the letter of transmittal and with the County's financial statements and accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

- At December 31, 2021, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$9.53 billion (referred to as *net position* of the primary government). Of this amount, \$2.42 billion represents unrestricted net position, which may be used to meet the County's short-term obligations to its vendors, creditors, employees and customers.
- The County's total net position increased 16 percent or \$1.32 billion over last year. Key contributors to the increase include receipt of federal pandemic-era stimulus funds (\$0.51 billion), market performance in the County's pension system which generated a new net pension asset this year (\$0.21 billion), a recovering local economy emerging from last year's global pandemic which resulted in higher sales and property tax collections, a new "Health Through Housing" chronic homelessness program receiving revenues in advance of expenditures, and an increase in the County's federally-funded affordable housing loan program which uses federal grant revenues to support loans incentivizing the construction of affordable housing.
- The governmental activities component of net position increased 19 percent or \$747 million over last year while the business-type activities component increased 13 percent or \$570 million.
- The County's governmental funds reported combined fund balances of \$1.85 billion, an increase of 46 percent or \$0.59 billion from the prior year. Approximately 9 percent or \$167 million of this amount is unassigned fund balance which is available for spending at the government's discretion.
- Unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) for the General Fund was \$259 million, or approximately 30 percent of total annual General Fund expenditures. Total fund balance for the General Fund increased 30 percent or \$60 million from the prior year.
- Total liabilities of the County increased by 3 percent or \$214 million in 2021. The largest percentage change to liabilities were unearned revenues which increased 63 percent or \$134 million in the governmental activities from last year due to advance payments received by the County under the American Rescue Plan Act (P.L. 117-2). The largest component of liabilities by size is debt, which increased 6 percent or \$310 million. See the section of this document titled "Debt Administration" for more information about changes to the County's debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which include three components: government-wide financial statements, fund financial statements and 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

The **government-wide financial statements** are designed to provide readers with an overview of the County's finances, in a manner similar to a private sector business. The statements provide near-term and long-term information about the County's financial position, which assists in assessing the County's financial condition at the end of the fiscal year.

The **statement of net position** presents all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County'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 related cash flows*. Thus, revenues and expenses are reported for some items

that will not result in cash flows until future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation leave.

Both government-wide financial statements have separate sections for three different types of County programs or activities:

Governmental activities

The activities in this section are principally supported by taxes and revenues from other governments (called "intergovernmental revenues" in the statements). The county classifies governmental activities into general government; law, safety and justice; physical environment; transportation; economic environment; health and human services; culture and recreation; debt service and capital outlay. Further discussion of these activities may be found in Note 1 to the Basic Financial Statements. Also included within governmental activities are the operations of the King County Flood Control District which, although legally separate, is reported as a blended component unit and shown as a special revenue fund to comply with governmental accounting standards.

Business-type activities

These functions are intended to recover all or a significant portion of their costs through user fees and charges to external users. The county's business-type activities include public transportation, wastewater treatment, solid waste disposal and recycling, airport property leasing, ferry, radio communications, and public internet services.

Discretely presented component units

The County's government-wide financial statements include the financial data of other legally separate entities that are reported as discrete component units: Harborview Medical Center, Cultural Development Authority of King County and NJB Properties. While governmental accounting standards call for these entities to be reported as part of the overall financial reporting entity, they are not included within the primary government. Individual financial statements for these discrete component units can be found in the Basic Financial Statements section, immediately following the fiduciary funds financial statements.

Following the government-wide statements are the fund statements.

Fund Financial Statements

The fund financial statements are designed to report financial information about the County's funds. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

The County, like most state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Most of the services provided by the County are accounted for in governmental funds. Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements.

Unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing near-term financing requirements.

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

King County maintains a general fund and several other individual governmental funds organized according to their type (special revenue, debt service, and capital projects). The government reports four governmental **major funds**, the General Fund, the Behavioral Health Fund, the Housing and Community Development Fund, and the Public Health Fund. Each major fund is presented in a separate column in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single aggregated presentation as "nonmajor governmental funds." Individual fund data for each of these nonmajor funds is provided as supplementary information in the form of combining statements in the Governmental Funds section.

The County adopts biennial budgets for the major funds, appropriated at the department or division level. Budgetary comparison schedules are provided for each of the major governmental funds and may be found in the Required Supplementary Information section.

Proprietary funds

Proprietary funds are used to account for services for which the County charges customers a fee to recover all or a portion of the cost of providing the services. Proprietary funds provide the same type of information as shown in the government-wide financial statements but at a more detailed level, including the addition of cash flow statements. Like the government-wide financial statements, proprietary funds financial statements use the accrual basis of accounting. The basic proprietary funds financial statements can be found immediately following the governmental funds financial statements.

The County has two types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary funds financial statements provide separate information for the Water Quality Enterprise, the Public Transportation Enterprise, and the Solid Waste Enterprise, all of which are considered to be major funds of the County for financial reporting purposes. All other enterprise funds are aggregated into a single "nonmajor enterprise funds" column within the proprietary funds financial statements. Individual fund data for each of these nonmajor funds is provided as supplementary information in the form of combining statements in the Proprietary Funds section.

Internal service funds are used to report activities that provide centralized services to the County's other programs and activities on a cost reimbursement basis. The County uses this type of fund to account for services such as the motor pool, information and technology, employee benefits, facilities management, risk management, financial, and various other administrative services. These funds support or benefit primarily governmental rather than business-type functions and those funds have therefore been consolidated within governmental activities in the government-wide financial statements. At the fund level, because of their business-type nature, all the internal service funds are aggregated for reporting purposes under the proprietary fund group in the basic financial statements with individual fund statements provided as other supplementary information in the Internal Service Funds combining section.

Fiduciary funds

Fiduciary funds such as trust and custodial funds are used to account for resources held for the benefit of parties outside the government. This fund group also includes the external investment pool custodial funds that are used to report investment pool activity on behalf of special districts and public authorities. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements. The accounting for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found immediately following the proprietary funds financial statements.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the individual component unit financial statements in the Basic Financial Statements section.

Other Information**Required supplementary information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information on budget to actual comparisons for major governmental funds, the current funding progress for pensions, the current funding progress for defined benefit post-employment benefits other than pensions, and infrastructure assets reported using the modified approach. The required supplementary information immediately follows the notes to the financial statements.

Combining statements

The combining statements are presented in separate sections immediately after the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. King County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$9.53 billion at December 31, 2021 as shown in the table below.

	King County's Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets ^(a)	\$ 3,746,851	\$ 2,314,814	\$ 4,010,888	\$ 3,043,861	\$ 7,757,739	\$ 5,358,675
Capital assets ^(a)	3,895,388	3,582,625	6,128,577	6,217,033	10,023,965	9,799,658
Total Assets	7,642,239	5,897,439	10,139,465	9,260,894	17,781,704	15,158,333
Deferred Outflows of Resources	110,130	133,108	222,895	244,928	333,025	378,036
Liabilities						
Long-term liabilities	1,603,158	1,323,101	4,601,093	4,880,551	6,204,251	6,203,652
Other liabilities ^(a)	692,141	629,262	420,141	269,491	1,112,282	898,753
Total Liabilities	2,295,299	1,952,363	5,021,234	5,150,042	7,316,533	7,102,405
Deferred Inflows of Resources	741,049	109,101	525,349	109,920	1,266,398	219,021
Net Position						
Net investment in capital assets ^(a)	3,010,293	2,942,708	2,194,694	2,301,448	5,204,987	5,244,156
Restricted ^(a)	1,581,076	1,169,765	325,505	247,267	1,906,581	1,417,032
Unrestricted ^(a)	124,652	(143,390)	2,295,578	1,697,145	2,420,230	1,553,755
Total Net Position	\$ 4,716,021	\$ 3,969,083	\$ 4,815,777	\$ 4,245,860	\$ 9,531,798	\$ 8,214,943

(a) Prior year balances restated. See Note 18 - Components of Fund Balance, Restrictions and Restatements.

The largest portion of King County's net position, 55 percent or \$5.20 billion, reflects its net investment in capital assets. The County employs these long-lived assets in providing a variety of services to its residents. Accordingly, the net position associated with the capital assets does not represent amounts available for future spending. The County's investment in capital assets is reported net of related debt. The resources used to repay the capital-related borrowing must be provided from other more current, or liquid, assets.

An additional portion of County's net position, 20 percent or \$1.91 billion, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2.42 billion is unrestricted. A negative unrestricted net position represents more liabilities and deferred inflows of resources than assets and deferred outflows of resources. One source of negative net position for the governmental activities is negative unassigned fund balance, which is shown for some nonmajor funds in the governmental funds section. Negative unassigned fund balance results when liabilities and deferred inflows of resources exceed assets; or, when the sum of nonspendable, restricted, and committed fund balance exceeds total fund balance.

King County's overall net position increased 16 percent or \$1.32 billion from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities During the current year, net position for the governmental activities increased 19 percent or \$0.75 billion for an ending balance of \$4.72 billion. Net position invested in capital assets comprised 63 percent of total net position in the governmental activities, or \$3.01 billion, an increase from the prior year of 2 percent. The increase was caused by the combined net additions to capital assets and net reductions in outstanding capital related debt during the year. Net position restricted for specific purposes amounted to \$1.58 billion including \$0.64 billion for health and human services; \$0.21 billion for pensions; \$0.17 billion for economic environment; \$0.17 billion for law, safety, and justice; and, \$0.17 billion for culture and recreation. Other restrictions, each individually less than \$0.10 billion, constituted the remaining \$0.22 billion.

Governmental activities accounted for 57 percent of the total improvement in net position of the County. The total revenues for governmental activities were \$3.25 billion, an increase of 17 percent or \$467 million from the prior year. Revenue increases were primarily driven by pandemic-related Federal mitigation and stimulus payments. The County earned pandemic revenues through two new and two existing programs this year totaling \$284 million. The new programs were both administered by US Treasury: the Coronavirus State and Local Fiscal Recovery Fund (\$102 million) and the Emergency Rental Assistance program (\$45 million). The existing programs renewed this year included Public Assistance grants from the Federal Emergency Management Agency (\$87 million, up from \$66 million last year) and US Treasury's Coronavirus Relief Fund (\$50 million, down from \$244 million last year). With the exception of the Coronavirus Relief Fund, these revenues are reported in the operating grants and contributions column in the Statement of Activities which, in total for the governmental activities, increased 116 percent or \$354 million from last year. The second largest contributor to revenue growth was charges for services, which increased 19 percent or \$167 million. The increase in charges for services revenue was from an increased number of Medicaid patients utilizing the County's allopathic and behavioral health services.

Expenses for governmental activities during the year remained essentially flat, decreasing only \$7 million. However, at the function level, some functions had more expenses this year while others had less. Expense increases were focused on health and human services (HHS) due to pandemic impacts. HHS expenses overall increased 17 percent or \$164 million from last year, concentrated in the Housing and Community Development fund which tripled to \$507 million primarily driven by \$146 million in new rental assistance expenses, and the Public Health fund where expenses increased 31 percent or \$85 million primarily driven by \$52 million in increased payments to partner agencies assisting with the pandemic testing and vaccination effort. The largest reduction of expense occurred in law, safety, and justice, where expenditures decreased 11 percent or \$93 million. The reduction was principally due to a reduction in pension expense for the employees assigned to this function, which dropped \$88 million from last year. According to the Washington State Department of Retirement Systems (DRS), which administers the multi-employer plans the County's employees participate in, market returns are the primary reason. The Commingled Trust Fund (CTF) achieved investment performance yield more than six times higher in 2021 than 2020. Please see *Note 9: Pension Plans* for more information about the retirement plans available to County employees and their performance.

Changes in Net Position
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services ^(b)	\$ 1,061,373	\$ 893,948	\$ 966,859	\$ 968,113	\$ 2,028,232	\$ 1,862,061
Operating grants and contributions	658,780	304,901	434,058	533,111	1,092,838	838,012
Capital grants and contributions	41,176	17,527	31,469	28,087	72,645	45,614
General revenues						
Property taxes	1,032,397	1,006,670	37,347	36,471	1,069,744	1,043,141
Retail sales and use taxes	368,327	247,725	749,616	637,425	1,117,943	885,150
Other taxes	30,571	23,151	—	—	30,571	23,151
Coronavirus relief funds	50,104	243,687	—	1,451	50,104	245,138
Unrestricted interest earnings	2,415	40,304	(7,639)	33,080	(5,224)	73,384
Total revenues	<u>3,245,143</u>	<u>2,777,913</u>	<u>2,211,710</u>	<u>2,237,738</u>	<u>5,456,853</u>	<u>5,015,651</u>
Expenses^(a)						
General government ^(b)	203,142	251,895	—	—	203,142	251,895
Law, safety and justice	725,732	819,211	—	—	725,732	819,211
Physical environment	25,590	22,253	—	—	25,590	22,253
Transportation ^(b)	99,902	105,292	—	—	99,902	105,292
Economic environment ^(b)	199,899	229,144	—	—	199,899	229,144
Health and human services	1,137,703	973,277	—	—	1,137,703	973,277
Culture and recreation	89,839	93,454	—	—	89,839	93,454
Interest and other debt service costs	24,435	18,400	—	—	24,435	18,400
Airport	—	—	30,980	30,816	30,980	30,816
Public transportation ^(b)	—	—	1,001,312	1,063,782	1,001,312	1,063,782
Solid waste	—	—	125,740	136,081	125,740	136,081
Water quality ^(b)	—	—	468,551	477,359	468,551	477,359
Other enterprise activities ^(b)	—	—	7,173	7,771	7,173	7,771
Total expenses	<u>2,506,242</u>	<u>2,512,926</u>	<u>1,633,756</u>	<u>1,715,809</u>	<u>4,139,998</u>	<u>4,228,735</u>
Increase in net position before transfers	738,901	264,987	577,954	521,929	1,316,855	786,916
Transfers	8,037	6,211	(8,037)	(6,211)	—	—
Increase in net position	746,938	271,198	569,917	515,718	1,316,855	786,916
Net position, beginning of year ^(c)	3,969,083	3,697,885	4,245,860	3,730,142	8,214,943	7,428,027
Net position, end of year	<u>\$ 4,716,021</u>	<u>\$ 3,969,083</u>	<u>\$ 4,815,777</u>	<u>\$ 4,245,860</u>	<u>\$ 9,531,798</u>	<u>\$ 8,214,943</u>

(a) Expenses for all functions include the allocation of indirect expenses from general government. The amount of indirect general government expenses allocated to each function is shown in a separate column on the government-wide Statement of Activities next to the column of direct operating expenses incurred by each function. In the above statement, the \$203 million in general government expense consists of \$257 million in direct program expenses reduced by indirect charges of \$54 million that was charged to the other benefiting functions.

(b) 2020 revenues and expenses were adjusted for the corresponding effects of the restatements of beginning net position.

(c) Net position, beginning of year has been restated. See Note 18 - Components of Fund Balance, Restrictions and Restatements.

Business-type Activities King County's business-type activities reported a net position of \$4.82 billion, increasing by 13 percent or \$570 million from the prior year. Of the total net position for business-type activities, 46 percent or \$2.19 billion was invested in capital assets net of the related debt used to finance the acquisition or construction of these capital assets. Another 7 percent or \$326 million of the total net position of business-type activities is restricted for spending on capital projects, debt service, regulatory assets and environmental liabilities. The remaining 47 percent or \$2.30 billion is unrestricted net position which is available to meet ongoing obligations to customers, vendors, other creditors and employees.

Business-type activities' net position of \$4.82 billion comprised 51 percent of the total County net position at the end of 2021. Business-type activities accounted for 43 percent of the total increase in the County's aggregate net position during the year. This growth in net position was due primarily to reduction in expenses which outpaced the reduction in revenues.

Total revenues of business-type activities were \$2.21 billion, a decrease of 1 percent or \$26 million from last year. The largest reduction came from operating grants and contributions, which dropped 19 percent or \$99 million as Federal pandemic-era operating support began to tail off and transition back to its historic role supporting capital investments. While revenues in the business-type activities decreased in total, some revenue sources increased. The largest increase was retail sales and use taxes which rebounded along with the local economy as pandemic-related restrictions eased. The business-type activities reported \$750 million in retail sales and use tax revenues in 2021, an increase of 18 percent or \$112 million.

Business-type activity expenses decreased 5 percent or \$82 million over the prior year for all business-type activities taken together. The Public Transportation Enterprise had the largest decrease in expense on an absolute basis, dropping 6 percent or \$62 million. The decrease relative to last year was due primarily to reductions in personnel services as the enterprise benefits from reduced benefit and post-employment benefit expense and continues to rightsize its workforce to post-pandemic demand. While business-type activities taken together decreased, not all activities within the classification decreased. The King County International Airport (KCIA) saw an increase of expense, at 1 percent or \$164 thousand. These increased costs are primarily related to planning, preliminary design and construction staging costs associated with new projects in the airport's capital improvement plan to improve runways and facilities; these projects have not progressed to the point where costs may be capitalized.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use. It represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Council.

At December 31, 2021, the County's governmental funds reported a combined fund balance of \$1.85 billion, an increase of 46 percent or \$0.59 billion in comparison with the prior year. Approximately 9 percent or \$167 million constitutes *unassigned fund balance*. The remainder of fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate, respectively, that it is 1) not in spendable form or legally required to be maintained intact, \$326 million, 2) restricted for particular purposes, \$1,270 million, 3) committed for particular purposes, \$44 million, or 4) assigned for particular purposes, \$40 million.

The **General Fund** is the chief operating fund of the County. At the end of the 2021 fiscal year, total fund balance for the General Fund was \$261 million. Unassigned fund balance totaled \$222 million, an increase of 67 percent or \$89 million from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures of \$870 million. The unassigned fund balance of \$222 million represents 26 percent of total General Fund expenditures, an increase of 11 percent from 2020 while the total fund balance of \$261 million represents 30 percent of total expenditures in 2021, an increase from 22 percent in 2020.

Fund balance of the General Fund increased by 30 percent or \$60 million during 2021. The increase in fund balance was due to a reduction in spending from the prior year. The notable revenue streams contributing to the increase of fund balance are property taxes at 39 percent of total revenues, charges for services at 29 percent of total revenues, retail sales and use taxes at 17 percent of total revenues, and intergovernmental revenues at 8 percent of total revenues. Property taxes are budgeted on a biennial basis at the level needed. Charges for services are mostly comprised of contracts with other jurisdictions to provide legal, law enforcement and rehabilitation, and detention services. Total expenditures decreased by 5 percent or \$46 million. The main expenditures are for law, safety and justice at 75 percent of total expenditures, related to contract costs with other jurisdictions, and general government at 19 percent of total expenditures, related to general operation costs such as elections, records and licensing, finance and budgeting and legislative expenditures. Law, safety and justice expenditures in the Office of Emergency Management and Department of Public Safety decreased \$25 million over the prior year due to a reduction in COVID-19 pandemic response costs. General government costs decreased \$11 million from the prior year due to high costs related to pandemic response in 2020.

The **Behavioral Health Fund** provides oversight and management of crisis services, mental health treatment, substance use disorder treatment and diversion and reentry services to low income clients, with an emphasis on prevention, intervention, treatment and recovery. At the end of 2021, it had a total fund balance of \$38 million, an increase from a total fund balance deficit of \$31 million last year.

The increase in fund balance in the current year was caused by earning more revenues, \$358 million, than incurring costs on programs, \$295 million. Charges for services increased by \$57 million over the prior year due to increased revenue from Medicaid and managed care organizations. Intergovernmental revenues nearly doubled to \$30 million, due to COVID-19 relief grants.

The **Housing and Community Development Fund** collects revenue from federal, state, and other funding sources to support housing and community development projects such as development of affordable and special needs housing, homeless prevention and supportive services, housing repairs, and community development projects that improve the livability of neighborhoods and communities. At the end of 2021, it had a total fund balance of \$589 million, an increase from a total fund balance of \$305 million last year.

The increase in fund balance in the current year was primarily due to proceeds from a new bond issuance of \$451 million exceeding the current year project costs of \$212 million. Intergovernmental revenues increased over the prior year by \$193 million from COVID-19 pandemic relief grants to support eviction prevention and rental assistance programs.

The **Public Health Fund** finances health service centers located through King County and public health programs. The Public Health Fund supports clinical health services primary care assurance, management and business practice, population and targeted community health services. At the end of 2021, it had a total fund balance of \$39 million, an increase from a total fund balance of \$34 million last year.

Although both revenues and expenditures increased significantly in 2021, the year ended with revenues exceeding expenditures resulting in a \$5 million or 14 percent increase in fund balance. Transfers from Best Start for Kids increased \$17 million over the prior year. 2020 transfers were low due to the postponement of activities in response to the COVID-19 pandemic.

Proprietary Funds The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

At December 31, 2021, the County's proprietary funds reported a combined net position of \$4.82 billion, an increase of 13 percent or \$570 million compared to the prior year. The Public Transportation Enterprise net position increased 16 percent or \$486 million; the Water Quality Enterprise net position increased by 10 percent or \$89 million; and the Solid Waste Enterprise net position increased by 149 percent or \$20 million.

The **Public Transportation Enterprise** accounts for the operations, maintenance and capital improvements of the County's public transportation system. At the end of 2021, the Public Transportation Enterprise had total net position of \$3.56 billion of which 44 percent or \$1.57 billion was invested in capital assets net of associated debt; 2 percent or \$68 million was restricted for capital projects, debt service and pensions; and, 54 percent or \$1.92 billion was unrestricted. Unrestricted net position increased from the prior year by 35 percent or \$501 million. The increase is due to keeping expenses under revenues. The key revenues that help to increase the Enterprise's net position are sales taxes at \$750 million or 52 percent of total revenue; intergovernmental revenue at \$424 million or 29 percent of total revenue; service contracts at \$155 million or 11 percent of total revenue and passenger fares at \$59 million or 4 percent of total revenue. Intergovernmental revenue included \$359 million in funding from the American Rescue Plan Act (ARPA). Total operating expenses decreased by \$143 million from the prior year, with personal services experiencing the largest decrease at \$148 million primarily due to pension expense credits, offset by an increase in miscellaneous expenses of \$15 million.

The **Water Quality Enterprise** accounts for the operations, maintenance, capital improvements and expansion of the County's water pollution control facilities. At the end of 2021, the Water Quality Enterprise reported total net position of \$982 million of which 42 percent or \$410 million was invested in capital assets net of the related debt; 25 percent or \$251 million was restricted for debt service, pensions and regulatory assets and environmental liabilities; and the remaining 33 percent or \$321 million was unrestricted. Total net position improved by \$89 million due to continually posting positive results from operations. The Enterprise reported \$420 million in sewage disposal fees, an increase of \$2 million or 1 percent from the prior year. Remaining operating revenues of \$115 million increased by \$2 million or 2 percent. The Enterprise incurred \$326 million in total operating expenses, mainly comprised of

\$170 million in depreciation and amortization expenses, personal services of \$43 million and internal services of \$41 million.

The **Solid Waste Enterprise** accounts for the operations, maintenance, capital improvements and expansion of the County's solid waste collection and disposal system. At the end of 2021, the Solid Waste Enterprise reported total net position of \$34 million of which \$125 million was invested in capital assets net of the related debt; \$5 million was restricted for pensions; and the remainder (a deficit of \$96 million) was unrestricted. A deficit unrestricted net position represents more liabilities and deferred inflows of resources than assets and deferred outflows of resources. Total net position increased by \$20 million over the prior year. The Enterprise reported \$134 million in solid waste disposal charges, an increase of \$1 million from the prior year. The Enterprise incurred \$129 million in total operating expenses, mainly comprised of personal services of \$45 million, contract services and other charges of \$28 million and depreciation of \$21 million.

General Fund Budgetary Highlights

King County budgets on a biennial basis with each budget period beginning in an odd-numbered year. This is the first year of the 2021-2022 biennium for County operating funds. The biennial budget is a true 24-month budget, not two separate budgets enacted at the same time.

Original Budget Compared to Final Budget The General Fund's final budget differs from the original budget in that it reflects an increase of \$297 million in expenditures due to supplemental budget appropriations, which included COVID-19 response. The largest increases to estimated revenues are for intergovernmental revenues, sales and use taxes, and property taxes.

Budget increases were made during the budget period to the following county functions (listing appropriations with the most significant contributions to the increase): General government by \$107 million (Office of Performance, Strategy and Budget; Office of Equity and Social Justice); Law, safety, and justice by \$87 million (Prosecuting Attorney; Superior Court); Economic environment by \$38 million (Jobs and Housing Program); Health and human services by \$12 million (Jail Health Services); and transfers by \$53 million (Transfers to Department of Health and Human Services; Transfers to Department of Public Health; CIP Transfers to Department of Executive Services for various capital projects).

Final Budget Compared to Actual Results Property taxes are the largest revenue source in the General Fund, accounting for 36 percent of the budgeted revenues. Charges for services and retail sales and use taxes are the other significant sources of revenue for the General Fund, representing 26 percent and 16 percent of total budgeted revenues, respectively. The amount received for charges for services is dependent on corresponding services provided and fluctuate with the applicable programs and services offered. Retail sales and use taxes are dependent on spending in the economy, which is influenced by various factors.

The actual budgetary basis expenditures were \$1.27 billion less than the final appropriation, due primarily to this being the first year of the biennial budget. Law, safety, and justice and general government comprise the largest amounts of expenditures at 67 percent and 17 percent, respectively.

CAPITAL ASSETS, INFRASTRUCTURE AND DEBT ADMINISTRATION

Capital Assets

The King County primary government's capital assets for its governmental and business-type activities as of December 31, 2021, amounted to \$3.90 billion for governmental activities and \$6.13 billion for business-type activities totaling \$10.03 billion, net of depreciation.

Capital assets include land, rights-of-way, easements and development rights, buildings, improvements other than buildings, infrastructure, vehicles, machinery, computers, software and other equipment and construction in progress. The total increase in capital assets over the previous year was \$224 million, net of depreciation.

Major capital asset events during 2021 included the following:

- The parking garage for the recently completed Patricia H. Clark Children and Family Justice Center was placed into operations in the summer 2021, with costs totaling \$41 million.
- Public Transportation acquired land (South Access Base) at a cost of \$11 million.

- Puget Sound Emergency Radio Network (PSERN) is engaged in replacing the existing emergency communications radio system that is over 20 years old. The new system as a whole will provide improved coverage, capacity, capability and connectivity in PSERN's regional service area. The total estimated project cost is \$293 million; \$171 million has been spent through 12/31/2021. The radio network is anticipated to be operational in 2023.
- Solid Waste has completed 90 percent design and is initiating 100 percent design of the South County Recycling and Transfer Station (SCRTS). The purpose of this transfer station is to replace the 1960s era Algonia Transfer Station and offer new recycling and hazardous waste disposal services to the community. Project construction is expected to begin the first quarter of 2023 and is estimated to last about 3 years, with the new transfer station expected to open to the public in Spring of 2026. Total cost of the new transfer station is estimated at \$196 million.

A summary of the 2021 capital assets activity is shown below. More detailed information on the County's capital assets can be found in *Note 7 - Capital Assets*.

	Capital Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land rights ^(b)	\$ 1,244.5	\$ 1,142.8	\$ 479.4	\$ 472.5	\$ 1,723.9	\$ 1,615.3
Buildings ^(a)	829.8	676.9	1,593.3	1,668.5	2,423.1	2,345.4
Leasehold Improvements ^(a)	39.8	28.3	2.3	2.5	42.1	30.8
Improvements other than buildings ^(a)	124.8	98.1	332.4	313.3	457.2	411.4
Infrastructure - roads and bridges	1,161.7	1,140.6	—	—	1,161.7	1,140.6
Infrastructure - other ^(a)	46.0	47.8	1,693.5	1,740.5	1,739.5	1,788.3
Equipment, software and art collection ^{(a)(b)}	149.7	159.5	1,127.6	1,271.1	1,277.3	1,430.6
Construction in progress	299.1	288.6	900.1	748.6	1,199.2	1,037.2
Total	<u>\$ 3,895.4</u>	<u>\$ 3,582.6</u>	<u>\$ 6,128.6</u>	<u>\$ 6,217.0</u>	<u>\$ 10,024.0</u>	<u>\$ 9,799.6</u>

(a) Net of Depreciation

(b) 2020 Governmental Activities and Business-Type Activities Balance Restated. See Note 7 - Capital Assets

Infrastructure

The County has elected to use the modified approach in reporting roads and bridges. Under the modified approach, capital assets are not depreciated because they will be preserved indefinitely. The condition of the assets is disclosed to provide evidence that established condition levels are being met. The rating scales for pavements (roads) and bridges and the results of the most recent condition assessments are further explained in the required supplementary information which follows the notes to the basic financial statements.

Condition assessments for roads are undertaken every three years using a pavement condition index (PCI). This is a 100-point scale numerical index that represents the pavement's functional condition based on the quantity, severity and type of visual distress. It is the policy of the King County Road Services Division to maintain at least 50 percent of the road system at a PCI of 40 or better. In the most recent condition assessment, more than two-thirds of the arterial and local access roads met the established condition level.

The County currently maintains 181 bridges. Physical inspections to uncover deficiencies are carried out at least every two years. A prioritization scale is maintained to determine which bridges are due for replacement or rehabilitation. The most significant criterion is the sufficiency rating which utilizes a 100-point priority scale based on various factors of bridge condition. The policy of the King County Road Services Division is to maintain bridges in such a manner that no more than 6.5 percent will have a sufficiency rating of 20 or less. The most current complete assessment showed only 10 bridges at or below this threshold.

The amount budgeted for 2021 roads preservation and maintenance was \$81 million, but the actual amount expended was \$49 million. For maintenance and preservation of bridges, the amount budgeted for 2021 was \$31 million, but the actual expended amount was \$8 million. The variance between budget and spending is due to supplemental budget and remaining work under contract to be completed in 2021.

Debt Administration

At the end of 2021, King County had a total of \$5.20 billion in debt outstanding. Of this amount, \$2.38 billion comprises of debt backed by the full faith and credit of the County. The other \$2.82 billion represents bonds secured by revenues generated by the debt-financed capital assets and state revolving loans. Below is a summary of the County's debt by type and activity.

	Outstanding Debt (in millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General Obligation bonds	\$ 1,124.0	\$ 684.5	\$ 1,248.2	\$ 1,136.5	\$ 2,372.2	\$ 1,821.0
General Obligation capital leases ^(a)	7.4	7.8	—	—	7.4	7.8
Revenue bonds	—	—	2,720.0	2,817.4	2,720.0	2,817.4
State revolving loans	—	—	104.2	247.3	104.2	247.3
Total	\$ 1,131.4	\$ 692.3	\$ 4,072.4	\$ 4,201.2	\$ 5,203.8	\$ 4,893.5

^(a)Project lease agreements - NJB properties. Under the lease agreements, the County's obligation to pay rent to NJB Properties is a limited tax general obligation.

Bond amounts are presented inclusive of associated premiums and discounts. See Note 15 - *Liabilities* for detail.

Total debt increased over the previous year by 6 percent or \$310 million (a 63 percent or \$439 million increase for governmental activities and 3 percent or \$129 million decreased for business-type activities). Governmental activities' outstanding debt increased primarily due to reductions of \$76 million for debt service payments and \$30 million for defeasance of bonds and increases for the issuance of \$543 million in both new limited tax general obligation bonds and refunding general obligation bonds, with related net premiums of \$3 million.

Business-type activities' outstanding debt decreased primarily due to the issuance of \$730 million in new limited tax general obligation bonds (\$359 million) and Sewer Revenue bonds (\$371 million) and reductions of \$305 million in debt service payments and the defeasance of \$403 million in refunded bonds. State revolving loans decreased by 58 percent or \$143 million.

The County maintained a rating of "Aaa" from Moody's, a rating of "AAA" from Standard & Poor's, and a rating of "AAA" from Fitch for both its limited tax general obligation debt and unlimited tax general obligation debt. The ratings for Water Quality Enterprise's revenue debt are "Aa1" from Moody's and "AA+" from Standard & Poor's.

State statutes limit the amount of general obligation debt that the County may issue to 2.5 percent of its total assessed valuation for general county purposes and 2.5 percent for metropolitan functions (Water Quality and Public Transportation funds). The current debt limitation of total general obligations for general county purposes is \$18.06 billion, significantly higher than the County's outstanding net general obligation long-term liabilities of \$953 million. For metropolitan functions the debt limitation is also \$18.06 billion and the County's outstanding net general obligation debt for metropolitan functions is \$1.13 billion.

Additional information on King County's long-term debt can be found in Note 15 of the Basic Financial Statements.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Items of note within King County:

- King County's seasonally-adjusted unemployment rate was 3.1 percent in December 2021, lower than state and national unemployment rates, which were 4.5 percent and 3.9 percent, respectively. King County average employment increased by 2.0 percent in 2021. Boeing shed more jobs as the aerospace sector continued to contract. Two of the region's prominent private employers, Amazon and Microsoft, retain strong demand for their products and services. The COVID-19 pandemic hamstrung the leisure and hospitality sector in King County. Restrictions and safety concerns at restaurants, bars, recreational facilities, and hundreds of other leisure related businesses across the state has led to substantial job losses in that sector, which has still not fully recovered as of early 2022. Some restaurants and bars have closed for good. For a longer-term retrospective on unemployment trends, see the *Demographic and Economic Indicators* table in

the Statistical section of this report; however, note the unemployment statistics quoted there are annual averages and not a point-in-time measure as reported here.

- Taxable retail sales growth was robust in the years prior to 2020 thanks to growing incomes, optimistic consumer confidence, strong employment, and a thriving construction sector. Local retail sales tax collections grew 11 percent in 2018, 4 percent in 2019, then *declined* 4 percent in 2020 due to the pandemic before growing 17 percent in 2021. Taxable sales have strongly rebounded in most sectors with the exception being the leisure and hospitality sector which is still not back to pre-pandemic (2019) levels.
- Inflation took off in 2021. The Seattle Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W-STB) increased by 4.8 percent, up from 1.9 percent in 2020. The national CPI for All Urban Consumers (CPI-U-US) increased 4.7 percent during the same period.

In addition to managing the public health side of the pandemic, King County will continue to face numerous challenges, including volatile energy prices, rising employee and programmatic health care costs, the need to raise sufficient revenues to support utilities, the transit system, and general government operations. Over the last four years the County has maintained its commitment to build reserves in times of economic prosperity and has increased its minimum undesignated reserve for the General Fund from six percent to eight percent, which is the maximum amount under county policy. These reserves buffered the effects of the pandemic as the County spent down reserves in the General Fund to just above the six percent minimum during the last budget. The county is willing to make difficult decisions to reduce expenditures to match revenue levels while retaining prudent reserves. At the state level, the County also continues to pursue statutory enhancements to local government revenues to balance revenues more flexibly with long-term cost pressures.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of the County's financial activities for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed as below.

King County Chief Accountant
201 S Jackson St, Ste 0714
Seattle, WA 98104-3854



Basic Financial Statements

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

STATEMENT OF NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 1,964,740	\$ 2,401,149	\$ 4,365,889	\$ 469,751
Investments	—	15,795	15,795	—
Receivables, net	554,252	697,739	1,251,991	220,438
Internal balances	(85,559)	85,559	—	—
Due from component unit	10,115	—	10,115	—
Due from primary government	—	—	—	9,881
Inventories	3,903	36,577	40,480	10,891
Prepayments and other assets	37,661	4,354	42,015	10,040
Net pension asset	798,805	457,952	1,256,757	1,974
Nondepreciable capital assets	2,716,393	1,378,553	4,094,946	8,224
Depreciable capital assets, net	1,178,995	4,750,024	5,929,019	260,670
Net investment in capital lease with primary government	—	—	—	7,402
Deposits with other governments	—	—	—	4,873
Regulatory assets - environmental remediation	—	163,300	163,300	—
Other assets	462,934	148,463	611,397	28,715
Total assets	7,642,239	10,139,465	17,781,704	1,032,859
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refunding	15,965	166,291	182,256	—
Deferred outflows on pensions	86,423	52,448	138,871	324
Deferred outflows on other post employment benefits	4,702	923	5,625	10
Deferred outflows on asset retirement obligations	3,040	3,233	6,273	—
Total deferred outflows of resources	110,130	222,895	333,025	334
LIABILITIES				
Accounts payable and other current liabilities	257,987	296,644	554,631	82,361
Accrued liabilities	75,237	105,872	181,109	62,773
Due to component unit	4,861	—	4,861	—
Due to primary government	—	—	—	14,635
Unearned revenues	346,654	17,625	364,279	54,796
Capital lease payable to component unit	7,402	—	7,402	—
Noncurrent liabilities:				
Due within one year	175,086	191,678	366,764	7,168
Due in more than one year	1,428,072	4,409,415	5,837,487	67,044
Total liabilities	2,295,299	5,021,234	7,316,533	288,777
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on forgivable loans	8,597	—	8,597	—
Deferred inflows on refunding	—	1,553	1,553	—
Deferred inflows on pensions	722,233	475,540	1,197,773	2,065
Rate stabilization	—	46,250	46,250	—
Deferred inflows on other post employment benefits	10,219	2,006	12,225	—
Total deferred inflows of resources	741,049	525,349	1,266,398	2,065
NET POSITION				
Net investment in capital assets	3,010,293	2,194,694	5,204,987	268,894
Restricted for:				
Capital projects	54,179	6,335	60,514	—
Debt service	2,697	132,550	135,247	—
Pensions	213,014	75,736	288,750	—
Economic environment	172,576	—	172,576	—
Health and human services - expendable	640,455	—	640,455	10,946
Other purposes	498,155	—	498,155	3,395
Regulatory assets and environmental liabilities	—	110,884	110,884	—
Unrestricted	124,652	2,295,578	2,420,230	454,487
Total net position	\$ 4,716,021	\$ 4,815,777	\$ 9,531,798	\$ 737,722

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)

Functions/Programs:	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units Total
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
						Governmental Activities	Business-type Activities		
Primary government:									
Governmental activities:									
General government	\$ 257,128	\$ (53,986)	\$ 253,235	\$ 15,884	\$ 1,568	\$ 67,545	\$ —	\$ 67,545	\$ —
Law, safety and justice	723,900	1,832	127,945	56,759	450	(540,578)	—	(540,578)	—
Physical environment	24,836	754	66,663	3,397	—	44,470	—	44,470	—
Transportation	97,168	2,734	8,942	16,828	147	(73,985)	—	(73,985)	—
Economic environment	196,066	3,833	62,240	12,398	663	(124,598)	—	(124,598)	—
Health and human services	1,128,461	9,242	538,071	542,593	—	(57,039)	—	(57,039)	—
Culture and recreation	88,138	1,701	4,277	10,921	38,348	(36,293)	—	(36,293)	—
Interest and other debt service costs	24,435	—	—	—	—	(24,435)	—	(24,435)	—
Total governmental activities	2,540,132	(33,890)	1,061,373	658,780	41,176	(744,913)	—	(744,913)	—
Business-type activities:									
Airport	30,337	643	29,841	9,005	4,548	—	12,414	12,414	—
Public Transportation	976,186	25,126	225,729	423,761	24,291	—	(327,531)	(327,531)	—
Solid Waste	122,488	3,252	146,677	185	—	—	21,122	21,122	—
Water Quality	463,777	4,774	554,656	1,107	2,630	—	89,842	89,842	—
Institutional Network	2,158	59	3,404	—	—	—	1,187	1,187	—
Radio Communications Services	4,920	36	6,552	—	—	—	1,596	1,596	—
Total business-type activities	1,599,866	33,890	966,859	434,058	31,469	—	(201,370)	(201,370)	—
Total primary government	\$ 4,139,998	\$ —	\$ 2,028,232	\$ 1,092,838	\$ 72,645	\$ (744,913)	\$ (201,370)	\$ (946,283)	\$ —
Component Units	\$ 1,171,021		\$ 1,110,211	\$ 59,981	\$ 310				\$ (519)
General revenues:									
Property taxes						\$ 1,032,397	\$ 37,347	\$ 1,069,744	\$ —
Retail sales and use taxes						368,327	749,616	1,117,943	—
Business and other taxes						30,571	—	30,571	—
Coronavirus relief funds						50,104	—	50,104	—
Investment gains (losses)						2,415	(7,639)	(5,224)	5,849
Transfers						8,037	(8,037)	—	—
Total general revenues and transfers						1,491,851	771,287	2,263,138	5,849
Change in net position						746,938	569,917	1,316,855	5,330
Net position - January 1, 2021 (Restated)						3,969,083	4,245,860	8,214,943	737,021
Net position - December 31, 2021						\$ 4,716,021	\$ 4,815,777	\$ 9,531,798	\$ 742,351

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	GENERAL FUND	BEHAVIORAL HEALTH FUND	HOUSING AND COMMUNITY DEVELOPMENT FUND
ASSETS			
Cash and cash equivalents	\$ 165,759	\$ 34,031	\$ 293,411
Taxes receivable-delinquent	12,308	70	—
Accounts receivable, net	9,376	10,322	—
Interest receivable	20,917	—	285
Due from other funds	6,163	5,723	9,412
Interfund short-term loans receivable	—	—	—
Due from other governments, net	110,722	12,435	38,072
Due from component unit	20	—	—
Inventory	—	—	—
Prepayments	43	—	—
Advances to other funds	—	—	—
Notes receivable, net	12,232	—	319,808
Total assets	\$ 337,540	\$ 62,581	\$ 660,988
LIABILITIES			
Accounts payable	\$ 9,031	\$ 22,863	\$ 18,810
Due to other funds	6,513	—	93
Interfund short-term loans payable	—	—	—
Due to other governments	176	642	31,142
Due to component unit	—	374	18
Wages payable	36,592	1,068	517
Taxes payable	237	—	—
Unearned revenues	58	—	12,403
Deposits	896	—	306
Advances from other funds	—	—	—
Total liabilities	53,503	24,947	63,289
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on forgivable loans	—	—	8,597
Unavailable revenue-property taxes	10,708	55	—
Unavailable revenue-other receivables	11,969	—	—
Total deferred inflows of resources	22,677	55	8,597
FUND BALANCES (DEFICITS)			
Nonspendable	43	—	299,815
Restricted	2,497	32,578	287,162
Committed	24,617	—	725
Assigned	11,948	5,001	1,400
Unassigned (deficits)	222,255	—	—
Total fund balances	261,360	37,579	589,102
Total liabilities, deferred inflows of resources and fund balances	\$ 337,540	\$ 62,581	\$ 660,988

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	PUBLIC HEALTH FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 7,996	\$ 1,127,272	\$ 1,628,469
Taxes receivable-delinquent	—	12,735	25,113
Accounts receivable, net	2,679	7,982	30,359
Interest receivable	—	417	21,619
Due from other funds	3,922	29,465	54,685
Interfund short-term loans receivable	—	44,503	44,503
Due from other governments, net	156,933	136,390	454,552
Due from component unit	491	9,604	10,115
Inventory	711	143	854
Prepayments	21	24,877	24,941
Advances to other funds	—	39,591	39,591
Notes receivable, net	—	130,894	462,934
Total assets	\$ 172,753	\$ 1,563,873	\$ 2,797,735
LIABILITIES			
Accounts payable	\$ 38,168	\$ 67,993	\$ 156,865
Due to other funds	1,631	63,223	71,460
Interfund short-term loans payable	33,786	19,468	53,254
Due to other governments	18,349	24,608	74,917
Due to component unit	2,258	2,211	4,861
Wages payable	8,170	16,186	62,533
Taxes payable	4	16	257
Unearned revenues	2,271	331,510	346,242
Deposits	—	3,951	5,153
Advances from other funds	—	86,936	86,936
Total liabilities	104,637	616,102	862,478
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on forgivable loans	—	—	8,597
Unavailable revenue-property taxes	—	10,102	20,865
Unavailable revenue-other receivables	29,398	17,393	58,760
Total deferred inflows of resources	29,398	27,495	88,222
FUND BALANCES (DEFICITS)			
Nonspendable	733	25,020	325,611
Restricted	37,919	910,218	1,270,374
Committed	—	18,660	44,002
Assigned	66	21,706	40,121
Unassigned (deficits)	—	(55,328)	166,927
Total fund balances	38,718	920,276	1,847,035
Total liabilities, deferred inflows of resources and fund balances	\$ 172,753	\$ 1,563,873	\$ 2,797,735
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balances - governmental funds			\$ 1,847,035
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			3,835,334
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.			807,582
Governmental activities internal service funds assets and liabilities are included in the governmental activities in the statement of net position.			175,855
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			(1,949,785)
Net position of governmental activities			\$ 4,716,021

See Note 2 for more detailed explanations of these adjustments.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	GENERAL FUND	BEHAVIORAL HEALTH FUND	HOUSING AND COMMUNITY DEVELOPMENT FUND
REVENUES			
Taxes:			
Property taxes	\$ 387,161	\$ 3,658	\$ —
Retail sales and use taxes	172,082	—	4,067
Business and other taxes	3,811	17	—
Licenses and permits	5,514	—	—
Intergovernmental revenues	84,243	30,234	277,804
Charges for services	287,177	319,666	28,132
Fines and forfeits	31,339	—	—
Investment gains (losses)	406	(17)	(287)
Miscellaneous revenues	30,885	4,120	1,168
Total revenues	1,002,618	357,678	310,884
EXPENDITURES			
Current:			
General government	165,881	11,219	—
Law, safety and justice	649,467	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	1,052	—	47,007
Health and human services	52,642	283,576	247,205
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	—
Interest and other debt service costs	11	4	130
Capital outlay	614	—	212,457
Total expenditures	869,667	294,799	506,799
Excess (deficiency) of revenues over (under) expenditures	132,951	62,879	(195,915)
OTHER FINANCING SOURCES (USES)			
Transfers in	25,169	19,102	34,064
Transfers out	(97,924)	(13,451)	(4,917)
General government debt issued	—	—	450,525
Refunding bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Premium on refunding bonds issued	—	—	—
Payment to refunded bonds escrow agent	—	—	—
Sale of capital assets	206	2	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	(72,549)	5,653	479,672
Net change in fund balances	60,402	68,532	283,757
Fund balances - beginning (Restated)	200,958	(30,953)	305,345
Fund balances - ending	\$ 261,360	\$ 37,579	\$ 589,102

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	PUBLIC HEALTH FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes:			
Property taxes	\$ —	\$ 640,480	\$ 1,031,299
Retail sales and use taxes	—	192,178	368,327
Business and other taxes	—	26,743	30,571
Licenses and permits	—	19,863	25,377
Intergovernmental revenues	132,944	101,565	626,790
Charges for services	130,536	227,777	993,288
Fines and forfeits	—	808	32,147
Investment gains (losses)	—	3,175	3,277
Miscellaneous revenues	3,947	32,109	72,229
Total revenues	267,427	1,244,698	3,183,305
EXPENDITURES			
Current:			
General government	—	61,314	238,414
Law, safety and justice	—	176,465	825,932
Physical environment	—	21,085	21,085
Transportation	—	104,620	104,620
Economic environment	—	167,074	215,133
Health and human services	355,535	246,816	1,185,774
Culture and recreation	—	87,044	87,044
Debt service:			
Principal	—	73,416	73,416
Interest and other debt service costs	31	32,924	33,100
Capital outlay	141	155,614	368,826
Total expenditures	355,707	1,126,372	3,153,344
Excess (deficiency) of revenues over (under) expenditures	(88,280)	118,326	29,961
OTHER FINANCING SOURCES (USES)			
Transfers in	94,254	318,151	490,740
Transfers out	(1,121)	(346,217)	(463,630)
General government debt issued	—	62,185	512,710
Refunding bonds issued	—	30,410	30,410
Premium on general government bonds issued	—	11,411	11,411
Premium on refunding bonds issued	—	3,134	3,134
Payment to refunded bonds escrow agent	—	(33,462)	(33,462)
Sale of capital assets	—	2,389	2,597
Insurance recoveries	—	1,840	1,840
Total other financing sources (uses)	93,133	49,841	555,750
Net change in fund balances	4,853	168,167	585,711
Fund balances - beginning (Restated)	33,865	752,109	1,261,324
Fund balances - ending	<u>\$ 38,718</u>	<u>\$ 920,276</u>	<u>\$ 1,847,035</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)**

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

Net change in fund balances - total governmental funds	\$ 585,711
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	298,043
The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) is to increase net position.	19,233
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	52,293
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(450,786)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	244,441
The net revenues and expenses of certain activities of internal service funds are reported with governmental activities.	(1,997)
Change in net position of governmental activities	<u>\$ 746,938</u>

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	WATER QUALITY	SOLID WASTE
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,390,408	\$ 431,918	\$ 140,825
Restricted cash and cash equivalents	275	663	3,514
Accounts receivable, net	11,561	39,643	14,980
Due from other funds	9,035	4,801	1,791
Interfund short-term loans receivable	—	—	—
Property tax receivable-delinquent	704	—	—
Due from other governments, net	618,767	2,890	494
Inventory of supplies	24,797	9,726	1,550
Prepayments and other assets	283	13	122
Total current assets	2,055,830	489,654	163,276
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	8,651	314,044	31,426
Investments	—	15,795	—
Due from other governments	30	—	—
Net pension asset	358,178	61,270	32,523
Total restricted assets	366,859	391,109	63,949
Capital assets:			
Nondepreciable assets	414,692	885,264	54,605
Depreciable assets, net	1,264,152	3,192,875	230,934
Total capital assets	1,678,844	4,078,139	285,539
Other noncurrent assets:			
Prepayments	3,936	—	—
Notes receivable	141,067	—	—
Advances to other funds	—	—	—
Regulatory assets, net of amortization	—	163,300	—
Other assets	—	7,396	—
Total other noncurrent assets	145,003	170,696	—
Total noncurrent assets	2,190,706	4,639,944	349,488
Total assets	4,246,536	5,129,598	512,764
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refunding	1,458	163,338	1,495
Deferred outflows on pensions	43,499	5,496	2,917
Deferred outflows on other post employment benefits	749	98	64
Deferred outflows on asset retirement obligations	2,030	543	550
Total deferred outflows of resources	47,736	169,475	5,026

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 78,329	\$ 2,041,480	\$ 335,865
Restricted cash and cash equivalents	448	4,900	406
Accounts receivable, net	1,894	68,078	1,267
Due from other funds	232	15,859	1,234
Interfund short-term loans receivable	—	—	8,751
Property tax receivable-delinquent	—	704	—
Due from other governments, net	6,776	628,927	21,342
Inventory of supplies	504	36,577	3,049
Prepayments and other assets	—	418	12,720
Total current assets	88,183	2,796,943	384,634
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	648	354,769	—
Investments	—	15,795	—
Due from other governments	—	30	—
Net pension asset	5,981	457,952	90,961
Total restricted assets	6,629	828,546	90,961
Capital assets:			
Nondepreciable assets	23,992	1,378,553	175
Depreciable assets, net	62,063	4,750,024	59,879
Total capital assets	86,055	6,128,577	60,054
Other noncurrent assets:			
Prepayments	—	3,936	—
Notes receivable	—	141,067	—
Advances to other funds	—	—	49,585
Regulatory assets, net of amortization	—	163,300	—
Other assets	—	7,396	—
Total other noncurrent assets	—	315,699	49,585
Total noncurrent assets	92,684	7,272,822	200,600
Total assets	180,867	10,069,765	585,234
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refunding	—	166,291	—
Deferred outflows on pensions	536	52,448	10,229
Deferred outflows on other post employment benefits	12	923	163
Deferred outflows on asset retirement obligations	110	3,233	—
Total deferred outflows of resources	658	222,895	10,392

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	WATER QUALITY	SOLID WASTE
LIABILITIES			
Current liabilities			
Accounts payable	\$ 99,098	\$ 30,320	\$ 7,410
Retainage payable	275	658	103
Estimated claim settlements	—	—	—
Due to other funds	—	12	—
Interest payable	257	59,663	576
Wages payable	34,519	6,701	3,588
Compensated absences payable	13,065	714	188
Other postemployment benefits	868	113	74
Unearned revenues	14,456	2,937	44
Pollution remediation	—	5,952	—
Bonds payable	3,580	133,345	8,620
Capital leases payable	162	—	—
State revolving loan payable	—	5,170	176
Landfill closure and post-closure care	—	—	19,225
Other liabilities	67	156,008	—
Total current liabilities	166,347	401,593	40,004
Noncurrent liabilities			
Compensated absences payable	43,844	12,478	4,729
Other postemployment benefits	13,316	1,738	1,130
Net pension liability	47,085	—	—
Advances from other funds	—	—	—
Bonds payable	72,806	3,570,377	179,476
Capital leases payable	1,778	—	—
State revolving loans payable	—	96,028	2,809
Landfill closure and post-closure care	—	—	223,143
Estimated claim settlements	—	—	—
Pollution remediation	1,055	49,003	1,194
Asset retirement obligation	3,480	1,350	850
Other liabilities	—	79,453	—
Total noncurrent liabilities	183,364	3,810,427	413,331
Total liabilities	349,711	4,212,020	453,335
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on rate stabilization	—	46,250	—
Deferred inflows on refunding	—	1,553	—
Deferred inflows on pensions	383,317	56,633	30,062
Deferred inflows on other postemployment benefits	1,629	212	138
Total deferred inflows of resources	384,946	104,648	30,200
NET POSITION			
Net investment in capital assets	1,574,527	410,386	125,359
Restricted for:			
Capital projects	6,335	—	—
Debt service	2,346	130,204	—
Pensions	59,236	10,133	5,378
Regulatory assets and environmental liabilities	—	110,884	—
Unrestricted (deficit)	1,917,171	320,798	(96,482)
Total net position	\$ 3,559,615	\$ 982,405	\$ 34,255

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,434	\$ 139,262	\$ 18,131
Retainage payable	27	1,063	406
Estimated claim settlements	—	—	64,530
Due to other funds	—	12	306
Interest payable	—	60,496	—
Wages payable	568	45,376	9,322
Compensated absences payable	95	14,062	952
Other postemployment benefits	15	1,070	190
Unearned revenues	188	17,625	413
Pollution remediation	—	5,952	—
Bonds payable	—	145,545	—
Capital leases payable	—	162	—
State revolving loan payable	—	5,346	—
Landfill closure and post-closure care	—	19,225	—
Other liabilities	560	156,635	2,564
Total current liabilities	3,887	611,831	96,814
Noncurrent liabilities			
Compensated absences payable	928	61,979	18,880
Other postemployment benefits	223	16,407	2,892
Net pension liability	—	47,085	7,993
Advances from other funds	—	—	2,240
Bonds payable	—	3,822,659	—
Capital leases payable	—	1,778	—
State revolving loans payable	—	98,837	—
Landfill closure and post-closure care	—	223,143	—
Estimated claim settlements	—	—	127,960
Pollution remediation	245	51,497	—
Asset retirement obligation	250	5,930	—
Other liabilities	647	80,100	—
Total noncurrent liabilities	2,293	4,409,415	159,965
Total liabilities	6,180	5,021,246	256,779
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on rate stabilization	—	46,250	—
Deferred inflows on refunding	—	1,553	—
Deferred inflows on pensions	5,528	475,540	92,926
Deferred inflows on other postemployment benefits	27	2,006	354
Total deferred inflows of resources	5,555	525,349	93,280
NET POSITION			
Net investment in capital assets	84,422	2,194,694	60,054
Restricted for:			
Capital projects	—	6,335	—
Debt service	—	132,550	—
Pensions	989	75,736	15,043
Regulatory assets and environmental liabilities	—	110,884	—
Unrestricted (deficit)	84,379	2,225,866	170,470
Total net position	\$ 169,790	4,746,065	\$ 245,567
Adjustment to report the cumulative internal balance for the net effect of the activity			
between the internal service funds and the enterprise funds over time		69,712	
Net position of business-type activities		\$ 4,815,777	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	WATER QUALITY	SOLID WASTE
OPERATING REVENUES			
I-Net fees	\$ —	\$ —	\$ —
Radio services	—	—	—
Solid waste disposal charges	—	—	133,735
Airfield fees	—	—	—
Hangar, building, and site rentals and leases	—	—	—
Passenger	59,193	—	—
Service contracts	154,752	—	—
Sewage disposal fees	—	419,672	—
Capacity charges	—	90,814	—
Other operating revenues	9,343	24,010	10,145
Total operating revenues	223,288	534,496	143,880
OPERATING EXPENSES			
Personal services	461,056	42,513	45,003
Materials and supplies	71,348	19,227	7,852
Contract services and other charges	48,744	18,738	27,612
Utilities	5,317	16,729	1,517
Purchased transportation	62,735	—	—
Internal services	111,554	40,959	18,244
Landfill closure and post-closure care	—	—	7,412
Depreciation and amortization	159,896	170,437	20,829
Other operating expenses	483	17,001	105
Total operating expenses	921,133	325,604	128,574
Operating income (loss)	(697,845)	208,892	15,306
NONOPERATING REVENUES (EXPENSES)			
Sales tax	749,616	—	—
Property tax	37,347	—	—
Intergovernmental revenues	423,761	1,107	185
Investment gains (losses)	(4,171)	(2,762)	(457)
Miscellaneous revenues	2,441	20,160	2,797
Interest expense	(3,087)	(115,346)	(5,590)
Gain (loss) on disposal of capital assets	2,910	(1,656)	10,517
Loss on extinguishment of debt	—	(9,884)	—
Miscellaneous expenses	(44,952)	(13,122)	(899)
Total nonoperating revenues (expenses)	1,163,865	(121,503)	6,553
Income (loss) before contributions, transfers and special item	466,020	87,389	21,859
Capital grants and contributions	24,291	2,630	—
Transfers in	—	250	—
Transfers out	(3,872)	(1,509)	(1,381)
Change in net position	486,439	88,760	20,478
Net position - January 1, 2021 (Restated)	3,073,176	893,645	13,777
Net position - December 31, 2021	\$ 3,559,615	\$ 982,405	\$ 34,255

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
OPERATING REVENUES			
I-Net fees	\$ 3,404	\$ 3,404	\$ —
Radio services	6,109	6,109	—
Solid waste disposal charges	—	133,735	—
Airfield fees	3,811	3,811	—
Hangar, building, and site rentals and leases	26,020	26,020	—
Passenger	—	59,193	—
Service contracts	—	154,752	—
Sewage disposal fees	—	419,672	—
Capacity charges	—	90,814	—
Other operating revenues	33	43,531	619,192
Total operating revenues	39,377	941,041	619,192
OPERATING EXPENSES			
Personal services	8,560	557,132	112,118
Materials and supplies	1,155	99,582	11,462
Contract services and other charges	6,904	101,998	491,389
Utilities	3,042	26,605	—
Purchased transportation	—	62,735	—
Internal services	9,630	180,387	30,739
Landfill closure and post-closure care	—	7,412	—
Depreciation and amortization	6,997	358,159	15,458
Other operating expenses	50	17,639	—
Total operating expenses	36,338	1,411,649	661,166
Operating income (loss)	3,039	(470,608)	(41,974)
NONOPERATING REVENUES (EXPENSES)			
Sales tax	—	749,616	—
Property tax	—	37,347	—
Intergovernmental revenues	9,005	434,058	15,843
Investment gains (losses)	(249)	(7,639)	(862)
Miscellaneous revenues	420	25,818	927
Interest expense	(1)	(124,024)	(27)
Gain (loss) on disposal of capital assets	(917)	10,854	210
Loss on extinguishment of debt	—	(9,884)	—
Miscellaneous expenses	(759)	(59,732)	(25)
Total nonoperating revenues (expenses)	7,499	1,056,414	16,066
Income (loss) before contributions, transfers and special item	10,538	585,806	(25,908)
Capital grants and contributions	4,548	31,469	3,663
Transfers in	—	250	4,440
Transfers out	(410)	(7,172)	(24,628)
Change in net position	14,676	610,353	(42,433)
Net position - January 1, 2021 (Restated)	155,114		288,000
Net position - December 31, 2021	\$ 169,790		\$ 245,567
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.		(40,436)	
Change in net position of business-type activities		<u>\$ 569,917</u>	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	WATER QUALITY	SOLID WASTE
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 221,361	\$ 528,302	\$ 137,853
Cash received from other funds - internal services	207	1,869	3,840
Cash payments to suppliers for goods and services	(184,737)	(55,644)	(52,114)
Cash payments to other funds - internal services	(111,554)	(40,959)	(18,244)
Cash payments for employee services	(610,147)	(60,073)	(54,709)
Other receipts	2,283	20,912	2,797
Other payments	—	(31,443)	(1,495)
Net cash provided (used) by operating activities	(682,587)	362,964	17,928
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and subsidies received	1,062,904	962	189
Interfund loan principal amounts loaned to other funds	—	—	—
Interfund loan principal repayments from other funds	—	—	—
Interfund advance principal loaned to other funds	—	—	—
Interfund advance principal repayments from other funds	—	—	—
Assistance to other agencies	(2,683)	(1,732)	—
Transfers in	—	250	—
Transfers out	(3,872)	(1,509)	(1,381)
Net cash provided (used) by noncapital financing activities	1,056,349	(2,029)	(1,192)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(139,219)	(168,230)	(15,914)
Proceeds from capital debt	—	378,047	32,196
Principal paid on capital debt	(3,524)	(221,831)	(7,616)
Interest paid on capital debt	(3,490)	(131,322)	(6,697)
Cash payments for debt defeasance	—	(143,101)	—
Capital grants and contributions	52,055	18	—
Subsidies and other receipts	253	62	—
Proceeds from disposal of capital assets	3,648	—	18,599
Net cash provided (used) by capital and related financing activities	(90,277)	(286,357)	20,568
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	—	(1,531)	—
Proceeds from sales and maturities of investments	—	1,509	—
Loss on investments	(3,921)	(1,868)	(436)
Net cash used by investing activities	(3,921)	(1,890)	(436)
Net increase (decrease) in cash and cash equivalents	279,564	72,688	36,888
Cash and cash equivalents - January 1, 2021 (Restated)	1,119,770	673,937	138,897
Cash and cash equivalents - December 31, 2021	<u>\$ 1,399,334</u>	<u>\$ 746,625</u>	<u>\$ 175,765</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 33,718	\$ 921,234	\$ 8,155
Cash received from other funds - internal services	4,469	10,385	602,949
Cash payments to suppliers for goods and services	(10,223)	(302,718)	(457,896)
Cash payments to other funds - internal services	(9,870)	(180,627)	(53,193)
Cash payments for employee services	(10,353)	(735,282)	(149,911)
Other receipts	420	26,412	3,927
Other payments	(791)	(33,729)	—
Net cash provided (used) by operating activities	7,370	(294,325)	(45,969)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and subsidies received	4,001	1,068,056	16,747
Interfund short-term loan principal loaned to other funds	—	—	(12,351)
Interfund short-term loan principal repayments from other funds	—	—	59,355
Interfund advance principal loaned to other funds	—	—	(49,585)
Interfund advance principal repayments from other funds	—	—	21,877
Assistance to other agencies	—	(4,415)	—
Transfers in	—	250	4,440
Transfers out	(410)	(7,172)	(24,628)
Net cash provided (used) by noncapital financing activities	3,591	1,056,719	15,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(6,574)	(329,937)	(8,660)
Proceeds from capital debt	—	410,243	—
Principal paid on capital debt	(580)	(233,551)	—
Interest paid on capital debt	(3)	(141,512)	—
Cash payments for debt defeasance	—	(143,101)	—
Capital grants and contributions	920	52,993	—
Subsidies and other receipts	—	315	—
Proceeds from disposal of capital assets	—	22,247	1,584
Net cash provided (used) by capital and related financing activities	(6,237)	(362,303)	(7,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	—	(1,531)	—
Proceeds from sales and maturities of investments	—	1,509	—
Loss on investments	(249)	(6,474)	(734)
Net cash used by investing activities	(249)	(6,496)	(734)
Net increase (decrease) in cash and cash equivalents	4,475	393,595	(37,924)
Cash and cash equivalents - January 1, 2021 (Restated)	74,950	2,007,554	374,195
Cash and cash equivalents - December 31, 2021	<u>\$ 79,425</u>	<u>\$ 2,401,149</u>	<u>\$ 336,271</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	WATER QUALITY	SOLID WASTE
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (697,845)	\$ 208,892	\$ 15,306
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	159,896	170,437	20,829
Nonoperating miscellaneous revenues (expenses)	2,441	20,097	1,904
(Increases) decreases in assets:			
Accounts receivable, net	(3,994)	(1,894)	(2,139)
Due from other funds	(256)	(2,357)	(603)
Due from other governments, net	3,473	—	(33)
Inventory	1,393	(183)	12
Prepayments	375	16	228
Net pension asset	(358,178)	(61,270)	(32,523)
Other assets	47	(20,035)	—
(Increases) decreases in deferred outflows of resources:			
Deferred outflows on pensions, refunding, OPEB and ARO	14,298	1,814	1,005
Increases (decreases) in liabilities:			
Accounts payable	1,259	(719)	778
Retainage payable	—	(62)	43
Due to other funds	—	—	—
Wages payable	(4,670)	626	396
Unearned revenues	4,692	(236)	(2)
Claims and judgments payable	—	—	—
Compensated absences	(439)	394	(287)
Other postemployment benefits	81	137	82
Net pension liability	(135,537)	(8,074)	(4,245)
Customer deposits and other liabilities	(5,461)	6,450	(233)
Landfill closure and post-closure care	—	—	(8,599)
Increases (decreases) in deferred inflows of resources:			
Deferred inflows on pensions and OPEB	335,838	48,931	26,009
Total adjustments	15,258	154,072	2,622
Net cash provided (used) by operating activities	<u>\$ (682,587)</u>	<u>\$ 362,964</u>	<u>\$ 17,928</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Public Transportation capital grants on account decreased by \$27.8 million in 2021.

Water Quality issued bonds and commercial paper in 2021 to refund debt issued from 2005 to 2021. The \$718.9 million of bond and commercial paper proceeds were placed in escrow for the defeasance of \$673.5 million of outstanding bond principal and \$49.8 million of interest.

Solid Waste made \$6 thousand in contributions of capital assets to other funds.

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>INTERNAL SERVICE FUNDS</u>
	<u>NONMAJOR ENTERPRISE FUNDS</u>	<u>TOTAL</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 3,039	\$ (470,608)	\$ (41,974)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	6,997	358,159	15,458
Nonoperating miscellaneous revenues (expenses)	(339)	24,103	—
(Increases) decreases in assets:			
Accounts receivable, net	(1,072)	(9,099)	(855)
Due from other funds	(32)	(3,248)	(994)
Due from other governments, net	(82)	3,358	(10,576)
Inventory	(119)	1,103	(535)
Prepayments	740	1,359	(3,209)
Net pension asset	(5,981)	(457,952)	(90,961)
Other assets	—	(19,988)	—
(Increases) decreases in deferred outflows of resources:			
Deferred outflows on pensions, refunding, OPEB and ARO	204	17,321	3,740
Increases (decreases) in liabilities:			
Accounts payable	266	1,584	(4,998)
Retainage payable	(42)	(61)	(285)
Due to other funds	(240)	(240)	306
Wages payable	23	(3,625)	364
Unearned revenues	(61)	4,393	—
Claims and judgments payable	—	—	39,353
Compensated absences	(59)	(391)	(419)
Other postemployment benefits	58	358	85
Net pension liability	(779)	(148,635)	(31,506)
Customer deposits and other liabilities	58	814	133
Landfill closure and post-closure care	—	(8,599)	—
Increases (decreases) in deferred inflows of resources:			
Deferred inflows on pensions and OPEB	4,791	415,569	80,904
Total adjustments	4,331	176,283	(3,995)
Net cash provided (used) by operating activities	<u>\$ 7,370</u>	<u>\$ (294,325)</u>	<u>\$ (45,969)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Internal Service Funds received \$3.7 million of capital assets from other funds and transferred \$2 thousand of capital assets to other funds.

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)

	CUSTODIAL FUNDS	
	EXTERNAL INVESTMENT POOL FUNDS	OTHER CUSTODIAL FUNDS
ASSETS		
Cash and cash equivalents	\$ —	\$ 163,125
Investments at fair value:		
Repurchase agreements	126,670	—
Commercial paper	301,356	—
Corporate notes	117,474	—
U.S. Treasury notes	1,157,059	19,932
U.S. agency notes	498,242	—
U.S. agency collateralized mortgage obligations	879	—
Supranational coupon notes	1,280,313	—
State Treasurer's investment pool	366,304	—
Total investments	3,848,297	19,932
Taxes receivable for other governments	—	110,288
Accounts receivable	—	16,896
Interest receivable	1,738	—
Assessments receivable for other governments	—	1,688
Notes and contracts receivable	—	52
Total assets	3,850,035	311,981
LIABILITIES		
Accounts payable and other liabilities	—	95,104
Due to beneficiaries	—	88,056
Due to other governments	—	56,168
Total liabilities	—	239,328
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	3,850,035	86,307
Unrestricted deficit	—	(13,654)
Total net position	\$ 3,850,035	\$ 72,653

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)

	CUSTODIAL FUNDS	
	EXTERNAL INVESTMENT POOL FUNDS	OTHER CUSTODIAL FUNDS
ADDITIONS		
Property taxes collected for other governments	\$ —	\$ 5,636,138
State apportionment	—	3,819,907
Real estate excise taxes collected for other governments	—	1,311,397
Bond proceeds	—	388,925
Utility charges	—	344,791
Local support non-tax receipts	—	405,562
Member contributions	—	272,564
Drainage utility charges collected for other governments	—	235,186
Pool participant contributions	6,830,486	(6,830,486)
Line of credit receipts	—	29,300
Investment earnings:		
Interest, dividends and other	25,455	7
Net increase (decrease) in fair value of investments	(39,525)	(17)
Total investment earnings (losses)	(14,070)	(10)
Less investment costs:		
Investment activity costs	(918)	—
Net investment earnings (losses)	(14,988)	(10)
Charges for fire protection services	—	40,502
Receipts from other governments	—	82,031
Court fees collected for other governments	—	11,006
Lease contributions	—	10,997
Regulatory fees	—	12,278
Recording fees collected for other governments	—	37,765
Other taxes collected for other governments	—	8,463,513
Charges for emergency medical services	—	8,584
Impact fees collected for other governments	—	1,501
Food services receipts	—	249
Forest funds	—	2,743
Fines and forfeits collected for other governments	—	815
Licensing fees collected for other governments	—	224
Other fees collected for other governments	—	517
Miscellaneous receipts	—	226,418
Total additions	6,815,498	14,512,417
DEDUCTIONS		
Payments to vendors	—	10,571,956
Taxes distributed to other governments	—	9,722,293
Principal payments	—	369,666
Interest and other debt service costs	—	255,769
Other receipts distributed to other governments	—	277,622
Pool participant distributions	6,867,258	(6,867,258)
Line of credit payments	—	24,825
Election costs	—	2,676
Payments to escrow	—	29
Treasurer collection fees	—	3,046
Cash management fees	—	132
Miscellaneous payments	—	158,617
Total deductions	6,867,258	14,519,373
Net increase (decrease) in fiduciary net position	(51,760)	(6,956)
Net position - beginning	3,901,795	79,609
Net position - ending	<u>\$ 3,850,035</u>	<u>\$ 72,653</u>

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

STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2021
(IN THOUSANDS)

	Harborview Medical Center	Cultural Development Authority	NJB Properties	Total
ASSETS				
Cash and cash equivalents	\$ 438,503	\$ 31,248	\$ —	\$ 469,751
Receivables, net	220,431	—	7	220,438
Due from primary government	5,924	3,957	—	9,881
Inventories	10,891	—	—	10,891
Prepayments	9,796	233	11	10,040
Net pension asset	—	1,974	—	1,974
Nondepreciable assets	8,224	—	—	8,224
Depreciable assets, net of depreciation	260,670	—	—	260,670
Net investment in capital lease with primary government	—	—	7,402	7,402
Deposits with other governments	4,873	—	—	4,873
Other assets	27,579	168	968	28,715
Total assets	986,891	37,580	8,388	1,032,859
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on pensions	—	324	—	324
Deferred outflows on other postemployment benefits	—	10	—	10
Total deferred outflows of resources	—	334	—	334
LIABILITIES				
Accounts payable and other current liabilities	81,545	809	7	82,361
Accrued liabilities	62,738	—	35	62,773
Due to primary government	5,000	9,635	—	14,635
Unearned revenues	38,305	16,427	64	54,796
Noncurrent liabilities:				
Due within one year	4,431	2,392	345	7,168
Due in more than one year	57,762	1,957	7,325	67,044
Total liabilities	249,781	31,220	7,776	288,777
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on pensions	—	2,065	—	2,065
Total deferred inflows of resources	—	2,065	—	2,065
NET POSITION				
Net investment in capital assets	268,894	—	—	268,894
Restricted for:				
Health and human services				
Expendable	10,946	—	—	10,946
Nonexpendable	3,395	—	—	3,395
Culture and recreation				
Expendable	—	4,629	—	4,629
Unrestricted	453,875	—	612	454,487
Total net position	\$ 737,110	\$ 4,629	\$ 612	\$ 742,351

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

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Harborview Medical Center	Cultural Development Authority	NJB Properties	
Component Units:								
Harborview Medical Center	\$ 1,160,834	\$ 1,110,043	\$ 51,342	\$ 310	\$ 861	\$ —	\$ —	\$ 861
Cultural Development Authority	9,605	24	8,639	—	—	(942)	—	(942)
NJB Properties	582	144	—	—	—	—	(438)	(438)
Total component units	<u>\$ 1,171,021</u>	<u>\$ 1,110,211</u>	<u>\$ 59,981</u>	<u>\$ 310</u>	<u>\$ 861</u>	<u>\$ (942)</u>	<u>\$ (438)</u>	<u>\$ (519)</u>
General revenues:								
	Interest earnings				\$ 5,432	\$ 31	\$ 386	\$ 5,849
	Total general revenues				5,432	31	386	5,849
	Change in net position				6,293	(911)	(52)	5,330
	Net position - January 1, 2021 (Restated)				730,817	5,540	664	737,021
	Net position - December 31, 2021				<u>\$ 737,110</u>	<u>\$ 4,629</u>	<u>\$ 612</u>	<u>\$ 742,351</u>

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Notes to the Financial Statements

For the Year Ended December 31, 2021

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Note 1

Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. King County's significant accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its discretely presented component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

King County was founded in 1852 and operates under a Home Rule Charter that was adopted by a vote of County citizens in 1968 and which established an executive-council form of government. Citizens elect the County Executive to a four-year, full-time term and the nine-member council by district to staggered four-year terms. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units

King County Flood Control District (FCD)

King County Flood Control District was created under the authority of chapter 86.15 RCW to manage, plan and construct flood control facilities within district boundaries. By statute, the King County Council serves as the Board of Supervisors for FCD.

FCD is a component unit of the County for the following reasons: (1) it is a legally separate entity established as a quasi-municipal corporation and independent taxing authority; (2) King County appoints the voting majority of the FCD board because the County Council members are the *ex officio* supervisors of the district; and (3) the County can impose its will on FCD. FCD is presented as a blended component unit because the two governing boards are substantively the same and there is a financial benefit relationship between the County and FCD. FCD contracts with King County Department of Natural Resources and Parks for flood control projects and programs. During 2021, FCD reimbursed the County \$66.4 million for such projects and programs.

FCD issues its own financial statements, which are audited by the State Auditor's Office. Financial statements of FCD are included in Non-major Special Revenue Funds in the Governmental Funds section of this financial report. Independently audited statements for the FCD can be obtained from Francis & Company, PLLC, 200 West Mercer St, Suite 208, Seattle, WA 98119.

Component Units – Discretely Presented

Harborview Medical Center (HMC)

Harborview Medical Center (HMC), a 413 licensed-bed hospital with extensive ambulatory services, is located in Seattle, Washington and is managed by the University of Washington (UW).

The HMC Board of Trustees is appointed by the County Executive. The County's director of Finance and Business Operations Division is the Treasurer of HMC. The management contract between the HMC Board of Trustees and the UW Board of Regents recognizes the Trustees' desire to maintain HMC as a means of meeting King County's obligation to provide the community with a resource for health services, and UW's desire that HMC be maintained as a continuing resource for medical education, training, and research. The general conditions of the management contract specify that King County retains title to all real and personal property acquired for King County with HMC capital or operating funds.

The Trustees determine major institutional policies and retain control of programs and fiscal matters. The Trustees agree to secure UW's recommendations on any changes to the above. The Trustees are accountable to the public and King County for all financial aspects of HMC's operation and agree to maintain a fiscal policy that keeps the operating program and expenditures of HMC within the limits of operating income.

HMC is a component unit of the County for the following reasons: (1) it possesses *de facto* corporate powers evident from the UW management agreement; (2) the County Executive appoints HMC's Board of Trustees, who may be removed only for statutorily defined causes; and (3) HMC creates a financial burden on the County because the County is responsible for the issuance and repayment of all general obligation bonds for HMC capital improvements.

HMC is discretely reported as a component unit in the County's financial report because the County and HMC's governing boards are not substantively the same and the hospital does not provide services solely to King County.

The primary classification of HMC is that of a component unit, however, the County is the issuer of HMC's general obligation bonds. Note 15 - "Liabilities" reports on all the general obligation bonds issued by the County as of December 31, 2021, including bonds reported by HMC as of June 30, 2021.

The County has not recorded an equity interest in HMC because it is not estimable. The management agreement under which HMC operates specifies that allocation of HMC's assets will be negotiated during a winding-up period following either the expiration of the agreement or its termination.

HMC hires independent auditors and prepares its own financial statements with a fiscal year ending June 30. These statements may be obtained from the Finance Section of the Harborview Medical Center, Box 359750, 325 Ninth Ave., Seattle, Washington, 98104.

Cultural Development Authority of King County (CDA), doing business as 4Culture

Cultural Development Authority of King County (CDA) is a public authority organized pursuant to Revised Code of Washington (RCW) 35.21.730 through 35.21.759 and King County Ordinance 14482. CDA commenced operations on January 1, 2003 and began doing business as 4Culture on April 4, 2004. CDA operates as a corporation for public purposes and was created to support, advocate for, and preserve the cultural resources of the region in a manner that fosters excellence, vitality, and diversity.

CDA is located in Seattle, Washington, and is governed by a 15-member board of directors and five *ex officio* members. The directors are appointed by the County Executive and confirmed by the County Council. CDA receives funds from King County through the Public Art Program where one percent of certain County construction project budgets are allocated to CDA to be used in providing artwork in County public spaces. For 2013-2020, the CDA was authorized to spend an endowment that was set aside in prior years from a portion of the King County lodging tax receipts. Beginning in 2021, by state statute, King County transferred 37.5 percent of lodging tax revenue - roughly \$14.4 million in the first year and expected to rise over time - to CDA to support art, cultural and heritage facilities, as well as the performing arts. In July of 2019, CDA launched Building for Equity, a two-year joint initiative with the King County Council to support the existing needs of building projects within the cultural sector and to advance CDA's funding practices aimed at improving equitable outcomes.

CDA is a component unit of the County for the following reasons: (1) it is a separate legal entity; (2) CDA's board of directors is appointed by the County Executive (from a nonrestrictive pool of candidates) and confirmed by the County Council; and (3) the County is able to impose its will on CDA, for example, the County has the power to remove a director from the CDA board and the power to dissolve CDA. CDA is discretely reported as a component unit in the County's financial report because the County and CDA's governing bodies are not substantively the same and CDA does not provide services solely to King County government.

CDA reports on a fiscal year-end consistent with the King County primary government. It issues its own financial statements, which are audited by the State Auditor's Office. These statements may be obtained from CDA at 4Culture, 101 Prefontaine Place South, Seattle, Washington 98104.

NJB Properties

King County has a project lease agreement with NJB Properties, a Washington State nonprofit corporation, which provided for the design and construction of the Ninth and Jefferson Building (NJB) for use by Harborview Medical Center, a discretely presented component unit of the County. The agreement is in accordance with IRS Revenue Ruling 63-20 and Revenue Procedure 82-26. The building was financed through bonds issued by NJB Properties on behalf of the County. The building is being leased to the County by the nonprofit corporation under guaranteed monthly rent payments over the term of the lease or until the bonds are fully retired. Harborview Medical Center makes monthly transfers to King County to satisfy the County's monthly rental payments to NJB Properties.

NJB Properties is recognized as a component unit of the County. Although it has an independently-appointed board, the nonprofit corporation is a single-purpose entity that is fiscally dependent on the County and who imposes a financial burden on the County because the monthly rent payments are considered limited general obligation debt. Because NJB Properties provides services almost exclusively to Harborview Medical Center and not to the County, it is reported using discrete presentation. Separately issued and audited financial statements for NJB Properties may be obtained from the National Development Council, 1218 Third Avenue, Suite 1403, Seattle, WA 98101.

Joint Venture

Seattle-King County Workforce Development Council (WDC) is a joint venture between King County and the City of Seattle. It was established as a nonprofit corporation in the State of Washington on July 1, 2000, as authorized under the Workforce Investment Act of 1998. It functions as the United States Department of Labor pass-through agency to receive the employment and training funds for the Seattle-King County area. The King County Executive and the Mayor of the City of Seattle, serving as the chief elected officials of the local area, have the joint power to appoint the members of the WDC board of directors and the joint responsibility for administrative oversight. An ongoing financial responsibility exists because of the potential for liability to grantors over disallowed costs. If expenditures of funds are disallowed by a grantor agency, WDC can recover the funds from (in order): (1) the agency creating the liability; (2) the insurance carrier; (3) future program years; and (4) as a final recourse, from King County and City of Seattle, each responsible for one-half of the disallowed amount. As of December 31, 2021, there are no outstanding program eligibility issues that might lead to a liability on the part of King County.

WDC contracts with King County to provide programs related to dislocated workers and workforce centers. For 2021, the WDC reimbursed King County approximately \$1.0 million for the Employment and Education Resource Program in eligible program costs. King County has a \$753 thousand equity interest in the WDC. Separately issued and independently audited financial statements may be obtained from the Workforce Development Council, 2003 Western Avenue, Suite 250, Seattle, Washington 98121.

Jointly Governed Organizations

Washington State Convention Center Public Facilities District

The Washington State Convention Center Public Facilities District (WSCC) was created in July 2010 to acquire, own and operate the convention and trade center transferred from a public nonprofit corporation that owned the original WSCC. The District's board of directors consists of those nine directors who served at the time of the District's creation. Following the expiration of the terms of the initial board, three members will be nominated by the County Executive subject to confirmation by the County Council, three members will be nominated by the City of Seattle, and three members will be appointed by the Washington state governor. Because there is equal representation in the governance of the District among the two local governments and the State, and the participant governments do not retain any ongoing financial interest nor any ongoing financial responsibility, the WSCC is a jointly governed organization.

King County Regional Homelessness Authority

King County Regional Homelessness Authority (KCRHA) was created in December 2019. King County and City of Seattle elected officials signed an Interlocal Agreement creating the KCRHA to oversee a coordination and unified response to homelessness. The KCRHA is governed by 12 committee members: the King County Executive and

two King County Councilmembers including one representing a district including Seattle; City of Seattle Mayor and two Seattle City Councilmembers; three members representing the Sound Cities Association; and three members representing people with lived experience. Funding for the KCRHA will come from King County, City of Seattle and Continuum of Care grants from the federal government.

The KCRHA is a jointly governed organization as the participating governments have neither ongoing financial interest nor financial responsibility.

Puget Sound Emergency Radio Network Operator

King County, City of Seattle and other major cities created the Puget Sound Emergency Radio Network (PSERN) Operator in December 2020. The PSERN operator is governed by a Board of Directors. The Board of Directors is composed of four voting members that include the King County Executive or a designee approved by the King County Council; the Mayor of the City of Seattle or designee; one mayor or designee representing the Cities of Bellevue, Issaquah, Kirkland, Mercer Island and Redmond; and, one mayor or designee representing the Cities of Auburn, Federal Way, Kent, Renton and Tukwila. The Board of Directors also includes two non-voting members to comment and participate in discussion. One non-voting member is appointed by the King County Police Chief Association and the other member is selected jointly by the King County Fire Commissioners Association and the King County Fire Chiefs Association.

The PSERN Operator will undertake the ownership, operations, maintenance, management and on-going upgrading/replacing of the PSERN system. The new PSERN system will provide coverage and capacity, as well as uniformly high-quality emergency radio communication. The PSERN system will be financed through a funding measure approved by voters at the April 2015 election and with user fees (Service Rates) to be assessed against and paid by all User Agencies.

The PSERN Operator is a jointly governed organization as the participating governments have neither ongoing financial interest nor financial responsibility.

Related Organizations

There are three separate entities for which the County is accountable, but is not financially accountable. These related organizations are King County Library System (KCLS), King County Housing Authority (KCHA), and Washington State Major League Baseball Public Facilities District (PFD). The County Council appoints a majority of the board of KCLS and PFD. There is no evidence that the County Council can influence the programs and activities of these four organizations or that they create a significant financial benefit or burden to the County.

The County serves as the treasurer for KCLS, KCHA and PFD providing services such as tax collection and warrant issuance. Due to this fiduciary relationship, these districts are reported as custodial funds to distinguish them from County funds.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds (excluded from the government-wide financial statements), and component units. As discussed earlier, the government has three discretely presented component units, HMC, CDA and NJB. While none of the three is considered to be a major component unit, each is nevertheless shown in a separate column in the component unit financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include payments for services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would misstate the direct costs of the purchasing function and the program revenues of the selling function.

HMC has a June 30 fiscal year end, differing from the County's December 31 fiscal year end. The County reports HMC's financial results as of June 30 in the financial statements. In 2021, HMC reported \$5.9 million receivable from the County and \$5.0 million payable on June 30, 2021. Due to the differing fiscal years, County funds are reporting a total payable to HMC of \$2.8 million and receivable of \$286 thousand on December 31, 2021.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate financial statements are provided for each fund category – governmental funds, proprietary funds and fiduciary funds. Governmental funds are reported by mission, which corresponds to the County's strategic plan. Proprietary funds are reported by individual funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Major Governmental Funds

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The Behavioral Health Fund encompasses the continuum of services for the King County Behavioral Health Administrative Services Organization (BH-ASO) and provides oversight and management of publicly funded mental health and substance use disorder services for eligible King County residents, with emphasis on prevention, intervention, treatment, and recovery. Its main sources of funding are Medicaid, federal and state grants, charges for services and property taxes.

The Housing and Community Development Fund collects revenue from federal, state, and other funding sources to support housing and community development projects such as development of affordable and special needs housing, homeless prevention and supportive services, housing repairs, and community development projects that improve the livability of neighborhoods and communities.

The Public Health Fund finances health services centers located through King County and public health programs. It supports clinical health services, primary care assurance, management and business practice, population, and targeted community health services. Its main sources of funding are from federal and state grants and shared revenues, patient generated revenues and fees, Best Start for Kids levy, and contributions from City of Seattle and charitable organizations.

Major Enterprise Funds

The County reports the following major enterprise funds:

The Public Transportation Enterprise accounts for the operations, maintenance, capital improvements, expansion of public transportation facilities in King County under the Metro Transit Department, and expansion of the County's Water Taxi service between downtown Seattle, Vashon Island and West Seattle under the Marine Division. Primary revenue sources include sales tax and passenger service fees. Construction and fleet replacement are funded through sales taxes, bonds and federal grants.

The Water Quality Enterprise accounts for the operations, capital improvements, and maintenance of the County's water pollution control facilities. The enterprise has three large treatment plants, the Brightwater Treatment Plant, the West Point Treatment Plant in Seattle, and the South Treatment Plant in Renton, as well as two smaller facilities, the Carnation and Vashon Island Treatment Plants. The enterprise is supported by user fees and connection charges.

The Solid Waste Enterprise accounts for the operation, maintenance, capital improvement, and expansion of the County's solid waste disposal facilities under the Solid Waste Division of the Department of Natural Resources and Parks. The County operates eight solid waste transfer stations, two drop box stations, two household hazardous waste facilities, one regional landfill, and recycling services for residential customers. Operating revenues result primarily from tipping fees at the active solid waste disposal sites, while bond proceeds fund most new construction. Significant reserves are set aside to provide for post-closure care and remediation costs, and to replace capital equipment.

Nonmajor Governmental Funds

Special Revenue Funds are used to account for a variety of County programs including the arts, an automated fingerprint identification system, road maintenance, emergency medical services, the enhanced 911 emergency telephone system, Harborview health and safety, local hazardous waste management, parks, surface water program and other services.

Debt Service Funds are used by the County to account for the accumulation of resources for, and the payment of, principal and interest on the County's general obligation bonds, and special assessment debt for certain special districts.

Capital Projects Funds are used to account for the acquisition, construction, and improvement of major capital assets and other capital-related activities such as infrastructure preservation, parks development and open space preservation, flood control, technology systems, and historic preservation.

Nonmajor Proprietary Funds

Enterprise Funds are used to account for the County's business-type operations, including the King County International Airport, Institutional Network, and the Emergency Radio Communications System.

Internal Service Funds

Internal Service Funds are used to account for the provision of motor pool, information technology, risk management, construction and facilities management, financial, employee benefits program and other services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. All are consolidated for reporting purposes with the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to report activities for which the County has a fiduciary responsibility. The County reports custodial funds in the fiduciary statements, representing assets over which the County exercises control on behalf of beneficiaries or other governments, but that are not derived from County revenues. The External Investment Pool Custodial Fund represents investment activity conducted by the County on behalf of legally separate entities. The Other Custodial Funds are used to report cash received and disbursed either in the County's capacity as *ex officio* treasurer or as collection agent for special districts, other governments, or beneficiaries.

Interfund Balances and Eliminations

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and 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 cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues from property taxes to be available if they are collected within 60 days of the end of the current fiscal period. All other accrued revenue sources are determined to be available if collected within 12 months 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 and use taxes, business and occupation taxes, federal grants-in-aid, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collected within one year. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the availability criteria are met. Expenditure-driven grant revenue is considered available if it can be collected at the same time cash is disbursed to cover the associated grant expenditure.

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

New Accounting Standards

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBORs)*, is effective for fiscal years beginning after June 15, 2020. This Statement addresses accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. King County implemented the statement in 2021; it did not have a material impact on the financial statements.

GASB Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued in May 2020. This statement is aimed to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates in Statements and Implementation Guides that first became or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result, the County will implement GASB Statement No. 87, *Leases* in 2022 instead of 2020.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, is effective for fiscal years ending after December 15, 2021. This Statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. King County implemented the statement in 2021.

Terminology

Expenditure Functions

Expenditures are presented on the nonmajor special revenue fund statements by county function. A short description of each function appears below.

General Government - Provided by the administrative branches of the government entity for the benefit of the public or governmental body as a whole. This function includes the County Council, County Executive, Performance Strategy and Budget, Information and Technology, Records and Licensing Services, and Elections and Assessments.

Law, Safety and Justice - Essential to the safety of the public, including expenditures for law enforcement, detention and/or correction, judicial operations, protective inspections, emergency services and juvenile services. This

function includes the Sheriff's Office, Prosecuting Attorney, Superior Court, Public Defense, Judicial Administration, Adult and Juvenile Detention and Emergency Medical Services.

Physical Environment - Provided to achieve a satisfactory living environment for the community and the individual. This function includes Surface Water Management.

Transportation - Provided by the government for the safe and adequate flow of vehicles and pedestrians, including expenditures for road and street construction, maintenance, transportation facilities and systems, and general administration. This function includes Road Services and the Roads Capital Program.

Economic Environment - Provided for the development and improvement of the welfare of the community and individual. This function includes expenditures for employment opportunity and development, child care services, and services for the aging and disabled. This function includes Youth Employment Programs, Development and Environmental Services, Planning and Community Development, Animal Control, River and Flood Control Construction and Natural Resources.

Health and Human Services - Provided to promote healthy people and healthy communities by preventing and treating mental, physical, and environmentally induced illnesses. This function includes expenditures for community mental health, communicable diseases, environmental health, public health clinics and programs, alcoholism treatment, drug abuse prevention, programs for the mentally disabled and mentally ill, the medical examiner, hospitals and jail health services. This function also includes regional hazardous waste management.

Culture and Recreation - Provided to increase the individual's understanding and enjoyment that includes expenditures for education, libraries, community events, parks and cultural facilities. This function includes Parks, Historical Preservation, Arts and Cultural Development and Law Library.

Debt Service - Accounts for the redemption of general long-term debt principal and interest and other debt service costs in the General, Special Revenue, Debt Service and Capital Projects Funds and payments to escrow agents other than refunding bond proceeds.

Capital Outlay - Accounts for expenditures related to capital projects and expenditures for capital assets acquired by outright purchase and by capital lease financing agreements.

Certain Accounts are Grouped on the Statement of Net Position:

- The asset account *Receivables, net* combines Taxes receivable - delinquent; Accounts receivable, net; Interest receivable; and Due from other governments, net.
- The liability account *Accounts payable and other current liabilities* combines Accounts payable, Retainage payable, Due to other governments, Customer deposits and Other liabilities.
- The liability account *Accrued liabilities* combines Wages payable, Taxes payable and Interest payable.
- The liability account *Noncurrent liabilities* includes Claims and judgments payable, Estimated claim settlements, General obligation bonds, Revenue bonds payable, Capital leases, State revolving loans payable, Compensated absences, Pollution remediation, Other postemployment benefits, Net pension liability, Landfill closures and post-closure care, Asset retirement obligations, and Other liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and pooled equity invested in the King County Investment Pool.

All County funds and most component units and special districts participate in the King County Investment Pool ("Pool") maintained by the King County Treasury Operations Section (See Note 4 - "Deposits and Investments"). The Pool consists of internal and external portions. For Pool participants, the Pool functions essentially as a demand deposit account where participants receive an allocation of their proportionate share of pooled earnings. Each fund's equity share of the internal portion of the Pool's net position is reported on the balance sheet as *Cash and cash equivalents* and reflects the change in fair value of the corresponding investment securities.

Included in the internal portion of the Pool is the investment of short-term cash surpluses not otherwise invested by individual funds. The interest earnings related to investment of short-term cash surpluses that are not pool participants are allocated to the General Fund in accordance with legal requirements and are used in financing general County operations.

Receivables (See Note 5 - "Receivables")

Receivables include charges for services rendered by the County or intergovernmental grants that have not been received by the end of the fiscal year. All unbilled service receivables are recorded at year-end. The provisions for estimated uncollectible receivables are reviewed and updated at year-end. These provisions are estimated based on an analysis of an aging of the year-end *Accounts receivable* balance or the historical rate of collectability.

Taxes receivable - delinquent - This account includes receivables for property taxes levied for the current year and the allowance for uncollectible amounts. Revenue is recognized when payment is received within 60 days of the end of the fiscal period.

Accounts receivable, net - This account includes receivables for customer accounts, employee travel advances, abatement revenues from the DLS / Permitting Division, civil penalties, district court revenues, assessments on local improvement districts and abatement revenues and an allowance for uncollectible amounts from violations reported by the Code Enforcement Section on property within the County. Abatement costs may be certified to the property tax parcel; as a result, these costs might not be paid until the property is sold, which may take years.

Interfund Activity

Due to/from other funds - These accounts include any outstanding balances between funds on the governmental funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal balances."

Interfund short-term loan receivables/payables - These accounts include the short-term portion of lending or borrowing arrangements between funds that are outstanding at the end of the fiscal year.

Advances to/from other funds - Noncurrent portions of long-term interfund loans are reported as advances. In the governmental funds, Advances to other funds are included in nonspendable fund balance as they are long-term receivables and are not available for appropriation.

Interfund Reimbursements

Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not recognized in the fund-level activity statements. Charge back transactions for shared services from certain departmental funds or cost centers to the funds of divisions under their administration are also treated as reimbursements.

Inventory

Inventories of governmental funds are recorded using the consumption method; expenditures are recognized when inventories are actually consumed. Proprietary funds expense inventories when used or sold. Facilities Management Department (FMD) and Public Health funds use the first-in, first-out (FIFO) valuation method. Radio Communications uses last-in, first-out (LIFO). The Motor Pool Equipment Rental, King County International Airport, Solid Waste, Public Transportation and Water Quality Funds use the weighted-average valuation method.

Prepayments

Payments made in advance to vendors for certain goods or services, such as building rent, that will benefit future periods are recorded as prepaid items in both the government-wide and fund financial statements. The expenditures are recognized in the period of consumption or occupancy.

Capital Assets (See Note 7 - "Capital Assets")

Capital assets include: Land (fee simple land, rights-of-way and easements and farmland development rights); Infrastructure (roads and bridges network); Buildings; Improvements other than buildings; Furniture, machinery and

equipment; Software; and Artwork. Work-in-progress is reported for all unfinished construction and development for most capital assets except for roads and bridges infrastructure.

General capital assets, including those in internal service funds that support governmental funds, are reported in the governmental activities column of the government-wide Statement of Net Position.

Capital assets of enterprise funds are reported in the business-type column of the government-wide Statement of Net Position. Enterprise and internal service funds capital assets are also reported in the individual proprietary fund Statement of Net Position.

The capitalization threshold in the King County primary government is \$5 thousand for machinery and equipment, \$500 thousand for internally developed and purchased software, and \$100 thousand for buildings, intangible assets and other improvements.

The County elects to use the modified approach for reporting infrastructure assets in lieu of the depreciation method because it is committed to maintaining the roads and bridges infrastructure indefinitely. The County is eligible to use the modified approach because it has an asset management system in place that allows for periodic monitoring of the infrastructure to ensure that assets are maintained and preserved at the predetermined condition level set by the Road Services Division. The asset management system tracks the mileage, condition and the actual and planned maintenance and preservation costs of individual infrastructure assets.

Certain equipment and facilities used in the Solid Waste Enterprise landfill closure and post-closure activities are not reported as capital assets. Instead, the liability for landfill post-closure care is reduced by these costs.

Capital assets are valued at historical cost or estimated historical cost where actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the date of donation. Expenditures for 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 extend its useful life beyond the original estimate, are expensed as incurred. Expenditures for repairs and upgrades that materially add to the value or life of an asset are capitalized. Costs incurred to extend the life of governmental infrastructure assets are considered preservation costs and are therefore not capitalized.

Capital assets (excluding non-depreciable assets such as land, roads and bridges infrastructure, and artwork) are depreciated or amortized over their estimated useful lives using a standard straight-line allocation method. Capital assets and their components useful lives are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings and other improvements	10-50
Buses and trolleys	12-18
Cars, vans, and trucks	3-10
Downtown transit tunnel	50
Equipment - other	3-25
Software	3-10
Sewer plant	20-50

Regulatory Accounting

The Metropolitan King County Council (the "Council") has taken various regulatory actions resulting in differences between the recognition of revenues for rate-making purposes in the Water Quality Enterprise fund and their treatment under generally accepted accounting principles for nonregulated entities. Currently, the Water Quality Enterprise is authorized to apply the accounting treatment of costs under the GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" criteria because the rates for its services are regulated by the Council, and the regulated rates chargeable to its customers are designed to recover the enterprise's allowable costs of operations.

Rate stabilization - The Council established a Rate Stabilization Reserve in the Water Quality Enterprise fund. This allows for certain operating revenues to be treated as deferred inflows of resources and recognized as revenue in subsequent years through amortization in order to maintain stable sewer rates.

Regulatory assets - The Water Quality Enterprise treats pollution remediation obligations, program payments to Rainwise participants, and strategic planning costs as regulatory assets to allow for cost recovery through future rate increases. The portion of regulatory asset costs that have been accrued is being amortized over a recovery period of 7 to 30 years.

Accrued Liabilities

Accrued liabilities refer to Accounts payable, Due to other governments, Interest payable, Wages payable and Taxes payable. Expenditures incurred during the year but paid in the subsequent year are recorded based on the following materiality thresholds according to when invoices were received:

February 2 - 12	\$50,000
February 13 - 26	\$100,000
February 27 - April 15	\$1,000,000

Individual assessments for specific funds are made for amounts not meeting the stated materiality thresholds. Grant-related items to be reported on the Schedule of Expenditures of Federal Awards (SEFA) or Schedule of State Financial Assistance (SSFA) are assessed without considering the materiality thresholds.

Unearned Revenues

Unearned revenues are obligations of the County to perform services or provide goods. This account offsets reported assets for revenues that have not met recognition requirements. Reported assets include grants received in advance, mitigation fees received in lieu of developers performing mitigation projects, prepayment for parks programs and rental facilities and rent prepaid by tenants in internal service funds.

Long-term Obligations (See Note 15 - "Liabilities")

Long-term debt and other long-term obligations are reported in the applicable accrual basis statements of net position. Bond premiums and discounts, and refunding gains and losses, are deferred and amortized over the life of the associated bonds using the outstanding principal balance method. Bonds payable are reported net of the applicable premium or discount. Refunding losses are reported as deferred outflows of resources while refunding gains are reported as deferred inflows of resources.

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

Rebatable Arbitrage

The County's tax-exempt debt is subject to arbitrage restrictions as defined by the Internal Revenue Code. Most of the County's bonded debts are tax-exempt; exceptions are identified in Note 15 - "Liabilities." Arbitrage occurs when the funds borrowed at tax-exempt rates of interest are invested in higher yielding taxable securities. The County's recent arbitrage analysis for the period November 1, 2020 through October 31, 2021 reveals only an immaterial arbitrage liability at December 31, 2021.

Pensions

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

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

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. The government only has four items that qualify for reporting in this category. They are the deferred charge on debt refunding, the deferred outflow of resources associated with pensions, postemployment benefits other than pensions (OPEB), and the deferred retirement obligations associated with certain capital assets. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources for pensions results from contributions subsequent to the measurement date, the difference between projected and actual investment earnings, the difference between expected and actual experience, and changes in actuarial assumptions and changes in proportions. The deferred outflows related to OPEB arise from changes in actuarial assumptions. The deferred outflows related to the retirement of certain tangible capital assets arise from a legal obligation for the government to perform future asset retirement activities.

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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has five types of items that qualify for reporting in this category. The *deferred inflows of resources* reported in the business-type activities and proprietary funds represent sewer revenues that are reserved annually to normalize future sewer rates (see Rate Stabilization, p. 53). The deferred inflows of resources on pensions and OPEB are reported in the government-wide Statement of Net Position.

The deferred inflows of resources on pensions and OPEB result from contributions subsequent to the measurement date, the difference between projected and actual investment earnings, the difference between expected and actual experience, and changes in actuarial assumptions and changes in proportions. The *deferred inflows of forgivable loans* is reported on the government-wide Statement of Net Position and the governmental funds Balance Sheet, representing the accrued interest revenue on a forgivable loan earned before meeting time requirements, but after all other eligibility requirements have been met. The *deferred inflows of resources-unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, district court receivables, grants and abatement receivables. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Metropolitan King County Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Council has by ordinance authorized the executive to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Compensated Absences

Compensated absences consist of vacation pay, sick pay, and compensatory time in lieu of overtime pay. Employees earn vacation based on their date of hire and years of service. Employees hired prior to January 1, 2018 have a maximum vacation accrual of 480 hours, while those hired January 1, 2018 or after have a maximum vacation accrual of 320 hours unless the employee's collective bargaining unit agreement specifies a different maximum. Unused vacation at retirement or normal termination is considered vested and payable to the employee, up to the employee's maximum accrual. Employees also earn up to 12 days of sick leave per year and may accumulate sick leave balances without limit. If the employee is leaving their employment due to death or retirement, they are paid for 35 percent of the value of unused sick leave with no maximum. For reporting purposes, a variety of factors are used to estimate the portion of the accumulated sick leave that is subject to accrual.

Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). All vacation pay liability and a portion of sick leave liability are accrued in the government-wide and proprietary statements. The County has only immaterial excess compensation liabilities, which are not reported. An excess compensation liability is incurred when an employee whose retirement benefits are based in part on excess compensation receives a termination or severance payment (e.g. a cash out of unused vacation leave in excess of 240 hours) defined by the State as excess compensation.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues. The County reported COVID Relief Fund receipts awarded under the Coronavirus Aid, Relief, and Economic Security (CARES) Act as general revenues because they were not awarded for any specific function and were deployed across the government to assist with a wide variety of COVID-related expenses and expenditures.

Allocating Indirect Expense to Functions

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses that have been allocated from general government to various functional activities are reported in a separate column.

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 in connection with a proprietary fund's principal ongoing operations. User fees (sewage fees, passenger fares, disposal charges, etc.) charged by the County's enterprise funds for the use of its business-type facilities and charges for services of internal service funds are classified as

operating revenues. Rental income is operating revenue to the Airport enterprise, whose principal operation is leasing real property. The corresponding costs of service provision and delivery, including direct administration costs, depreciation or amortization of capital assets, and other allocations of future costs to current year operations (e.g., landfill post-closure, other postemployment benefits), comprise operating expenses. All other revenues and expenses not meeting this definition are reported as nonoperating.

Note 2

Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (in thousands): The governmental funds balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains, "Long-term amounts, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

Long-term amounts reported for governmental activities:	
Bonds payable	\$ (1,065,159)
Plus: Unamortized premiums on bonds sold	(58,915)
Accrued interest payable	(5,080)
Capital leases payable to component unit	(7,402)
Compensated absences	(110,911)
Net pension liability	(50,416)
Total other post employment benefits	(85,929)
Pollution remediation	(2,929)
Asset retirement obligations	(3,500)
Earned but unavailable court fines and penalties	7,240
Earned but unavailable taxes and assessments	23,931
Earned but unavailable grants	48,457
Deferred inflows on pensions	(629,307)
Deferred inflows on other post employment benefits	(9,865)
Total adjustments related to long-term liabilities and deferred inflows	<u><u>\$ (1,949,785)</u></u>

Another element of that reconciliation states, "Capital assets used in governmental activities are not financial resources and are not reported in the funds."

Capital assets reported for governmental activities:	
Nondepreciable assets	\$ 2,716,393
Depreciable assets	1,178,995
Less: Capital assets in governmental internal service funds	(60,054)
Total adjustments related capital assets	<u><u>\$ 3,835,334</u></u>

Another element of the reconciliation states, "Other long-term amounts are not available to pay for current-period expenditures and therefore are deferred in the funds."

Other long-term amounts reported for governmental activities:	
Net pension asset	\$ 707,844
Deferred outflows on refunding (to be amortized as interest expense)	15,965
Deferred outflows on pensions	76,194
Deferred outflows on other post employment benefits	4,539
Deferred outflows on asset retirement obligation	3,040
Total adjustments related to long-term assets and deferred outflows	<u><u>\$ 807,582</u></u>

Another element of that reconciliation states, "Governmental activities internal service funds assets and liabilities are included in the governmental activities in the statement of net position."

Internal service funds reported for governmental activities:	
Net position of the governmental activities internal service funds	\$ 245,567
Internal payable representing charges in excess of cost to the enterprise funds by the governmental activities internal service funds - prior years	(110,148)
Internal payable representing the amount overcharged to the enterprise funds by the governmental activities internal service funds - current year	<u>40,436</u>
Total adjustments related to internal service funds	<u>\$ 175,855</u>

Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (in thousands): The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds and changes in net positions of governmental activities* reported in the government-wide statement of activities.

One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

Capital outlay reported for governmental activities:	
Capital outlay	\$ 368,826
Depreciation expense	<u>(70,783)</u>
Total adjustments related to capital outlay	<u>\$ 298,043</u>

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins and donations) increases net position."

Miscellaneous capital asset transactions reported for governmental activities:	
The statement of activities report the gain on the sale of capital assets while gross proceeds increase financial resources in the governmental funds. The difference is the net book value of capital assets sold.	\$ (21,627)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds.	<u>40,860</u>
Total adjustments related to miscellaneous capital asset transactions	<u>\$ 19,233</u>

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds."

Revenues reported for the governmental activities:	
Unavailable revenue-property taxes	\$ 1,098
Unavailable revenue-abatement fees	(205)
Unavailable revenue-charges for services	334
Unavailable revenue-fines and forfeits	(320)
Unavailable revenue-grants	47,616
LEOFF special funding	<u>3,770</u>
Total adjustments related to revenues	<u>\$ 52,293</u>

Another element of that reconciliation states, "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

Debt issuance or refundings reported for governmental activities:	
Issuance of general government debt	\$ (512,710)
Issuance of refunding bonds	(30,410)
Premium on bonds sold	(14,544)
Principal repayments	73,416
Payment to escrow agent	33,462
Total adjustments related to debt issuance or refundings	<u>\$ (450,786)</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds."

Expenses reported for governmental activities:	
Compensated absences	\$ (1,012)
Other postemployment benefits	2,571
Interest on long-term debt	8,691
Pension expense	232,415
Asset retirement obligations amortization	(122)
Pollution remediation	1,507
Lease payments	391
Total adjustments related to expenses	<u>\$ 244,441</u>

Another element of that reconciliation states, "Net revenues and expenses of certain activities of internal service funds are reported with governmental activities."

Internal service funds reported for governmental activities:	
Loss on investment value	\$ (862)
Intergovernmental revenues	15,843
Revenues related to services provided to outside parties	8,155
Expenses related to services provided to outside parties	(8,708)
Miscellaneous nonoperating revenue	927
Miscellaneous nonoperating expense	(25)
Gain on disposal of capital assets	210
Interest expense	(27)
Capital contributions	3,663
Transfers in	4,440
Transfers out	(24,628)
Internal service fund losses allocated to governmental activities	(985)
Total adjustments related to internal service funds	<u>\$ (1,997)</u>

Explanation of certain differences between the Proprietary Funds Statement of Net Position and the Government-wide Statement of Net Position (in thousands): The proprietary funds statement of *net position* includes reconciliation between *net position - total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position.

The description of the reconciliation is “adjustment to report the cumulative internal balance for net effect of the activity between the internal service funds and the enterprise funds over time.” The details are as follows:

Cumulative internal balance for net effect of activity between internal service funds and enterprise funds:	
Internal receivable representing charges in excess of cost to the enterprise funds by the governmental activities internal service funds - prior years	\$ 110,148
Internal receivable representing the amount overcharged to the enterprise funds by the governmental activities internal service funds - current year	<u>(40,436)</u>
Total adjustments related to internal service fund activities related to enterprise funds	<u>\$ 69,712</u>

Note 3

Stewardship, Compliance and Accountability

Budgetary Basis of Accounting

Biennial budgets are adopted on the modified accrual basis of accounting for the General Fund, Behavioral Health Fund, Housing and Community Development Fund, Public Health Fund, nonmajor special revenue funds and debt service funds. The capital projects funds are controlled by multi-year budgets. Some nonmajor special revenue funds are controlled by multi-year budgets including Harborview Health and Safety, Long-Term Leases, Major Maintenance, Surface Water Program, Transfer of Development Credits and Urban Reforestation and Habitat Restoration. The Law Library Fund, Road Improvement Districts and Treasurer's Operating and Maintenance have the authority under state law to pay expenditures without appropriations.

The budget for the Flood Control District, a blended component unit, is approved under the authority of its respective governing body on an annual basis in accordance with RCW 86.15.140. The budget is divided into four appropriation items: (1) flood district administration; (2) maintenance and operation; (3) construction and improvements; and (4) bond retirement and interest.

Revenues are estimated on the basis of when they become susceptible to accrual. Budgeted appropriations include both expenditures and other financing uses; they are budgeted based on liabilities expected to be paid in the given budget period for the acquisition of goods and services.

The Metropolitan King County Council enacts appropriations by ordinance, generally at the appropriation unit level. The Grants Fund is appropriated at the fund level. These are the legal levels of budgetary control. Unless otherwise provided by the appropriation ordinances, all unexpended and unencumbered operating appropriations lapse at the end of the biennium. The budgetary comparison schedules (budgetary basis) include variances at the appropriation level of expenditure.

Excess of Expenditures over Appropriations

The Charter Review Commission Support appropriation unit in General Fund exceeded appropriations by \$83 thousand. The overage is a result of a temporary out of balance within the Council adopted biennium budget. The appropriations will be adjusted in the second year of the biennium.

The Transfers: King County Information Technology appropriation unit in General Fund exceeded appropriations by \$2 thousand. The overage is a result of making transfers from the wrong appropriation unit. The appropriations will be adjusted in a future supplemental budget.

The Transfers: Transfer to Homelessness appropriation unit in General Fund exceeded appropriations by \$327 thousand. The overage is a result of making transfers from the wrong appropriation unit. A related appropriation unit was underspent by the same amount. The appropriations will be adjusted in a future supplemental budget.

Deficit Fund Equity

Nonmajor Governmental Funds

The Department of Community and Human Services Administration fund reports a total fund balance deficit of \$2.7 million. The deficit is a result of the Coronavirus Disease (COVID) mobile vaccination program expenditures. This program is funded by the State of Washington Department of Health (DOH). The deficit is anticipated to be resolved by future contract billings to DOH.

The KC Flood Control Contract fund reports a total fund balance deficit of \$67 thousand. The fund primarily provides services to the Flood Control District. Future contract billing receipts are anticipated to reduce the fund deficit.

The Long-Term Leases fund reports a total fund deficit of over \$8.5 million, which the majority of \$8.1 million was due to COVID lease expenditures. For the non COVID-related fund deficit, the Facilities Management Division has developed a plan to address the deficit through rate actions by the end of 2022. The plan was approved by the Executive Committee during 2016 and 2017. The timing to resolve the COVID-related fund deficit is dependent on the amount and timing of reimbursements from federal grants.

The Building Repair and Replacement capital fund reports a total fund deficit of \$9.1 million. The deficit is mostly caused by the Children and Family Justice Center project where expenditures occurred faster than tax revenues were collected. In addition, proceeds from a property are expected to contribute to the deficit for the project. Currently, an interfund loan is approved until all revenues can be collected.

The Department of Local Services Capital fund reports a total fund balance deficit of \$37 thousand. The fund deficit is expected to be resolved by a future general obligation bond issuance with debt service to be funded by the General Fund. In the interim, an interfund loan is approved to cover expenditures.

Internal Service Funds

The Insurance Fund has a deficit net position at December 31, 2021 of \$37.1 million caused by the current nationwide trend of rising claims and insurance costs. The fund is expected to be fully funded by the end of 2026 through central rate increases.

Note 4

Deposits and Investments

Deposits

King County maintains deposit relationships with several local commercial banks in addition to its concentration bank. The deposits that are not covered by the Federal Deposit Insurance Corporation (FDIC) are collateralized by the Public Deposit Protection Commission of the State of Washington (PDPC) at no less than 50 percent. Effective June 7, 2018, resolution 2018-1 adopted by Commission on June 1, 2018, allowed that “all Well Capitalized public depositories...may collateralize uninsured public deposits at no less than fifty percent.” The PDPC is a statutory authority established under chapter 39.58 RCW that governs public depositories and provides that “All public funds deposited in public depositories, including investment deposits and accrued interest thereon, shall be protected against loss, as provided in the chapter.” It constitutes a multiple financial institution collateral pool that can make *pro rata* assessments to all public depositories within the state for their public deposits. PDPC protection is of the nature of collateral, not of insurance.

Custodial credit risk - Deposits The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County’s deposits may not be recovered. State statutes require that certificates of deposit be placed in qualified public depositories in the State of Washington and total deposits cannot exceed the net worth of the financial institution. Those institutions not meeting 100 percent collateralization or the minimum credit rating requirements may receive deposits up to the FDIC or federally guaranteed amounts. The County’s diversification policy limits the maximum amount of investment in certificates of deposit to 25 percent of the total amount of the portfolio and five percent from a single issuer.

As of December 31, 2021, the County’s total deposits, including certificates of deposits, were \$60.5 million in carrying amount and \$17.0 million in bank balance, of which \$9.5 million was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

King County Investment Pool - The King County Investment Pool (KCIP), the main pool, consists of monies invested on behalf of the County and other special purpose districts within the County including school, fire, sewer, library, water and other districts. The KCIP operates in accordance with the King County Investment Policy which has been prepared in accordance with state law. This policy is reviewed annually and any modifications shall be approved by the King County Executive Finance Committee (EFC). The policy applies to all financial assets invested in the KCIP as defined in King County Code (KCC) 4.10.090.

This policy also covers King County non-pooled investments. Non-pooled King County investments, which do not meet the criteria of this policy, require approval by the EFC.

The King County Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. Oversight is provided by the EFC, which serves the role of the County Finance Committee as defined in RCW 36.48.070.

The Investment Pool Advisory Committee (IPAC) was created by Ordinance 16280 to provide input to the EFC on matters related to the King County Investment Pool. The IPAC has not been vested with decision-making authority for the KCIP; it makes recommendations to the EFC on agenda items related to the KCIP.

The King County Investment Policy is designed to help King County meet the objectives of the KCIP. The objectives of the County’s investment policy are to invest public funds in a manner which will preserve the safety and liquidity of all investments within the KCIP while obtaining a reasonable return within established investment guidelines. The portfolio should be managed in a manner that is responsive to the public trust and consistent with state law. The King County Investment Pool is guided by the following principles:

1. The primary objective of King County’s investment of public funds is to safeguard investment principal.
2. The secondary objective is to maintain sufficient liquidity to ensure that funds are available to meet daily cash flow requirements.
3. The third consideration is to achieve a reasonable yield consistent with these objectives.

Investment Instruments - Statutes authorize King County to invest in:

- Savings or time accounts in designated qualified public depositories; and certificates, notes or bonds of the United States.
- Other obligations of the United States, its agencies, or in any corporation wholly owned by the United States government and supranational institutions where the United States is its largest shareholders.
- Bankers' acceptances purchased on the secondary market, Federal Home Loan bank notes and bonds, Federal Land Bank bonds, Federal National Mortgage Association notes, debentures and guaranteed certificates of participation.
- Obligations of any other government-sponsored corporation whose obligation is or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve System.
- Commercial paper and corporate notes (within the policies established by the State Investment Board).
- Debt instruments of local and state general obligations.
- General obligation bonds issued by any states and revenue bonds issued by Washington state governments that are rated at least "A" by a nationally recognized rating agency.

As of period ending December 31, 2021, several funds of the County experienced unrealized losses greater than interest income. In these funds, the line "investment gains (losses)" is reported as a negative number representing the net of interest earned and the unrealized losses.

King County voluntarily invests in the Washington State Treasurer's Local Government Investment Pool (LGIP). The LGIP values its investments at amortized cost, which approximates fair value. The LGIP portfolio will be managed to meet the portfolio maturity, quality, diversification and liquidity requirements set forth in GASB 79 for external investment pools who wish to measure, for financial reporting purposes, all of its investments at amortized cost. LGIP is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee and the Washington State Auditor's Office.

LGIP participants may withdraw funds from the LGIP on any business day and must notify the LGIP of any withdrawal over \$1.0 million no later than 9 A.M. on the same day the withdrawal is made. The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if U.S. bond markets are closed, if the SEC declares an emergency or if it has determined irrevocably to liquidate the LGIP and suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the LGIP in an orderly manner.

The County is authorized to enter into repurchase agreements to meet the investment needs of the King County Investment Pool. Such transactions are governed by a Master Repurchase Agreement. County investment policies require that securities' tri-party underlying repurchase agreements have a fair value equal to at least 102 percent of repurchase price, plus accrued interest. Repurchase agreements in excess of 60 days are not allowed. Currently, the County's tri-party custodial bank monitors compliance with some of these provisions.

Although the County is authorized to enter into reverse repurchase agreements, the County chose not to enter into this type of transaction since 2008. Also, the County did not buy, sell, or hold any derivative or similar instrument except for certain U.S. agency collateralized mortgage obligation securities during the year.

External Investment Pool - The King County Investment Pool administered by the King County Treasury Operations Section is an external investment pool. For investment purposes, the County pools the cash balances of County funds and participating component units, and allows for participation by other legally separate entities such as special districts, for which the County is the *ex officio* treasurer, and public authorities. The external portion of the KCIP (the portion that belongs to special districts and public authorities other than component units) is reported in the Fiduciary Funds under Custodial Funds. Except for County agencies that have been approved to invest in the Pool-Plus program, it is County policy to invest all county funds in the King County Investment Pool. All non-County participation in the KCIP is voluntary.

All securities are reported at fair value. Fair value reports are prepared monthly and are distributed to all Pool participants. Fair value pricing is provided by the County's investment accounting system. If a security is not priced by the County's accounting system vendor, prices are obtained from the County's safekeeping bank or from Bloomberg L.P., a provider of fixed income analytics, market monitors, and security pricing. The County has not provided or obtained any legally binding guarantees to support the value of the King County Investment Pool's shares.

The King County Investment Pool values participants' shares using an amortized cost basis. Monthly income is distributed to participants based on their relative participation during the period. Income is calculated based on: (1) realized investment gains and losses; (2) interest income based on stated rates (both paid and accrued); and (3) the amortization of discounts and premiums on a straight-line basis. Income is reduced by contractually agreed upon fees. This method differs from the fair value method used to value investments in the financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses due to changes in the fair values. The net change in the fair value of the investments is reported as an increase or decrease in cash and cash equivalents in the statement of net position.

The King County Investment Pool's total fair value of investment including purchased interest was \$8.7 billion at year-end. At year-end, the change in the fair value of the total investments for the reporting entity, after considering purchases, sales and maturities, resulted in a net markdown from cost of \$19.5 million. The following schedule shows the types of investments, the average interest rate, and the effective duration limits of the various components of the King County Investment Pool as of December 31, 2021 (dollars in thousands):

Investment Type	KING COUNTY INVESTMENT POOL		Average	Effective
	Fair Value	Principal	Interest	Duration
			Rate	(Years)
Repurchase Agreements	\$ 288,000	\$ 288,000	0.03 %	0.008
Commercial Paper	682,573	682,750	0.17	0.258
Corporate Notes	266,969	260,909	1.76	1.143
U.S. Treasury Notes	2,600,480	2,586,000	0.71	1.698
U.S. Agency Notes	1,132,808	1,140,875	0.44	1.463
U.S. Agency Collateralized Mortgage Obligations	1,999	1,850	4.32	2.100
Supranational Coupon Notes	2,908,834	2,899,671	0.51	1.469
State Treasurer's Investment Pool (LGIP)	832,832	832,832	0.09	0.003
Total investments in Pool	<u>\$ 8,714,495</u>	<u>\$ 8,692,887</u>	<u>0.52 %</u>	<u>1.243</u>

Custodial credit risk - Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy mandates that all security transactions, including repurchase agreements, are settled "delivery versus payment (DVP)." This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the County's safekeeping bank or its tri-party custodian banks. Exempt from the DVP policy are Certificates of Deposits (CDs) and funds placed with the Local Government Investment Pool (LGIP).

Concentration of credit risk - Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year-end, the King County Investment Pool had concentrations greater than 5 percent in the following issuers: Asian Development Bank, 13.7 percent; Inter-American Development Bank, 9.0 percent; International Bank Reconstruction and Development, 6.4 percent; and Federal Farm Credit Banks, 5.1 percent.

Interest rate risk - Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by setting maturity and effective duration limits for the King County Investment Pool. The policy limit for the KCIP's maximum effective duration is 1.5 years or less, and 40 percent of the KCIP's total value in securities must have a maturity of 12 months or less. Securities in the portfolio cannot have an average life greater than five years at purchase. As of December 31, 2021, the effective duration of the main Pool was 1.243 years.

Credit risk - Debt Securities - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At year-end, the King County Investment Pool was not rated by a Nationally Recognized Statistical Rating Organization (NRSRO). In compliance with state statutes, the King County Investment Pool's policy authorizes investments in U.S. Treasury securities, U.S. federal agency securities and mortgage-backed securities, municipal securities and corporate notes (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1" by two NRSROs), certificates of deposit issued by qualified public depositories, repurchase agreements and the LGIP.

The credit quality distribution below is categorized to display the greatest degree of credit risk as rated by Standard and Poor's and Moody's. For example, a security rated "AAA" by one rating agency and "AA" by another would be listed as "AA."

This table shows the credit quality for all securities in the King County Investment Pool not backed by the full faith and credit of the United States (in thousands):

Investment Type	Credit Quality Distribution				Total
	AAA or A-1	AA	A	Not Rated	
Repurchase Agreements	\$ 288,000	—	—	—	\$ 288,000
Commercial Paper	682,573	—	—	—	682,573
Corporate Notes	—	141,349	125,620	—	266,969
U.S. Agency Notes	—	1,132,808	—	—	1,132,808
U.S. Agency Collateralized Mortgage Obligations	—	1,999	—	—	1,999
Supranational Coupon Notes	2,908,834	—	—	—	2,908,834
State Treasurer's Investment Pool	—	—	—	832,832	832,832
Total investments	\$ 3,879,407	\$ 1,276,156	\$ 125,620	\$ 832,832	\$ 6,114,015

The King County Investment Pool's policies limit the maximum amount that can be invested in various securities. The following table summarizes the King County Investment Pool's diversification policy:

**OVERVIEW OF THE KING COUNTY INVESTMENT POOL'S POLICIES
TO LIMIT INTEREST RATE AND CREDIT RISK**

Investment Type	Maximum Maturity	Security Type Limit	Single Issuer Limit	Minimum Credit Rating
U.S. Treasury	5 Years	100%	None	N/A
U.S. Federal Agency ⁽¹⁾	5 Years	100%	35%	N/A
U.S. Federal Agency MBS ⁽²⁾	5 Year WAL	25%	25%	N/A
Certificates of Deposit ⁽³⁾	1 Year	25%	5%	A-1 or P-1
Municipal Securities ⁽⁴⁾	5 Years	20%	5%	A
Corporate Securities	5 Years	25%	2%	A ⁽⁵⁾
Commercial Paper	270 Days	25%	3%	A-1/P-1 ⁽⁶⁾
Repurchase Agreements ⁽⁷⁾	60 Days	100%	25%	A-1 or P-1
Bankers' Acceptances	180 Days	25%	5%	A-1/P-1 ⁽⁸⁾
State LGIP ⁽⁹⁾	N/A	25%	25%	N/A

N/A = Not applicable

(1) Senior debt only and includes Supranational agencies where the U.S. is the largest shareholder.

(2) MBS counts towards the total that can be invested in any one U.S. federal agency.

(3) Must be a public depository; if not 100% collateralized, must be rated at least A-1 or P-1.

(4) County policy limits purchases to general obligation bonds rated A or better by Standard & Poor's or Moody's.

(5) Must be rated A or better by both Standard and Poor's and Moody's for 2 percent issuer limit. But if rated AA or higher, 3 percent issuer limit applies.

(6) Must be rated in top credit category by Standard & Poor's and Moody's. Maturities > 100 days must have a long-term rating of A or higher.

(7) Tri-party repurchase agreements collateralized at 102 percent and for purposes of aggregating across sectors, overnight repos shall not be included. Ten percent of the portfolio can be in overnight repos rated A-2 or P-2.

(8) Bankers' acceptances must be rated in top credit category by Standard & Poor's and Moody's.

(9) The State LGIP is a money market-like fund managed by the State Treasurer's Office.

At year-end the King County Investment Pool was in compliance. The KCIP's actual composition consisted of Repurchase Agreements, 3.3 percent; Commercial Paper, 7.8 percent; Corporate Notes, 3.1 percent; U.S. Treasury Notes, 29.8 percent; U.S. Agency Notes, 13.0 percent; Supranational Coupon Notes, 33.4 percent; and the LGIP, 9.6 percent.

Fair Value Hierarchy

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The following is a summary of inputs in valuing the County's investments as of December 31, 2021 (in thousands):

	Fair Value 12/31/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Commercial Paper	\$ 682,573	\$ —	\$ 682,573	\$ —
Corporate Notes	266,969	—	266,969	—
U.S. Treasury Notes	2,600,480	2,600,480	—	—
U.S. Agency Notes	1,132,808	—	1,132,808	—
U.S. Agency Collateralized Mortgage Obligations	1,999	—	1,999	—
Supranational Coupon Notes	2,908,834	—	2,908,834	—
Subtotal investments measured at fair value	7,593,663	\$ 2,600,480	\$ 4,993,183	\$ —
<u>Investments measured at amortized cost (not subject to fair value hierarchy)</u>				
Repurchase Agreements	288,000			
State Treasurer's Investment Pool	832,832			
Subtotal investments measured at cost	1,120,832			
Total investments in Investment Pool	\$ 8,714,495			

U.S. Treasury Notes are valued using quoted prices in active markets and classified in Level 1 of the fair value hierarchy.

Commercial Paper, U.S. Agency Discount Notes, Corporate Notes, Corporate Notes Floating Rate, U.S. Agency Notes, U.S. Agency Collateralized Mortgage Obligations and Supranational Coupon Notes are valued using standard inputs including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Interactive Data also monitors market indicators, industry and economic events and corroborating market data and are classified in Level 2 of the fair value hierarchy.

Impaired Investment Pool

The King County Executive Finance Committee approved the bifurcation of the investment pool as of September 1, 2008. This separated the impaired investments into their own pool distinct from the main pool of performing investments. The reasons for bifurcating the pool were to: (1) ensure the yield on the performing assets is not negatively impacted by the impaired investments; (2) enhance transparency about the value of the performing pool and the impaired pool; (3) ease the implementation of the restructuring processes for the impaired investments.

For the bifurcation, the County placed four impaired commercial paper investments into an impaired investment pool (Impaired Pool). Three of the four impaired investments have been completely written off since no further cash payments are expected. The Impaired Pool still holds one restructured commercial paper asset, VFNC Trust (originally Victoria Finance) in which the County accepted an exchange offer in 2009 and is receiving the cash flows from the Victoria Finance's underlying securities.

The fair value of the Impaired Pool at December 31, 2021, was \$1.97 million and the book value was \$3.1 million. The remaining investments in the impaired investment pool is associated with VFNC Trust (Victoria). VFNC Trust

continues to make monthly cash distributions. During 2021, VFNC Trust distributed a total of \$561 thousand to the County. Including all the receipts to date, the cash recovery rate on the original Victoria investment is 93 percent. Monthly distributions will continue for as long as the underlying securities in the trust continue to pay, which is expected to continue for at least 5 to 10 more years. However, with the consent of 50 percent of the note holders, the assets of the trust could be sold before the underlying securities mature. Also, because of extremely low interest rates, the County chose not to discount these future cash flows.

VFNC Trust (Victoria) is recorded at fair value of \$1.97 million which is based on market price of the underlying securities that are held by VFNC Trust and the cash value retained by the receivers as of December 31, 2021, and is classified in Level 3 inputs of fair value hierarchy. These prices are provided by the collateral agent.

King County Investment Pool and Impaired Investment Pool Condensed Statements

The King County Investment Pool (main Pool) and the Impaired Investment Pool's Condensed Statements of Net Position and Changes in Net Position as of December 31, 2021 (in thousands) are as follows:

Condensed Statement of Net Position

	Total	King County Investment Pool	Impaired Investment Pool
Assets			
Current and other assets	\$ 8,720,813	\$ 8,718,844	\$ 1,969
Total Assets	<u>\$ 8,720,813</u>	<u>\$ 8,718,844</u>	<u>\$ 1,969</u>
Net Position			
Equity of internal pool participants	\$ 4,882,374	\$ 4,881,545	\$ 829
Equity of external pool participants	3,838,439	3,837,299	1,140
Total net position	<u>\$ 8,720,813</u>	<u>\$ 8,718,844</u>	<u>\$ 1,969</u>

Condensed Statement of Changes in Net Position

	Total	King County Investment Pool	Impaired Investment Pool
Additions	\$ 659,003	\$ 659,003	\$ —
Deductions	(322)	—	(322)
Increase (decrease) in net position	658,681	659,003	(322)
Net position, beginning of year	8,062,132	8,059,841	2,291
Net position, ending of year	<u>\$ 8,720,813</u>	<u>\$ 8,718,844</u>	<u>\$ 1,969</u>

Pool Plus - Long-Term Investment Option

King County's Executive Finance Committee (EFC) adopted the Pool Plus program which allows approved County agencies and districts to invest funds beyond the maximum maturity limit established for the KCIP. This policy provides an investment option that allows a participant in the KCIP to request the County to combine a portfolio of individual long-term securities in the same fund that is invested in KCIP. The pooling of the long-term portfolio with the KCIP provides the ability to invest at durations longer than KCIP, while maintaining access to the liquidity of the KCIP. The Pool Plus program allows qualifying funds to invest over longer durations recognizing there are: (1) potential risks such as increased price volatility and the possibility of selling securities before maturity to pay unexpected expenditures that could result in a loss of principal; (2) benefits from reducing reinvestment risk which improves the predictability of future budget revenue; (3) and potential rewards such as increased earnings.

The policy is intended to serve the following goals:

- Provide an investment option for funds with investment horizons far beyond the maximum maturity limit of the pool.
- Minimize credit risk exposure that long-term investments outside the KCIP will face.
- Minimize the possibility of negative financial impacts on current pool participants.
- Ensure that a fund requesting to invest in long-term investments outside the pool understands, and accepts, the greater price volatility that is inherent in longer term investments.

- Minimize any operational burden that would distract the investment team from its primary mission of managing the investment pool.

The KCIP will be used for the liquidity portion of the portfolio, while the following investment types will be used for the longer term investments:

- U.S. Treasuries or securities with full faith and credit of the U.S. government backing them.
- Senior debt obligations issued by U.S. agencies, instrumentalities, or government-sponsored enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). While these agencies have credit ratings equivalent to the U.S. government, they are not explicitly guaranteed by the U.S. government. Financial market participants view them as having an “implied guarantee” because these agencies were chartered by Congress.

At year-end, the fair value of securities invested in the Pool Plus program was \$15.7 million for County agencies and \$13.1 million for districts. The following schedule shows a summary of the characteristics of the assets in the Pool Plus program at December 31, 2021 (dollars in thousands):

KING COUNTY POOL PLUS PROGRAM

<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal</u>	<u>Average Interest Rate</u>	<u>Effective Duration (Years)</u>
U.S. Treasury Notes - County agencies	\$ 15,717	\$ 15,250	2.36 %	4.190
U.S. Treasury Notes - District funds	7,892	7,627	2.55	3.390
U.S. Treasury Notes - District funds	5,168	5,016	2.47	3.760

Individual Investment Accounts

King County purchases individual investments for other legally separate entities, such as special districts and public authorities, which are not part of the financial reporting entity. Net positions in these individual investments accounts are reported in the Fiduciary Funds section under Custodial Funds.

Component Units

Harborview Medical Center (HMC)

Harborview Medical Center (HMC) participates in the County’s investment pool and follows the applicable criteria as described above for the King County Investment Pool deposits and investments.

Custodial credit risk - Deposits - The custodial credit risk for deposits is the risk that in the event of a bank failure, HMC’s deposits may not be recovered. As of June 30, 2021, the deposits not covered by the FDIC are uninsured and are partially collateralized by the PDPC collateral pool. HMC’s custodial credit risk for its deposits as shown in the following table (in thousands):

Harborview Medical Center			
As of June 30, 2021			
	Carrying Amount	Bank Balance	Uninsured and Uncollateralized
Cash in other banks	\$ 3,620	\$ 257	\$ 16
Equity in Investment Pool	436,193	434,814	—
Total deposits	<u>\$ 439,813</u>	<u>\$ 435,071</u>	<u>\$ 16</u>

Cultural Development Authority of King County (CDA)

Deposits

The Cultural Development Authority of King County (CDA) maintains a deposit relationship with a local commercial bank. All deposits with this qualified public depository that are not insured by the Federal Deposit Insurance Corporation (FDIC) are partially collateralized by the Public Deposit Protection Commission of the State of Washington (PDPC). The PDPC is a statutory authority established under charter 39.58 RCW and constitutes a

multiple financial institution collateral pool that can make pro rata assessments to all public depositaries within the state for their public deposits. PDPC protection is of the nature of collateral, not of insurance.

Custodial credit risk - Deposits - The custodial credit risk for deposits is the risk that, in the event of a bank failure, the CDA's deposits may not be recovered. At year-end, the CDA's total deposits were \$1.2 million in carrying amount, and \$1.7 million in bank balance, of which \$470 thousand was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The CDA has an investment policy to guide the management of its assets and help ensure that all investment activity is within the regulations established by state law and county codes. The primary objective is the preservation of principal.

State laws authorize CDA to invest in certificates, notes and bonds of the United States, and other obligations of the United States or its agencies, or any corporation wholly owned by the government of the United States. Statutes also authorize the CDA to invest in bankers' acceptances purchased on the secondary market, Federal Home Loan bank notes and bonds, Federal Land Bank bonds, Federal National Mortgage Association notes and debentures and guaranteed certificates of participation.

CDA is also authorized to invest in the Washington State Local Government Investment Pool (LGIP). The LGIP values its investments at amortized cost, which approximates fair value. The LGIP funds are limited to high quality obligations with limited maximum and average maturities, which has the effect of minimizing both market and credit risk.

Fair Value Hierarchy

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a summary of inputs in valuing CDA's investments as of December 31, 2021 (in thousands):

	Fair Value 12/31/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Investments measured at amortized cost (not subject to fair value hierarchy)				
State Treasurer's Investment Pool (LGIP)	\$ 30,053			
Subtotal investments measured at cost	30,053			
Total CDA investments	\$ 30,053			

U.S. Agency notes are valued using significant other observable inputs other than quoted prices including issuer spreads scales by Interactive Data based on the new issue market, secondary trading, and dealer quotes and are classified in Level 2 of the fair value hierarchy.

The following schedule shows the types of investments, the average interest rate, the effective duration limits and the concentration of all CDA investments as of December 31, 2021 (in thousands):

**Cultural Development Authority
Investments By Type**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal</u>	<u>Average Interest Rate</u>	<u>Effective Duration (Years)</u>	<u>Concentration</u>
State Treasurer's Investment Pool	\$ 30,053	\$ 30,053	0.09 %	0.003	100.00 %
Subtotal investments	30,053	\$ 30,053	0.09 %	0.003	100.00 %
Less: State Treasurer's Investment Pool (Cash Equivalent)	(30,053)				
Total investments per Statement of Net Position	\$ —				

Interest rate risk - Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, CDA manages its exposure to interest rate risk by setting maturity and effective duration limits for its portfolio. As of December 31, 2021, the combined weighted average effective duration of the CDA's portfolio was 0.003 years.

Credit risk - Debt Securities - Credit risk is the risk that an issuer will not fulfill its obligations. As of December 31, 2021, the Washington State Local Government Investment Pool is not rated.

Concentration of credit risk - Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of December 31, 2021, the CDA had no concentrations greater than 5 percent of its total portfolio, excluding U.S. Treasury obligations.

NJB Properties

Concentration of credit risk - The Organization maintains its cash and reserves in various financial institutions in which the accounts are insured up to \$250 thousand per depositor under the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. The Organization believes it is not exposed to any significant credit risk on its cash, reserves and other deposits.

Deposits Held In Trust - In accordance with the Indenture of Trust, certain restricted deposits and funded reserves have been established in the form of escrows. The balance of each fund as of December 31 is as follows (in thousands):

	<u>2021</u>
Non-bond Proceeds	\$ 28
Revenue Fund	901
Bond Fund	39
	<u>\$ 968</u>

Note 5

Receivables

Receivables are reported net of estimated uncollectible amounts in the basic financial statements: Balance Sheet for Governmental Funds and Statement of Net Position for Proprietary Funds. The schedule below shows receivables at gross with the related estimated uncollectible amounts (in thousands):

	General Fund	Behavioral Health Fund	Housing and Community Development Fund	Public Health Fund	Nonmajor Governmental Funds	Total Governmental Funds
Governmental						
Accounts receivable:						
Accounts receivable	\$ 39,044	\$ 10,322	\$ —	\$ 4,267	\$ 16,608	\$ 70,241
Estimated uncollectible	(29,668)	—	—	(1,588)	(8,626)	(39,882)
Accounts receivable, net	<u>\$ 9,376</u>	<u>\$ 10,322</u>	<u>\$ —</u>	<u>\$ 2,679</u>	<u>\$ 7,982</u>	<u>\$ 30,359</u>
Due from other governments:						
Due from other governments	\$ 110,887	\$ 12,435	\$ 38,072	\$ 157,618	\$ 137,818	\$ 456,830
Estimated uncollectible	(165)	—	—	(685)	(1,428)	(2,278)
Due from other governments, net	<u>110,722</u>	<u>12,435</u>	<u>\$ 38,072</u>	<u>\$ 156,933</u>	<u>\$ 136,390</u>	<u>\$ 454,552</u>
Due from component units:						
Due from component units	\$ 20	\$ —	\$ —	\$ 491	\$ 9,800	\$ 10,311
Estimated uncollectible	—	—	—	—	(196)	(196)
Due from component units, net	<u>\$ 20</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 491</u>	<u>\$ 9,604</u>	<u>\$ 10,115</u>
Notes receivable:						
Notes receivable	\$ 12,232	\$ —	\$ 326,108	\$ —	\$ 130,894	\$ 469,234
Estimated uncollectible	—	—	(6,300)	—	—	(6,300)
Notes receivable, net	<u>\$ 12,232</u>	<u>\$ —</u>	<u>\$ 319,808</u>	<u>\$ —</u>	<u>\$ 130,894</u>	<u>\$ 462,934</u>
	Public Transportation	Water Quality	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Proprietary						
Current assets:						
Accounts receivable:						
Accounts receivable	\$ 12,991	39,643	\$ 15,180	1,902	\$ 69,716	1,267
Estimated uncollectible	(1,430)	—	(200)	(8)	(1,638)	—
Accounts receivable, net	<u>\$ 11,561</u>	<u>\$ 39,643</u>	<u>\$ 14,980</u>	<u>\$ 1,894</u>	<u>\$ 68,078</u>	<u>\$ 1,267</u>
Due from other governments:						
Due from other governments	\$ 618,767	2,890	\$ 494	\$ 6,780	628,931	\$ 21,342
Estimated uncollectible	—	—	—	(4)	(4)	—
Due from other governments, net	<u>\$ 618,767</u>	<u>\$ 2,890</u>	<u>\$ 494</u>	<u>\$ 6,776</u>	<u>\$ 628,927</u>	<u>\$ 21,342</u>

Note 6

Tax Revenues

Taxing Powers

King County is authorized to levy both “regular” property taxes and “excess” property taxes.

Regular property taxes are imposed for general municipal purposes, including the payment of debt service on limited tax general obligation bonds. Regular property tax levies are subject to rate limitations and amount limitations, as described below, and to the uniformity requirement of Article VII, Section 1, of the State Constitution, which specifies that a taxing district must levy the same rate on similarly classified property throughout the taxing district. Aggregate property taxes vary within the County because of its different overlapping taxing districts.

Maximum Rate Limitations. The County may levy regular property taxes for general municipal purposes and for road district purposes. Each purpose is subject to a rate limitation. The general municipal purposes levy is limited to \$1.80 per \$1,000 of assessed value, and the County levied \$1.13522 per \$1,000 of assessed value for the 2021 tax year. The road district levy, which is levied in unincorporated areas of the county for road construction and maintenance and other County services provided in the unincorporated areas, is limited to \$2.25 per \$1,000 of assessed value. The County currently levies \$1.82588 per \$1,000 of assessed value for the 2021 tax year. Additional statutory provisions limit the increase in the aggregate amount of taxes levied.

The County is authorized to increase its general municipal purposes levy to a maximum of \$2.475 per \$1,000 of assessed value if the total combined levies for both general municipal and road district purposes do not exceed \$4.05 per \$1,000 and if no other taxing district has its levy reduced as a result of the increased County levy (RCW 84.52.043).

The \$1.80 per \$1,000 limitation on the general purposes levy is exclusive of the following regular property taxes:

- (1) A voted levy for emergency medical services, limited to \$0.50 per \$1,000 of assessed value (RCW 84.52.069),
- (2) A voted levy to finance affordable housing for very low income households, limited to \$0.50 per \$1,000 of assessed value (RCW 84.52.105), although, the County has not sought approval from voters for this levy,
- (3) A non-voted levy for conservation futures, limited to \$0.0625 per \$1,000 of assessed value (RCW 84.34.230), and
- (4) A non-voted levy for transit-related purposes, limited to \$0.075 per \$1,000 of assessed value (RCW 84.52.140).

One Percent Aggregate Regular Property Tax Levy Limitation. Aggregate regular property tax levies by the State and all taxing districts except port districts and public utility districts are subject to a rate limitation of 1.0 percent of the true and fair value of property (or \$10.00 per \$1,000 assessed value) by Article VII, Section 2, of the State Constitution and RCW 84.52.050.

\$5.90 per \$1,000 Aggregate Regular Property Tax Levy Limitation. Within the 1.0 percent limitation described above, aggregate regular property tax levies by all taxing districts except the State, port districts, and public utility districts are subject to a rate limitation of \$5.90 per \$1,000 of assessed value by RCW 84.52.043(2). This limitation is exclusive of excess levies authorized by Article VII, Section 2, of the State Constitution; levies for acquiring conservation futures, for emergency medical services, affordable housing for very low income households, for ferry districts, for transit-related purposes, for regional transit authorities, for criminal justice purposes, a portion of certain levies by metropolitan park districts, fire protection districts and certain flood control zone districts.

If aggregate regular property tax levies exceed the 1.0 percent or \$5.90 per \$1,000 of assessed value limitations, then, in order to bring the aggregate levy into compliance, levies requested by “junior” taxing districts within the area affected are reduced or eliminated according to a detailed prioritized list (RCW 84.52.010). Junior taxing districts are defined by RCW 84.52.043 as all taxing districts other than the State, counties, cities, towns, road districts, port districts and public utility districts.

Regular Property Tax Increase Limitation. The regular property tax increase limitation (RCW 84.55) limits the total dollar amount of regular property taxes levied by an individual taxing district to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an adjustment to account for taxes on new construction at the previous year's rate. The limit factor is defined as the lesser of 101.0 percent or 100.0 percent plus inflation. If the inflation rate is less than 1.0 percent, the limit factor can be increased to 101.0 percent, if approved by a majority plus one vote of the governing body of the taxing district, upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the taxing district upon a finding of substantial need and is also approved by the voters at a general or special election within the taxing district. Such election must be held less than 12 months before the date on which the proposed levy will be made, and any tax increase cannot be greater than described under "Maximum Rate Limitations." The approval of a majority of the voters would be required for the limit factor to be increased. The new limit factor will be effective for taxes collected in the following year only.

Since the regular property tax increase limitation applies to the total dollar amount levied, rather than to levy rates, increases in the assessed value of all property in the taxing district (excluding new construction) which exceed the growth in taxes allowed by the limit factor result in decreased regular tax levy rates, unless voters authorize a higher levy and vice versa for decreases in assessed value.

RCW 84.55.092 allows the property tax levy to be set at the amount that would be allowed if the tax levy for taxes due in each year since 1986 had been set at the full amount allowed under chapter 84.55 RCW. This is sometimes referred to as "banked" levy capacity. The County currently has no such banked levy capacity.

With a majority voter approval, a taxing district may levy, within the statutory rate limitations described above, more than what otherwise would be allowed by the tax increase limitations (RCW 84.55.050). This is known as a "levy lid lift," which has the effect of increasing the taxing district's levy "base" when calculating permitted levy increases in subsequent years. The new base can apply for a limited or unlimited period, except that if the levy lid lift was approved for the purpose of paying debt service on bonds, the new base can apply for no more than nine years. After the expiration of any limited purpose or limited duration specified in the levy lid lift, the levy is calculated as if the taxing district had levied only up to the limit factor in the interim period.

In 2018 the State Legislature approved SHB 2597 (Chapter 46, Wash. Laws of 2018), which permits cities and counties to provide senior citizens, individuals with disabilities, and veterans in the Senior Exemption Program with an exemption from any portion of their regular property tax attributable to a levy lid life, with voter approval.

The State Legislature passed, and the Governor signed into law, ESHB 1189 (the "TIF Act") authorizing the use of tax increment financing. Starting July 25, 2021 the TIF Act allows counties, cities, and port districts (or any combination of the three) to form increment areas to finance public improvement costs. Once the increment area has been formed, the county treasurer is directed to distribute receipts from regular property taxes imposed on real property located in the increment area. Each taxing district will receive that portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on the "tax allocation base value" (the assessed value of real property located within an increment area for taxes imposed in the year in which the increment area is first designated) for that increment area and the sponsoring jurisdiction will receive an additional amount equal to the amount derived from the regular property taxes levied by or for each taxing district upon the "increment value" (the increase in property values in the increment area after formation of the increment area). A sponsoring jurisdiction can create only two, non-overlapping increment areas that are active at any time, and the increment area (or both areas if there are two) may not have an assessed value of more than \$200 million or more than 20.0 percent of the sponsoring jurisdiction's total assessed value. The increment areas are subject to a 25-year sunset date. Accordingly, if a sponsoring jurisdiction forms an increment area, it will receive regular property taxes representing the increased assessed value within the increment area from its levy as well as the levy of overlapping taxing districts (other than State taxes and property taxes levied by port districts or public utility districts to the extent necessary for the payments of principal of and interest on general obligation debt). The County could form up to two increment areas and receive the property taxes allocated to a sponsoring jurisdiction (including taxes that are levied for the other taxing districts) and/or the Port of Seattle or any city within the County could form up to two increment areas and the city or port will receive the property tax revenues allocated to a sponsoring jurisdiction (including taxes that are levied for the County and other taxing districts).

Excess Property Taxes. The County also may impose "excess" property taxes, which are not subject to limitation, when authorized by a 60.0 percent supermajority voter approval, as provided in Article VII, Section 2 of the State Constitution and RCW 84.52.052. To be valid, such popular vote must have a minimum voter turnout of 40.0 percent

of the number who voted at the last County general election, except that one-year excess tax levies also are valid if the number of voters approving the excess levy is at least 60.0 percent of a number equal to 40.0 percent of the number who voted at the last County general election. Excess levies also may be imposed without voter approval when necessary to prevent the impairment of the obligation of contracts.

Component Units with Taxing Authority. In 2021, the county-wide flood control zone district levy rate was \$0.08909 per \$1,000 of assessed value. The boundaries of the District are coterminous with the boundaries of the County and the members of the County Council serve initially as the legislative body for the District, but under state law, it is a separate taxing district with independent taxing authority.

Allocation of Tax Levies

The table on the following page compares the allocation of the 2021 and 2020 Countywide, Conservation Futures, Unlimited Tax GO Bonds, Emergency Medical Services (EMS) and unincorporated County (Road District) levies. The original tax levy reflects the levy before any supplemental levies, tax cancellations or other adjustments. The 2021 countywide assessed valuation was \$659.5 billion, an \$18.0 billion increase from 2020; the assessed valuation for the unincorporated area levy was \$52.2 billion, an increase of \$800.0 million from 2020.

ALLOCATION OF 2020 AND 2021 TAX LEVIES

	2020 Original Taxes Levied (in thousands)	2020 Levy Rate (per thousand)	2021 Original Taxes Levied (in thousands)	2021 Levy Rate (per thousand)
Countywide Levy				
Assessed Value:				
\$659,534,881,337 ^(a)				
Items Within Operating Levy: ^(b)				
General Fund	\$ 379,927	0.59399	\$ 389,634	0.59354
Veterans' Relief	3,199	0.00500	3,281	0.00500
Human Services	7,178	0.01122	7,367	0.01122
Intercounty River Improvement	45	0.00007	—	—
Automated Fingerprint Identification System	21,766	0.03403	22,358	0.03406
Parks Levy	116,802	0.18320	121,719	0.18620
Veterans and Human Services	59,343	0.09307	62,477	0.09557
Children and Family Justice Center	26,601	0.04159	27,320	0.04162
Best Starts for Kids	72,436	0.11325	75,846	0.11554
Radio Communications	33,535	0.05243	34,445	0.05247
Marine Operating	6,288	0.00983	6,460	0.00984
Total Operating Levy	727,120	1.13768	750,907	1.14506
Conservation Futures Levy^(c)	21,299	0.03330	21,855	0.03329
Unlimited Tax GO Bonds (Voter-approved Excess Levy)	13,617	0.02135	13,944	0.02133
Transportation Levy^(d)	30,189	0.04720	30,985	0.04720
Total Countywide Levy	792,225	1.23953	817,691	1.24688
Emergency Medical Services Levy				
Assessed Value:				
\$659,350,106,043 ^(a)				
Emergency Medical Services Levy ^(e)	101,362	0.26500	104,730	0.26499
Unincorporated County Levy				
Assessed Value:				
\$52,235,933,520 ^(a)				
County Road Fund ^(f)	92,988	1.82492	94,573	1.82588
Total County Tax Levies	\$ 986,575		\$ 1,016,994	

(a) Assessed value for taxes payable in 2021

(b) The operating levy tax rate is statutorily limited to \$1.80 per \$1,000 of assessed value.

(c) The Conservation Futures Levy is limited statutorily to \$0.0625 per \$1,000 of assessed value.

(d) The Transportation Levy is limited statutorily to \$0.075 per \$1,000 of assessed value.

(e) The Emergency Medical Services Levy is limited statutorily to \$0.265 per \$1,000 of assessed value. The assessed value for the County's Emergency Medical Services levy does not include the cities of Seattle or Milton.

(f) The County Road Fund Levy is levied only in the unincorporated areas of the County and is limited statutorily to \$2.25 per \$1,000 of assessed value.

The Automated Fingerprint Identification System (AFIS) levy, a regular property tax levy (RCW 84.55.050), was renewed in August 2018 for a six-year term by a majority of voters in the County. The levy began in 2013 at a rate of no more than \$0.0592 per \$1,000 assessed value. In 2020 and 2021 the tax rate was \$0.03403 and \$0.03406 per \$1,000 of assessed value, respectively.

In August 2019, the Park lid lift levy was renewed by voters for six years, for a rate of \$0.1877 per \$1,000 of assessed value. The 2020 and 2021 tax year rate for the Parks levy lid lift is \$0.18320 and \$0.18620 per \$1,000 of assessed value, respectively.

In November 2017, voters approved a new temporary six-year lid lift for the Veterans, Seniors, and Human Services Levy at a rate of \$0.10 per \$1,000 of assessed value. This is a regular property tax levy and is to be increased by no more than 3.5 percent in each of the remaining five years. Due to the passage of SHB 2597 in the 2018 legislative session, this lid lift is now exempt for taxpayers in the Senior Exemption Program for the next five years of its existence. The 2020 and 2021 tax rate is \$0.09307 and \$0.09557 per \$1,000 of assessed value, respectively.

The Children and Family Justice Center is a nine-year temporary levy lid lift approved by voters on August 7, 2012 at a rate of \$0.07 per \$1,000 of assessed value for the first year (2013). The rate for 2020 and 2021 is \$0.04159 and \$0.04162 per \$1,000 of assessed value. The Children and Family Justice Center levy is levied for a limited purpose that includes constructing a new Children and Family Center to replace the County's existing juvenile-justice complex. Construction of the main facility was completed in 2019 and opened in early 2020. The parking garage was completed and opened in 2021.

Puget Sound Emergency Radio Network (PSERN) replacement levy lift was approved by voters in April 2015 at a rate of \$0.07 per \$1,000 of assessed value for nine years, beginning in 2016. The rate for 2020 and 2021 is \$0.05243 and \$0.05247 per \$1,000 assessed value.

The Best Starts for Kids levy was approved by voters at the November 3, 2015, general election to invest in prevention and early intervention strategies for children and families. This is a six-year levy beginning in 2016 at a rate of \$0.13285 per \$1,000 of assessed value. The rate for 2020 and 2021 is \$0.11325 and \$0.11554 per \$1,000 of assessed value. This levy was renewed by the voters at the 2021 primary election for an additional six years at a rate of \$0.19 per \$1,000 of assessed value beginning in 2022.

The County's levy rate for transit-related purposes is \$0.04720 per \$1,000 of assessed value, and its levy rate for conservation futures is \$0.03329 per \$1,000 of assessed value in 2021.

The County's EMS levy was most recently approved in November 2019 for six years beginning in 2020, at a rate not to exceed \$0.265 per \$1,000 of assessed value. The rate for 2020 and 2021 is \$0.26500 and \$0.26499 per \$1,000 of assessed value.

Assessed Valuation Determination

The County Assessor (the "Assessor") determines the value of all real and personal property throughout the County that is subject to *ad valorem* taxation, with the exception of certain public service properties for which values are determined by the State Department of Revenue. The Assessor is an elected official whose duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the State Department of Revenue.

For tax purposes, the assessed value of property is 100.0 percent of its true and fair value. Since 1996, all property in the County has been subject to on-site appraisal and revaluation every six years, and is revalued each year based on annual market adjustments. Personal property is valued each year based on affidavits filed by the property owner. The property is listed by the Assessor on a roll at its current assessed value and the roll is filed in the Assessor's office. The Assessor's determinations are subject to revision by the County Board of Appeals and Equalization and, if appealed, subject to further revision by the State Board of Tax Appeals. At the end of the assessment year, in order to levy taxes payable the following year, the County Council receives the Assessor's final certificate of assessed value of property within the County.

Tax Collection Procedure

Property taxes are levied in specific amounts by the County Council and the rate for all taxes levied for all taxing districts in the County is determined, calculated and fixed by the Assessor based upon the assessed valuation of the property within the various taxing districts. The Assessor extends the tax levied within each taxing district upon a tax roll that contains the total amounts of taxes levied and to be collected and assigns a tax account number to each tax lot. The tax roll is delivered to the Treasury Operations Manager, who is responsible for the billing and collection of taxes due for each account. All taxes are due and payable on April 30 of each tax year, but if the amount due from a taxpayer exceeds \$50.00, one-half may be paid by April 30 and the balance no later than October 31 of that year (except that the half to be paid on April 30 may be paid at any time prior to October 31 if accompanied by penalties and interest accrued until the date of payment).

During a state of emergency declared under RCW 43.06.010(12), the County Treasurer, on the County Treasurer's own motion or at the request of any taxpayer affected by the emergency, may grant extensions on the due date of any such taxes as the County Treasurer deems proper. Further, the Governor of the State may, among other actions, waive or suspend the application of tax due dates and penalties relating to collection of taxes. Neither the County Treasurer nor the Governor extended any property tax payment deadlines in 2021.

The State Legislature has passed, and the Governor has signed into law, a bill granting certain qualifying businesses a property tax deferral during the COVID-19 pandemic (HB 1332). Under the new law, county treasurers must grant a deferral for any unpaid, non-delinquent property taxes payable in 2021, if the taxpayer can demonstrate a revenue loss of at least 25.0 percent of its revenue attributable to that real property for calendar year 2020 compared to calendar year 2019. For such qualifying taxpayers, the county treasurer must establish a property tax payment plan and cannot apply penalties or interest on the taxes due so long as the taxpayer complies with the plan's terms. The new law affords county treasurers discretion in setting terms. County treasurers must, however, consider the financial impacts to all relevant taxing jurisdictions, and must prioritize payment plan expenditures to protect scheduled bond payments. Notably, a county treasurer may refuse to grant a deferral to an otherwise eligible taxpayer if the deferral would result in any taxing jurisdiction being unable to make such bond payments. Taxpayers seeking a deferral must apply by April 30, 2021, and county treasurers must process all applications by June 30, 2021. The bill expires January 1, 2022. Pursuant to this law, the County Treasurer granted such eight-month deferrals through December 31, 2021, totaling \$32.0 million across 11 cities and the County. Approximately 40.0 percent of the amount is County property taxes.

The methods for giving notice of payment of taxes due, collecting taxes, accounting for the taxes collected, dividing the collected taxes among the various taxing districts, and giving notice of delinquency are covered by detailed statutes.

Personal property taxes levied by the County Council are secured by a lien on the personal property assessed. A federal tax lien filed before the County Council levies the personal property taxes is senior to the County's personal property tax lien. In addition, a federal civil judgment lien is senior to a lien on real property taxes once the federal lien has been recorded. In all other respects, and subject to the possible "homestead exemption" described below, the lien of property taxes is senior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, the County may commence foreclosure on a tax lien on real property after three years have passed since the first delinquency. The State's courts have not decided if the homestead law (chapter 6.13 RCW) gives the occupying homeowner a right to retain the first \$125 thousand in proceeds of the forced sale of a family residency or other "homestead" property for delinquent general property taxes. The State Legislature recently adopted ESSB 5408, increasing the homestead exemption amount from \$125 thousand to the greater of \$125 thousand or the county median sale price of a single-family home in the preceding calendar year. The United States Bankruptcy Court for the Western District of Washington has held that the homestead exemption applies to the lien for property taxes, while the State Attorney General has taken the position that it does not.

Property Tax Calendar

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

Accounting for Property Taxes Receivable

In the governmental funds, property taxes levied for the current year are recorded on the balance sheet as taxes receivable and unavailable revenue - property taxes at the beginning of the year. Property taxes are recognized as revenue when collected in cash, at which time the accounts taxes receivable and unavailable revenues - property taxes on the balance sheet are reduced by the amount of the collection. The amount of property tax receivable at year-end that would be collected soon enough to be used to pay liabilities of the current period is not material. At year-end, all uncollected property taxes are reported on the balance sheet as taxes receivable-delinquent and

deferred inflow of resources. For the government-wide financial statements, the deferred inflow of resources related to the current period, net of the allowance for uncollectible property taxes, is reclassified as revenue.

Tax Abatement

As of December 31, 2021, the County provides tax abatement through four programs - the Current Use Program, the Historic Preservation Program, the Single-family Dwelling Improvement Program, and the Multifamily Housing Property Tax Exemption program. These programs are property tax abatements. The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts the rates for the taxpayers based on the assessed valuation of their property. The tax abatements did not result in a reduction or loss of revenue to the County because, pursuant to state law, these taxes were effectively reallocated to other property taxpayers.

Current Use Programs

The Current Use Programs provide property tax abatements to landowners to voluntarily preserve open space, farmland or forestland via four programs on their property pursuant to RCW 84.33.130 and RCW 84.34.010.

Public Benefit Rating System (PBRs) enrollment and associated tax savings are based on a point system. Points are awarded for each PBRs resource category a property qualifies for such as protecting buffers to streams and wetlands, ground water protection, preserving significant wildlife habitat, conserving farmland and native forestland and preserving historic landmarks.

Timber Land enrollment requires a property to have between five and twenty acres of manageable forestland, and be zoned accordingly. Land participating in this program must be devoted primarily to the growth, harvest and management of forest crops for commercial purposes and must be managed according to an approved forest stewardship plan.

Farm and Agricultural Land enrollment requires land to be used for the production of livestock or agricultural commodities for commercial purposes.

Forestland enrollment requires a property to have more than twenty acres of eligible forestland primarily devoted to the growth and harvest of timber.

An owner of land desiring current use classification must submit an application to the County Assessor. Once enrolled, a participating property is assessed at a "current use" value, which is lower than the "highest and best use" assessment value that would otherwise apply to the property.

When land no longer meets the requirements for the respective classifications, abated taxes and applicable penalties and interest are collected.

Historic Preservation Program

The Historic Preservation Program provides property tax abatement through the legislature's encouragement to maintain, improve and preserve privately owned historic landmarks pursuant to Chapter 84.26 RCW. The property must meet four criteria to qualify for special valuation to receive a reduction in property taxes. The property must: (1) be a historic property; (2) fall within a class of historic property determined eligible for special valuation by the local legislative authority; (3) be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within 24 months prior to the application for special valuation; and (4) be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2). Abatement under this program remains valid for ten (10) consecutive assessment years from the date of application.

The County Assessor shall, for 10 consecutive assessment years following the calendar year in which application is made, place a special valuation on property classified as eligible historic property. The entitlement of property to the special valuation provisions of this section shall be determined as of January 1. If property becomes disqualified for the special valuation for any reason, the property shall receive the special valuation for that part of any year during which it remained qualified or the owner was acting in good faith belief that the property was qualified. At the conclusion of special valuation, the cost shall be considered new construction.

Whenever property classified and valued as eligible historic property under RCW 84.26.070 becomes disqualified for the valuation, there shall be added to the tax an additional tax equal to (a) the cost multiplied by the levy rate in

each year the property was subject to special valuation; plus (b) interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property under this chapter; plus (c) a penalty equal to 12 percent of the amount determined in (a) and (b).

Single-family Dwelling Improvement Program

The Single-family Dwelling Improvement Program provides property tax abatement to encourage home improvements to single-family dwellings under RCW 84.36.400. Any physical improvement to single-family dwellings upon real property shall be exempt from taxation for the three (3) assessment years subsequent to the completion of the improvement. Abatement is obtained through application by the property owner, including proof that the improvements have been made and equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, not to exceed 30 percent of the pre-improvement value of the structure.

Multifamily Housing Property Tax Exemption

Chapter 5.73 of the Seattle Municipal Code provides an exemption from *ad valorem* property taxation for eligible housing construction and rehabilitation improvement projects for up to twelve years, depending on the circumstance of each project. The goal is to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for housing in Seattle. Among the eligibility requirements, the housing must be located in a residentially targeted area as designated by the city council. If the recipient of the tax abatement fails to comply with the statutory requirements of this Chapter the tax exemption shall be canceled and additional taxes, interest, and penalties will be imposed pursuant to state law.

Below summarizes the tax abatement programs and the total amount of taxes abated during the calendar year ended December 31, 2021 (in thousands):

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated</u>
Current Use	\$ 2,527
Historical Preservation	707
Single-family Dwelling Improvement	83
Multifamily Housing Property Tax Exemption	10

State of Washington Tax Abatements

The information provided by Washington State is based upon calendar 2020 as a proxy for fiscal year 2021. The State’s fiscal year end is June 30, 2021. The state of Washington provides tax abatements through the below programs subject to the requirements of GASB Statement No. 77. Only tax abatement programs that are material and attributable to activities in King County are disclosed below.

High Unemployment County Sales and Use Tax Deferral for Manufacturing Facilities

To encourage public and private investment in low-income areas with high rates of unemployment, sales and use tax arising from certain construction and equipment purchases for new and expanding manufacturers, persons conditioning vegetable seeds, research and development, and commercial testing for manufacturers in a Community Empowerment Zone (CEZ) may be permanently deferred if the project meets specific criteria per chapter 82.60 RCW.

Deferred taxes need not be repaid if the business fills at least one permanent full-time position for each \$750 thousand investment with a resident of the CEZ by the end of the second calendar year following the year in which the project is certified as operationally complete. Failure to meet the employment requirement causes all deferred taxes to become immediately due.

High-Technology Sales and Use Tax Deferral

Chapter 82.63 RCW provides a deferral and ultimate waiver of sales and use tax to encourage the creation of high-wage, high-skilled jobs in Washington. The deferral applies to sales and use tax arising from the construction or expansion of a qualified research and development facility or a pilot scale manufacturing facility used in the fields of

advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology.

If the investment project is used for any other purpose at any time during the calendar year in which the investment is certified as operationally complete, or during the next seven calendar years, a portion of the deferred taxes must be repaid immediately.

Multi-Unit Urban Housing Exemption

Chapter 84.14 RCW provides for an exemption from *ad valorem* property taxation for eligible housing construction, conversions, and rehabilitation improvement projects for a duration between eight and twelve years, depending on the circumstances of each project. The goal is to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for housing in urban centers. Among the eligibility requirements, the housing must be located in a residentially targeted area as designated by the city or county. If the recipient of the tax abatement fails to comply with the statutory requirements of this Chapter a lien will be placed on the property in the amount of the real property taxes that would normally be imposed, plus a penalty and interest.

Multipurpose Sports and Entertainment Facility Deferral

RCW 82.32.558 allows qualifying businesses to apply for a deferral of state and local sales and use taxes for multipurpose sports and entertainment facilities, associated parking structures, plazas and public space projects intended to attract professional ice hockey and basketball league franchises. Qualifying businesses receive a certificate for the taxes abated which expires upon project completion. Abated local sales and use taxes, and interest accrued from the date of project completion, may be repaid in annual installments beginning on January 1st of the year following the year of project completion. State sales and use taxes, along with aforementioned interest, must be paid back by June 30, 2023. If the project is not complete within three calendar years from the date the certificate was issued, the amount of taxes outstanding for the project become immediately due and payable. The debt for taxes due is not extinguished by insolvency.

Aerospace Incentives

The state of Washington provides seven tax abatement and incentive programs to the aerospace industry to encourage the industry's continued presence in the state of Washington.

RCWs 82.04.260(11), 82.04.290(3), and 82.04.250(3) allow for a reduced business and occupation (B&O) tax for manufacturers and processors for hire of commercial airplanes, component parts of commercial airplanes, or tooling designed for use in manufacturing commercial airplanes or components; non-manufacturers engaged in the business of aerospace product development; and certificated Federal Acquisition Regulation (FAR) repair stations making retail sales.

The purchase of goods and services, including labor, for the construction of new buildings used to manufacture commercial airplanes or fuselages or wings of commercial airplanes are exempt from sales and use tax per RCWs 82.08.980 and 82.12.980. The exemption also applies to new buildings or parts of new buildings used for storing raw materials or finished products used to manufacture commercial airplanes and certain commercial airplane parts. Port districts, political subdivisions, or municipal corporations may also use the sales and use tax exemption when constructing new facilities to lease to these manufacturers.

RCW 82.04.4461 allows a business and occupation tax credit equal to 1.5 percent of expenditures on aerospace product development performed within Washington.

Per RCW 82.04.4463, manufacturers and processors for hire of commercial airplanes or their component parts and aerospace tooling manufacturers are eligible for a business and occupation tax credit equal to the property and leasehold taxes paid on certain buildings, land, and the increased value from certain building renovations or expansions, as well as a portion of property taxes paid on certain machinery and equipment. Eligibility for the credit requires the building, land, and/or machinery and equipment be used exclusively in manufacturing commercial airplanes or their components or in manufacturing tooling specifically designed for use in manufacturing commercial airplanes or their components.

Non-manufacturers engaged in the business of aerospace product development and certificated FAR repair stations making retail sales are eligible for a business and occupation tax credit equal to property and leasehold taxes on certain buildings, land, and the increased value of renovated buildings, and qualifying computer equipment and

peripherals under RCW 82.04.4463. Eligibility for the credit requires the building, land, and/or computer equipment and peripherals be used exclusively in aerospace product development or in providing aerospace services.

The purchase and use of computer hardware, software or peripherals, including installation charges is exempt from sales and use tax per RCWs 82.08.975 and 82.12.975 if the buyer uses the purchased item primarily in developing, designing, and engineering aerospace products.

Leasehold interests in port district facilities used by a manufacturer of super-efficient airplanes are exempt from leasehold excise tax per RCW 82.29A.137. In addition, all buildings, machinery, equipment, and other personal property of a lessee of a port district used exclusively in manufacturing super-efficient airplanes is exempt from property taxation per RCW 84.36.655.

The following table shows the amount of taxes, attributable to activities in King County, abated by the state of Washington during the calendar year ended December 31, 2021 (in thousands):

Tax Abatement Program	Total Amount of Taxes Abated
High Unemployment County Sales and Use Tax Deferral for Manufacturing Facilities	D*
High-Technology Sales and Use Tax Deferral	\$ 753
Multi-Unit Urban Housing Exemption	15,983
Multi-Purpose Sports and Entertainment Facility Deferral	D*
Aerospace incentives: Computer Hardware, Software and Peripherals sales and use tax exemption	64

*Washington State cannot disclose these amounts as fewer than three taxpayers received these exemptions and would thereby be disclosing the confidential tax information of these recipients (RCW 82.32.330(2)).

Note 7

Capital Assets

Primary Government

Governmental activities include capital assets of governmental internal service funds. A summary of changes in capital assets for the governmental activities is shown below (in thousands):

	Balance 01/01/2021	Additions	Retirements / WIP Deductions	Transfers / Reclassifications	Balance 12/31/2021
Governmental Activities:					
Capital assets not being depreciated:					
*Land	\$ 658,503	\$ 93,464	\$ (3,030)	\$ —	\$ 748,937
Rights-of-way and easements	484,312	11,236	—	—	495,548
Infrastructure – roads and bridges	1,140,590	21,134	(4)	—	1,161,720
Art collections	11,112	—	—	—	11,112
Work in progress	288,583	122,219	(18,019)	(93,707)	299,076
Total capital assets not being depreciated	<u>2,583,100</u>	<u>248,053</u>	<u>(21,053)</u>	<u>(93,707)</u>	<u>2,716,393</u>
Capital assets being depreciated:					
Buildings	1,238,757	329,967	(187,160)	44,886	1,426,450
Leasehold improvements	38,451	—	—	13,117	51,568
Improvements other than buildings	141,514	13,148	(812)	20,507	174,357
Infrastructure – levees	54,068	—	—	—	54,068
* Furniture, machinery and equipment	282,706	16,069	(9,038)	776	290,513
Software	151,342	—	(58)	14,429	165,713
Total capital assets being depreciated	<u>1,906,838</u>	<u>359,184</u>	<u>(197,068)</u>	<u>93,715</u>	<u>2,162,669</u>
Less accumulated depreciation for:					
Buildings	(561,819)	(35,712)	840	—	(596,691)
Leasehold improvements	(10,183)	(1,599)	—	—	(11,782)
Improvements other than buildings	(43,382)	(6,231)	68	—	(49,545)
Infrastructure – levees	(6,269)	(1,802)	—	—	(8,071)
*Furniture, machinery and equipment	(180,227)	(24,476)	8,916	(2)	(195,789)
Software	(105,433)	(16,421)	58	—	(121,796)
Total accumulated depreciation	<u>(907,313)</u>	<u>(86,241)</u>	<u>9,882</u>	<u>(2)</u>	<u>(983,674)</u>
Total capital assets being depreciated, net	<u>999,525</u>	<u>272,943</u>	<u>(187,186)</u>	<u>93,713</u>	<u>1,178,995</u>
Governmental activities capital assets, net	<u>\$ 3,582,625</u>	<u>\$ 520,996</u>	<u>\$ (208,239)</u>	<u>\$ 6</u>	<u>\$ 3,895,388</u>

Beginning Balance Adjustment

Items in the governmental activities table above that are placed by an asterisk (*) had their beginning balance restated. The reasons for those restatements follow.

The County Roads Operating fund rectified an error, in the amount of \$14 thousand, in how a single parcel of land was reported on its financial statements in 2020.

The Wastewater Equipment Rental internal service fund (ISF) merged with the much larger Motor Pool Equipment Rental ISF. Through the merger, these assets transitioned from a business-type activity to a governmental activity and have been added to the governmental activities table according to this new classification.

A summary of the changes in capital assets for the business-type activities is shown below (in thousands):

	Balance 01/01/2021	Additions	Retirements / WIP Deductions	Transfers / Reclassifications	Balance 12/31/2021
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 435,829	\$ 3,331	\$ (7,711)	\$ 11,533	\$ 442,982
Rights-of-way and easements	31,010	—	—	23	31,033
Art collections	4,394	—	—	—	4,394
Work in progress	748,646	268,459	—	(116,961)	900,144
Total capital assets not being depreciated	1,219,879	271,790	(7,711)	(105,405)	1,378,553
Capital assets being depreciated:					
Buildings	3,558,455	1,966	(4,835)	9,571	3,565,157
Leasehold Improvements	7,307	—	—	—	7,307
Improvements other than buildings	544,837	197	(383)	49,145	593,796
Rights-of-way – temporary easement	7,635	—	—	—	7,635
Infrastructure – water quality	2,511,506	—	(240)	4,718	2,515,984
*Furniture, machinery and equipment	3,080,570	7,148	(115,737)	35,038	3,007,019
Software	151,235	—	(5,574)	6,925	152,586
Total capital assets being depreciated	9,861,545	9,311	(126,769)	105,397	9,849,484
Less accumulated depreciation for:					
Buildings	(1,889,953)	(85,164)	3,259	—	(1,971,858)
Leasehold Improvements	(4,806)	(214)	—	—	(5,020)
Improvements other than buildings	(231,536)	(29,939)	98	—	(261,377)
Rights-of-way – temporary easement	(2,017)	(218)	—	—	(2,235)
Infrastructure – water quality	(771,020)	(51,659)	130	—	(822,549)
*Furniture, machinery and equipment	(1,837,472)	(184,063)	114,092	2	(1,907,441)
Software	(127,587)	(6,902)	5,509	—	(128,980)
Total accumulated depreciation	(4,864,391)	(358,159)	123,088	2	(5,099,460)
Total capital assets being depreciated, net	4,997,154	(348,848)	(3,681)	105,399	4,750,024
Business-type activities capital assets, net	<u>\$ 6,217,033</u>	<u>\$ (77,058)</u>	<u>\$ (11,392)</u>	<u>\$ (6)</u>	<u>\$ 6,128,577</u>

Beginning Balance Adjustment

Items in the business-type activities table above that are placed by an asterisk (*) had their beginning balance restated. The reasons for those restatements follow.

The Wastewater Equipment Rental internal service fund (ISF) merged with the much larger Motor Pool Equipment Rental ISF. Through the merger, these assets transitioned from a business-type activity to a governmental activity and have been removed from the business-type activities table according to this new classification.

Depreciation Expense

Depreciation expense charged to functions of the Primary Government (in thousands):

	<u>2021</u>
Governmental Activities	
General government services	\$ 43,884
Law, safety and justice	12,997
Physical environment	2,192
Transportation	494
Economic environment	2,845
Mental and physical health	811
Culture and recreation	7,560
Capital assets held by the County's governmental internal service funds are charged to governmental activities based on their usage of the assets	15,458
Total depreciation - governmental activities	<u>\$ 86,241</u>
Business-type Activities	
Water Quality	\$ 170,437
Public Transportation	159,896
Solid Waste	20,829
King County International Airport	6,315
Institutional Network	400
Radio Communications	282
Total depreciation - business-type activities	<u>\$ 358,159</u>

Infrastructure**Roads and Bridges Infrastructure Valuation**

The roads and bridges infrastructure network acquired or constructed prior to 2002 is valued at estimated historical cost. Base year estimates of 2001 replacement costs for all existing roads and 1988 replacement costs for all bridges were obtained using standard costing methods with the resultant values being deflated to the acquisition year (or estimated acquisition year, where the actual year was unknown), using the Engineering News Record Construction Cost Index. Retroactive reporting of traffic control elements is based on replacement cost.

Rights-of-Way

Historical costs for infrastructure-related rights-of-way were obtained by estimating replacement costs at 2001 using land assessed valuation data and then deflating the resultant values to the acquisition year (or estimated acquisition year, where the actual year is unknown), using assessed land value indices from the King County Assessor's Office.

Construction Commitments

Project commitments are defined as authorized and planned expenditures for the next fiscal year.

Enterprise Funds

Public Transportation Enterprise - \$185.3 million is committed to the maintenance of existing infrastructure, service delivery and partnership efforts.

Water Quality Enterprise - \$385.6 million is committed to ensuring the continued operation, reliability and compliance with regulatory standards of existing wastewater treatment facilities.

Solid Waste Enterprise - \$24.0 million is committed to improving the County's solid waste regional landfill and maintenance of existing facilities.

Other Enterprises - \$2.9 million is committed for Airport facility improvements within the County.

Capital Projects Funds

\$165.3 million is committed to various capital projects, including: (1) open space and conservation easement acquisitions; (2) development and improvement of trails, playgrounds and ball fields and other cultural facilities; (3) technology initiatives to improve business efficiency, emergency preparedness and network security; (4) flood control projects to protect the ecosystem and public property; (5) preservation of roads and construction of bridges; and (6) improvements and major repairs to office buildings and other facilities.

Discretely Presented Component UnitsHarborview Medical Center (HMC)

Capital assets activity for HMC during the fiscal year ended June 30, 2021 (in thousands):

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/2021</u>
Capital assets not being depreciated:					
Land	\$ 2,432	\$ —	\$ —	\$ —	\$ 2,432
Work in progress	12,796	9,704	—	(16,708)	5,792
Total capital assets not being depreciated	<u>15,228</u>	<u>9,704</u>	<u>—</u>	<u>(16,708)</u>	<u>8,224</u>
Capital assets being depreciated:					
Buildings	427,604	—	(82)	21,058	448,580
Improvements other than buildings	19,741	—	(4)	1,495	21,232
Equipment	321,648	4,118	(1,524)	(5,845)	318,397
Total capital assets being depreciated	<u>768,993</u>	<u>4,118</u>	<u>(1,610)</u>	<u>16,708</u>	<u>788,209</u>
Less accumulated depreciation for:					
Buildings	(228,203)	(14,758)	48	—	(242,913)
Improvements other than buildings	(11,379)	(1,163)	2	—	(12,540)
Equipment	(258,360)	(14,836)	1,110	—	(272,086)
Total accumulated depreciation	<u>(497,942)</u>	<u>(30,757)</u>	<u>1,160</u>	<u>—</u>	<u>(527,539)</u>
HMC capital assets, net	<u>\$ 286,279</u>	<u>\$ (16,935)</u>	<u>\$ (450)</u>	<u>\$ —</u>	<u>\$ 268,894</u>

Note 8

Restricted Assets

Within the Statement of Net Position are amounts that are restricted as to their use. In some funds, these amounts appear under both current and noncurrent assets. The restricted assets for these funds are summarized below (in thousands):

Proprietary Funds

<u>Public Transportation</u> - restricted for net pension asset, future construction projects, debt service and obligations.	\$ 367,134
<u>Water Quality</u> - restricted for net pension asset, future construction projects, debt service, reserves and obligations.	391,772
<u>King County International Airport</u> - restricted for net pension asset, construction projects and obligations.	4,994
<u>Radio Communications Services</u> - restricted for net pension asset and construction projects and obligations.	1,580
<u>Solid Waste</u> - restricted for net pension asset, construction projects, landfill closure and post-closure care costs.	67,463
<u>iNet</u> - restricted for net pension asset and construction projects and obligations.	503
<u>Business Resource Center</u> - restricted for net pension asset.	7,029
<u>Construction & Facilities Management</u> - restricted for net pension asset and construction projects.	18,622
<u>Employee Benefits Program</u> - restricted for net pension asset.	1,469
<u>Financial Management Services</u> - restricted for net pension asset and construction projects.	12,730
<u>Insurance</u> - restricted for net pension asset and construction projects.	2,417
<u>King County Geographic Information Systems</u> - restricted for net pension asset.	1,993
<u>King County Information Technology Services</u> - restricted for net pension asset.	40,182
<u>Motor Pool</u> - restricted for net pension asset.	4,932
<u>Safety & Workers' Compensation</u> - restricted for net pension asset.	1,993
Total Proprietary Funds restricted assets	<u>\$ 924,813</u>

Component Unit - Harborview Medical Center (HMC)

HMC Special Purpose Fund - restricted donations, gifts and bequests from various sources for specific uses.	\$ 15,857
Total HMC restricted assets	<u>\$ 15,857</u>

Component Unit - Cultural Development Authority of King County (CDA)

<u>1% for Art Fund</u> - restricted for net pension asset and the one percent for public art programs operated for the benefit of King County.	\$ 16,392
<u>Cultural Special Account and Other Funds</u> - restricted for arts and heritage cultural programs.	21,188
Total CDA restricted assets	<u>\$ 37,580</u>

Component Unit - NJB Properties

<u>Non-bond Proceeds Fund</u> - restricted for costs of the NJB Project	\$ 27
<u>Revenue Fund</u> - restricted for transfers to the Bond Fund and authorized administrative fees	902
<u>Bond Fund</u> - restricted for interest and principal on the bonds	39
Total NJB Properties restricted assets	<u>\$ 968</u>

Note 9

Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year 2021:

Aggregate Pension Amounts - All Plans (in thousands)	
Pension liabilities	\$ 105,494
Pension assets	1,256,757
Deferred outflows of resources related to pensions	138,871
Deferred inflows of resources related to pensions	1,197,773
Pension expense/expenditures	(290,854)

Substantially all of the County's full-time and qualifying part-time employees participate in one of the following retirement plans: Public Employees' Retirement System (PERS) Plan 1, 2 and 3; Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 and 2; Public Safety Employees' Retirement System (PSERS) Plan 2; and Seattle City Employees' Retirement System (SCERS).

PERS, LEOFF and PSERS are 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 statewide public retirement systems.

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

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

Or the DRS annual comprehensive financial report may be downloaded from the DRS website at www.drs.wa.gov.

The Seattle City Employees' Retirement System (SCERS) is a multiple employer defined benefit public employee retirement plan administered by the Retirement System Board of Administration. The seven-member Board of Administration establishes and amends laws pertaining to the administration of SCERS.

The Employees' Retirement System issues an independent financial report. A copy of the report is available from the Seattle City Employees' Retirement System at 720 Third Avenue, Suite 900, Seattle, WA 98104; by telephone at 206-386-1293; or by accessing the website <http://www.seattle.gov/retirement>.

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 Plan 1 and Plan 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1

Benefits Provided: 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 6.00 percent. The employer contribution rate is developed by the Office of the State Actuary (OSA) and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January through June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%
July through December 2021		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.25%	6.00%

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

The County's actual contributions to the plan were \$ 56.7 million for the year ended December 31, 2021.

PERS Plans 2 and 3

Benefits Provided: PERS Plans 2 and 3 (PERS 2/3) provide retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for Plan 2 and one 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 age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS 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 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 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 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS 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 Plan 2 members are vested after completing five years of eligible service. PERS 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, PERS 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.

The Judicial Branch Multiplier (JBM) program began January 1, 2007. It gives eligible justices and judges an option to increase the benefit multiplier used, along with service credit years and average final compensation, to set the retirement benefit. The JBM program increases the multiplier for Plan 2 to 3.5 percent (from 2.0 percent for non-JBM participants) and for Plan 3 to 1.6 (from 1.0 percent for non-JBM participants).

Contributions: The PERS 2/3 employer and employee contribution rates are developed by the OSA to fully fund Plan 2 and the defined benefit portion of Plan 3. PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability 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 employer contribution rates. The PERS 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 2/3			
Actual Contribution Rates:	Employer 2/3	Employee 2*	Employee 3
January through June 2021			
PERS Plan 2/3	7.92%	7.90%	Varies (5-15%)
PERS Plan 1 UAAL	4.87%		
Administrative Fee	0.18%		
Total	12.97%	7.90%	
July through December 2021			
PERS Plan 2/3	6.36%	6.36%	Varies (5-15%)
PERS Plan 1 UAAL	3.71%		
Administrative Fee	0.18%		
Total	10.25%	6.36%	

* For employees participating in the JBM, the contribution rate was 19.75% from January through June 2021 and 15.90% from July through December 2021.

The County's actual contributions to the plan were \$92.4 million for the year ended December 31, 2021.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full time basis and:

- Have completed a certified criminal-justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol),

- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

Benefits Provided: PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 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, and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions: The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2. The Plan 2 employer rate includes components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The PSERS Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January through June 2021		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.25%	7.20%
July through December 2021		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.39%	6.50%

The County's actual contributions to the plan were \$3.4 million for the year ended December 31, 2021.

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

Benefits Provided: 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 1.0% 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,

and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF Plan 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, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2

Benefits Provided: LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the 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 Plan 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 Plan 2 members are vested after the completion of five years of eligible service.

Contributions: The LEOFF Plan 2 employer and employee contribution rates are developed by the OSA 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 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF 2		
Actual Contribution Rates:	Employer	Employee
January through June 2021	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
July through December 2021	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%

The County's actual contributions to the plan were \$6.1 million for the year ended December 31, 2021.

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, 2021, the State contributed \$78.2 million to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$30.7 million.

Seattle City Employees' Retirement System (SCERS)

SCERS is a cost-sharing, multiple-employer retirement plan administered in accordance with Chapter 4.36 of the Seattle Municipal Code. County employees of the Department of Public Health who have established membership in SCERS remain covered by the City Retirement System. Employees of Public Transportation who are former employees of Seattle Transit are also covered by the system.

Benefits Provided: SCERS provides retirement, disability and death benefits. Employees covered by this plan may retire after 30 years of service regardless of age; after age 52 with 20 years or more of service; after age 57 with 10

or more years of service; and after age 62 with five or more years of service. Disability retirement is available after 10 years of service. The unmodified monthly retirement allowance is based on a percentage of average salary for every year of service to a maximum of 60 percent. The average salary for this plan is defined as the highest consecutive 24-months' average rate of pay. The percentage for each year of service used to compute the retirement benefit depends on the age at retirement and the years of service. It ranges from 1.2 percent at age 52 with 20 years of service to a maximum of 2 percent for each year of service. The maximum allowance a member can receive is the unmodified plan, which has no provision for a beneficiary and, at the member's death, stops all payments. Several optional retirement benefit formulas exist which provide for beneficiaries with reduced monthly allowances.

Contributions: The SCERS member contribution rate is 10.03 percent of compensation except for members qualifying for lower rates prior to June 1972. The County is required to contribute at an actuarially determined rate. The current rate is 16.20 percent of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the Board of Administration. The SCERS Plan required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

SCERS		
Actual Contribution Rates:	Employer	Employee
January through December 2021	16.20%	10.03%

The County's actual contributions to the plan were \$221 thousand for the year ended December 31, 2021.

Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021.

Total plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation: 2.75 percent total economic inflation, 3.50 percent salary inflation
- Salary increases: In addition to the base 3.50 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.4 percent

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 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 no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June

30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

The total pension liability (TPL) for SCERS pension plan was determined by an actuarial valuation as of January 1, 2020. The actuarial assumptions used in the valuation were based on an actuarial experience study for the period January 1, 2014 through December 31, 2017. The following actuarial assumptions were applied to all periods including the measurement period.

- Inflation: 2.75 percent
- Salary increases: 3.50 percent
- Investment rate of return: 7.25 percent compounded annually, net of expenses

Mortality rates for the SCERS plan were based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of 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 liability.

The discount rate used to measure the total pension liability for SCERS pension plan was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the participating governmental entity contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine the total pension liability.

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 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 over various time horizons.

The long-term expected rate of return on the SCERS pension plan investments of 7.25 percent was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the DRS pension plan's target asset allocation as of June 30, 2021 are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

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

Best estimates of geometric real rates of return for each major asset class included in the SCERS pension plan's target asset allocation as of December 31, 2020 are summarized in the chart that follows:

Asset Class	Percent Long-term Expected Real Rate of Return Geometric
Equity: Public	4.3%
Equity: Private	7.3%
Fixed Income: Core	(0.1)%
Fixed Income: Credit	3.3%
Real Assets: Real Estate	3.4%
Real Assets: Infrastructure	3.9%

Sensitivity of Net Pension Liability (Asset)

The table below presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.4 percent (7.25 percent for SCERS), as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.4 percent, 6.25 percent for SCERS) or one percentage point higher (8.4 percent, 8.25 percent for SCERS) than the current rate.

Sensitivity of Net Pension Liability (Asset) (in thousands)			
Plans	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
PERS 1	\$ 179,086	\$ 105,126	\$ 40,623
PERS 2/3	(298,881)	(1,049,145)	(1,666,986)
PSERS 2	(2,662)	(16,979)	(28,310)
LEOFF 1	(18,315)	(20,344)	(22,100)
LEOFF 2	(107,384)	(170,289)	(221,795)

Sensitivity of Net Pension Liability (in thousands)			
Plans	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCERS	\$ 581	\$ 368	\$ 190

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' and SCERS plan's fiduciary net position are available in the separately issued DRS and City of Seattle financial reports.

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

At December 31, 2021, the County reported a total pension liability of \$105.5 million and total pension asset of \$1.3 billion for its proportionate share of the net pension liabilities (assets) as follows:

Net Pension Liability (Asset) (in thousands)	
PERS 1	\$ 105,126
PERS 2/3	(1,049,145)
PSERS 2	(16,979)
LEOFF 1	(20,344)
LEOFF 2	(170,289)
SCERS	368

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

Net Pension Asset (in thousands)	LEOFF 1	LEOFF 2
County's proportionate share	\$ (20,344)	\$ (170,289)
State's proportionate share of the net pension asset associated with King County	(137,609)	(109,855)
TOTAL	\$ (157,953)	\$ (280,144)

The County proportionate share of the collective net pension liabilities/assets was as follows:

Collective Net Pension Liabilities/Assets			
	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	8.85%	8.61%	-0.24%
PERS 2/3	10.85%	10.53%	-0.32%
PSERS 2	8.22%	7.39%	-0.83%
LEOFF 1	0.59%	0.59%	0.00%
LEOFF 2	3.15%	2.93%	-0.22%

Collective Net Pension Liabilities			
	Proportionate Share 12/31/19	Proportionate Share 12/31/20	Change in Proportion
SCERS	0.04%	0.04%	0%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary. Historically, the State of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer

contributions. LEOFF 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the State of Washington contributed 39 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) for all DRS pension plans was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

The collective net pension liability for SCERS was measured as of December 31, 2020, and the actuarial valuation date on which the total pension liability was based was as of January 1, 2020, with update procedures used to roll forward the total pension liability to the measurement date taking into account any significant changes between the valuation date and the fiscal year end.

Pension Expense

For the year ended December 31, 2021, the County recognized pension expense as follows:

Pension Expense (in thousands)	
PERS 1	\$ (28,210)
PERS 2/3	(238,891)
PSERS 2	(672)
LEOFF 1	(3,083)
LEOFF 2	(20,170)
SCERS	172
TOTAL	\$ (290,854)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

PERS 1	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(116,654)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	25,390	—
TOTAL	\$ 25,390	\$ (116,654)

PERS 2/3	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 50,955	\$ (12,861)
Net difference between projected and actual investment earnings on pension plan investments	—	(876,838)
Changes of assumptions	1,533	(74,507)
Changes in proportion and differences between contributions and proportionate share of contributions	320	(5,531)
Contributions subsequent to the measurement date	41,294	—
TOTAL	\$ 94,102	\$ (969,737)

PSERS 2	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 1,742	\$ (67)
Net difference between projected and actual investment earnings on pension plan investments		(12,162)
Changes of assumptions	3	(1,736)
Changes in proportion and differences between contributions and proportionate share of contributions	52	(9)
Contributions subsequent to the measurement date	1,583	—
TOTAL	\$ 3,380	\$ (13,974)

LEOFF 1	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(6,216)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	—	—
TOTAL	\$ —	\$ (6,216)

LEOFF 2	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 7,724	\$ (900)
Net difference between projected and actual investment earnings on pension plan investments	—	(81,195)
Changes of assumptions	74	(8,099)
Changes in proportion and differences between contributions and proportionate share of contributions	4,477	(679)
Contributions subsequent to the measurement date	2,948	—
TOTAL	\$ 15,223	\$ (90,873)

SCERS	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 1	\$ (11)
Net difference between projected and actual investment earnings on pension plan investments	—	(111)
Changes of assumptions	17	—
Changes in proportion and differences between contributions and proportionate share of contributions	536	(197)
Contributions subsequent to the measurement date	222	—
TOTAL	\$ 776	\$ (319)

Deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an addition to the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1 (in thousands)
2022	\$ (30,902)
2023	(28,317)
2024	(26,775)
2025	(30,660)
2026	—
Thereafter	—

Year ended December 31:	PERS 2/3 (in thousands)
2022	\$ (240,755)
2023	(225,001)
2024	(215,188)
2025	(232,210)
2026	(3,733)
Thereafter	(42)

Year ended December 31:	PSERS 2 (in thousands)
2022	\$ (3,168)
2023	(3,011)
2024	(2,857)
2025	(3,170)
2026	(12)
Thereafter	41

Year ended December 31:	LEOFF 1 (in thousands)
2022	\$ (1,651)
2023	(1,510)
2024	(1,425)
2025	(1,630)
2026	—
Thereafter	—

Year ended December 31:	LEOFF 2 (in thousands)
2022	\$ (21,280)
2023	(19,804)
2024	(18,688)
2025	(21,091)
2026	83
Thereafter	2,182

Year ended December 31:	SCERS (in thousands)
2022	\$ 88
2023	84
2024	33
2025	15
2026	15
Thereafter	—

As of December 31, 2021, the County reported restricted net position related to the net pension asset as follows:

Restricted Net Position (in thousands)	
PERS 2/3	\$ 173,509
PSERS 2	6,385
LEOFF 1	14,128
LEOFF 2	94,640

Component Unit - Harborview Medical Center (HMC)

HMC personnel are University of Washington (UW) employees. HMC faculty and professional staff participate in the University of Washington Retirement Plan (UWRP), an IRC Section 403(b) defined contribution retirement plan, authorized by the Board of Regents. HMC staff participate in a plan authorized by the State of Washington Department of Retirement Systems (DRS). Plan participation is defined by position, with the majority of HMC employees enrolled in one of the three Public Employees' Retirement Systems (PERS) plans.

All plans include contributions by both employee and employer. Employee contributions are tax-deferred. Employer contributions are paid semi-monthly by the UW in accordance with rates specified by the retirement systems.

Component Unit - Cultural Development Authority of King County (CDA)

All eligible CDA personnel participate in PERS, a statewide local government retirement system administered by the DRS under cost-sharing, multiple-employer defined benefit plans. CDA's net pension asset (PERS 2/3), net pension liability (PERS 1), deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2021 were \$2.0 million, \$213 thousand, \$324 thousand and \$2.1 million, respectively.

Note 10

Defined Benefit Other Postemployment Benefit (OPEB) Plan

The County is required to accrue other postemployment benefit (OPEB) expense related to its postretirement health care plan based on a computed total OPEB liability. Instead of recording expense on a "pay-as-you-go" basis, the County has recorded a liability of \$106.5 million for the difference between the actuarially calculated liability and the estimated contributions made.

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement No. 75 for the year ended December 31, 2021 (in thousands):

OPEB liabilities	\$	106,488
OPEB assets		—
Deferred outflows of resources		5,625
Deferred inflows of resources		12,225
OPEB expense/expenditures		3,860

The County's total OPEB liability was measured as of December 31, 2021 using an actuarial valuation as of December 31, 2020.

Plan Description The King County Health Plan (the Health Plan) is a single-employer defined-benefit health care plan administered by the County. The Health Plan provides medical, dental, prescription drug, and vision benefits to eligible retirees, their spouses, and children. Retiree premiums for dental and vision plans are assumed to cover the full cost of those benefits. The Health Plan does not issue a separate stand-alone financial report.

LEOFF 1 retirees, representing less than 2 percent of plan participants, are not required to contribute to the Health Plan. All other retirees are required to pay into the health plan by contributing 100 percent of the rate established by the County for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). As a self-insurer, COBRA rates are set by the County each budget year. At December 31, 2020 (the census date) the following employees were covered by the Health Plan.

Inactive employees or beneficiaries currently receiving benefits	517
Inactive employees entitled to, but not yet receiving benefits	—
Active employees	14,746
Total	<u>15,263</u>

For the fiscal year ended December 31, 2021, the County contributed an estimated \$6.4 million to the Health Plan to pay for retiree benefits. The County's contribution was entirely to fund "pay-as-you-go" costs under the Health Plan and not to pre-fund benefits. Accordingly, there are no assets in a qualifying trust.

Actuarial Methods and Assumptions The basis of benefit projections for financial reporting purposes is the substantive plan (the Health Plan as understood by the County and members of the Health Plan) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County and Members of the Health Plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2020 valuation used the entry-age normal, level percentage of salary actuarial cost method. The actuarial assumptions included an initial annual health care cost trend rate of 6.50 percent reduced by decrements to an ultimate rate of 4.04 percent after 53 years. The Medicare premium trend rate is 5.40 percent reduced by decrements to an ultimate rate of 4.04 percent after 53 years. All trend rates include a 2.75 percent inflation assumption and 3.50 percent salary increase assumption. County employees have multiple medical plans to select from during and after employment. Plan Members are assumed to retain the same medical plan after retirement as they selected while an employee before retirement, including an assumption that employees choosing not to enroll in a County medical plan before retirement will not select a County medical plan after retirement. Mortality rates were based on tables from the Society of Actuaries.

These assumptions reflect the County's best estimates. The following presents the total OPEB liability of the County calculated using the current healthcare cost trend rate of 6.50 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands).

	1% Decrease	Current Trend Rate	1% Increase
	5.50%	6.50%	7.50%
Total OPEB Liability	\$ 96,238	\$ 106,488	\$ 118,315

Discount Rate The discount rate used to measure the total OPEB liability is 1.84 percent. The County's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

The following presents the total OPEB liability of the County calculated using the discount rate of 1.84 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands).

	1% Decrease	Current Discount Rate	1% Increase
	0.84%	1.84%	2.84%
Total OPEB Liability	\$ 115,114	\$ 106,488	\$ 98,692

Changes in the Total OPEB Liability The County's actuarial analysis used a measurement date of December 31, 2021. For the current reporting period, the following schedule includes changes in the total OPEB liability since last year (in thousands).

	Total OPEB Liability
Balance at 1/1/2021	<u>\$ 106,619</u>
Changes for the Year:	
Service cost	2,865
Interest	2,125
Changes of benefit terms	—
Difference between expected and actual experience	—
Changes of assumptions	1,300
Benefit payments	(4,404)
Other changes	(2,017)
Net changes	<u>(131)</u>
Balance at 12/31/2021	<u><u>\$ 106,488</u></u>

The County recognized \$3.9 million in OPEB expense for the year. There were no changes to the plan benefits in 2021. Changes in actuarial assumptions for the valuation dated December 31, 2021 included decreasing the discount rate to 1.84 percent from 2.00 percent.

Deferred Inflows and Deferred Outflows At December 31, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,914	\$ (6,681)
Changes of assumptions	3,711	(5,544)
Payments subsequent to the measurement dates	—	—
Total	<u><u>\$ 5,625</u></u>	<u><u>\$ (12,225)</u></u>

The County did not make payments subsequent to the measurement date, which otherwise would have been reported as a deferred outflow of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended December 31:	Amount
2022	\$ (1,131)
2023	(1,131)
2024	(1,131)
2025	(1,131)
2026	(1,131)
Thereafter	(945)
Total	<u>(6,600)</u>

Component Unit - Harborview Medical Center (HMC)

All University employees, including medical center employees, are eligible for participation in healthcare and life insurance programs administered by the WSHCA (Washington State Health Care Authority). HMC retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits based on their age and other demographic factors.

The Office of the State Actuary determines total OPEB obligations at the State level using individual state employee data, including age, retirement eligibility, and length of service. Information to support actuarial calculation at the division, department, or component unit level is not available. The State is ultimately responsible for the obligation; therefore, the total OPEB liability is not recorded at the University or its departments, divisions, agencies or component units.

Component Unit - Cultural Development Authority (CDA)

The CDA's OPEB plan is a single-employer defined-benefit health care plan administered by the Public Employees Benefit Board (PEBB). The plan provides medical and dental benefits to eligible retirees, their spouses and children.

The following table represents the aggregate OPEB amounts for the plan subject to the requirements of GASB Statement No. 75 for the year ended December 31, 2021 (in thousands):

OPEB liabilities	\$ 1,488
OPEB assets	—
Deferred outflows of resources	10
Deferred inflows of resources	—
OPEB expense	(121)

CDA recognized \$(121) thousand in OPEB expense for the year. There were no changes to the plan benefits in 2021. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

At June 30, 2021, there were 36 total employees in the plan, including seven inactive employees or beneficiaries currently receiving benefits, no inactive employees entitled to but not yet receiving benefits, and 29 active employees.

Actuarial Methods and Assumptions

The total OPEB liability was calculated using the alternate measurement method model provided by the Office of the State Actuary with an actuarial valuation of June 30, 2020 and a measurement date of June 30, 2021, using the entry age actuarial cost method. The actuarial assumptions included a discount rate of 2.21 percent and 2.26 percent, respectively, for the beginning and end of the measurement year, projected salary changes of 3.50 percent plus service-based increases, and an inflation rate of 2.75 percent. The actuarial assumptions included an initial healthcare cost trend rate of 2.00 percent to 11.00 percent, reaching an ultimate rate of approximately 4.30 percent in 2075.

The following presents the total OPEB liability calculated using the current healthcare cost trend rate of 2.00-11.00 percent decreasing to 4.30 percent by 2075, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Rate	1% Increase
	6.00%	7.00%	8.00%
Total OPEB Liability	\$ 1,201	\$ 1,488	\$ 1,874

The following represents the total OPEB liability calculated using a discount rate of 2.26 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.26 percent) or 1-percentage point higher (3.26 percent) than the current rate.

	1% Decrease	Current Rate	1% Increase
	1.26%	2.26%	3.26%
Total OPEB Liability	\$ 1,809	\$ 1,488	\$ 1,238

Changes in the Total OPEB Liability CDA's actuarial analysis used a measurement date of June 30, 2020. For the current reporting period, the following schedule includes changes in the total OPEB liability since last year (in thousands).

Total OPEB liability at January 1, 2021	\$ 1,629
Changes for the Year:	
Service cost	84
Interest	38
Changes of benefit terms	—
Difference between experience data and assumptions	(243)
Changes of assumptions	—
Benefit payments	(20)
Net changes	(141)
Total OPEB liability at December 31, 2021	\$ 1,488

Deferred outflows of resources of \$10 thousand resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2022.

Note 11

Risk Management

The County uses three internal service funds to account for and finance property/casualty, workers' compensation and employee medical, pharmacy, dental, and vision benefits self-insurance programs. The County contracts with a plan administrator to process medical, pharmacy, vision and dental claims. County fund/claims managers, together with the Civil Division of the Prosecuting Attorney's Office, are responsible for processing all tort and workers' compensation claims.

Claims settlements and loss expenses are accrued in the three internal service funds for the estimated settlement value of both reported and unreported claims. These funds are responsible for collecting interfund premiums from insured funds and departments for paying claim settlements and for purchasing certain policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures.

Insurance Fund

The Insurance Fund, an internal service fund, accounts for the County's property/casualty program. The fund accounts for the County's exposures to loss due to the tortious conduct of the County, including those exposures commonly covered by general liability, automobile liability, police professional, public officials, errors and omissions and professional malpractice insurance policies. With some exceptions, the County self-insures most liability exposures and purchases reinsurance over its self-insured retentions. With the assistance of an actuary, the Insurance Fund's claims liability is estimated based upon historical claims experience and other actuarial techniques. The estimated liability for probable self-insurance losses (reported and unreported) recorded in the fund as of December 31, 2021, is \$101.0 million.

Changes in the Insurance Fund's estimated claims liability in 2020 and 2021 (in thousands):

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2020	\$ 78,904	\$ 13,085	\$ (19,144)	\$ 72,845
2021	72,845	63,042	(34,880)	101,007

The amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

The current excess liability insurance limits are \$67.5 million in excess of a \$7.5 million self-insured retention for Transit and \$6.5 million self-insured retention for all other County agencies. In lieu of purchasing the certified terrorism coverage offered by our excess liability insurance carriers, a stand-alone liability terrorism insurance policy is maintained with limits of \$40.0 million.

Risk Management renewed the County's property insurance policy on July 1, 2021 with FM Global Insurance Company and various other excess property insurers, which includes layered excess Earth Movement coverage. The program maintains a blanket limit of \$750.0 million above a \$1.0 million per occurrence deductible. The program provides an overall Earthquake sublimit of \$100.0 million and a Flood sublimit of \$250.0 million. In lieu of purchasing the certified terrorism coverage offered by our property insurance carriers, a stand-alone property terrorism insurance policy was placed with limits of \$500.0 million.

King County International Airport (Boeing Field) property insurance was renewed with incumbent carrier, AIG. The policy provides a \$251.0 million limit with sub-limits of \$100.0 million for Flood and \$25.0 million for Earthquake. Effective July 1, 2021, the King County International Airport's property insurance coverage saw a reduction in earthquake limits from \$50.0 million to \$25.0 million.

Risk Management renewed the County's cyber liability insurance for total limits of \$40.0 million above a \$2.5 million deductible. The program provides coverage for third-party claims arising from failure of network security or protection of data in addition to first-party coverage for security failure, breach, event management, forensic investigations, and business interruption.

The majority of the County's insurance renewals in 2021 have communicable disease exclusions added to the policies.

In addition to the policies already mentioned, the County has ancillary insurance policies to cover some of its other exposures. These are listed in the following table:

COVERAGE	COVERAGE AMOUNT	DEDUCTIBLE
Excess General Liability	\$67.5 million	\$6.5 million per occurrence; \$7.5 million per occurrence Transit bus losses
Terrorism — Liability	\$40 million	\$100 thousand per occurrence
Terrorism — Property	\$500 million	\$100 thousand per occurrence
Property & Mobile Equipment	\$750 million	\$1 million per occurrence
	\$100 million EQ (Earthquake)	EQ - 5% of location value / \$500 thousand minimum
	\$250 million Flood	Flood - \$250 thousand / \$500 thousand
Excess Workers' Compensation	Statutory (unlimited)	\$2 million per occurrence
Multi-State Workers' Compensation	Statutory (unlimited)	None
Aircraft Liability & Physical Damage	\$50 million (liability); scheduled value (property)	None
King County International Airport General Liability	\$300 million	None
King County International Airport Property Damage	\$251 million; \$25 million EQ; \$100 million Flood	\$100 thousand per occurrence; EQ - 2% of location value / \$100 thousand minimum; Flood - \$100 thousand
Marine Liability & Property Damage	\$150 million (liability); scheduled values (property)	Varies based on vessel and coverage type
Foreign Liability	\$1 million	\$1 thousand per occurrence
Fiduciary Liability	\$20 million	\$50 thousand each claim
Fiduciary Liability — Investment Pool	\$10 million	\$50 thousand each claim
Parks Swimming Pools General Liability	\$7 million per occurrence; \$8 million aggregate	\$5 thousand per occurrence
Crime and Fidelity	\$2.5 million	\$50 thousand each claim
Flood Insurance	scheduled value	\$1 - 2.5 thousand per occurrence
Cyber Liability	\$40 million	\$2.5 million (1st party) each incident; \$1 million (3rd party) each incident
PSERN - Inland Marine	\$25 million	\$5 thousand per occurrence; EQ - \$100 thousand per location; Flood - \$10 thousand per location
PSERN - Site Specific Pollution (Scheduled locations only)	\$2 million per occurrence; \$4 million aggregate	\$25 thousand (3rd party); \$50 thousand (clean-up)
Cedar Hills Regional Landfill Pollution Liability	\$50 million	\$250 thousand each pollution condition

Safety and Workers' Compensation Fund

The Safety and Workers' Compensation Fund, an internal service fund, accounts for the County's self-insurance for workers' compensation as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act. Interfund charges are derived from actuarial projections of their future claims and administrative costs. The estimated liability for probable self-insurance losses (reported and unreported) recorded in the financial statements is not discounted due to the low rate of return on investment. As of December 31, 2021, the total claim liability is \$68.2 million.

The County purchases an excess workers' compensation policy that provides statutory limits coverage, and therefore has had no risk exposure over the statutory limits during the last three years. The amount of loss retained by King County (the self-insured retention) under this policy, effective April 1, 2021, was \$2.0 million.

The Fund's claims liability is estimated by an independent actuary. The claim liability represents the estimated ultimate amount to be paid for reported and incurred but not reported claims based on past experience and other actuarial techniques.

Changes in the Safety and Workers' Compensation Fund's claims liability in 2020 and 2021 (in thousands) are shown below:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2020	\$ 61,326	\$ 16,767	\$ (17,828)	\$ 60,265
2021	60,265	32,686	(24,748)	68,203

Employee Benefits Program Fund

The Employee Benefits Program Fund, an internal service fund, accounts for employee medical, dental, vision, life, accidental death and dismemberment (AD&D) and long-term disability (LTD) benefit programs. Two medical plans, and the pharmacy, dental and vision plans are self-insured. The life, AD&D, and LTD benefit programs are fully insured. Interfund premiums are determined on a per employee, per month basis.

The estimated liability for probable self-insurance losses (reported and unreported) recorded in the fund as of December 31, 2021, is \$23.3 million.

The Fund's claims liability is based on historical experience. Changes in the Employee Benefits Program Fund's claims liability in 2020 and 2021 (in thousands) are shown below:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2020	\$ 19,501	\$ 250,740	\$ (250,214)	\$ 20,027
2021	20,027	282,416	(279,163)	23,280

Component Unit - Harborview Medical Center (HMC)

HMC is exposed to risk of loss related to professional and general liability, property loss, and injuries to employees. HMC participates in risk pools managed by the University of Washington to mitigate risk of loss related to these exposures.

Professional and General Liability

The University's professional liability program currently includes self-insured and commercial reinsurance coverage components. HMC's annual funding to the professional liability program is determined by the University administration using information from an annual actuary study. Various participants in the program contribute to the self-insurance fund and share in the expenses of the program. HMC's contribution to the professional liability program was \$10.3 million in 2021 and \$4.8 million in 2020, recorded in supplies and other expense on the Statements of Revenues, Expenses and Changes in Net Position.

Employee Benefits Program

HMC personnel are employees of the University. Benefit costs are pooled centrally for all University employees. Annually the University reviews total employee benefit costs and prepares standard benefit load rates by employment classification. These benefit costs cover employee healthcare costs, workers' compensation, employment taxes and retirement plans.

Component Unit - Cultural Development Authority (CDA) of King County

Insurance Fund

Cultural Development Authority of King County (CDA) carries comprehensive general liability and auto liability coverage with a limit of \$20.0 million per occurrence. Commercial property losses are covered up to the replacement cost on file with Enduris Washington. CDA also carries 1) Public Official Errors and Omissions Liability coverage with a limit of \$20.0 million per occurrence for each wrongful act and with an aggregate limit of \$20.0 million per member; 2) Employment Practices Liability coverage with an aggregate limit of \$20.0 million per member; 3) Crime Blanket Coverage with Faithful Performance of Duty with a limit of \$250 thousand per occurrence; 4) Cyber coverage with a limit of \$2.0 million per member aggregate and 5) Identity Fraud expense reimbursement with a limit of \$25 thousand per occurrence and an aggregate limit of \$25 thousand per member.

Employee Benefits Program

The CDA provides its eligible employees with a comprehensive health benefits package through the Public Employees Benefits Board (PEBB), which includes medical, dental, basic life and long-term disability coverage. In addition, the PEBB offers the following optional products: long-term care, auto and home insurance. CDA also offers insurance with American Family Life Assurance Company (AFLAC) and MetLife. With the AFLAC and MetLife coverage, CDA employees can pick from a selection of insurance policies at their own expense. CDA benefits-eligible employees can enroll in FSA through Wageworks, Inc.

Note 12

Leases

Capital Leases

King County has entered into agreements to purchase buildings, machinery and equipment through capital lease and installment purchase agreements. Assets acquired and liabilities incurred through such agreements for governmental funds are accounted for under Governmental Activities. Such assets and liabilities related to proprietary funds are accounted for under Business-type Activities.

Capital assets and outstanding liabilities relating to capital lease agreement contracts as of December 31, 2021 (in thousands) is as follows:

	Capital Assets		Capital Leases Payable	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Buildings	\$ 194,935	\$ —	\$ 7,402	\$ —
Leasehold improvements	—	4,881	—	1,940
Less depreciation	(53,292)	(3,224)	—	—
Totals	<u>\$ 141,643</u>	<u>\$ 1,657</u>	<u>\$ 7,402</u>	<u>\$ 1,940</u>

Future minimum lease payments under capital lease agreements and the present value of the net minimum lease payments are shown below as of December 31, 2021 (in thousands):

	Governmental Activities	Business-type Activities
2022	\$ 768	\$ 255
2023	764	255
2024	764	255
2025	763	255
2026	766	255
2027-2031	3,821	1,169
2032-2036	3,824	—
Total minimum lease payments	11,470	2,444
Less: Amount representing interest	(4,068)	(504)
Present value of net minimum lease payments	<u>\$ 7,402</u>	<u>\$ 1,940</u>

Operating Leases

The County has numerous operating lease commitments for office space, equipment, radio towers and railroad tracks. Expenditures for the year ended December 31, 2021 for long-term operating expenses for office space, equipment and other operating leases amount to \$17.5 million. The pattern of future lease payment requirements are systematic and rational.

Future minimum lease payments for these leases are shown in the table below (in thousands):

Year	Office Space	Other	Total
2022	\$ 5,780	\$ 9,112	\$ 14,892
2023	5,764	9,045	14,809
2024	5,300	7,804	13,104
2025	4,452	6,253	10,705
2026	3,866	5,857	9,723
2027-2031	4,349	18,466	22,815
2032-2036	—	5,502	5,502
2037-2041	—	3,735	3,735
2042-2046	—	3,636	3,636
2047-2051	—	3,479	3,479
2052-2056	—	2,541	2,541
2057-2061	—	2,271	2,271
2062-2066	—	1,340	1,340
2067-2069	—	22	22

The County currently leases some of its property to various tenants under long-term, renewable and noncancelable contracts. Under business-type activities, the King County International Airport Enterprise leases out most of the buildings and grounds in the King County International Airport/Boeing Field complex to companies and government agencies in the aviation industry. The County's investment in property under long-term, noncancelable operating leases as of December 31, 2021 (in thousands):

	Governmental	Business-type Activities	
	Activities	Airport	Other
Land	\$ 65	\$ 14,212	\$ 438
Buildings	394	25,718	424
Less: Depreciation	(394)	(14,004)	(156)
	<u>\$ 65</u>	<u>\$ 25,926</u>	<u>\$ 706</u>

Minimum future lease receipts on noncancelable operating leases based on contract amounts and terms as of December 31, 2021 (in thousands):

Year	Governmental	Business-type Activities		Total
	Activities	Airport	Other	
2022	\$ 1,563	\$ 30,151	\$ 143	\$ 31,857
2023	775	29,940	107	30,822
2024	681	29,411	67	30,159
2025	632	28,270	17	28,919
2026	599	27,120	17	27,736
2027-2031	2,184	110,921	38	113,143
2032-2036	22	51,932	24	51,978
2037-2041	18	49,587	23	49,628
2042-2046	18	43,414	—	43,432
2047-2051	18	15,989	—	16,007
2052-2056	18	2,742	—	2,760
2057	3	—	—	3

Component Unit - NJB Properties**Capital Lease**

NJB Properties' Project Lease Agreement with the County qualified as a capital lease under ASC 840 - Accounting for Leases. The composition of the net investment in capital lease as of December 31, 2021 is shown below, as well as the minimum lease rental payments expected to be received for the next five years and in the aggregate.

<u>Year</u>	<u>Minimum Lease Payment</u>	<u>Net Investment in Capital Lease</u>	
			<u>2021</u>
2022	768	Minimum lease payments receivable	\$ 11,470
2023	764	Uncollected income	(4,068)
2024	764	Net investment in capital lease	<u>\$ 7,402</u>
2025	763		
2026	766		
Thereafter	7,645		
	<u>\$ 11,470</u>		

Note 13

Landfill Closure and Post-Closure Care

King County is legally responsible for closure and post-closure care costs associated with the County's solid waste landfills. Estimated costs of closure and post-closure care are recognized as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in current dollars. Actual cost may be different due to inflation or deflation, changes in technology and changes in laws or regulations.

State and federal laws and regulations require King County to complete closure activities at its Cedar Hills Landfill site when the County stops accepting waste at this location. Certain maintenance and monitoring functions are also required at the sites for minimum of 30 years or until the closed landfill reaches functional stability under state law; the County estimates it will take 42 years following closure for the Cedar Hills Landfill to reach functional stability. Enumclaw, Hobart, Vashon and Cedar Falls landfills have been closed. Duvall, Puyallup, Houghton, Bow Lake and First Northeast are custodial landfills which were closed 30 or more years ago and are subject to less prescriptive laws and regulations.

Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these costs as an operating expense in each period. The expense is based on landfill capacity used as of each year-end.

The \$242.4 million reported as landfill closure and post-closure care liability as of December 31, 2021, represents the cumulative percentage reported based on the amount that each of the landfills has been filled to date as follows (dollars in thousands):

Landfill	Percent Filled	Estimated Liability	Estimated Remaining Liability	Estimated Year of Closure
Cedar Hills	86.72%	\$ 177,665	\$ 53,548	2040
Closed	100%	45,671	—	Closed
Custodial	100%	19,032	—	Closed

The County is required by state and federal laws and regulations to make annual contributions to a reserve fund to finance closure and post-closure care. The County is in compliance with these requirements. As of December 31, 2021, cash and cash equivalents of \$3.4 million were held in the Landfill Post-closure Maintenance Fund. In addition, \$49.6 million were held in the Landfill Reserve Fund designated for the management and development of the landfill.

The County expects that future cost increases resulting from inflation will be covered by the interest income earned on these annual contributions. However, if interest earnings are inadequate, or additional post-closure care requirements are determined due to changes in technology or regulations, the County may need to increase future user fees or tax revenues.

Note 14

Pollution Remediation

Pollution remediation liabilities reported at the end of 2021 do not include potential costs of cleanup that may arise out of the legal issues described in Note 19 - "Legal Matters, Financial Guarantees and Other Commitments." The likelihood of negative outcomes in these matters, the amount of liabilities that may arise and the resultant allocation among potentially responsible parties (PRP), cannot be reasonably estimated at this time.

The major sites where the County is conducting remediation activities are:

Elliott Bay and the Lower Duwamish Waterway - These ongoing projects include the sediment management of aquatic habitats along Elliott Bay and the cleanup of certain sites along the Lower Duwamish Waterway. The Sediment Management Project has been approved by the Metropolitan King County Council as a self-obligated pollution remediation program. The Lower Duwamish Waterway project became an obligation when King County entered into an Administrative Order on Consent (AOC) with the Washington State Department of Ecology (DOE) and the U.S. Environmental Protection Agency (EPA). This AOC also identified the Boeing Company, the City of Seattle and the Port of Seattle as parties to conduct the studies on which to base the cleanup decision. Each party has agreed in principle to pay one-fourth of the cleanup costs.

Both projects can result in additional cleanup efforts if future regulatory orders are declared. These potential cleanup liabilities, however, cannot be reasonably estimated at this time. Ongoing regulatory action may identify other PRPs for the Lower Duwamish Waterway cleanup.

There are no estimated recoveries at this time that will reduce the amount of these obligations. The total pollution remediation liability at December 31, 2021 stands at \$55.0 million although the actual amount will vary due to changes resulting from price increases or reductions, changes in technology, or changes in applicable laws or regulations.

The method for estimating liabilities continues to be based on internal engineering analysis, program experience, and cost projections for the remediation activities scheduled in future years as programmed under Water Quality's Regional Wastewater Services Plan. Certain costs were developed by consulting engineers. Costs were estimated using the expected cash flow method. For the Lower Duwamish Waterway Project a weighted-average method is used to calculate the liability. The Sediment Management Plan does not employ a weighted-average cost estimate because the remaining work is well-defined which negates the utility of multiple estimates. The cost estimates continue to be re-measured as succeeding benchmarks are reached or when cost assumptions are modified. All pollution remediation obligations under the Water Quality enterprise are being deferred as assets as permitted by regulatory accounting standards.

Lake Union Tank and Dearborn Groundwater Monitoring - The Public Transportation Enterprise (Metro Transit) reported a pollution remediation liability of \$1.1 million at December 31, 2021. The pollution obligation is primarily related to monitoring soil and ground water contamination at the Lake Union Tank and Dearborn sites (under consent decrees from the DOE) and groundwater monitoring at three bus facilities. Metro Transit has an on-going program of monitoring groundwater contamination resulting from spill events at the facilities and reporting the results to the DOE. The DOE lists the three facilities as hazardous sites and has recently communicated to Metro Transit that actions should be taken to address contamination at the sites. Remedial investigations (RI) have been initiated at two sites. Metro Transit anticipates initiating the RI at the third site during 2023. The liability was measured at the estimated amounts compiled by Metro Transit staff with knowledge of pollution issues, using the expected cash flow technique. Cost estimates are subject to changes when additional information becomes available regarding the level of contamination at specific sites, when existing agreements or remediation methods are modified, or when new applicable regulations emerge.

Gasworks Park - In 2005, the City of Seattle and Puget Sound Energy (PSE) entered an agreed order with the DOE for investigating and identifying cleanup options for Lake Union sediments surrounding Gasworks Park. The City and PSE named Metro Transit and Chevron Corporation as additional potentially liable parties (PLP) related to the Gasworks sediment site. Subsequently, the DOE notified Metro Transit and Chevron Corporation that they might be PLPs under the Model Toxics Control Act. The DOE has not issued a final decision regarding Metro Transit's status as a PLP. No liability was recorded because outlays for the site cleanup were not reasonably estimable at December 31, 2021.

Maury Island Gravel Mine Site - King County acquired approximately 250 acres of property on Vashon Island in 2010. The property is within the footprint of the former ASARCO smelter plume, and contains elevated levels of lead and arsenic, a condition that was known at the time of acquisition. In February 2011, King County was named a “potentially liable party” for cleanup of the site by the DOE. An Agreed Order between DOE and King County was finalized in January 2013 requiring the County to conduct a remediation investigation, a feasibility study, and a cleanup action plan. The remediation was a prerequisite to the purchase agreement. The remediation will be completed in phases over a period of about five to ten years. As of December 31, 2016, the County completed an Interim Action Cleanup Plan with approval from the DOE, costing approximately \$600 thousand. The cleanup included removing invasive vegetation and surface soil on three acres immediately south of SW 260th St, adding a compost cap, and replanting the area with native trees and shrubs. The cleanup costs incurred in 2016 were capitalized.

The approved Maury Island Space Site Cleanup Action Plan describes the cleanup action selected by the Washington State Department of Ecology. The plan lays out four phases for cleanup. Implementation of phase 1 cleanup - trail capping, capping of the former skeet range, and removal of three more acres of invasive vegetation then to be covered with temporary weed fabric was completed in 2021. Phases 2 through 4 include removal of invasive vegetation followed by planting, which will then continue to occur in phases every two to three years until 16 acres of contaminated area has been restored. Parks reported a pollution remediation liability of \$2.9 million as of December 31, 2021.

Washington Air National Guard Site Investigation - The Washington Air National Guard (WANG) site is located at 6736 Ellis Avenue South in Seattle, Washington. The WANG site occupies approximately 7.5 acres, adjacent to the northwest boundary of the North Boeing Field Georgetown Steam Plant (NBF/GTSP). The WANG site was developed during World War II by the War Department, and served as an aircraft factory school between 1943 and 1948. During environmental investigations at the site, a dissolved Trichloroethene (TCE) plume was identified in shallow groundwater in the southern portion of the site. In May 2016, the Washington State Department of Ecology (DOE) recommended that King County conduct an investigation to determine if the source of recent increases in TCE concentrations in groundwater monitoring wells at the NBF/GTSP site is from the WANG site. The site investigation work will be conducted in three phases: soil and groundwater data collection, soil and groundwater sampling, and quarterly groundwater monitoring. In 2019, the Airport reported a pollution remediation liability of \$245 thousand. This amount remains the same in 2021 as investigation is still ongoing as of December 31, 2021.

East Perched Zone - The East Perched Zone (EPZ) is a 20-acre area of shallow groundwater located on the east side of the Cedar Hills Regional Landfill (CHRLF) in Maple Valley, Washington. Based on an incomplete draft Remedial Investigation (RI), shallow groundwater in the EPZ is impacted by vinyl chloride, arsenic, manganese, and iron. The County believes these contaminants were deposited through exposure of the water and surrounding soils to landfill gas. Regulations did not require liners between refuse and native soils when refuse was placed in this part of the landfill, which dates back to the mid-1960s. The Washington State Department of Ecology, on behalf of Public Health - Seattle and King County, requested that the Solid Waste Division engage in a voluntary cleanup of the EPZ under the Model Toxics Control Act (MTCA). The Solid Waste Division reported a pollution remediation liability of \$1.2 million at December 31, 2021 to complete the RI work and a feasibility study.

A summary of pollution remediation liabilities at December 31, 2021 is as follows (in thousands):

	Governmental Activities
Pollution remediation	
Due within one year	\$ —
Due in more than one year	2,929
Total	<u>\$ 2,929</u>

	Business- type Activities	Total Enterprise Funds	Major Funds			Nonmajor Enterprise Funds
			Public Transportation	Water Quality	Solid Waste	
Pollution remediation						
Due within one year	\$ 5,952	\$ 5,952	\$ —	\$ 5,952	\$ —	\$ —
Due in more than one year	51,497	51,497	1,055	49,003	1,194	245
Total	<u>\$ 57,449</u>	<u>\$ 57,449</u>	<u>\$ 1,055</u>	<u>\$ 54,955</u>	<u>\$ 1,194</u>	<u>\$ 245</u>

Note 15

Liabilities

Short-term Debt Instruments and Liquidity

At December 31, 2021, to finance certain projects or refund outstanding and future bonds of the County's sewer system, the County was authorized in 2020 to utilize a commercial paper program funded by Multi-Modal Limited Tax Obligation Notes (Payable from Sewer Revenues) up to the aggregate principal amount of \$250.0 million outstanding at any time. The authorization expires on December 15, 2050. The commercial paper can have maturities ranging between one and 270 days.

Short-term activities for the year ended December 31, 2021 are summarized as follows:

CHANGES IN SHORT-TERM DEBT				
FOR THE YEAR ENDED DECEMBER 31, 2021				
(IN THOUSANDS)				
	Balance			Balance
	01/01/2021	Additions	Reductions	12/31/2021
Business-type activities				
Commercial paper	\$ —	\$ 205,910	\$ (50,000)	\$ 155,910

Long-term Debt

King County has long-term debt reported for both governmental activities and business-type activities.

For governmental activities, long-term debt consists of general obligation bonds and general obligation capital leases. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds consist of limited, unlimited general obligation bonds and capital leases. The general obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as serial bonds with principal maturing each year.

For business-type activities, long-term debt consists of limited tax general obligation bonds which are accounted for in the King County International Airport, Solid Waste, Public Transportation and Water Quality Enterprise Funds. Capital leases are accounted for in the Public Transportation Enterprise Fund. Sewer Revenue Bonds are accounted for in the Water Quality Enterprise Fund. State of Washington revolving loans-Direct Borrowings are accounted for in the Solid Waste and Water Quality Enterprise Funds. Limited tax general obligation bonds-Direct Placements are accounted for in the Water Quality Enterprise Fund.

Sewer revenue bonds are secured by the pledge of and lien on revenues of the sewer system subject to the payment of all operating and maintenance expenses of the sewer system. Payments from revenues of Water Quality are required to be made to the sewer revenue bond fund in the annual amounts sufficient to retire serial or term bonds on or before maturity. The amount required in the cash reserved and surety policies is based on the highest year of debt service over the life of all outstanding revenue bonds. The sewer revenue bonds are special limited obligations of the County, and neither its full faith and credit nor any taxing power is pledged to the payment of the sewer revenue bonds.

The following tables summarize long-term debt issuances and amounts outstanding:

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 1 OF 3)

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding 12/31/2021
I. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT					
IA. Limited Tax General Obligation Bonds (LTGO)					
2010C LTGO (RZEDBs) (Taxable) Bonds	12/1/2010	12/1/2030	4.58-6.05%	\$ 23,165	\$ 22,215
2010D LTGO (QECBs) (Taxable) Bonds	12/1/2010	12/1/2025	5.43%	2,825	2,825
2012C LTGO Refunding 2004B and 2005 Bonds	8/28/2012	1/1/2025	5.00%	54,260	21,295
2012D LTGO Refunding 2002BOP Lease (HMC) Bonds	11/29/2012	12/1/2031	2.00-5.00%	41,810	26,080
2012E LTGO SE District Court Relocation Bonds (Partial)	12/19/2012	12/1/2027	2.00-5.00%	3,000	1,370
2012F LTGO (QECBs) (Taxable) KCCF HVAC Project (Partial)	12/19/2012	12/1/2022	2.20%	3,010	3,010
2013B LTGO Refunding 2005 GHP Lease Bonds	12/19/2013	12/1/2026	3.00-5.00%	42,820	20,825
2014B LTGO (Tall Chief Acquisition/SWM) Bonds	6/24/2014	6/1/2034	2.00-5.00%	15,395	9,810
2015B LTGO (FED TAX-EXEMPT) Bonds	10/13/2015	12/1/2030	2.50-5.00%	27,355	11,245
2015C LTGO Refunding 2007C and 2007D Bonds	10/13/2015	1/1/2028	3.00-5.00%	25,970	19,395
2015E LTGO Refunding 2006A NJB and 2007 KSC Lease Bonds	12/17/2015	12/1/2036	4.00-5.00%	172,320	133,620
2016A LTGO Bond 4Culture Building	3/10/2016	12/1/2030	1.50-5.00%	22,450	18,640
2017B LTGO Bond Various Purpose (Partial)	8/10/2017	6/1/2037	3.00-5.00%	33,325	19,920
2018A LTGO Bond Various Purpose (Partial)	8/8/2018	6/1/2038	5.00%	5,845	4,390
2019HUD LTGO Refg06HUD Section108 Bonds	3/28/2019	8/1/2024	2.55-2.67%	1,437	769
2019A LTGO Refunding 2009B and 2013MM Bonds	3/15/2019	6/1/2029	5.00%	41,420	33,085
2019B LTGO Bond Various Purpose	9/12/2019	7/1/2039	5.00%	62,340	52,270
2019C LTGO Refunding 2009C Bonds	12/19/2019	1/1/2024	5.00%	13,020	10,010
2020A LTGO Various Purpose Bonds (Partial)	11/3/2020	12/1/2050	5.00%	32,090	31,095
2020B LTGO Refunding Bonds (Taxable) (Partial)	11/3/2020	12/1/2034	0.35-2.00%	54,065	53,300
2021A LTGO Various Purpose Bonds (Partial)	6/22/2021	12/1/2051	4.00-5.00%	27,675	27,675
2021B LTGO Refunding 2011, 2011D, 2012A, and 2012B Bonds	12/1/2021	6/30/2029	5.00%	30,410	30,410
2021C LTGO Affordable Housing Taxable Bonds	12/1/2021	12/1/2041	0.35-2.73%	466,150	466,150
Total Payable From Limited Tax GO Redemption Fund				<u>1,202,157</u>	<u>1,019,404</u>
IB. Limited Tax GO Capital Lease ^(a)					
2006 Project lease agreement - NJB Properties	11/14/2006	12/1/2036	5.00-5.51%	189,720	7,402
Total Limited GO Capital Lease				<u>189,720</u>	<u>7,402</u>
IC. Unlimited Tax General Obligation Bonds (UTGO)					
Payable From Unlimited Tax GO Redemption Fund					
2012 UTGO Refunding 2004 (HMC) and 2004B (HMC) Bonds	8/14/2012	12/1/2023	2.00-5.00%	94,610	26,870
2021A UTGO HMC Bonds	11/3/2021	12/31/2041	4.00-5.00%	18,885	18,885
Total Payable From Unlimited Tax GO Bond Redemption Fund				<u>113,495</u>	<u>45,755</u>
TOTAL GOVERNMENTAL ACTIVITIES -- LONG-TERM DEBT				<u>1,505,372</u>	<u>1,072,561</u>

(a) Project lease agreements - NJB properties. Under the lease agreements, the County's obligation to pay rent to NJB Properties is a limited tax general obligation.

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 2 OF 3)

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding 12/31/2021
II. BUSINESS-TYPE ACTIVITIES - LONG-TERM DEBT					
IIA. Limited Tax General Obligation Bonds (LTGO) Payable from Enterprise Funds					
2008 LTGO (WQ) Refunding 1998B Bonds	2/12/2008	1/1/2023	3.25-5.25%	\$ 236,950	\$ 21,020
2010B LTGO (BABs) (Transit) Taxable Bonds	12/1/2010	12/1/2030	2.85-6.05%	20,555	12,540
2012A LTGO (WQ) Refunding 2005A Bonds	4/18/2012	1/1/2025	2.00-5.00%	68,395	24,775
2012D LTGO (Transit) Refunding 2002 and 2004 Bonds	10/16/2012	6/1/2034	2.00-5.00%	71,670	29,705
2012F LTGO (WQ) (South Plant Pump) Bonds	12/19/2012	12/1/2022	2.20%	3,010	3,010
2013 LTGO (Solid Waste) Bonds	2/27/2013	12/1/2040	3.10-5.00%	77,100	42,010
2014C LTGO (Solid Waste) and Refunding (Solid Waste) 2007E Bonds	7/30/2014	12/1/2034	2.00-5.00%	25,515	18,745
2015A LTGO (WQ) Refunding 2009B2 Bonds	2/18/2015	7/1/2038	2.00-5.00%	247,825	117,445
2015B LTGO (FED Tax-Exempt) (Solid Waste) Bonds	10/13/2015	12/1/2025	5.00%	60	30
2015D LTGO (Solid Waste) and Refunding 2007E (Solid Waste) Bonds	11/5/2015	12/1/2040	3.00-5.00%	50,595	39,360
2017A LTGO (WQ) Refunding 2008 Bonds	10/25/2017	7/1/2033	4.00-5.00%	154,560	131,970
2017A LTGO (Solid Waste) Bonds	6/8/2017	6/1/2040	3.25-5.00%	31,230	27,985
2017B LTGO (Solid Waste) Bond Various Purpose	8/10/2017	6/1/2027	4.00-5.00%	135	95
2018A LTGO (Marine Construction) (Partial)	8/8/2018	6/1/2038	4.00-5.00%	6,330	5,720
2019 LTGO (WQ) Capital Improvement Projects Bonds	10/24/2019	1/1/2038	5.00%	101,035	101,035
2019A LTGO Multi-Modal (WQ) Refunding 2015AB Bonds	6/27/2019	1/1/2046	Variable ^(b)	100,000	100,000
2019B LTGO Multi-Modal (WQ) Refunding 2017 Bonds	6/27/2019	1/1/2046	Variable ^(b)	48,095	48,095
2020A LTGO (Transit) Various Purpose Bonds (Partial)	11/3/2020	12/1/2050	5.00%	21,065	20,825
2020B LTGO (Solid Waste) Refunding Bonds (Taxable) (Partial)	11/3/2020	12/1/2031	0.35-1.70%	19,975	19,640
2021A LTGO Solid Waste Bonds (Taxable) (Partial)	6/22/2021	12/1/2051	4.00-5.00%	24,475	24,475
2021A LTGO (WQ) (Sewer) and Refunding (State Revolving Loans) Bonds	8/10/2021	1/1/2038	2.00-5.00%	239,585	239,585
2021B LTGO (WQ) Refunding (Sewer) Bonds (Taxable)	8/10/2021	7/1/2036	0.14-2.24%	94,510	94,510
Total Limited Tax GO Bonds Payable From Enterprise Funds				<u>1,642,670</u>	<u>1,122,575</u>
IIB. Revenue Bonds Payable from Enterprise Funds					
2011C Sewer Revenue Refunding 2001, 2002A, and 2004A Bonds	11/1/2011	1/1/2022	3.00-5.00%	32,445	7,885
2012 Sewer Revenue and Refunding 2004A Bonds	4/18/2012	1/1/2024	5.00%	104,445	9,785
2012C Sewer Revenue and Refunding 2004A and 2006 Bonds	9/19/2012	1/1/2033	2.50-5.00%	65,415	11,330
2013A Sewer Revenue Refunding 2003, 2006, and 2005 Sewer-LTGO Bonds	4/9/2013	1/1/2027	2.00-5.00%	122,895	31,950
2013B Sewer Revenue and Refunding 2004B Bonds	10/29/2013	1/1/2044	2.00-5.00%	74,930	44,670
2014A Sewer Revenue Refunding 2007 Bonds	7/8/2014	1/1/2047	5.00%	75,000	75,000
2014B Sewer Revenue Refunding 2004B, 2006, 2006B, 2007 and 2008 Bonds	8/12/2014	7/1/2035	1.00-5.00%	192,460	153,030
2015A Sewer Revenue Refunding 2007, 2008, and 2009 Bonds	2/18/2015	7/1/2047	3.00-5.00%	474,025	256,710
2015B Sewer Revenue and Refunding 2006 Bonds	11/17/2015	1/1/2046	4.00-5.00%	93,345	65,680
2016A Sewer Revenue and Refunding 2007, 2008, 2009, 2010 Bonds	2/17/2016	7/1/2041	4.00-5.00%	281,535	262,385
2016B Sewer Revenue and Refunding 2006-2, 2010, 2011A, 2011B, 2011C	10/12/2016	7/1/2049	4.00-5.00%	499,655	445,510
2017A Sewer Revenue Refg 2009LTGO, 2010, 2011A, 2011B, 2011C Bonds	12/19/2017	7/1/2049	5.00%	149,485	117,865
2018B Sewer Revenue Refg 2010, 2011B, 2012 Bonds	11/15/2018	7/1/2032	5.00%	124,455	122,645
2020A Junior Lien Sewer Revenue Refunding 2001 (Mandatory Put Bonds)	7/14/2020	1/1/2032	Variable ^(c)	100,295	100,295
2020B Junior Lien Sewer Revenue Refunding 2011 (Mandatory Put Bonds)	7/14/2020	1/1/2042	Variable ^(c)	100,295	100,295
2020A Sewer Improvement and Refunding Revenue 2010 Bonds	8/4/2020	1/1/2052	1.625-5.00%	179,530	179,530
2020B Sewer Revenue Refunding 2012B, 2012C, 2013A, and 2016B (Txble)	8/4/2020	1/1/2040	0.27-2.48%	186,745	185,195
2021A Sewer Refunding 2015A Taxable Bonds	8/10/2021	7/1/2047	0.57-2.84%	231,200	231,200
2021A Junior Lien Sewer Revenue Refunding 2017A, 2017B, 2020 (SIFMA Index)	12/1/2021	1/1/2040	Variable ^(d)	140,000	140,000
Total Revenue Bonds Payable from Enterprise Funds				<u>3,228,155</u>	<u>2,540,960</u>

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 3 OF 3)

	<u>Issue</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Outstanding</u>
	<u>Date</u>	<u>Maturity</u>	<u>Rates</u>	<u>Issue</u>	<u>12/31/2021</u>
				<u>Amount</u>	
IIC. State Revolving Loans-Direct Borrowings Payable from Enterprise Funds					
2000-2020 WQ State of Washington Revolving Loans	Various	Various	0.50-3.10%	\$ 333,076	\$ 101,198
2019 Solid Waste State of Washington Revolving Loans	Various	Various	1.66%	3,166	2,985
Total State Revolving Loans-Direct Borrowings Payable from Enterprise Funds				<u>336,242</u>	<u>104,183</u>
IID. Capital Leases Payable from Enterprise Funds					
2000 Public Transportation Park and Ride Capital Leases	3/30/2000	12/31/2031	5.00%	4,722	1,940
Total Capital Leases Payable From Enterprise Funds				<u>4,722</u>	<u>1,940</u>
TOTAL BUSINESS-TYPE ACTIVITIES – LONG-TERM DEBT				<u>5,211,789</u>	<u>3,769,658</u>
TOTAL LONG-TERM DEBT				<u>\$ 6,717,161</u>	<u>\$ 4,842,219</u>

(b) The Multi-Modal 2019A Bonds initially will bear interest at Daily Interest Rate for Daily Interest Rate Periods and the Multi-Modal 2019B Bonds initially will bear interest at Weekly Interest Rates for Weekly Interest Rate Periods, subject to conversion to other Modes.

(c) The Junior Lien Sewer Revenue refunding bonds (Mandatory Put Bonds) Series 2020A and 2020B initially will bear interest at Daily Interest Rate at a Term Rate, subject to conversion to other Modes and while bearing interest at the Term Rates, will be issuable in authorized denominations of \$5,000 or any integral multiple thereof within a Series, with interest paid semi-annually on each January 1 and July 1, commencing on January 1, 2021, as further provided in the Mode Agreement.

(d) On December 3, 2021 the 2021A Junior Lien Sewer Revenue refunding bonds will bear interest at the Index Floating Rate for the Initial Index Floating Rate Period, subject to prior optional redemption on or after the Par Call Date. At the end of the Initial Index Floating Rate Period, the Bonds are subject to mandatory tender for purchase. The Bonds are also subject to mandatory tender for purchase and Conversion to a new Index Floating Rate or to a Daily Mode, Weekly Mode, Commercial Paper Mode, Fixed Mode, or Term Mode on or after the Par Call Date. No Credit Enhancement or Liquidity Facility secures payment of the Purchase Price of any Bonds that are not remarketed at the end of the Initial Index Floating Rate Period.

The following tables display the scheduled debt service payments for the next five years and in five-year increments thereafter:

DEBT SERVICE REQUIREMENTS TO MATURITY
(IN THOUSANDS)

Year	GOVERNMENTAL ACTIVITIES					
	General Obligation Bonds -				Total	
	General Obligation Bonds		Capital Lease		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 100,365	\$ 34,843	\$ 399	\$ 382	\$ 100,764	\$ 35,225
2023	90,045	30,812	402	349	90,447	31,161
2024	76,014	27,598	434	329	76,448	27,927
2025	73,150	24,833	455	308	73,605	25,141
2026	63,245	22,262	480	286	63,725	22,548
2027-2031	285,175	80,958	2,476	1,346	287,651	82,304
2032-2036	203,760	44,876	2,756	1,068	206,516	45,944
2037-2041	159,465	17,229	—	—	159,465	17,229
2042-2046	6,655	2,571	—	—	6,655	2,571
2047-2051	7,285	915	—	—	7,285	915
2052-2056	—	—	—	—	—	—
TOTAL	\$ 1,065,159	\$ 286,897	\$ 7,402	\$ 4,068	\$ 1,072,561	\$ 290,965

BUSINESS-TYPE ACTIVITIES

Year	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 66,490	\$ 52,390	\$ 162	\$ 93
2023	44,850	51,434	170	85
2024	53,240	48,901	179	76
2025	54,650	46,093	189	67
2026	64,670	43,479	198	57
2027-2031	323,860	157,669	1,042	126
2032-2036	251,970	74,868	—	—
2037-2041	104,975	49,879	—	—
2042-2046	152,995	41,962	—	—
2047-2051	4,875	624	—	—
2052-2056	—	—	—	—
TOTAL	\$ 1,122,575	\$ 567,299	\$ 1,940	\$ 504

**DEBT SERVICE
REQUIREMENTS
TO MATURITY**

Year	BUSINESS-TYPE ACTIVITIES						Primary Government	
	State Revolving Loans- Direct Borrowings		Revenue Bonds		Business-type Activities		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 5,346	\$ 2,168	\$ 79,055	\$ 99,785	\$ 151,053	\$ 154,436	\$ 251,817	\$ 189,661
2023	4,576	2,162	67,590	97,881	117,186	151,562	207,633	182,723
2024	5,045	2,138	76,545	94,938	135,009	146,053	211,457	173,980
2025	4,049	2,086	68,730	91,552	127,618	139,798	201,223	164,939
2026	4,041	2,014	70,215	88,103	139,124	133,653	202,849	156,201
2027-2031	19,486	1,942	373,380	389,930	717,768	549,667	1,005,419	631,971
2032-2036	19,775	1,869	592,920	302,184	864,665	378,921	1,071,181	424,865
2037-2041	13,156	1,796	626,975	207,405	745,106	259,080	904,571	276,309
2042-2046	11,154	1,721	438,270	102,426	602,419	146,109	609,074	148,680
2047-2051	12,705	1,646	140,025	22,870	157,605	25,140	164,890	26,055
2052-2056	4,850	1,570	7,255	666	12,105	2,236	12,105	2,236
TOTAL	\$ 104,183	\$ 21,112	\$ 2,540,960	\$ 1,497,740	\$ 3,769,658	\$ 2,086,655	\$ 4,842,219	\$ 2,377,620

Long-term liability activity is reported by King County within governmental activities and business-type activities. The summary of changes in long-term liabilities for the year ended December 31, 2021 is as follows (in thousands):

SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

	Balance 01/01/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Governmental Activities:					
General Obligation bonds payable:					
General Obligation (GO) bonds	\$ 628,425	\$ 543,120	\$ (106,386)	\$ 1,065,159	\$ 100,365
Unamortized bonds premium and discount	56,074	14,544	(11,703)	58,915	—
Total bonds payable	<u>684,499</u>	<u>557,664</u>	<u>(118,089)</u>	<u>1,124,074</u>	<u>100,365</u>
Other liabilities:					
General Obligation capital leases	7,793	—	(391)	7,402	399
Compensated absences liability	132,438	110,724	(110,417)	132,745	4,744
Net pension liability	255,893	57,773	(255,257)	58,409	—
Other postemployment benefits	89,498	2,997	(3,484)	89,011	5,447
Pollution remediation	4,436	—	(1,507)	2,929	—
Asset retirement obligation	3,200	300	—	3,500	—
Estimated claims settlements and other liabilities	153,137	106,366	(67,013)	192,490	64,530
Total other liabilities	<u>646,395</u>	<u>278,160</u>	<u>(438,069)</u>	<u>486,486</u>	<u>75,120</u>
Total Governmental activities long-term liabilities	<u>\$ 1,330,894</u>	<u>\$ 835,824</u>	<u>\$ (556,158)</u>	<u>\$ 1,610,560</u>	<u>\$ 175,485</u>
Business-type Activities:					
Bonds payable:					
General Obligation (GO) bonds	\$ 944,570	\$ 358,570	\$ (180,565)	\$ 1,122,575	\$ 66,490
GO bonds payable-Direct Placements	98,225	—	(98,225)	—	—
Revenue bonds	2,598,885	371,200	(429,125)	2,540,960	79,055
Unamortized bonds premium and discount	312,261	59,950	(67,542)	304,669	—
Total bonds payable	<u>3,953,941</u>	<u>789,720</u>	<u>(775,457)</u>	<u>3,968,204</u>	<u>145,545</u>
Other liabilities:					
Capital leases	2,094	—	(154)	1,940	162
State revolving loans-Direct Borrowings	247,287	16,693	(159,797)	104,183	5,346
Compensated absences liability	76,430	93,810	(94,199)	76,041	14,062
Net pension liability	195,718	30,218	(178,851)	47,085	—
Other postemployment benefits	17,121	1,354	(998)	17,477	1,070
Landfill closure and post-closure care liability	250,967	8,606	(17,205)	242,368	19,225
Pollution remediation	51,396	10,916	(4,863)	57,449	5,952
Asset retirement obligation	5,980	—	(50)	5,930	—
Customer deposits and other liability	79,617	814	(15)	80,416	316
Total other liabilities	<u>926,610</u>	<u>162,411</u>	<u>(456,132)</u>	<u>632,889</u>	<u>46,133</u>
Total Business-type activities long-term liabilities	<u>\$ 4,880,551</u>	<u>\$ 952,131</u>	<u>\$ (1,231,589)</u>	<u>\$ 4,601,093</u>	<u>\$ 191,678</u>

Governmental activities estimated claims settlements of \$192.5 million are liquidated by internal service funds. Governmental activities compensated absences, net pension liability and other postemployment benefits are liquidated by the governmental fund in which an employee receiving the payment is budgeted, including most notably, General Fund, Public Health Fund and County Road Fund.

State of Washington Revolving Loans-Direct Borrowings

Water Quality - Water Quality has received loans from the Washington State Department of Ecology under the Water Pollution Control State Revolving Fund Loan Program and the Washington State Department of Commerce under the Washington Public Works Trust Fund. State loans are secured by a subordinate lien on the net revenues of the system. Events of default under the loan agreements with the Department of Ecology include nonpayment of amounts due, failure to commence the project for which the loan was granted and unjustified failure to perform loan agreement obligations. Remedies include suspending any undisbursed loan proceeds and acceleration of the outstanding balance, provided that the loan is not subject to acceleration if any sewer revenue bonds are outstanding. Any state funds owed to the County may also be withheld. Events of default under the loan agreements with the Public Works Trust Fund include nonpayment of amounts due and failure to use loan proceeds for permitted activities. Remedies include withholding of any undisbursed loan proceeds, assessment of additional interest and notification to creditors.

Solid Waste - Solid Waste has received loans from the Washington State Department of Commerce under the Washington Public Works Board. State loans are secured by a subordinate lien on the net revenues of the system. Events of default under the loan agreements with the Department of Commerce include nonpayment of amounts due, failure to commence the project for which the loan was granted and unjustified failure to perform loan agreement obligations. Remedies include suspending any undisbursed loan proceeds and acceleration of the outstanding balance. Any state funds owed to the County may also be withheld.

Terms specified in debt agreement related to Events of Default with finance-related consequences and subjective acceleration clauses:

The County's outstanding 2019A/B Multi-Modal LTGO Water Quality Refunding bonds related to business-type activities in the combined amount of \$148.1 million are secured by a subordinate lien on the net revenue of the Water Quality system as well as the full faith and credit of the County. This outstanding 2019A/B Multi-Modal LTGO WQ Refunding bonds contain 1) provision that in the event of default under the standby bond purchase agreements that provide the liquidity support for the bonds includes non-payment of amounts due and ratings downgrades below certain thresholds and 2) a provision that if the County is unable to make payment, outstanding amounts are due immediately.

Authorized But Unissued

At December 31, 2021 the County had authorized \$3.3 billion of sewer revenue, general obligation bonds, loans, and commercial paper that remained unissued.

SCHEDULE OF AUTHORIZED BUT UNISSUED DEBT
(IN THOUSANDS)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES			PRIMARY GOVERNMENT
		Public Transportation	Water Quality	Solid Waste	
Commercial paper	\$ —	\$ —	\$ 94,090	\$ —	\$ 94,090
Loans	—	—	301,700	1,300	303,000
General Obligation bonds	1,798,215	18,800	905,000	197,800	2,919,815

Unused Lines of Credit

The County has no unused lines of credit at December 31, 2021.

Computation of Legal Debt Margin

Under Washington State law (RCW 39.36.020), a county may incur general obligation debt for general county purposes in an amount not to exceed 2.5 percent of the assessed value of all taxable property within the county. State law requires all property to be assessed at 100 percent of its true and fair value. Unlimited tax general obligation debt requires an approving vote of the people; any election to validate such general obligation debt must have a voter turnout of at least 40 percent of those who voted in the last state general election and, of those voting, 60 percent must be in the affirmative. The County Council may by resolution authorize the issuance of limited tax general obligation debt in an amount up to 1.5 percent of assessed value of property within the County for general county purposes and 0.75 percent for metropolitan functions (Wastewater Treatment and Public Transportation), but the total of limited tax general obligation debt for general county purposes and metropolitan functions should not exceed 1.5 percent of assessed value. No combination of limited and unlimited tax debt, for general county purposes, and no combination of limited and unlimited tax debt, for metropolitan functions, may exceed 2.5 percent of the valuation. The debt service on unlimited tax debt is secured by excess property tax levies, whereas the debt service on limited tax debt is secured by property taxes collected within the \$1.80 per \$1,000 of assessed value operating levy.

The legal debt margin computation for the year ended December 31, 2021 (in thousands):

2021 ASSESSED VALUE (2022 TAX YEAR)	<u>\$ 722,527,904</u>
Debt limit of limited tax general obligations for metropolitan functions	
0.75 % of assessed value	\$ 5,418,959
Less: Net limited tax general obligation indebtedness for metropolitan functions	<u>(1,128,885)</u>
LIMITED TAX GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 4,290,074</u>
Debt limit of limited tax general obligations for general county purposes and metropolitan functions	
1.5 % of assessed value	\$ 10,837,919
Less: Net limited tax general obligation indebtedness for general county purposes	\$ (910,029)
Net limited tax general obligation indebtedness for metropolitan functions	<u>(1,128,885)</u>
Total net limited tax general obligation indebtedness for general county purposes and metropolitan functions	<u>(2,038,914)</u>
LIMITED TAX GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES AND METROPOLITAN FUNCTIONS	<u>\$ 8,799,005</u>
Debt limit of total general obligations for metropolitan functions	
2.5% of assessed value	\$ 18,063,198
Less: Net total general obligation indebtedness for metropolitan functions	<u>(1,128,885)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 16,934,313</u>
Debt limit of total general obligations for general county purposes	
2.5 % of assessed value	\$ 18,063,198
Less: Net unlimited tax general obligation indebtedness for general county purposes	\$ (43,053)
Net limited tax general obligation indebtedness for general county purposes	<u>(910,029)</u>
Total net general obligation indebtedness for general county purposes	<u>(953,082)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES	<u>\$ 17,110,116</u>

Refunding and Defeasing General Obligation Bond Issues - 2021

Limited Tax General Obligation Refunding Bonds, 2021 Series B (Taxable) - On December 1, 2021, the County issued \$30.4 million in limited tax general obligation refunding bonds, 2021 Series B with an effective interest cost of 0.69 percent to advance refund \$33.0 million of outstanding limited tax general obligation bonds 2011, 2011 Series D, 2012 Series A, and 2012 Series B.

The net proceeds were used to purchase U.S. government securities that were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the governmental activities column of the statement of net position.

The reacquisition price was less than the net carrying amount of the old debt by \$1.1 million. This amount, reported in the statement of net position, is being charged to operations through fiscal year 2029, using the outstanding principal balance method. This advance refunding was undertaken to reduce total debt service payments by \$2.3 million over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$2.2 million.

Limited Tax General Obligation Refunding Bonds, 2021 Series A (Taxable) - On August 10, 2021, the County issued \$239.6 million in limited tax general obligation and refunding bonds, 2021 Series A. \$126.4 million of these bonds with an effective rate of 1.2 percent was used to refund \$147.2 million of County's State Loans in the Water Pollution Control State Revolving Fund Loan Program.

This refunding was undertaken to reduce total debt service payments by \$13.3 million over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$12.9 million.

Limited Tax General Obligation Refunding Bonds, 2021 Series B (Taxable) - On August 10, 2021, the County issued \$94.5 million in limited tax general obligation refunding bonds, 2021 Series B with an effective interest cost of 1.99 percent to advance refund \$81.2 million of outstanding limited tax general obligation bonds, 2015A.

The net proceeds were used to purchase U.S. government securities that were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the business-type activity column of the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$10.8 million. This amount, reported in the statement of net position, is being charged to operations through fiscal year 2040, using the outstanding principal balance method. This advance refunding was undertaken to reduce total debt service payments by \$17.7 million over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$14.3 million.

Refunding and Cash Defeasance Sewer Revenue Bond Issues - 2021

Junior Lien Sewer Revenue Refunding Bond (SFIMA Bonds), 2021 Series A - On December 16, 2021, the County issued \$140.0 million in Floating Rate Notes (FRN) with the interest rate set at a fixed spread over the Securities Industry and Financial Markets Association (SIFMA) Index with a 5-year mandatory tender date on January 1, 2027. The proceeds from this issuance, in addition to a \$6.9 million cash contribution from operations, were used to refund \$96.4 million of the County's Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), Series 2017A and B, and retire \$50.0 million in commercial paper maturities.

Sewer Refunding Revenue Bonds, 2021 Series A - On August 10, 2021, the County issued \$231.2 million in Sewer Refunding Revenue Bonds, 2021 series A with an effective interest cost of 2.54 percent to current refund \$198.7 million of outstanding Sewer Revenue Bonds, 2015A. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the business-type activities column of the statement of net position.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$31.8 million. This amount, reported in the statement of net position, as a deferred inflow of resources and is being charged to operation through fiscal year 2047. This current refunding was undertaken to reduce total debt service payments by \$58.4 million over the life of the bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$41.0 million.

2021 Partial Cash Defeasance of Sewer Revenue and Refunding Bonds, 2012A, 2012 - On November 10, 2021, the County purchased Treasury securities at a cost of \$78.6 million and placed them in an escrow to pay interest and redeem at their earliest redemption dates \$72.1 million of outstanding Sewer Revenue and Refunding Bonds, Series 2012A, 2012B, and 2015A. Funding for the escrow came from operations. As a result, a portion of series 2012 bonds are considered defeased and the liability for those bonds has been removed from the business-type activities column of the statement of net position. Water Quality undertook the defeasance in order to reduce future debt service payments.

Prior Year Refunded and Defeasance of Debt

As of December 31, 2021, King County has 17 refunded and defeased bond issues outstanding, consisting of nine limited tax general obligation bonds (\$299.9 million) and eight sewer revenue bonds (\$461.3 million). In prior years, the County defeased these bonds by placing the proceeds of the new bonds in an irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the payments of principal and interest on these old bond issues are the responsibility of the escrow agent, U.S. Bank National Association, and the liability for the defeased bonds has been removed from the County's financial statement.

Asset Retirement Obligations

In 2021, the County reported asset retirement obligations (ARO) in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*. The liability is measured at its current value and based on professional judgment, experience, and historical cost data.

The following tables summarize the County's AROs as of December 31, 2021 (in thousands):

Governmental Activities		Major Funds				Nonmajor Enterprise Funds
Business- type Activities	Total Enterprise Funds	Public Transportation	Water Quality	Solid Waste		
\$ 3,500	\$ 5,930	\$ 3,480	\$ 1,350	\$ 850	\$ 250	

The County's ARO relates to the disposition of underground storage tanks (USTs) and stormwater dams due to applicable regulations and requirements. The estimated remaining useful life of the USTs and stormwater dams range from one to 50 years.

The liability could change over time as new information becomes available as a result of changes in technology, legal or regulatory requirements, and types of equipment, facilities or services that will be used to meet the obligation to dispose of the USTs and stormwater dams.

Component Unit - NJB Properties

The following tables summarize the scheduled maturity dates of bond principal over the next five years and in the aggregate of the discretely presented component unit NJB Properties as reported in its separately issued financial statements (in thousands):

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding at 12/31/21
Lease Revenue Bonds, 2006 Series A	12/5/2006	12/1/2036	5.00-6.00%	\$ 179,285	\$ 5
Lease Revenue Bonds, 2006 Series B	12/5/2006	12/1/2036	5.00-6.00%	10,435	7,665
Total Bonds Payable				<u>\$ 189,720</u>	<u>\$ 7,670</u>

Year	Principal
2022	\$ 345
2023	360
2024	380
2025	400
2026	425
Thereafter	5,760
Total	<u>\$ 7,670</u>

Note 16

Interfund Balances and Transfers

Interfund Balances

Due from/to other funds and interfund short-term loans receivable and payable (in thousands):

Fund types with account balances of less than \$500 thousand are aggregated into "All Others."

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Public Health	\$ 1,629
	Nonmajor Governmental Funds	4,216
	All Others	318
Behavioral Health Fund	General Fund	2,179
	Nonmajor Governmental Funds	3,544
Housing and Community Development Fund	Nonmajor Governmental Funds	9,288
	All Others	124
Public Health	Nonmajor Governmental Funds	3,921
	All Others	1
Nonmajor Governmental Funds	Public Health	33,786
	Nonmajor Governmental Funds	39,595
	All Others	587
Public Transportation Enterprise	General Fund	839
	Nonmajor Governmental Funds	8,196
Water Quality Enterprise	General Fund	2,667
	Nonmajor Governmental Funds	2,134
Solid Waste Enterprise	Nonmajor Governmental Funds	1,709
	All Others	82
Nonmajor Enterprise Funds	All Others	232
	Internal Service Funds	Nonmajor Governmental Funds
		All Others
Total interfund balances		<u>\$ 125,032</u>

The interfund balances resulted from the time lag between the dates: (1) when interfund goods and services were provided or reimbursable expenditures incurred, and when interfund payments were made; and (2) when interfund short-term loans were made and when the loans were repaid.

Advances from/to other funds (in thousands)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 39,591
Internal Service Funds	Nonmajor Governmental Funds	47,345
	Internal Service Funds	2,240
Total advances from/to other funds		<u>\$ 89,176</u>

All of these advances consisted of loans made for the purpose of cash flow. None of the advances are scheduled to be repaid in 2022.

Interfund Transfers (in thousands)

Fund types with account balances of less than \$500 thousand are aggregated into "All Others."

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Behavioral Health Fund	\$ 3,991
	Housing & Community Development	1,414
	Public Health	27,567
	Nonmajor Governmental Funds	63,939
	Internal Service Funds	1,013
Behavioral Health Fund	General Fund	7,545
	Nonmajor Governmental Funds	5,829
	All Others	77
Housing & Community Development	Behavioral Health Fund	503
	Nonmajor Governmental Funds	2,062
	Internal Service Funds	2,352
Public Health	Nonmajor Governmental Funds	1,121
Nonmajor Governmental Funds	General Fund	17,624
	Behavioral Health Fund	14,608
	Housing & Community Development	32,492
	Public Health	66,687
	Nonmajor Governmental Funds	213,481
	Internal Service Funds	1,075
	All Others	250
Public Transportation Enterprise	Nonmajor Governmental Funds	3,791
	All Others	81
Water Quality Enterprise	Nonmajor Governmental Funds	1,509
Solid Waste Enterprise	Nonmajor Governmental Funds	1,381
Nonmajor Enterprise Funds	All Others	410
Internal Service Funds	Nonmajor Governmental Funds	24,628
Total interfund transfers		<u>\$ 495,430</u>

Transfers are used to move resources from a fund collecting them to the fund using them, as required by statute or budget, and to account for ongoing operating subsidies between funds in accordance with budget authorizations.

Note 17

Related Party Transactions

Harborview Medical Center (HMC), a discretely presented component unit of King County, makes monthly occupancy fee and rental payments to the County for use of the Patricia Steel Memorial Building and the Ninth & Jefferson Building (NJB). The County became the legal owner of the Patricia Steel Memorial Building in December 2012 when it refinanced the original developer issued bonds. HMC will continue to use the building. Rent is also paid by HMC to the County for use of NJB, owned by a nonprofit corporation that is a discrete component unit of the County. The County is contractually obligated for the debt service on the lease revenue bonds issued by the nonprofit which funded construction of NJB. In both situations, HMC has agreed to include the annual rental payments in its operating budget for as long as it uses the buildings. In 2021, the primary government received \$14.0 million in building lease and occupancy revenues from HMC. In addition, HMC made \$5.0 million in payments to Public Health - Seattle and King County for mission-related purposes.

The Cultural Development Authority (CDA), a discretely presented component unit of King County, annually receives funding from various County funds under the One Percent for Art program. Revenues are used to support activities related to the development and maintenance of County public art. In 2021, the King County primary government transferred \$6.1 million to the CDA. The CDA spent net \$900 thousand on art projects, for which the County recorded a corresponding decrease in receivables from the CDA and an increase in artwork. In addition, King County made a \$2.5 million loan (net of repayments) for the Building 4Equity program, a \$5.2 million revenue transfer in support of the Building 4Equity program and \$289 thousand payment to the CDA for mission-related purposes.

The Public Transportation Enterprise (Metro Transit) entered into a ground lease agreement as lessor with King County Housing Authority (KCHA) for the development of affordable housing units and a parking garage in the City of Redmond. The land under the lease has a cost of \$1.3 million. KCHA is a related organization of King County. The lease provides for a minimum set-aside of 150 parking stalls for park-and-ride commuters. The lease calls for an annual lease payment with a 3.0 percent increase each year, commencing with the year ended December 31, 2003. The lease payment is due within 90 days following the end of each calendar year. A portion of the annual lease payment is restricted for use on future Federal Transit Administration projects. The term of the lease is 50 years with one option to extend for 25 years. Transit reported lease revenue of \$51 thousand in 2021.

The King County Regional Homelessness Authority (RHA) is a jointly-governed organization, formed in December 2019 as further discussed in Note 1. In support of this new regional government, the County agreed via Ordinance 19039 to make facilities available to the RHA for its operations. The RHA took occupancy of space in the County's Yesler Building on March 1, 2020 although the COVID-19 pandemic delayed the completion of tenant improvements, hiring of RHA staff, and the start of the RHA's operations into 2021. The County has recorded an in-kind contribution totaling \$539 thousand in 2021 for the associated cost of the occupied space.

Note 18

Components of Fund Balance, Restatements and Restrictions

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is classified into three components:

Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt attributed to the acquisition, construction, or improvement of those assets.

Restricted net position - Results when constraints are placed on net position use either by external parties or by law through constitutional provision or enabling legislation. Restricted net position for other purposes for the year ended December 31, 2021, was as follows:

	<u>Governmental Activities</u>	<u>Component Units</u>
Net position restricted for other purposes:		
General government	\$ 55,662	\$ —
Law, safety and justice	171,886	—
Physical environment	37,845	—
Transportation	64,823	—
Health and human services - nonexpendable	—	3,395
Culture and recreation - expendable	167,939	—
Total net position restricted for other purposes	<u>\$ 498,155</u>	<u>\$ 3,395</u>

Unrestricted net position - Consists of net position that does not meet the definition of the two preceding categories.

Components of Fund Balance

King County's governmental fund balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- *Nonspendable.* Balances that either are not in a spendable form or are legally or contractually required to remain intact.
- *Restricted.* Balances restricted for specific purposes by the constitution, enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments.
- *Committed.* Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Metropolitan King County Council. A Council ordinance or motion is required to establish, modify or rescind a commitment of fund balance.
- *Assigned.* Balances that are constrained by management to be used for specific purposes, but are neither restricted nor committed. Assignments are authorized by chief officers of executive departments and administrative offices.
- *Unassigned.* Residual balances that are not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Rainy Day Reserve Ordinance 15961 created the Rainy Day Reserve for the purpose of accumulating revenues to be available for emergencies. The fund is fully invested for its own benefit. The ordinance states that the Rainy Day

Reserve shall be used in the event of an emergency, as declared by a vote of the County Council, for the following purposes:

- Maintenance of essential county services in the event that current expense fund revenue collections in a given fiscal year are less than 97 percent of adopted estimates;
- Payment of current expense fund legal settlements or judgments in excess of the County's ability to pay from other sources;
- Catastrophic losses in excess of the County's other insurances against such losses; and
- Other emergencies as determined by the County Council.

The Rainy Day Reserve is reported as part of the General Fund. As of December 31, 2021, it had a committed fund balance of \$22.0 million.

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

	General Fund	Behavioral Health Fund	Housing and Community Development Fund	Public Health Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Animal Services	\$ —	\$ —	\$ —	\$ —	\$ 10	\$ 10
Arts and Cultural Development	—	—	—	—	16,401	16,401
Building Repair and Replacement	—	—	—	—	1,489	1,489
Conservation Futures	—	—	—	—	450	450
Dept of Natural Resources and Parks Admin	—	—	—	—	8	8
Emergency Medical Services	—	—	—	—	190	190
General Fund	43	—	—	—	—	43
Grants Fund	—	—	—	—	236	236
Housing and Community Development	—	—	299,815	—	—	299,815
Information and Telecommunication Capital	—	—	—	—	78	78
Long-Term Leases	—	—	—	—	2,511	2,511
Parks Capital Projects	—	—	—	—	3,612	3,612
Parks Operating Levy	—	—	—	—	35	35
Public Health	—	—	—	733	—	733
Total Nonspendable Fund Balance	43	—	299,815	733	25,020	325,611
Restricted for:						
Animal Services	—	—	—	—	3,894	3,894
Arts and Cultural Development	—	—	—	—	9,854	9,854
Automated Fingerprint Identification System	—	—	—	—	29,339	29,339
Behavioral Health	—	32,578	—	—	—	32,578
Best Starts For Kids Levy	—	—	—	—	18,451	18,451
Building Repair and Replacement	—	—	—	—	8,420	8,420
Community Services Operating	—	—	—	—	3,885	3,885
Conservation Futures	—	—	—	—	34,012	34,012
County Roads Operating	—	—	—	—	21,106	21,106
Crime Victim Compensation Program	703	—	—	—	—	703
Deferred Compensation Admin	307	—	—	—	—	307
Developmental Disabilities	—	—	—	—	7,972	7,972
Dispute Resolution	21	—	—	—	—	21
Drug Enforcement	1,441	—	—	—	—	1,441
Emergency Medical Services	—	—	—	—	78,752	78,752
Employment and Education Resources	—	—	—	—	1,080	1,080
Enhanced 911 Emergency Telephone System	—	—	—	—	55,529	55,529
Environmental Health	—	—	—	—	13,361	13,361
Flood Control District	—	—	—	—	65,217	65,217
Grants Fund	—	—	—	—	934	934
Health Through Housing	—	—	—	—	55,896	55,896
Harborview Health and Safety	—	—	—	—	21,004	21,004
Historical Preservation	—	—	—	—	585	585
Housing and Community Development	—	—	287,162	—	—	287,162
Information and Telecommunication Capital	—	—	—	—	8,050	8,050
King County Flood Control Contract	—	—	—	—	39	39
Law Library	—	—	—	—	734	734
Local Hazardous Waste	—	—	—	—	16,332	16,332
Lodging Tax	—	—	—	—	25,479	25,479
Major Maintenance	—	—	—	—	17,119	17,119
Mental Illness and Drug Dependency	—	—	—	—	43,847	43,847
Noxious Weed Control	—	—	—	—	2,091	2,091
Open Space Acquisition Program	—	—	—	—	103	103
Parks Capital Projects	—	—	—	—	142,741	142,741
Parks Operating Levy	—	—	—	—	29,183	29,183
Permitting and Abatement	—	—	—	—	1,994	1,994
Public Health	—	—	—	37,919	—	37,919
Puget Sound Emergency Radio Network	—	—	—	—	16,643	16,643
Puget Sound Taxpayer Accountability	—	—	—	—	3,475	3,475

A summary of governmental fund balances at December 31, 2021, continues (in thousands) (page 2 of 2):

	General Fund	Behavioral Health Fund	Housing and Community Development Fund	Public Health Fund	Nonmajor Governmental Funds	Total
Restricted for - continued:						
Real Estate Excise Tax Capital	—	—	—	—	54,179	54,179
Real Property Title Assurance	25	—	—	—	—	25
Recorder's Operations and Maintenance	—	—	—	—	3,578	3,578
Roads Capital Program	—	—	—	—	42,555	42,555
Road Improvement Districts	—	—	—	—	15	15
Surface Water Program	—	—	—	—	37,551	37,551
Treasurer's Operations and Maintenance	—	—	—	—	698	698
Unlimited GO Bond Redemption	—	—	—	—	2,454	2,454
Urban Reforestation and Habitat Restoration	—	—	—	—	250	250
Veterans' Relief	—	—	—	—	1,314	1,314
Veterans, Seniors and Human Services	—	—	—	—	24,540	24,540
Youth Services Facilities	—	—	—	—	113	113
Youth Amateur Sports	—	—	—	—	5,850	5,850
Total Restricted Fund Balance	2,497	32,578	287,162	37,919	910,218	1,270,374
Committed for:						
Antiprofitteering Program	69	—	—	—	—	69
Housing and Community Development	—	—	725	—	—	725
Rainy Day Reserve	21,983	—	—	—	—	21,983
School District Impact Fees	—	—	—	—	140	140
Transfer of Developer Credit	—	—	—	—	17,137	17,137
Wheelchair Access	2,565	—	—	—	—	2,565
Youth Amateur Sports	—	—	—	—	1,383	1,383
Total Committed Fund Balance	24,617	—	725	—	18,660	44,002
Assigned for:						
Behavioral Health	—	5,001	—	—	—	5,001
Dept of Natural Resources and Parks Admin	—	—	—	—	1,169	1,169
District Court	6,608	—	—	—	—	6,608
DLS Admin	—	—	—	—	1,241	1,241
Enhanced 911 Emergency Telephone System	—	—	—	—	317	317
General Government	443	—	—	—	—	443
Housing and Community Development	—	—	1,400	—	—	1,400
Information and Telecommunication Capital	—	—	—	—	7,576	7,576
Inmate Welfare	2,424	—	—	—	—	2,424
Limited GO Bond Redemption	—	—	—	—	7,275	7,275
Major Maintenance	—	—	—	—	4,128	4,128
Mental and Physical Health	539	—	—	—	—	539
Public Health	—	—	—	66	—	66
Public Safety	1,934	—	—	—	—	1,934
Total Assigned Fund Balance	11,948	5,001	1,400	66	21,706	40,121
Unassigned for:						
Arts and Cultural Development	—	—	—	—	(21,089)	(21,089)
Building Repair and Replacement	—	—	—	—	(18,998)	(18,998)
Dept of Community and Human Services Admin	—	—	—	—	(2,672)	(2,672)
Dept of Local Services Capital	—	—	—	—	(37)	(37)
General Fund	222,255	—	—	—	—	222,255
Harborview Health and Safety	—	—	—	—	(191)	(191)
King County Flood Control Contract	—	—	—	—	(106)	(106)
Long-Term Leases	—	—	—	—	(11,056)	(11,056)
Permit and Environmental Review	—	—	—	—	(1,179)	(1,179)
Risk Abatement	—	—	—	—	—	—
Total Unassigned Fund Balance	222,255	—	—	—	(55,328)	166,927
Total Fund Balance	\$ 261,360	\$ 37,579	\$ 589,102	\$ 38,718	\$ 920,276	\$ 1,847,035

Restatements of Beginning Balances

Detailed information regarding restatements of beginning balances are below (in thousands):

GOVERNMENTAL ACTIVITIES

Changes in Net Position	Governmental	Internal
	Activities	Service Funds
Net position - January 1, 2021	\$ 3,697,692	\$ 288,041
Change in capital asset purpose	14	—
Departmental shifts	27,596	(41)
Missed loan program	244,331	—
Accounts receivable for anticipated land sale	(550)	—
Net position - January 1, 2021 (Restated)	<u>\$ 3,969,083</u>	<u>\$ 288,000</u>

Changes in Fund Balance	Major Funds					Nonmajor Governmental Funds
	Total Governmental Funds	General Fund	Behavioral Health	Housing and Community Development	Public Health	
Fund balance - January 1, 2021	1,017,502	\$ 200,790	\$ (30,953)	\$ —	\$ —	\$ 847,665
Change in major fund status	—	—	—	61,014	33,865	(94,879)
Departmental shifts	41	168	—	—	—	(127)
Missed loan program	244,331	—	—	244,331	—	—
Accounts receivable for anticipated land sale	(550)	—	—	—	—	(550)
Fund balance - January 1, 2021 (Restated)	<u>\$ 1,261,324</u>	<u>\$ 200,958</u>	<u>\$ (30,953)</u>	<u>\$ 305,345</u>	<u>\$ 33,865</u>	<u>\$ 752,109</u>

Governmental Activities

In 2021, departmental restructuring resulted in the deferred compensation function moving from an internal service fund function to a general government function and internal service fund activities moving from business-type activities to governmental activities. In addition, the reduction in the Nonmajor Governmental Funds and increase in the General Fund was the result of the shift of reporting the Lodging Tax Fund as a special revenue fund.

Following issuance of GASB Technical Bulletin 2020-1, along with subsequent conversations with and research by GASB staff, the County is adjusting the beginning balance of the Housing and Community Development fund by \$244.3 million. This represents the principal balance of forgivable low income housing construction loans (Notes Receivable) issued in prior years that have not met the requirements for forgiveness at the balance sheet date.

The County Roads Operating fund rectified an error, in the amount of \$536 thousand, in how a single parcel of land was reported on its financial statements in 2020. A \$550 thousand adjustment was required to write off Accounts Receivable related to the failed sale and a \$14 thousand loss on the sale was unrecognized.

The County reported two additional major funds in 2021. Housing and Community Development and Public Health funds were reported as nonmajor governmental funds in 2020.

BUSINESS-TYPE ACTIVITIES

Changes in Net Position	Business-type Activities	Total Enterprise Funds	Major Funds			Nonmajor Enterprise Funds
			Public Transportation	Water Quality	Solid Waste	
Net position - January 1, 2021	\$ 4,273,456	\$ 4,135,712	\$ 3,010,000	\$ 893,645	\$ 13,777	\$ 218,290
Change in fund classification	(27,596)	—	63,176	—	—	(63,176)
Net position - January 1, 2021 (Restated)	<u>\$ 4,245,860</u>	<u>\$ 4,135,712</u>	<u>\$ 3,073,176</u>	<u>\$ 893,645</u>	<u>\$ 13,777</u>	<u>\$ 155,114</u>

Business-type Activities

In 2021, departmental restructuring resulted in the Marine fund, formerly reported as a nonmajor enterprise fund, consolidating with the Public Transportation fund, reported as a major fund. In addition, departmental restructuring resulted internal service fund activities moving from business-type activities to governmental activities.

COMPONENT UNITS

Changes in Net Position	Component Units	Harborview Medical Center	Cultural Development Authority	NJB Properties
Net position - January 1, 2021	\$ 736,616	\$ 730,817	\$ 5,135	\$ 664
Updated CDA statements after publication	405	—	405	—
Net position - January 1, 2021 (Restated)	<u>\$ 737,021</u>	<u>\$ 730,817</u>	<u>\$ 5,540</u>	<u>\$ 664</u>

Component Units

Cultural Development Authority (CDA) published audited 2020 financial statements after the County released its 2020 financial statements resulting in an increase in the receivable from King County of \$1.3 million offset by an increase in payables of \$849 thousand for a net impact of \$405 thousand increase to its net position.

Restricted Net PositionComponent Unit - Harborview Medical Center (HMC)

Restricted expendable net position - \$10.9 million of expendable net position is restricted for either capital purposes use or through donor restrictions. Restrictions are imposed by King County on the use of resources for designated capital projects. Other restrictions are placed by donors or external parties, such as creditors, through purpose or time restrictions on the use of the assets.

Restricted nonexpendable net position - The \$3.4 million consists of permanent endowments provided by donors with restrictions requiring HMC to maintain the assets in perpetuity.

Component Unit - Cultural Development Authority of King County (CDA)

Restricted expendable net position - \$4.6 million is restricted by RCW 67.28.180.3 and King County ordinance to be used for the arts and heritage cultural program awards fund and special account, for which the amount is derived according to a specified formula, and one percent for public arts program.

Note 19

Legal Matters, Financial Guarantees and Other Commitments

Pending Litigation and Other Claims

King County and its agencies are parties to routine legal proceedings that normally occur in governmental operations. At any given point, there may be numerous lawsuits that could significantly impact expenditures and future budgets. The County's threshold for disclosure of loss contingencies is \$1.0 million.

The following litigation or potential litigation may involve claims for material damages that may be asserted against King County. However, the County can provide no opinion as to the ultimate outcome, or estimate the amount of damages that may be found, except as described below:

Denny Way CSO Model Toxic Control Act Cleanup - A potential requirement for additional cleanup in the area contaminated when the Denny Way combined sewer outflow was replaced in 2005. The King County Wastewater Treatment Division (WTD) has already performed interim cleanup costing \$3.6 million to comply with an agreed order issued by the Washington State Department of Ecology (DOE). WTD has recently engaged in negotiations with DOE to prepare a remedial investigation, feasibility study and draft cleanup action plan and to implement what may be an interim or final cleanup action. It is unclear what final remedy DOE may select. Therefore, we are unable to determine an amount, if any, for which WTD may be responsible.

East Waterway Operable Unit of the Harbor Island Superfund Site - The Port of Seattle has completed a significant removal action in the East Waterway. In addition, the Port of Seattle under administrative order to the Environmental Protection Agency (EPA) has completed the site investigation including a supplemental Remedial Investigation/Feasibility Study (RI/FS). A three-way agreement with the Port of Seattle, the City of Seattle and King County covers the participation of the City, the Port and the County in the RI/FS process and allocates to the County a one-third pro rata share of the study costs as defined in the agreement. These costs are subject to reallocation among Potentially Responsible Parties (PRP), and the County, City and Port have now begun their efforts to seek contribution from other PRPs for these and future site costs. The County, City and Port are in early discussions with over 20 other parties to begin participation in an alternative dispute resolution process, called an allocation, to determine shares of liability for the costs of the investigation and cleanup. Because the parties do not yet know their respective shares of cleanup costs and no consent decree has been negotiated with EPA, we are unable to determine the schedule or cost of any required remediation. In addition, we are unable to determine the extent to which King County and WTD (which has been covering the costs of the County's share to date) will be responsible for the cost of such remediation. EPA's next step is issuance of a Proposal Plan that would select the site remedy.

Lower Duwamish Waterway - EPA issued an administrative order that required King County, City of Seattle, Boeing and Port of Seattle to conduct studies to determine the nature and extent of contamination in the Lower Duwamish Waterway. The County and the other three parties have agreed with EPA to amend the administrative order to conduct additional studies. The last two amendments cover the first two (of three) phases of remedy design. EPA's Record of Decision (ROD), issued in 2014, contains EPA's final plan for cleanup. King County and other parties are participating in an alternative dispute resolution process, called an allocation, to determine shares of liability for the costs of the cleanup. A preliminary result has been issued on party shares, but the parties are awaiting the final result. If parties that participate in the allocation accept their allotted shares, they expect to enter into a settlement agreement and to negotiate a consent decree with EPA to implement cleanup. Because the parties do not know their respective shares of cleanup costs and no consent decree has been negotiated, we are unable to determine the extent to which King County and WTD (which has been covering the County's share of costs to date) or other divisions will be responsible for the cost of such remediation.

Lower Duwamish Waterway - Possible Natural Resource Damages - King County has participated in discussions with National Oceanic and Atmospheric Administration (NOAA) regarding alleged natural resource damages (NRD) in the Lower Duwamish Waterway and around Harbor Island. These discussions have included NOAA's determination that the County may be a potentially liable party that has contributed to the release of hazardous substances that have injured natural resources. NOAA notified the County in 2016 that the Natural Resources Trustees will proceed with a NRD assessment and invited the County to participate in the development of the assessment. The County notified NOAA in 2016 and again in 2019 that the County desires to conduct settlement discussions regarding the NRD liability that NOAA attributes to the County. The County is currently in the process of negotiating a settlement with NOAA but cannot predict the amount or likelihood of settlement at this point in time.

North Lake Union Site Model Toxics Control Act Cleanup - In the 1970s King County acquired a bulk fueling terminal on the north shore of Lake Union in the vicinity of Gasworks Park and used it as a maintenance base and fuel storage facility. In the early 1990s the upland portion of the site was identified by the DOE as a potential source of environmental contamination under the Model Toxics Control Act. In 1999 the former owner and King County entered into an interim cost-sharing agreement, and entered into a Consent Decree with DOE for final cleanup actions and over a period of years, performed shallow soil remediation and groundwater remediation required under the Consent Decree. In 2009 King County sold a portion of the site to a developer after the developer entered into a separate Prospective Purchaser Consent Decree (PPCD) for its portion of the site in 2007. During 2014 through 2015 the developer performed the deep soil excavation required under its PPCD and in 2016 DOE declared the developer's cleanup complete and closed out the PPCD. However, under the 1999 Consent Decree, the former owner and King County remain obligated to monitor groundwater on the site and DOE has reserved the right to require additional or different remedial actions at the site if new or different information comes to light. Therefore, we are presently unable to determine an amount, if any, for which King County and Metro Transit may be responsible.

Notice of Intent to Sue under the Clean Water Act - In July 2020 the Suquamish Tribe submitted a Notice of Intent to Sue (NOI) under the Clean Water Act (CWA) for alleged County discharges of untreated wastewater in violation of the County's discharge permits. The Tribe submitted several Supplemental NOIs in 2021. Civil penalties available under the CWA are a maximum of \$63 thousand per violation per day. The County and the Tribe have reached a tentative settlement agreement which is conditioned on King County Council approval. The settlement agreement would require the County to pay close to \$5.0 million for Supplemental Environmental Projects and mitigation for the alleged discharge events occurring during the past five years and any possible future discharge events through December 31, 2026. If the settlement agreement is not approved, the County believes that it has some available defenses to a potential CWA lawsuit related to these discharges and would vigorously defend against such an action.

Georgetown Wet Weather Station - This project involves construction of a new 70 million gallon per day capacity wet weather treatment station for treating combined sewer overflow wastewater. The contract was awarded at \$96.2 million. The contractor seeks approximately \$12.0 million in additional compensation for claims including for contaminated soil, schedule delays in obtaining a shoring and dewatering permit, addressing a sinkhole and water intrusion that occurred while driving secant pile shaft and additional costs associated with electrical work. The County has disputed the contractor's request for entitlement. A date for mandatory mediation has not yet been set, but is anticipated to occur in Spring 2023, after the project obtains substantial completion. Mediation is a condition precedent to litigation. The matter has not been referred to external legal counsel.

Sunset and Heathfield Pump Stations and Force Main Upgrade Project - The project involves installation of eight new raw sewage pumps, four at the Sunset Pump Station and four at the Heathfield Pump Station and related improvements to these facilities, including upgrades to electrical systems, mechanical systems and conveyance system piping. The contract was awarded at \$36.6 million, with \$47 thousand paid to date. The contractor has submitted a \$8.9 million request for change order from the County for work to address ongoing vibration issues and mechanical failures in the installed pumps. At present, the contractor has left the project and is negotiating a standstill and closeout agreement with the County to avoid the need to terminate the contractor and allow the parties to meaningfully prepare for mandatory mediation. The mediation is scheduled for July 18, 2022. The matter has not been referred to external legal counsel.

Legal Financial Obligation Refunds - In *State v. Blake*, 197 Wn.2d 170, 173 (2021), the Washington Supreme Court invalidated Washington's simple drug possession statute. The effect of this decision is to render void all such convictions dating back to 1971. Under due process, all penalties, fines and restitution (legal financial obligations or LFOs) ordered in connection with simple possession convictions must be refunded. Shortly after the *Blake* decision, a putative class action was filed by the Civil Survival Project (CSP) against King County, Snohomish County and the State of Washington seeking a refund of LFOs and other unspecified damages. The obligation to refund LFOs is not disputed, but the question of whether refunds are the responsibility of the County or the State is in dispute. The counties believe that this is exclusively a state liability. The *Blake* decision invalidates at least 54 thousand convictions in superior court dating back to 1971 and implicates at least \$9.5 million in refunds of LFOs related to criminal convictions for simple drug possession obtained for the State of Washington out of King County. The State of Washington has rejected a tender of the CSP matter from the counties. In Fall 2021, the CSP class action lawsuit was dismissed with prejudice. Plaintiffs have filed an appeal that is unlikely to be resolved until 2023. King County and numerous other counties along with the Washington Association of Counties has filed a suit against the State to both enforce the tender of any *Blake*-related suits and to ensure that *Blake*-related liabilities belong to the State, not to the counties. The Washington Legislature has provided ample funding thus far for the County to process

vacations and refund LFOs on behalf of the State, including additional funding for state fiscal year 2023 and proviso language that suggests an ongoing State responsibility.

Permitting - In December 2021 the Department of Ecology issued the Puget Sound Nutrient General Permit (PSNGP) which applies to all 58 wastewater treatment plants in the State. To comply with the permit would potentially require the County to spend over \$15.0 million. The County and eight other wastewater utilities have appealed the permit to the Pollution Control Hearings Board (PCHB) and have also obtained a partial stay of the permit's provisions during the pendency of the appeal. A five-week trial before the PCHB is scheduled for May 22, 2023 through June 23, 2023.

Cedar Hills Landfill - Since 2008, Solid Waste Division has contracted with Bio Energy Washington (BEW) to convert landfill gas generated through the normal operation of the Cedar Hills Landfill into natural gas. BEW leases property at the landfill and operates a plant that scrubs the landfill of gas of impurities and sells it to Puget Sound Energy (PSE). Solid Waste Division has a separate contract with PSE for the value of the environmental attributes of this renewable source of energy. In 2020, King County initiated a lawsuit against PSE alleging that PSE was not paying the full value for the environment attributes. PSE settled the claim with an agreed payment of \$7.0 million to County and the suit was dismissed. The County initially engaged both PSE and BEW in discussions and invoked the dispute resolution procedure under their respective contracts. As part of those initial discussions, BEW also invoked the dispute resolution process specified in the contract with the County. BEW alleged that the County was not employing "good engineering practices" to collect the landfill gas and is delivering a substandard quantity and quality of gas to BEW. The parties had many discussions, but could not reach an agreement. In December 2021, BEW's attorney indicated he would be filing suit against the County in federal court and the damage claim would be approximately \$5.5 million, with additional claimed damages every month of approximately \$300 thousand. As of April 2022, the County has not been served with a complaint. The County intends to vigorously defend against any claim should BEW file suit.

Folk v. King County - This is a class action lawsuit alleging that the King County Department of Adult and Juvenile Detention (DAJD) failed to properly pay contract overtime to approximately 500 current and former members of the King County Corrections Guild. Plaintiffs seek to recover alleged wage underpayments and statutory penalties for the period August 2015 through June 2020. The alleged underpayments began after King County adopted a new payroll system in 2012. The new system, as designed, was capable of paying the Fair Labor Standards Act (FLSA) regular rate of overtime - which consisted of an employee's base rate plus certain premiums - on all hours employees worked in excess of 40 hours per week. The system allegedly was not capable, however, of paying the specified contract overtime rate under a Collective Bargaining Agreement contract provision that required payment of the FLSA rate when employees worked over eight hours per day but less than 40 hours per week. Plaintiffs seek to recoup allegedly underpayments and penalties which could total between \$1.5 million and \$2.0 million. The evidence to date indicates that contract overtime underpayments did occur. DAJD will contend, however, that any underpayments were due to payroll system deficiencies and were not willful or intentional as required to trigger statutory penalties of two to three times the wages withheld. The parties are continuing to engage in discovery and will seek to settle this case in a mediation scheduled for May 2022. The trial is set for October 17, 2022.

Emergency Rental Assistance Prevention Program - A portion of the County's federal COVID-19 relief funds received from United States Treasury have been applied to implement the County's Eviction Prevention Rental Assistance Program (EPRAP). The County's Department of Community and Human Services (DCHS) partnered with various Community Based Organizations (CBOs) and an outside consulting firm to implement the program. As of April 2022, the County has distributed approximately \$346.8 million in EPRAP funds. The County has identified multiple cases of waste, abuse and misuse of funds in the EPRAP, which relied on self-attestations by landlords and tenants, based on Treasury guidance. As of April 2022, the County has identified 106 suspected cases, representing approximately \$2.4 million in payments (including one \$500 thousand payment by the contractor that appears to have been made in error). Suspected cases have reported (or are in the process of being reported) to state or local law enforcement and the Washington State Auditor's Office, and the case over \$100 thousand also has been reported to the Treasury Office of Inspector General (OIG). The County has contracted with a firm to investigate the \$500 thousand payment and other waste, abuse and misuse in the program. The County expects that additional cases will be identified and will continue to report cases to law enforcement, the State Auditor and, as applicable, the OIG.

Financial Guarantees

King County has extended nonexchange financial guarantees in the form of contingent loan agreements with the King County Housing Authority (KCHA), a related organization to the County, and other owners/developers of

affordable housing. The County will provide credit support, such as assumption of monthly payments, for certain bonds and lines of credit issued by these agencies in the event of financial distress. Any guarantee payments made become liabilities of the guaranteed contract holders to be paid back after regaining financial stability. The County's credit enhancement program, managed by the Department of Community and Human Services, allows up to \$400.0 million in total commitment. At the end of 2021, there are 15 contingent loan agreements outstanding totaling \$279.5 million. These agreements have maturity dates ranging from 10 to 40 years. All projects are currently self-supporting and the County has not made any payments pursuant to these agreements. It is unlikely that the County will make any payments in relation to these guarantees based on available information at the end of December 31, 2021 and the standards prescribed under GASB Statement No. 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

Fuel Farm - The existing fuel farm is located at the North end of the King County International Airport inside the security fence at 1495 S. Hardy Street. The site occupies approximately 1.98 acres and includes 11 underground tanks (eight operational tanks dispensing aviation fuel and three closed tanks). The fuel farm tenant and subtenant are responsible for the cleanup of the fuel farm site. Under the Model Toxics Control Act (MTCA), the DOE can pursue all cleanup costs from a single owner or operator. In such a scenario, the County (as owner) would need to identify a responsible third party, such as a former tenant or tenants, who are responsible for all the existing contamination. But if the County is responsible for any of the contamination, the DOE could order the County to clean the site. The County would then pursue other potentially liable parties for statutory contribution. There are still on going cleanup studies by the tenant and subtenant at December 31, 2021, and the County believes the scenario wherein it performs the cleanup activities itself to be unlikely.

Other Commitments

The Solid Waste Enterprise paid the County General Fund \$3.2 million for rent on the Cedar Hills landfill site in 2021. The Enterprise is committed to paying rent to the General Fund as long as the Cedar Hills site continues to accept waste.

Component Unit - Harborview Medical Center

Harborview Medical Center (HMC) is involved in litigation arising in the course of business. It is HMC management's opinion that these matters will be resolved without material adverse effect to HMC's future financial position or results of operations.

The current regulatory environment in the healthcare industry is one of increasing governmental activity with respect to investigations and allegations concerning possible violations of regulations by healthcare providers that could result in the imposition of significant fines and penalties, including significant repayments of patient services previously billed. HMC believes that it complies with the fraud and abuse regulations, as well as other laws and regulations. Compliance with such laws and regulations can be subject to future governmental review and interpretation and regulatory actions unknown or unasserted at this time.

HMC is operated by the University of Washington under a management and operations contract with King County. In this contract, the University of Washington agrees to defend, indemnify, and save and hold harmless King County's elected and appointed officials, employees, and agents, from and against any damage, cost, claim or liability arising out of the negligent acts or omissions of the University, its employees or agents, or arising out of the activities or operations of the medical center.

Note 20

Subsequent Events

Long-Term Debt Issuances in 2022

In March 2022 the County issued \$57.0 million in Limited Tax General Obligation and Refunding Bonds, Series 2022A. Proceeds will be used to refund series LTGO 2012C and series LTGO 2012D bonds at more favorable interest rates, and to finance new projects in land conservation, bridge replacement, and information technology.

During the month of February 2022, the Water Quality fund drew down \$6.8 million in new state loans to finance capital program activities, including \$6.6 million to finance the Joint Ship Canal project and \$0.2 million to finance construction of reclaimed water facilities at the Brightwater treatment plant.

During the months of March and April 2022, the Water Quality fund drew down \$25.4 million in new state loans to finance capital program activities at the Joint Ship Canal.

Novel Coronavirus / State of Emergency

On February 29, 2020 the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus, SARS-CoV-2. Like the State, the County took immediate and aggressive steps to protect residents including declaring a public health emergency on March 1, 2020. On March 22, 2020 the President of the United States declared a major disaster in the state of Washington.

Under the March 20, 2020 Presidential Disaster Declaration, the County became eligible to have certain pandemic-related disaster expenses reimbursed by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 (PL 100-707). On March 25, 2021 FEMA issued a bulletin applying a federal participation rate of 100 percent to all eligible emergency protective measure expenses, including direct federal assistance under the Public Assistance grant program. This memo was amended on March 1, 2022 to extend the period covered by enhanced federal participation through July 1, 2022. The County recognized \$89.0 million in Public Assistance grant revenue on the Statement of Activities for the year ended December 31, 2021.

The American Rescue Plan (PL 117-2) included a new program to support local governments, the Coronavirus State and Local Fiscal Recovery Fund. The County was allocated a total of \$437.6 million to help cover the costs of responding to and recovering from the pandemic, with \$218.8 million received in May 2021 and the remainder of the County's allocation received in June 2022. These funds may be used to reimburse County costs incurred to support public health expenditures; address the negative economic impacts caused by the public health emergency; provide government services funded with tax revenue that declined during the pandemic; provide premium pay for essential workers; or invest in water, sewer, or broadband infrastructure through December 31, 2024. For the period ended December 31, 2021 the County recognized \$101.7 million in revenues from this program with the remainder of the 2021 allocation being reported as unearned revenue.

Short-Term Debt Issuances in 2022

The County's Water Quality Enterprise utilizes a limited tax general obligation commercial paper program to finance certain capital activities and/or to refinance outstanding and future bonds of the County's sewer system. The authorization for this program expires December 15, 2050.

New construction activity financed in 2022 with commercial paper proceeds totaled \$39.6 million. Other issues represent refunding of existing commercial paper issuances. Information about transactions that occurred in 2022 may be found on the County's bondholder website: www.kingcountybonds.com.



Required Supplementary Information

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

KING COUNTY
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(In Thousands)

2021-2022 BUDGETED AMOUNTS (BIENNIAL)

	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes:				
Property taxes	\$ 778,599	\$ 782,050	\$ 387,210	\$ (394,840)
Retail sales and use taxes	288,958	339,442	172,082	(167,360)
Business and other taxes	7,070	7,070	3,811	(3,259)
Licenses and permits	15,988	15,488	5,514	(9,974)
Intergovernmental revenues	51,138	270,091	90,252	(179,839)
Charges for services	571,672	566,928	287,482	(279,446)
Fines and forfeits	54,631	54,406	31,339	(23,067)
Interest earnings	13,250	12,450	6,649	(5,801)
Miscellaneous revenues	68,836	67,809	33,608	(34,201)
Sale of capital assets	—	—	206	206
Transfers in	37,328	38,793	19,160	(19,633)
Total revenues	<u>1,887,470</u>	<u>2,154,527</u>	<u>1,037,313</u>	<u>(1,117,214)</u>
EXPENDITURES				
Current:				
General government	349,948	457,438	166,248	291,190
Law, safety and justice	1,295,798	1,382,763	648,893	733,870
Economic environment	5,295	43,374	1,052	42,322
Health and human services	100,571	112,853	52,997	59,856
Debt service:				
Principal	68	68	—	68
Interest and other debt service costs	4,407	4,407	41	4,366
Capital outlay	1,335	1,794	635	1,159
Transfers out	179,026	231,739	97,924	133,815
Total expenditures	<u>1,936,448</u>	<u>2,234,436</u>	<u>967,790</u>	<u>1,266,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (48,978)</u>	<u>\$ (79,909)</u>	69,523	<u>\$ 149,432</u>
Adjustment from budgetary basis to GAAP basis ^(a)			(9,121)	
Net change in fund balance			60,402	
Fund balance - Beginning balance (Restated)			<u>200,958</u>	
Fund balance - Ending balance			<u>\$ 261,360</u>	

^(a)Elements of adjustment from budgetary basis to GAAP basis:

Adjustments to revenues:		
Recognition of unrealized gain/loss on investments		\$ (6,211)
Property taxes collected within 60 day availability period		(48)
Intrafund eliminations		(3,060)
Other revenue adjustments		(1)
Total adjustments to revenue		<u>(9,320)</u>
Adjustments to expenditures:		
General wage increase accrual		2,855
Intrafund eliminations		(3,060)
Other expenditure adjustments		6
Total adjustments to expenditures		<u>(199)</u>
Adjustment from budgetary basis to GAAP basis		<u>\$ (9,121)</u>

Behavioral Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(In Thousands)

2021-2022 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes:				
Property taxes	\$ 7,345	\$ 7,345	\$ 3,658	\$ (3,687)
Retail sales and use taxes	8,640	8,640	—	(8,640)
Business and other taxes	—	—	17	17
Intergovernmental revenues	28,407	74,313	30,234	(44,079)
Charges for services	511,268	522,268	319,666	(202,602)
Interest earnings	258	258	48	(210)
Miscellaneous revenues	2,629	2,629	4,120	1,491
Sale of capital assets	—	—	2	2
Transfers in	17,211	20,508	19,102	(1,406)
Total revenues	<u>575,758</u>	<u>635,961</u>	<u>376,847</u>	<u>(259,114)</u>
EXPENDITURES				
Current:				
General government	—	—	11,219	(11,219)
Health and human services	536,330	596,016	283,440	312,576
Debt service:				
Interest and other debt service costs	—	—	4	(4)
Capital outlay	—	3,800	—	3,800
Transfers out	28,317	28,317	13,451	14,866
Total expenditures	<u>564,647</u>	<u>628,133</u>	<u>308,114</u>	<u>320,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,111</u>	<u>\$ 7,828</u>	68,733	<u>\$ 60,905</u>
Adjustment from budgetary basis to GAAP basis ^(a)			(201)	
Net change in fund balance			68,532	
Fund balance - Beginning balance			(30,953)	
Fund balance - Ending balance			<u>\$ 37,579</u>	
^(a) Elements of adjustment from budgetary basis to GAAP basis:				
Adjustments to revenues:				
Recognition of unrealized gains (losses) on investments			\$ (65)	
Adjustments to expenditures:				
Accrued labor for a union agreement to be paid in 2022			136	
Adjustment from budgetary basis to GAAP basis			<u>\$ (201)</u>	

Housing and Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(In Thousands)

2021-2022 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes:				
Retail sales and use taxes	\$ 305,604	\$ 305,605	\$ 4,067	\$ (301,538)
Intergovernmental revenues	321,406	803,477	277,804	(525,673)
Charges for services	40,071	40,071	28,132	(11,939)
Interest earnings	2,733	2,733	830	(1,903)
Miscellaneous revenues	500	4,301	1,168	(3,133)
General government bond issued	—	10,500	450,525	440,025
Transfers in	92,398	115,444	33,857	(81,587)
Total revenues	<u>762,712</u>	<u>1,282,131</u>	<u>796,383</u>	<u>(485,748)</u>
EXPENDITURES				
Current:				
Economic environment	—	371,828	151,224	220,604
Health and human services	639,643	853,231	199,020	654,211
Debt service:				
Interest and other debt service costs	294	294	130	164
Capital outlay	—	10,960	212,700	(201,740)
Transfers out	3,512	3,512	5,024	(1,512)
Total expenditures	<u>643,449</u>	<u>1,239,825</u>	<u>568,098</u>	<u>671,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 119,263</u>	<u>\$ 42,306</u>	228,285	<u>\$ 185,979</u>
Adjustment from budgetary basis to GAAP basis ^(a)			55,472	
Net change in fund balance			283,757	
Fund balance - Beginning balance (Restated)			305,345	
Fund balance - Ending balance			<u>\$ 589,102</u>	

^(a) Elements of adjustment from budgetary basis to GAAP basis:

Adjustments to revenues:		
Recognition of unrealized loss on investments		\$ (1,117)
Interfund transfers		315
Intrafund eliminations		(108)
Total adjustments to revenues		<u>(910)</u>
Adjustments to expenditures:		
Intrafund eliminations		(108)
Loans Advanced (net) are an Expenditure for budget and an Asset under GAAP		(56,274)
Total adjustments to expenditures		<u>(56,382)</u>
Adjustment from budgetary basis to GAAP basis		<u>\$ 55,472</u>

Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(In Thousands)

2021-2022 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Licenses and permits	\$ 1,030	\$ 1,030	\$ —	\$ (1,030)
Intergovernmental revenues	146,068	414,126	132,944	(281,182)
Charges for services	144,216	146,946	133,881	(13,065)
Fines and forfeits	6	6	—	(6)
Miscellaneous revenues	5,490	5,490	3,947	(1,543)
Transfers in	168,064	185,809	94,254	(91,555)
Total revenues	<u>464,874</u>	<u>753,407</u>	<u>365,026</u>	<u>(388,381)</u>
EXPENDITURES				
Current:				
Health and human services	465,295	758,895	358,246	400,649
Debt service:				
Interest and other debt service costs	—	—	31	(31)
Capital outlay	987	987	141	846
Transfers out	219	219	1,122	(903)
Total expenditures	<u>466,501</u>	<u>760,101</u>	<u>359,540</u>	<u>400,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,627)</u>	<u>\$ (6,694)</u>	5,486	<u>\$ 12,180</u>
Adjustment from budgetary basis to GAAP basis ^(a)			(633)	
Net change in fund balance			4,853	
Fund balance - Beginning balance			33,865	
Fund balance - Ending balance			<u>\$ 38,718</u>	

^(a) Elements of adjustment from budgetary basis to GAAP basis:

Adjustments to revenues:	
Elimination of intrafund revenues for financial reporting purposes	\$ (3,345)
Adjustments to expenditures:	
Elimination of intrafund expenditure for financial reporting purposes	(3,345)
Accrued labor for a union agreement to be paid in 2022	633
Total adjustments to expenditures	<u>(2,712)</u>
Adjustment from budgetary basis to GAAP basis	<u>\$ (633)</u>

KING COUNTY
Required Supplementary Information
Last Ten Fiscal Years
December 31, 2021

Schedule of the County's Proportionate Share of the Net Pension Liability							
Public Employees' Retirement System (PERS) Plan 1							
Measurement Date of June 30*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	8.61 %	8.85 %	8.25 %	8.56 %	8.45 %	8.90 %	8.76 %
County's proportionate share of the net pension liability	\$ 105,126	\$ 312,368	\$ 317,333	\$ 382,129	\$ 400,803	\$ 477,872	\$ 458,477
County's covered payroll**	\$ 1,266,269	\$ 1,283,745	\$ 1,196,465	\$ 1,124,434	\$ 1,031,025	\$ 1,007,624	\$ 1,000,211
County's proportionate share of the net pension liability as a percentage of covered payroll	8.30 %	24.33 %	26.52 %	33.98 %	38.87 %	47.43 %	45.84 %
Plan fiduciary net position as a percentage of the total pension liability	88.74 %	68.64 %	67.12 %	63.22 %	61.24 %	57.03 %	59.10 %

Schedule of the County's Proportionate Share of the Net Pension (Asset) Liability							
Public Employees' Retirement System (PERS) Plan 2/3							
Measurement Date of June 30*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	10.53 %	10.85 %	10.06 %	10.29 %	10.14 %	10.52 %	10.36 %
County's proportionate share of the net pension (asset) liability	\$ (1,049,145)	\$ 138,736	\$ 97,735	\$ 175,728	\$ 352,361	\$ 529,855	\$ 370,294
County's covered payroll**	\$ 1,036,103	\$ 1,219,052	\$ 1,144,724	\$ 1,072,968	\$ 995,800	\$ 953,254	\$ 949,860
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	(101.26)%	11.38 %	8.54 %	16.38 %	35.38 %	55.58 %	38.98 %
Plan fiduciary net position as a percentage of the total pension liability	120.29 %	97.22 %	97.77 %	95.77 %	90.97 %	85.82 %	89.20 %

*These schedules will be built prospectively until they contain ten years of data.

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

Schedule of the County's Proportionate Share of the Net Pension (Asset) Liability							
Public Safety Employees' Retirement System (PSERS) Plan 2							
Measurement Date of June 30*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	7.39 %	8.22 %	8.67 %	9.69 %	9.92 %	11.33 %	9.88 %
County's proportionate share of the net pension (asset) liability	\$ (16,979)	\$ (1,131)	\$ (1,127)	\$ 120	\$ 1,944	\$ 4,817	\$ 1,803
County's covered payroll**	\$ 42,155	\$ 57,291	\$ 41,656	\$ 38,120	\$ 35,210	\$ 35,577	\$ 29,911
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	(40.28)%	(1.97)%	(2.71)%	0.31 %	5.52 %	13.54 %	6.03 %
Plan fiduciary net position as a percentage of the total pension liability	123.67 %	101.68 %	101.85 %	99.79 %	96.26 %	90.41 %	95.08 %

Schedule of the County's Proportionate Share of the Net Pension Asset							
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1							
Measurement Date of June 30*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	0.59 %	0.59 %	0.60 %	0.60 %	0.60 %	0.60 %	0.60 %
County's proportionate share of the net pension (asset)	\$ (20,344)	\$ (11,161)	\$ (11,826)	\$ (10,894)	\$ (9,046)	\$ (6,180)	\$ (7,275)
State's proportionate share of the net pension (asset) associated with King County	(137,609)	(75,495)	(79,988)	(73,684)	(61,188)	(41,801)	(49,209)
Total	<u>\$ (157,953)</u>	<u>\$ (86,656)</u>	<u>\$ (91,814)</u>	<u>\$ (84,578)</u>	<u>\$ (70,234)</u>	<u>\$ (47,981)</u>	<u>\$ (56,484)</u>
Plan fiduciary net position as a percentage of the total pension liability	187.45 %	146.88 %	148.78 %	144.42 %	135.96 %	123.74 %	127.36 %

Notes:

*These schedules will be built prospectively until they contain ten years of data.

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

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 currently has one active member. Starting on July 1, 2000, employers and employees contribute zero percent as long as the Plan remains fully funded. The Plan has no required contributions for the fiscal years 2015 - 2020; thus, there is no covered payroll.

Schedule of the County's Proportionate Share of the Net Pension Asset							
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2							
Measurement Date of June 30*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	2.93 %	3.15 %	2.63 %	2.88 %	2.91 %	3.02 %	2.90 %
County's proportionate share of the net pension (asset)	\$ (170,289)	\$ (64,158)	\$ (60,885)	\$ (58,520)	\$ (40,429)	\$ (17,543)	\$ (29,819)
State's proportionate share of the net pension (asset) associated with King County	(109,855)	(41,024)	(39,872)	(37,891)	(26,225)	(11,437)	(19,716)
Total	\$ (280,144)	\$ (105,182)	\$ (100,757)	\$ (96,411)	\$ (66,654)	\$ (28,980)	\$ (49,535)
County's covered payroll**	\$ 112,875	\$ 119,110	\$ 97,381	\$ 95,210	\$ 91,137	\$ 87,895	\$ 86,131
County's proportionate share of the net pension (asset) as a percentage of covered payroll	(150.87)%	(53.86)%	(62.52)%	(61.46)%	(44.36)%	(19.96)%	(34.62)%
Plan fiduciary net position as a percentage of the total pension liability	142.00 %	115.83 %	119.43 %	118.50 %	113.36 %	106.04 %	111.67 %

Schedule of the County's Proportionate Share of the Net Pension Liability							
Seattle City Employees' Retirement System (SCERS)							
Measurement Date of December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset/liability	0.04 %	0.04 %	0.05 %	0.05 %	0.07 %	0.09 %	0.11 %
County's proportionate share of the net pension liability	\$ 368	\$ 503	\$ 760	\$ 554	\$ 914	\$ 1,169	\$ 1,219
County's covered payroll**	\$ 1,386	\$ 1,807	\$ 2,022	\$ 2,429	\$ 3,010	\$ 3,305	\$ 4,332
County's proportionate share of the net pension liability as a percentage of covered payroll	26.55 %	27.84 %	37.57 %	22.79 %	30.35 %	35.37 %	28.13 %
Plan fiduciary net position as a percentage of the total pension liability	78.81 %	71.48 %	64.14 %	72.04 %	65.60 %	64.03 %	67.70 %

*These schedules will be built prospectively until they contain ten years of data.

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

Schedule of Contributions							
Public Employees' Retirement System (PERS) Plan 1							
Fiscal Year Ended December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 56,706	\$ 60,884	\$ 62,259	\$ 59,366	\$ 54,111	\$ 50,154	\$ 25,283
Contributions in relation to the contractually required contribution	56,708	60,884	62,259	59,366	54,111	50,154	25,283
Contribution deficiency (excess)	\$ (2) ***	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll**	\$1,316,507	\$1,306,676	\$ 1,245,598	\$ 1,154,804	\$ 1,082,715	\$ 1,028,598	\$ 507,206
Contributions as a percentage of covered payroll	4.31 %	4.66 %	5.00 %	5.14 %	5.00 %	4.88 %	4.98 %

Schedule of Contributions							
Public Employees' Retirement System (PERS) Plan 2/3							
Fiscal Year Ended December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 92,418	\$ 101,390	\$ 93,935	\$ 84,792	\$ 72,763	\$ 62,650	\$ 72,853
Contributions in relation to the contractually required contribution	92,416	101,390	93,935	84,792	72,763	62,650	72,853
Contribution deficiency (excess)	\$ 2 ***	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll**	\$ 1,264,018	\$ 1,251,724	\$ 1,188,641	\$ 1,103,984	\$ 1,031,418	\$ 977,342	\$ 933,304
Contributions as a percentage of covered payroll	7.31 %	8.10 %	7.90 %	7.68 %	7.05 %	6.41 %	7.81 %

Schedule of Contributions							
Public Safety Employees' Retirement System (PSERS) Plan 2							
Fiscal Year Ended December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,393	\$ 3,589	\$ 3,518	\$ 2,777	\$ 2,514	\$ 2,319	\$ 2,924
Contributions in relation to the contractually required contribution	3,393	3,589	3,518	2,777	2,514	2,319	2,924
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll**	\$ 48,264	\$ 48,635	\$ 48,039	\$ 39,458	\$ 36,728	\$ 34,253	\$ 33,102
Contributions as a percentage of covered payroll	7.03 %	7.38 %	7.32 %	7.04 %	6.84 %	6.77 %	8.83 %

Schedule of Contributions							
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2							
Fiscal Year Ended December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 6,094	\$ 6,657	\$ 5,329	\$ 5,219	\$ 4,956	\$ 4,735	\$ 4,505
Contributions in relation to the contractually required contribution	6,094	6,657	5,329	5,219	4,956	4,735	4,505
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll**	\$ 114,654	\$ 124,889	\$ 99,067	\$ 96,106	\$ 92,952	\$ 90,526	\$ 86,131
Contributions as a percentage of covered payroll	5.32 %	5.33 %	5.38 %	5.43 %	5.33 %	5.23 %	5.23 %

Schedule of Contributions							
Seattle City Employees' Retirement System (SCERS)							
Fiscal Year Ended December 31*							
(dollars in thousands)							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 221	\$ 225	\$ 275	\$ 309	\$ 371	\$ 458	\$ 520
Contributions in relation to the contractually required contribution	221	225	275	309	371	458	520
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll**	\$ 1,365	\$ 1,386	\$ 1,807	\$ 2,022	\$ 2,429	\$ 3,010	\$ 3,305
Contributions as a percentage of covered payroll	16.19 %	16.23 %	15.23 %	15.29 %	15.27 %	15.22 %	15.73 %

Notes:

*These schedules will be built prospectively until they contain ten years of data.

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

***The excess contribution in PERS 1 and deficiency in PERS 2 resulted from the employer contributions of King County Flood Control District, a component unit of the County,

Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 currently has one active member. Starting on July 1, 2000, employers and employees contribute zero percent as long as the Plan remains fully funded. The Plan had no required contributions for the fiscal years 2015 - 2020; thus, no schedule is required.

For fiscal years 2015-2020, the annual money-weighted rate of return on plan investments for each pension plan is disclosed in the 2020 Washington State Department of Retirement Systems Annual Financial Report (AFR). The AFR is available online at <https://www.drs.wa.gov/administration/annual-report/>.

KING COUNTY
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
King County Retiree Health Plan
For the Year Ended December 31, 2021
Last Ten Fiscal Years
(dollars in thousands)

	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 106,619	\$ 111,272	\$ 111,412	\$ 118,120
Service cost	2,865	2,220	2,155	2,092
Interest	2,125	4,149	4,138	4,147
Changes in benefit terms	—	—	—	—
Differences between expected and actual experience	—	(8,646)	—	3,332
Changes of assumptions	1,300	3,310	—	(9,652)
Benefit payments	(4,404)	(3,922)	(4,953)	(5,244)
Other changes	(2,017)	(1,764)	(1,480)	(1,383)
Total OPEB liability - ending	\$ 106,488	\$ 106,619	\$ 111,272	\$ 111,412
Covered-employee payroll	\$ 1,370,460	\$ 1,324,116	\$ 1,219,237	\$ 1,217,867
Total OPEB liability as a % of covered-employee payroll	7.77 %	8.05 %	9.13 %	9.15 %

*Until a full 10-year trend is compiled, only information for those years available is presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Notes to Required Supplementary Information

Factors that significantly affect trends in OPEB reported

The County receives a full actuarial valuation of retiree health and welfare benefits biannually. The 2021 fiscal year was based on a roll-forward of the valuation produced for the period ending 12/31/2020 by Healthcare Actuaries.

Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, salary projections, and participation percentages. For the 12/31/2021 fiscal year end the discount rate was decreased to 1.84 percent from 2.00 percent. There were no ad hoc post employment benefit changes to the plan and no changes between the measurement date and the report date that are expected to have a significant effect on the total OPEB liability.

Significant Methods and Assumptions

Basis of Valuation

Actuarial Cost method – Entry-Age Normal, Level Percentage of Salary

Valuation Date – December 31, 2020

Measurement Date – December 31, 2021

Report Date – December 31, 2021

Discount Rate – A discount rate of 1.84% is used to measure the total OPEB liability. The County's OPEB plan is an unfunded plan, therefore a discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds as of the valuation date.

Mortality – rates consistent with State of Washington.

- a. PERS Healthy – PUB-2010 General Headcount – Weighted healthy Mortality Projected Generationally with MP2020
- b. PERS Disabled - PUB-2010 General Headcount – Weighted disabled Mortality Projected Generationally with MP2020
- c. LEOFF Healthy – PUB-2010 Safety Headcount-Weighted Healthy Mortality Projected Generationally with MP-2020 Setback 1 for Males
- d. LEOFF Disabled – PUB-2010 Safety Headcount-Weighted Disabled Mortality Projected Generationally with MP-2020

Salary increases – 3.50% The salary increase is used to determine the growth in the aggregate payroll.

Participation

- a. Current Retirees LEOFF 1 -100% of current retirees continue until no longer eligible for benefits. Current Retirees Non-LEOFF 1 – 3% of current retirees voluntarily drop coverage in first year after retirement
- b. Future Retirees LEOFF 1 - 100% of future retirees continue until no longer eligible for benefits. Current Retirees Non-LEOFF 1 – 34% of future retirees voluntarily drop coverage in first year after retirement.
- c. Dependent Coverage LEOFF 1 – Spouses not eligible. Non-LEOFF 1 35% of participants cover a spouse at retirement. Actual spouse age is used otherwise assumes males are 3 yrs older than females.

Future Plan Enrollment – No change in plan enrollment at retirement between plans.

Trend Rates – Medical Long-term trends from Society of Actuaries “Long Term Healthcare Costs Trends Model v2021_b” using baseline assumptions are applied to both claims and premiums.

Aging/Morbidity Factors – Based on Society of Actuaries table.

KING COUNTY
Required Supplementary Information
Schedule of Condition Assessments and Preservation of Infrastructure Under Modified Approach
For the Year Ended December 31, 2021
(dollars in thousands)

Road Condition Ratings

	2019-2017		2016-2014		2013-2011	
	(miles)	%	(miles)	%	(miles)	%
Arterial roads						
Excellent to good	293.7	64.4	294.3	65.0	297.7	64.9
Fair	44.1	9.7	61.4	13.5	32.0	7.0
Poor to substandard	118.3	25.9	97.5	21.5	129.0	28.1
Total	<u>456.1</u>	<u>100.0</u>	<u>453.2</u>	<u>100.0</u>	<u>458.7</u>	<u>100.0</u>
Local access roads						
Excellent to good	618.8	60.3	689.2	67.7	742.0	70.7
Fair	148.8	14.5	134.7	13.2	91.4	8.7
Poor to substandard	257.9	25.2	194.2	19.1	216.5	20.6
Total	<u>1,025.5</u>	<u>100.0</u>	<u>1,018.1</u>	<u>100.0</u>	<u>1,049.9</u>	<u>100.0</u>

Road PCI Score Interval

	2019-2017		2016-2014		2013-2011	
	(miles)	%	(miles)	%	(miles)	%
Arterial roads						
PCI 40 - 100	312.8	68.6	323.3	71.3	315.7	68.8
PCI 0 - 39	143.3	31.4	129.9	28.7	143.0	31.2
Total	<u>456.1</u>	<u>100.0</u>	<u>453.2</u>	<u>100.0</u>	<u>458.7</u>	<u>100.0</u>
Local access roads						
PCI 40 - 100	697.6	68.0	759.4	74.6	786.5	74.9
PCI 0 - 39	327.9	32.0	258.7	25.4	263.4	25.1
Total	<u>1,025.5</u>	<u>100.0</u>	<u>1,018.1</u>	<u>100.0</u>	<u>1,049.9</u>	<u>100.0</u>

Roads Estimated Maintenance and Preservation Costs

	2021	2020	2019	2018	2017
Budgeted	\$ 80,705	\$ 72,756	\$ 75,333	\$ 80,615	\$ 72,969
Expended	49,352	53,804	57,632	57,406	59,864

Bridge Sufficiency Rating	Number of Bridges		
	2021	2020	2019
0 - 20	10	12	9
21 - 30	7	4	4
31 - 49	24	19	20
50 - 100	140	146	145
Totals	<u>181</u>	<u>181</u>	<u>178</u>

Bridge Estimated Maintenance and Preservation Costs

	2021	2020	2019	2018	2017
Budgeted	\$ 31,079	\$ 13,653	\$ 12,203	\$ 10,109	\$ 6,605
Expended	7,973	7,236	6,082	7,906	6,221

KING COUNTY

Notes to Required Supplementary Information Condition Assessments and Preservation of Infrastructure Under Modified Approach

1. Roads

The County performs condition assessments on its network of roads through the King County Pavement Management System. This system generates a Pavement Condition Index (PCI) for each segment of arterial and local access road in the network. The PCI is a numerical index from zero to 100 that represents the pavement's functional condition based on the quantity, severity, and type of visual distress, such as pavement cracking. Based on the PCI score, condition ratings are assigned as follows:

- PCI < 30 is defined to be in "poor to substandard" with heavy pavement cracking and potholes
- PCI 30 ≥ 50 is defined to be in "fair condition" with noticeable cracks and utility cuts
- PCI 50 ≥ 100 is defined to be in "excellent condition" with relatively smooth roadway

Bridges

King County currently maintains 185 bridges including co-owned and pedestrian bridges. Physical inspections to determine the condition of bridges and the degree of wear and deterioration are carried out at least every two years to reveal deficiencies in bridges such as steel corrosion, damaged guardrails, rotted timbers, deteriorated bridge decks, bank erosion and cracked concrete. Four bridges that do not carry vehicular traffic are included in the list of bridges being maintained by the County. These are also subject to condition assessments, but are subject to different standards than the more heavily used 181 vehicular bridges.

Each year the County conducts a bridge prioritization process to determine potential candidates for replacement or rehabilitation. A weighted 10-point priority scale (sufficiency rating, seismic rating, geometrics, hydraulics, load limits, traffic safety, serviceability, importance, useful life, and structural concern) ranks the bridges in order. A key element in the priority score is the sufficiency rating, the measure considered by state and federal governments as the basis for establishing eligibility and priority for bridge replacement or rehabilitation funding. The sufficiency rating is a numerical rating of a bridge based on its structural adequacy and safety, essentially for public use, and its serviceability and functional obsolescence. The bridge sufficiency rating scale is defined as:

- $49 \leq 0$ indicates replacement or rehabilitation funding, < 30 are selected for rehabilitation funding
- $50 \geq 100$ indicates a good deal of service life remaining, a bridge capable of carrying traffic

2. Roads

King County's Roads Service Division policy is to maintain at least 50 percent of the road system at a PCI level of 40 or better. Condition assessments are undertaken every three years for local streets and every two years for arterial roads.

Bridges

King County's Road Services Division policy is to maintain bridges in such manner that no more than 12 will have a sufficiency rating of 20 or less. A rating of 20 or less is usually indicative of a bridge with structural deficiency. The most common remedy is full replacement, rehabilitation or closure of the bridge.

3. Roads

The accelerated condition deterioration observed in the 2016-2014 cycle and continuing in the 2019-2017 cycle was primarily the result of weather and system age. Many of the arterial roadways are beyond their cost-effective life cycles, resulting in roadway deterioration. Because of the uncertainty in future funding for roads, the County formally lowered its established condition level to 50 percent of the roads at a PCI of 40 or better.



Governmental Funds

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

NONMAJOR GOVERNMENTAL FUNDS

The County's nonmajor governmental funds fall into three categories: Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Special Revenue Funds - Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects. The County's nonmajor special revenue funds are:

Animal Services - This fund is used to support regional animal services and related administration, including animal care services, administering pet licenses and enforcing animal control laws. This fund also accounts for donation-sponsored activities which include housing animals, medical attention for animals, public education, animal shelter improvements and other purposes that further the general welfare of animals.

Arts and Cultural Development - Receives and transfers to the cultural development authority (4Culture) a variety of revenues including, but not limited to, general fund revenues, hotel-motel tax revenues and public art revenues. The fund supports the 1% for Art program, the stewardship of the county art collection, the Building for Culture bond program established in 2016, the Building for Equity program established in 2019, and is a pass-through for hotel-motel revenues distributed from the State.

Automated Fingerprint Identification System - Accounts for the receipt of revenues and disbursement of expenditures related to the acquisition and implementation of a regional Automated Fingerprint Identification System (AFIS) for King County. The system is electronically connected to the Washington State Patrol, California Department of Justice, and the Western Identification Network, an AFIS database shared by seven western states. Included in this system is the electronic fingerprint capture and transmission to AFIS, known as Livescan.

Best Start for Kids Levy - Accounts for tax revenues for the purpose of funding prevention and early intervention strategies to improve the health and well being of children, youth, and their communities. Funded programs include 1) Invest Early (Age 0-5), 2) Sustain the Gain (5-24), 3) Communities of Opportunity 4) Outcomes-Focused and Data Driven.

Community Services Operating - This fund, formerly Children and Family Services Fund, provides two primary functions: 1) Community Services Division (CSD) administration which support administrative staff such as finance and clerical staff and overhead costs, and 2) Community Services Contracts which provides services for civil legal aid services, sexual assault and domestic violence survivor services, and older adult programs. The funding sources for these two functions are interfund transfers from CSD funds, general fund transfers and document recording fees.

County Road Operating - This fund finances the construction, maintenance, preservation and inspection of county streets, roads and bridges.

Department of Community and Human Services (DCHS) Administration - Accounts for services associated with the DCHS Director's Office activities with funds coming from a cost allocation formula applied to all funds in DCHS. The fund receives revenue from DCHS funds and programs to cover costs to administer the department.

Department of Local Services Administration - This fund accounts for the Department of Local Services (DLS) director's office. The director's office provides oversight to programs within DLS as well as delivery and reporting of services provided to unincorporated King County. These include department leadership, finance and budget preparation, human resources, communications, government relations and legislative coordination, community engagement, and performance measurement and accountability. The director's office also funds a small economic development function and coordinates engagement with regional and local communities.

Developmental Disabilities - Provide services and support to enhance the lives of residents with developmental disabilities and their families. Funded services include an adult employment program, early intervention services for infants and toddlers with development delays, community information and Outreach and Adult Day Services.

Department of Natural Resources and Parks Administration - The fund accounts for expenditures to provide leadership, oversight and support to the department's four operational divisions: Parks and Recreation, Solid Waste, Wastewater Treatment and Water and Land Resources. Revenues come from charging costs associated with the Director's Office to the agencies it serves. The Directors Office also leads the County's energy conservation and

climate change initiatives in coordination with other departments. A climate cost share allocation is charged across the County based on greenhouse gas emissions. This revenue supports these climate change initiatives.

Emergency Medical Services - Finances emergency medical programs for developing, implementing and administering various emergency medical services in cooperation with King County fire districts. This fund also provides contract funds for financing paramedic and other emergency medical service programs in the County.

Emergency Telephone Enhanced 911 - Accounts for the receipt of E-911 excise tax revenues and the disbursement of expenditures related to the management of the Enhanced 911 Emergency Telephone system with participating jurisdictions in King County.

Employment and Education Resources - To provide job readiness, education, and employment services to help vulnerable youth and adults increase independence and self-sufficiency and lead more meaningful and productive lives. This fund has two sections, youth and adults, which are primarily supported through grants and other funds.

Environmental Health - Accounts for financial resources to protect and improve the health and well-being of all people in King County, specifically focusing on prevention of disease through sanitation, safe food and water, proper disposal of wastes and toxics, and promoting safe and healthy environmental conditions throughout King County for the benefit of all residents and visitors.

Flood Control District - The Flood Control District was established under chapter 86.15 RCW to be instrumental in acquiring repetitive loss properties, other at-risk floodplain properties, and in addressing and improving countywide flood warning and flood prediction capacity.

Grants Fund - The fund accounts primarily for federal and state grants, though other grants may be received and spent in this fund with prior approval. The fund also houses the funds received from the U.S. Treasury, for COVID-19 relief, which have not yet been allocated to a County project or agency.

Harborview Health and Safety - This fund accounts for the bond proceeds approved by voters in 2020 to be spent on various projects to renovate the Harborview Medical Center campus.

Health Through Housing - Accounts for the one-tenth of one percent sales tax enacted by RCW 82.14.530 to be spent on providing mental health and substance use disorder services with an emphasis on prevention, treatment, and recovery as well as supporting housing for homeless prevention and supportive services.

Historical Preservation - The Historic Preservation Program (HPP) preserves and protects the County's significant historic and archaeological resources.

King County Flood Control Contract - This fund is primarily used by King County in providing services to the King County Flood Control District, a special purpose district. The District contracts with King County to carry out the majority of its work to rebuild levees and revetments, acquire flood-prone properties, and in addressing and improving countywide flood warning and flood prediction capacity.

Law Library - This fund accounts for the activities of the Public Law Library of King County. The majority of the resources are received from court filing fees pursuant to RCW 27.24.070.

Local Hazardous Waste - Accounts for financial resources used to support the Local Hazardous Waste Management Program established pursuant to chapter 70.105.220 RCW. This program works to protect and enhance public health and environmental quality in King County by helping citizens, businesses and government reduce the threat posed by the use, storage, and disposal of hazardous materials.

Lodging Tax - This fund accounts for lodging tax or hotel/motel tax proceed which support affordable workforce housing and services for homeless youth, arts and culture and tourism promotion including sports stadiums and events.

Long-term Leases - This fund accounts for long-term leases administered by the Facilities Management Division on behalf of County agencies.

Major Maintenance - This fund accounts for the periodic replacement or repair of major building systems and components at King County facilities maintained by the Facilities Management Division.

Mental Illness and Drug Dependency - Accounts for the one-tenth of one percent local sales and use tax known as the Mental Illness and Drug Dependency (MIDD) tax to support mental health and chemical dependency treatment and therapeutic program and services including therapeutic courts. Major categories of services provided are prevention and intervention, crisis diversion, recovery and reentry, system improvements and therapeutic courts.

Noxious Weed Control - This fund implements the mandates of Washington State noxious weed law and provides services to educate the public about noxious weeds harmful to the economy and environment and to identify and control both terrestrial and aquatic noxious weed infestations.

Parks Operating Levy - Accounts for the 2020-2025 Parks, Recreation, Trails and Open Space Levy, as well as the operation and maintenance of King County's parks and trails, and support of parks in King County cities as well as the Woodland Park Zoo and Seattle Aquarium for the benefit of all King County residents.

Permitting and Abatement - This fund accounts for (1) administration of the King County building, housing, fire, energy, shoreline management, zoning, and subdivision codes; (2) ensuring that development complies with the requirements of the State Environmental Policy Act (SEPA) and King County's environmental code, procedures, and regulations; (3) managing County review of building applications and issuing permits; (4) issuing and inspecting operating permits required by the International Fire Code; (5) reviewing and inspecting proposed land developments; and (6) administering the County's drainage regulation policies through review of land development permit applications; and (7) accounting for the receipt and disbursement of school impact fees.

Puget Sound Emergency Radio Network Levy - Accounts for resources to replace the current Emergency Radio Communication Network jointly owned by King County, the City of Seattle, Valley Communications Center and the East Side Public Safety Communications Agency. The Puget Sound Emergency Radio Network (PSERN) will improve county-wide operations by providing increased system reliability, increased coverage, and better security on the network. It will also nearly double the number of existing (26) radio transmitter sites. The fund receives levy tax collections approved by voters in a special election held April 2015.

Puget Sound Taxpayer Accountability - Accounts for the sales and use tax offset fee of 3.25% of total payments made by Sound Transit on the cost of construction projects from "Sound Transit 3" to improve educational outcomes in early learning, K-12 and higher education including, but not limited to, delivering facilities and programs for children and youth that are low-income, homeless, in foster care, or other vulnerable populations.

Recorder's Operating and Maintenance - Accounts for all revenues collected from an additional recording fee for the sole purpose of acquiring, installing, and maintaining an improved system for copying, preserving, and indexing documents recorded in, or filed with, King County Records and Licensing Services Division.

Risk Abatement - Processes the administrative and related costs associated with settlements of class action lawsuits filed against King County.

Road Improvement Districts - This fund accounts for the neighborhood road improvements for Road Improvement District (RID) numbers 107, 110 and 132.

Surface Water Program - This fund accounts for programs specifically addressing impacts from stormwater runoff such as flooding, erosion, pollution, habitat degradation, and low stream flows. To pay for these services, a fee is assessed on property owners in unincorporated King County. This fund also accounts for projects to protect public safety, water quality, and property from stormwater runoff and pollution, and land development practices. Project revenues include Pay-As-You-Go Surface Water Management fees, grants from external agencies, critical area mitigation fees, and interlocal funding. The fund also administers the in-lieu fee mitigation reserves program involving the restoration, establishment, enhancement, and/or preservation of aquatic resources through funds paid to satisfy compensatory mitigation requirements. Also, as a condition of approving the Tacoma Water Comprehensive Plan and Second Supply Project in 1993 the plan identified funds for the purpose of acquiring and restoring habitat, protecting wildlife and water resources, and providing recreational opportunities in the Green River Basin.

Treasurer's Operating and Maintenance - Accounts for the revenues received and costs incurred in the foreclosure, distraint and sale of real and personal property for delinquent taxes, and to defray the costs of further foreclosures, distraints and sales for delinquent taxes.

Transfer of Developer Credit - This fund accounts for the purchase and sale of development credits. The program facilitates the relocation of development growth out of the county's rural and resource lands into its designated

urban areas, in both the incorporated cities and urban unincorporated areas under a voluntary, incentive-based, and market-driven approach to conserve land.

Urban Reforestation and Habitat Restoration - This fund provides grants to local non-profits and governments for the purpose of funding urban reforestation and habitat restoration projects in the Urban Growth Area of King County.

Veterans, Seniors and Human Services Levy - Formerly Veterans and Human Services Levy, this fund accounts for tax revenues collected for the purpose to connect service members and veterans, residents age 55 or older, and vulnerable populations to programs and services in these five areas 1) Housing Stability, 2) Financial Stability, 3) Social Engagement, 4) Healthy Living, 5) Service System Access and Improvement.

Veterans Relief - Under the King County Veterans Program (KCVF), this fund accounts for tax revenues collected to provide an array of services to assist veterans and their families on their path toward self-sufficiency. Major services provided include emergency financial assistance, housing assistance and emergency shelter beds, employment guidance and assistance, case management, life stability, mental health referrals and other supportive services.

Youth Amateur Sports - Accounts for grants funding youth and amateur sports activities or facilities, debt service payments for debt or refinancing debt issued for those purposes, and program funding obtained from the countywide one-percent rental car sales tax.

Debt Service Funds - Debt service funds account for the accumulation of resources for, and the payment of principal and interest on the County's general obligation bonds and special assessment debt of certain districts. The County's nonmajor debt service funds are:

Limited General Obligation Bond Redemption - Accounts for the accumulation of resources for and the payment of those bonds which have been issued without a vote of the people.

Unlimited General Obligation Bond Redemption - Accounts for the accumulation of resources that are restricted for the payment of bonds which have been issued with a three-fifths approval vote of the people.

Capital Projects Funds - Capital projects funds account for financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, construction, maintenance, and improvement of capital assets. The County's nonmajor capital projects funds are:

Building Repair and Replacement - Accounts for receipts and expenditures related to the repair and replacement of various County buildings such as the Courthouse, Correctional Facility, Regional Justice Center Complex, Administration, and other buildings.

Conservation Futures - This fund was established to account for the Conservation Futures Levy that pays for the program to maintain, preserve, and conserve open space lands. The Conservation Futures program aims to achieve an equitable geographical distribution of funds over the long term.

Department of Local Services Capital - This fund accounts for projects to support community needs in unincorporated King County's seven community service areas.

Enhanced 911 Emergency Telephone Capital - This fund was established to support the capital projects of the Enhanced 911 Emergency Telephone system funded by excise taxes.

IT Services Capital - Established to account for equipment replacement and general purpose technology projects managed by King County Information Technology.

KCIT Capital Projects - Accounts for resources of IT projects for King County departments and agencies that do not have their own capital funds. Eleven sub-funds are included in this fund: five capital projects sub-funds where all the project activities are recorded and six bond sub-funds created for the purpose of holding and management of bond proceeds designated for IT capital projects. Money is transferred from the bond funds to the capital projects fund to cover the actual expenditures incurred by the respective projects.

Open Space Acquisitions - The fund is used for open space acquisitions or open space easements. Services provided are large scale acquisitions of open space, parks, trails and habitat restoration sites. A stand-alone fund allows a mix of various revenues sources to be collected mostly consisting of state and federal grant funds. This fund also holds and tracks bond proceeds associated with the 1989 King County Open Space Bond issue. Funds

are used to preserve and protect open lands throughout the County and preserve wildlife, enhance scenic vistas, provide access to water and provide open spaces in the midst of urban congestion. Trail additions add linkages to individual parks and neighborhoods. In addition, this fund holds and tracks bond proceeds associated with the 1979 King County Farmland and Open Space Bond and subsequent bond issuances. Program expenditures mostly include fee simple land purchases, conservation easements and small capital improvements to properties to preserve critical farmlands and enhance agricultural activity.

Parks Capital Projects - The fund accounts for the capital portion of the Parks Levy. Other revenues include transfers from Real Estate Excise Tax, bond proceeds, and state and federal grants. Specific uses of these funds include the acquisition of open space and natural lands, growth and connection of regional trails, and grant programs to expand access to recreation, protection of open space. In addition, the fund accounts for major capital maintenance projects including repairs and replacement of County parks facilities, the Parks Central Maintenance Facility, and creation of critical infrastructure to access King County Parks.

Puget Sound Emergency Radio Network Capital - Established to account for the development of the new Puget Sound Emergency Radio Network (IT project) and associated site development projects throughout the county. All funds are transferred from the PSERN Levy Fund per the spending plan.

Real Estate Excise Taxes Capital - Accounts for the proceeds of two levies on the sellers of real property in unincorporated King County. Each tax is one-quarter of one percent of the real property value. The tax is dedicated to specific local public works capital projects.

Roads Capital Program - This fund is designed to support capital activities relating to the maintenance of the King County road system and its facilities. Projects include the maintenance of roads, roadsides, bridges/structures, traffic control and drainage, and facilities, such as those for emergencies, material storage, snow and ice storage, and others necessary for the maintenance of the road system.

Youth Services Facilities - This fund accounts for planning and construction of future youth services facilities.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 787,479	\$ 8,854	\$ 330,939	\$ 1,127,272
Taxes receivable-delinquent	11,504	299	932	12,735
Accounts receivable, net	7,982	—	—	7,982
Interest receivable	37	380	—	417
Due from other funds	27,505	4	1,956	29,465
Interfund short-term loans receivable	44,503	—	—	44,503
Due from other governments, net	98,442	—	37,948	136,390
Due from component unit	9,604	—	—	9,604
Inventory	143	—	—	143
Prepayments	19,248	—	5,629	24,877
Advances to other funds	39,591	—	—	39,591
Notes receivable	7,680	123,142	72	130,894
Total assets	<u>\$ 1,053,718</u>	<u>\$ 132,679</u>	<u>\$ 377,476</u>	<u>\$ 1,563,873</u>
LIABILITIES				
Accounts payable	\$ 42,346	\$ 89	\$ 25,558	\$ 67,993
Due to other funds	63,222	—	1	63,223
Interfund short-term loans payable	18,339	—	1,129	19,468
Due to other governments	24,513	—	95	24,608
Due to component unit	2,211	—	—	2,211
Wages payable	15,679	—	507	16,186
Taxes payable	16	—	—	16
Unearned revenues	208,156	122,618	736	331,510
Deposits	3,950	—	1	3,951
Advances from other funds	39,591	—	47,345	86,936
Total liabilities	<u>418,023</u>	<u>122,707</u>	<u>75,372</u>	<u>616,102</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	9,128	243	731	10,102
Unavailable revenue-other receivables	15,475	—	1,918	17,393
Total deferred inflows of resources	<u>24,603</u>	<u>243</u>	<u>2,649</u>	<u>27,495</u>
FUND BALANCES				
Nonspendable	19,391	—	5,629	25,020
Restricted	602,479	2,454	305,285	910,218
Committed	18,660	—	—	18,660
Assigned	6,855	7,275	7,576	21,706
Unassigned (deficits)	(36,293)	—	(19,035)	(55,328)
Total fund balances	<u>611,092</u>	<u>9,729</u>	<u>299,455</u>	<u>920,276</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,053,718</u>	<u>\$ 132,679</u>	<u>\$ 377,476</u>	<u>\$ 1,563,873</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Taxes:				
Property taxes	\$ 577,810	\$ 13,828	\$ 48,842	\$ 640,480
Retail sales and use taxes	192,178	—	—	192,178
Business and other taxes	2,093	4	24,646	26,743
Licenses and permits	19,863	—	—	19,863
Intergovernmental revenues	66,864	9,542	25,159	101,565
Charges for services	222,959	—	4,818	227,777
Fines and forfeits	807	—	1	808
Interest earnings	(683)	4,988	(1,130)	3,175
Miscellaneous revenues	23,830	43	8,236	32,109
Total revenues	<u>1,105,721</u>	<u>28,405</u>	<u>110,572</u>	<u>1,244,698</u>
EXPENDITURES				
Current:				
General government	48,271	—	13,043	61,314
Law, safety and justice	165,705	—	10,760	176,465
Physical environment	20,844	—	241	21,085
Transportation	82,237	—	22,383	104,620
Economic environment	154,944	—	12,130	167,074
Health and human services	243,767	—	3,049	246,816
Culture and recreation	68,112	—	18,932	87,044
Debt service:				
Principal	—	73,416	—	73,416
Interest and other debt service costs	4,640	27,789	495	32,924
Capital outlay	30,688	—	124,926	155,614
Total expenditures	<u>819,208</u>	<u>101,205</u>	<u>205,959</u>	<u>1,126,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>286,513</u>	<u>(72,800)</u>	<u>(95,387)</u>	<u>118,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	69,396	72,824	175,931	318,151
Transfers out	(294,690)	—	(51,527)	(346,217)
General government bonds issued	48,040	—	14,145	62,185
Refunding bonds issued	—	30,410	—	30,410
Premium on general government bonds issued	7,771	—	3,640	11,411
Premium on refunded bonds	—	3,134	—	3,134
Payment to refunded bond escrow agent	—	(33,462)	—	(33,462)
Sale of capital assets	2,357	7	25	2,389
Insurance recoveries	1,840	—	—	1,840
Total other financing sources (uses)	<u>(165,286)</u>	<u>72,913</u>	<u>142,214</u>	<u>49,841</u>
Net change in fund balances	121,227	113	46,827	168,167
Fund balances - beginning (Restated)	489,865	9,616	252,628	752,109
Fund balances - ending	<u>\$ 611,092</u>	<u>\$ 9,729</u>	<u>\$ 299,455</u>	<u>\$ 920,276</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	TOTAL
ASSETS	
Cash and cash equivalents	\$ 787,479
Taxes receivable-delinquent	11,504
Accounts receivable, net	7,982
Interest receivable	37
Due from other funds	27,505
Interfund short-term loans receivable	44,503
Due from other governments, net	98,442
Due from component unit	9,604
Inventory	143
Prepayments	19,248
Advances to other funds	39,591
Notes receivable	7,680
Total assets	\$ 1,053,718
LIABILITIES	
Accounts payable	\$ 42,346
Due to other funds	63,222
Interfund short-term loans payable	18,339
Due to other governments	24,513
Due to component unit	2,211
Wages payable	15,679
Taxes payable	16
Unearned revenues	208,156
Deposits	3,950
Advances from other funds	39,591
Total liabilities	418,023
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	9,128
Unavailable revenue-other receivables	15,475
Total deferred inflows of resources	24,603
FUND BALANCES	
Nonspendable	19,391
Restricted	602,479
Committed	18,660
Assigned	6,855
Unassigned (deficits)	(36,293)
Total fund balances (deficits)	611,092
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,053,718

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	ANIMAL SERVICES	ARTS AND CULTURAL DEVELOPMENT	AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM
ASSETS			
Cash and cash equivalents	\$ 3,942	\$ 3,185	\$ 29,857
Taxes receivable-delinquent	—	—	423
Accounts receivable, net	112	—	—
Interest receivable	—	—	—
Due from other funds	1	1	13
Interfund short-term loans receivable	—	—	—
Due from other governments, net	151	—	—
Due from component unit	—	9,604	—
Inventory	—	—	—
Prepayments	10	16,401	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 4,216</u>	<u>\$ 29,191</u>	<u>\$ 30,293</u>
LIABILITIES			
Accounts payable	\$ 44	\$ —	\$ 88
Due to other funds	—	12,213	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	7
Due to component unit	—	2,012	—
Wages payable	191	—	528
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	2	—	—
Advances from other funds	—	9,800	—
Total liabilities	<u>237</u>	<u>24,025</u>	<u>623</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	331
Unavailable revenue-other receivables	75	—	—
Total deferred inflows of resources	<u>75</u>	<u>—</u>	<u>331</u>
FUND BALANCES			
Nonspendable	10	16,401	—
Restricted	3,894	9,854	29,339
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	(21,089)	—
Total fund balances (deficits)	<u>3,904</u>	<u>5,166</u>	<u>29,339</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 4,216</u>	<u>\$ 29,191</u>	<u>\$ 30,293</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	BEST START FOR KIDS LEVY	COMMUNITY SERVICES OPERATING	COUNTY ROAD OPERATING
ASSETS			
Cash and cash equivalents	\$ 20,590	\$ 4,811	\$ 23,103
Taxes receivable-delinquent	1,403	—	2,494
Accounts receivable, net	—	85	196
Interest receivable	—	—	—
Due from other funds	11	210	12
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	—	1,410
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 22,004</u>	<u>\$ 5,106</u>	<u>\$ 27,215</u>
LIABILITIES			
Accounts payable	\$ 2,153	\$ 1,055	\$ 365
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	202	9	180
Due to component unit	—	36	—
Wages payable	81	121	3,295
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	224
Advances from other funds	—	—	—
Total liabilities	<u>2,436</u>	<u>1,221</u>	<u>4,064</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,117	—	2,045
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>1,117</u>	<u>—</u>	<u>2,045</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	18,451	3,885	21,106
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>18,451</u>	<u>3,885</u>	<u>21,106</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 22,004</u>	<u>\$ 5,106</u>	<u>\$ 27,215</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	DEPARTMENT OF COMMUNITY AND HUMAN SERVICES ADMIN	DEPARTMENT OF LOCAL SERVICES ADMINISTRATION	DEVELOPMENTAL DISABILITIES
ASSETS			
Cash and cash equivalents	\$ 105	\$ 687	\$ 9,246
Taxes receivable-delinquent	—	—	69
Accounts receivable, net	—	—	11
Interest receivable	—	—	—
Due from other funds	2,448	982	3
Interfund short-term loans receivable	—	—	—
Due from other governments, net	9,471	229	10,820
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 12,024</u>	<u>\$ 1,898</u>	<u>\$ 20,149</u>
LIABILITIES			
Accounts payable	\$ 2,122	\$ 459	\$ 6,300
Due to other funds	6	—	—
Interfund short-term loans payable	10,718	—	—
Due to other governments	—	—	4,637
Due to component unit	—	—	—
Wages payable	440	198	288
Taxes payable	—	—	—
Unearned revenues	—	—	898
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>13,286</u>	<u>657</u>	<u>12,123</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	54
Unavailable revenue-other receivables	1,410	—	—
Total deferred inflows of resources	<u>1,410</u>	<u>—</u>	<u>54</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	—	—	7,972
Committed	—	—	—
Assigned	—	1,241	—
Unassigned (deficits)	(2,672)	—	—
Total fund balances (deficits)	<u>(2,672)</u>	<u>1,241</u>	<u>7,972</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 12,024</u>	<u>\$ 1,898</u>	<u>\$ 20,149</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	DEPARTMENT OF NATURAL RESOURCES AND PARKS ADMIN	EMERGENCY MEDICAL SERVICES	EMERGENCY TELEPHONE ENHANCED 911
ASSETS			
Cash and cash equivalents	\$ 1,615	\$ 91,545	\$ 47,807
Taxes receivable-delinquent	—	1,819	—
Accounts receivable, net	—	23	—
Interest receivable	—	—	—
Due from other funds	1	39	16
Interfund short-term loans receivable	—	—	—
Due from other governments, net	59	82	4,284
Due from component unit	—	—	—
Inventory	—	143	—
Prepayments	8	47	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 1,683</u>	<u>\$ 93,698</u>	<u>\$ 52,107</u>
LIABILITIES			
Accounts payable	\$ 145	\$ 4,324	\$ 125
Due to other funds	73	3	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	7,690	—
Due to component unit	—	—	—
Wages payable	288	1,270	89
Taxes payable	—	—	—
Unearned revenues	—	62	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>506</u>	<u>13,349</u>	<u>214</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	1,407	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>1,407</u>	<u>—</u>
FUND BALANCES			
Nonspendable	8	190	—
Restricted	—	78,752	51,576
Committed	—	—	—
Assigned	1,169	—	317
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>1,177</u>	<u>78,942</u>	<u>51,893</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,683</u>	<u>\$ 93,698</u>	<u>\$ 52,107</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	EMPLOYMENT AND EDUCATION RESOURCES	ENVIRONMENTAL HEALTH	FLOOD CONTROL DISTRICT
ASSETS			
Cash and cash equivalents	\$ 2,212	\$ 19,197	\$ 84,881
Taxes receivable-delinquent	—	—	1,116
Accounts receivable, net	265	590	43
Interest receivable	—	—	—
Due from other funds	—	266	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	643	1,028	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	4,000
Notes receivable	—	—	—
Total assets	<u>\$ 3,120</u>	<u>\$ 21,081</u>	<u>\$ 90,040</u>
LIABILITIES			
Accounts payable	\$ 1,751	\$ 486	\$ 3,780
Due to other funds	—	25	20,180
Interfund short-term loans payable	—	—	—
Due to other governments	7	—	—
Due to component unit	—	—	—
Wages payable	282	1,242	—
Taxes payable	—	—	—
Unearned revenues	—	5,680	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>2,040</u>	<u>7,433</u>	<u>23,960</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	863
Unavailable revenue-other receivables	—	287	—
Total deferred inflows of resources	<u>—</u>	<u>287</u>	<u>863</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	1,080	13,361	65,217
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>1,080</u>	<u>13,361</u>	<u>65,217</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 3,120</u>	<u>\$ 21,081</u>	<u>\$ 90,040</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	<u>GRANTS FUND</u>	<u>HARBORVIEW HEALTH AND SAFETY</u>	<u>HEALTH THROUGH HOUSING</u>
ASSETS			
Cash and cash equivalents	\$ 119,114	\$ 20,839	\$ 44,775
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	34	—	—
Interest receivable	—	—	—
Due from other funds	95	10	67
Interfund short-term loans receivable	44,503	—	—
Due from other governments, net	13,131	—	11,110
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	236	—	—
Advances to other funds	25,791	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 202,904</u>	<u>\$ 20,849</u>	<u>\$ 55,952</u>
LIABILITIES			
Accounts payable	\$ 1,840	\$ 23	\$ 8
Due to other funds	29,405	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	75	—	—
Due to component unit	—	—	—
Wages payable	447	13	48
Taxes payable	4	—	—
Unearned revenues	167,447	—	—
Deposits	8	—	—
Advances from other funds	—	—	—
Total liabilities	<u>199,226</u>	<u>36</u>	<u>56</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	2,508	—	—
Total deferred inflows of resources	<u>2,508</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	236	—	—
Restricted	934	21,004	55,896
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	(191)	—
Total fund balances (deficits)	<u>1,170</u>	<u>20,813</u>	<u>55,896</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 202,904</u>	<u>\$ 20,849</u>	<u>\$ 55,952</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	HISTORICAL PRESERVATION	KC FLOOD CONTROL CONTRACT	LAW LIBRARY
ASSETS			
Cash and cash equivalents	\$ 603	\$ 1,470	\$ 743
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	1	—
Interest receivable	—	—	—
Due from other funds	—	20,180	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	17	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 620</u>	<u>\$ 21,651</u>	<u>\$ 743</u>
LIABILITIES			
Accounts payable	\$ 7	\$ 3,397	\$ 9
Due to other funds	—	6	—
Interfund short-term loans payable	—	7,621	—
Due to other governments	—	6,037	—
Due to component unit	—	—	—
Wages payable	28	656	—
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	4,000	—
Total liabilities	<u>35</u>	<u>21,717</u>	<u>9</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	1	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>1</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	585	39	734
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	(106)	—
Total fund balances (deficits)	<u>585</u>	<u>(67)</u>	<u>734</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 620</u>	<u>\$ 21,651</u>	<u>\$ 743</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	LOCAL HAZARDOUS WASTE	LODGING TAX FUND	LONG-TERM LEASES
ASSETS			
Cash and cash equivalents	\$ 14,003	\$ 12,401	\$ 235
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	1,789	15	—
Interest receivable	—	—	37
Due from other funds	7	6	2,879
Interfund short-term loans receivable	—	—	—
Due from other governments, net	1,778	3,259	21,301
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	2,511
Advances to other funds	—	9,800	—
Notes receivable	—	—	7,680
Total assets	<u>\$ 17,577</u>	<u>\$ 25,481</u>	<u>\$ 34,643</u>
LIABILITIES			
Accounts payable	\$ 648	\$ —	\$ 182
Due to other funds	—	2	1,144
Interfund short-term loans payable	—	—	—
Due to other governments	597	—	—
Due to component unit	—	—	—
Wages payable	—	—	1
Taxes payable	—	—	—
Unearned revenues	—	—	7,652
Deposits	—	—	—
Advances from other funds	—	—	25,791
Total liabilities	<u>1,245</u>	<u>2</u>	<u>34,770</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	8,418
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>8,418</u>
FUND BALANCES			
Nonspendable	—	—	2,511
Restricted	16,332	25,479	—
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	(11,056)
Total fund balances (deficits)	<u>16,332</u>	<u>25,479</u>	<u>(8,545)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 17,577</u>	<u>\$ 25,481</u>	<u>\$ 34,643</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	MAJOR MAINTENANCE	MENTAL ILLNESS AND DRUG DEPENDENCY	NOXIOUS WEED CONTROL
ASSETS			
Cash and cash equivalents	\$ 23,495	\$ 32,587	\$ 2,309
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	138
Interest receivable	—	—	—
Due from other funds	7	13	1
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	14,919	41
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 23,502</u>	<u>\$ 47,519</u>	<u>\$ 2,489</u>
LIABILITIES			
Accounts payable	\$ 2,245	\$ 2,935	\$ 189
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	114	15
Due to component unit	—	163	—
Wages payable	10	460	114
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>2,255</u>	<u>3,672</u>	<u>318</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	80
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>80</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	17,119	43,847	2,091
Committed	—	—	—
Assigned	4,128	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>21,247</u>	<u>43,847</u>	<u>2,091</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 23,502</u>	<u>\$ 47,519</u>	<u>\$ 2,489</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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(IN THOUSANDS)
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	PARKS OPERATING LEVY	PERMITTING AND ABATEMENT	PUGET SOUND EMERGENCY RADIO NETWORK LEVY
ASSETS			
Cash and cash equivalents	\$ 31,004	\$ 9,936	\$ 5,373
Taxes receivable-delinquent	2,282	—	635
Accounts receivable, net	249	1,194	—
Interest receivable	—	—	—
Due from other funds	30	149	3
Interfund short-term loans receivable	—	—	—
Due from other governments, net	137	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	35	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 33,737</u>	<u>\$ 11,279</u>	<u>\$ 6,011</u>
LIABILITIES			
Accounts payable	\$ 312	\$ 302	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	88	3,671	—
Due to component unit	—	—	—
Wages payable	2,039	681	15
Taxes payable	12	—	—
Unearned revenues	256	1,953	—
Deposits	13	3,703	—
Advances from other funds	—	—	—
Total liabilities	<u>2,720</u>	<u>10,310</u>	<u>15</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,799	—	512
Unavailable revenue-other receivables	—	14	—
Total deferred inflows of resources	<u>1,799</u>	<u>14</u>	<u>512</u>
FUND BALANCES			
Nonspendable	35	—	—
Restricted	29,183	1,994	5,484
Committed	—	140	—
Assigned	—	—	—
Unassigned (deficits)	—	(1,179)	—
Total fund balances (deficits)	<u>29,218</u>	<u>955</u>	<u>5,484</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 33,737</u>	<u>\$ 11,279</u>	<u>\$ 6,011</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	PUGET SOUND TAXPAYER ACCOUNTABILITY	RECORDER'S OPERATING AND MAINTENANCE	RISK ABATEMENT
ASSETS			
Cash and cash equivalents	\$ 3,992	\$ 3,606	\$ —
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	—
Interest receivable	—	—	—
Due from other funds	1	2	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 3,993</u>	<u>\$ 3,608</u>	<u>\$ —</u>
LIABILITIES			
Accounts payable	\$ 484	\$ 1	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	—
Due to component unit	—	—	—
Wages payable	34	29	—
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>518</u>	<u>30</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	3,475	3,578	—
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>3,475</u>	<u>3,578</u>	<u>—</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 3,993</u>	<u>\$ 3,608</u>	<u>\$ —</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	ROAD IMPROVEMENT DISTRICTS	SURFACE WATER PROGRAM	TREASURER'S OPERATING AND MAINTENANCE
ASSETS			
Cash and cash equivalents	\$ 14	\$ 62,017	\$ 698
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	1	3,236	—
Interest receivable	—	—	—
Due from other funds	—	25	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	4,007	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 15</u>	<u>\$ 69,285</u>	<u>\$ 698</u>
LIABILITIES			
Accounts payable	\$ —	\$ 2,148	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	188	—
Due to component unit	—	—	—
Wages payable	—	2,507	—
Taxes payable	—	—	—
Unearned revenues	—	24,208	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>—</u>	<u>29,051</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	2,683	—
Total deferred inflows of resources	<u>—</u>	<u>2,683</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	15	37,551	698
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>15</u>	<u>37,551</u>	<u>698</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 15</u>	<u>\$ 69,285</u>	<u>\$ 698</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	TRANSFER OF DEVELOPER CREDIT	URBAN REFORESTATION AND HABITAT RESTORATION	VETERANS, SENIORS AND HUMAN SERVICES LEVY
ASSETS			
Cash and cash equivalents	\$ 17,136	\$ 279	\$ 29,552
Taxes receivable-delinquent	—	—	1,201
Accounts receivable, net	—	—	—
Interest receivable	—	—	—
Due from other funds	7	—	16
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 17,143</u>	<u>\$ 279</u>	<u>\$ 30,769</u>
LIABILITIES			
Accounts payable	\$ —	\$ 29	\$ 4,015
Due to other funds	—	—	165
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	895
Due to component unit	—	—	—
Wages payable	6	—	203
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>6</u>	<u>29</u>	<u>5,278</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	951
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>951</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	—	250	24,540
Committed	17,137	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>17,137</u>	<u>250</u>	<u>24,540</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 17,143</u>	<u>\$ 279</u>	<u>\$ 30,769</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	VETERANS RELIEF	YOUTH AMATEUR SPORTS
ASSETS		
Cash and cash equivalents	\$ 1,458	\$ 7,057
Taxes receivable-delinquent	62	—
Accounts receivable, net	—	—
Interest receivable	—	—
Due from other funds	1	3
Interfund short-term loans receivable	—	—
Due from other governments, net	9	556
Due from component unit	—	—
Inventory	—	—
Prepayments	—	—
Advances to other funds	—	—
Notes receivable	—	—
Total assets	<u>\$ 1,530</u>	<u>\$ 7,616</u>
LIABILITIES		
Accounts payable	\$ 72	\$ 303
Due to other funds	—	—
Interfund short-term loans payable	—	—
Due to other governments	43	58
Due to component unit	—	—
Wages payable	53	22
Taxes payable	—	—
Unearned revenues	—	—
Deposits	—	—
Advances from other funds	—	—
Total liabilities	<u>168</u>	<u>383</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	48	—
Unavailable revenue-other receivables	—	—
Total deferred inflows of resources	<u>48</u>	<u>—</u>
FUND BALANCES		
Nonspendable	—	—
Restricted	1,314	5,850
Committed	—	1,383
Assigned	—	—
Unassigned (deficits)	—	—
Total fund balances (deficits)	<u>1,314</u>	<u>7,233</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,530</u>	<u>\$ 7,616</u>

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NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
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	TOTAL
ASSETS	
Cash and cash equivalents	\$ 8,854
Taxes receivable - delinquent	299
Interest receivable	380
Due from other funds	4
Notes receivable	123,142
Total assets	\$ 132,679
LIABILITIES	
Accounts payable	\$ 89
Unearned revenues	122,618
Total liabilities	122,707
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	243
Total deferred inflows of resources	243
FUND BALANCES	
Restricted	2,454
Assigned	7,275
Total fund balances	9,729
Total liabilities, deferred inflows of resources and fund balances	\$ 132,679

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
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	LIMITED GO BOND REDEMPTION	UNLIMITED GO BOND REDEMPTION
ASSETS		
Cash and cash equivalents	\$ 6,457	\$ 2,397
Taxes receivable - delinquent	—	299
Interest receivable	380	—
Due from other funds	3	1
Notes receivable	123,142	—
Total assets	<u>\$ 129,982</u>	<u>\$ 2,697</u>
LIABILITIES		
Accounts payable	\$ 89	\$ —
Unearned revenues	122,618	—
Total liabilities	<u>122,707</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	—	243
Total deferred inflows of resources	<u>—</u>	<u>243</u>
FUND BALANCES		
Restricted	—	2,454
Assigned	7,275	—
Total fund balances	<u>7,275</u>	<u>2,454</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 129,982</u>	<u>\$ 2,697</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	TOTAL
ASSETS	
Cash and cash equivalents	\$ 330,939
Taxes receivable—delinquent	932
Due from other funds	1,956
Due from other governments, net	37,948
Prepayments	5,629
Notes receivable	72
Total assets	\$ 377,476
LIABILITIES	
Accounts payable	25,558
Due to other funds	1
Interfund short-term loans payable	1,129
Due to other governments	95
Wages payable	507
Unearned revenues	736
Deposits	1
Advances from other funds	47,345
Total liabilities	75,372
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	731
Unavailable revenue-other receivables	1,918
Total deferred inflows of resources	2,649
FUND BALANCES	
Nonspendable	5,629
Restricted	305,285
Assigned	7,576
Unassigned (deficits)	(19,035)
Total fund balances (deficits)	299,455
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 377,476

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
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	BUILDING REPAIR AND REPLACEMENT	CONSERVATION FUTURES	DEPARTMENT OF LOCAL SERVICES CAPITAL
ASSETS			
Cash and cash equivalents	\$ 13,612	\$ 33,940	\$ —
Taxes receivable—delinquent	3	410	—
Due from other funds	1,798	16	—
Due from other governments, net	30,748	—	—
Prepayments	1,489	450	—
Notes receivable	—	—	—
Total assets	<u>\$ 47,650</u>	<u>\$ 34,816</u>	<u>\$ —</u>
LIABILITIES			
Accounts payable	\$ 7,893	\$ 17	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	—
Wages payable	32	16	6
Unearned revenues	—	—	—
Deposits	1	—	—
Advances from other funds	47,314	—	31
Total liabilities	<u>55,240</u>	<u>33</u>	<u>37</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	3	321	—
Unavailable revenue-other receivables	1,496	—	—
Total deferred inflows of resources	<u>1,499</u>	<u>321</u>	<u>—</u>
FUND BALANCES			
Nonspendable	1,489	450	—
Restricted	8,420	34,012	—
Assigned	—	—	—
Unassigned (deficits)	(18,998)	—	(37)
Total fund balances (deficits)	<u>(9,089)</u>	<u>34,462</u>	<u>(37)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 47,650</u>	<u>\$ 34,816</u>	<u>\$ —</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(IN THOUSANDS)
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	ENHANCED 911 EMERGENCY TELEPHONE CAPITAL	IT SERVICES CAPITAL	KCIT CAPITAL PROJECTS
ASSETS			
Cash and cash equivalents	\$ 6,801	\$ 4,734	\$ 10,296
Taxes receivable—delinquent	—	—	—
Due from other funds	2	29	4
Due from other governments, net	—	3,354	—
Prepayments	—	78	—
Notes receivable	—	—	—
Total assets	<u>\$ 6,803</u>	<u>\$ 8,195</u>	<u>\$ 10,300</u>
LIABILITIES			
Accounts payable	\$ 2,850	\$ 1,178	\$ 1,555
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	—
Wages payable	—	—	58
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>2,850</u>	<u>1,178</u>	<u>1,613</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	78	—
Restricted	3,953	—	8,050
Assigned	—	6,939	637
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>3,953</u>	<u>7,017</u>	<u>8,687</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 6,803</u>	<u>\$ 8,195</u>	<u>\$ 10,300</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	OPEN SPACE ACQUISITIONS	PARKS CAPITAL PROJECTS	PUGET SOUND EMERGENCY RADIO NETWORK CAP
ASSETS			
Cash and cash equivalents	\$ 3	\$ 146,035	\$ 19,609
Taxes receivable—delinquent	—	—	—
Due from other funds	—	58	9
Due from other governments, net	1,230	423	—
Prepayments	—	3,612	—
Notes receivable	—	72	—
Total assets	<u>\$ 1,233</u>	<u>\$ 150,200</u>	<u>\$ 19,618</u>
LIABILITIES			
Accounts payable	\$ —	\$ 3,032	\$ 8,195
Due to other funds	1	—	—
Interfund short-term loans payable	1,129	—	—
Due to other governments	—	20	75
Wages payable	—	128	189
Unearned revenues	—	595	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>1,130</u>	<u>3,775</u>	<u>8,459</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	72	—
Total deferred inflows of resources	<u>—</u>	<u>72</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	3,612	—
Restricted	103	142,741	11,159
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>103</u>	<u>146,353</u>	<u>11,159</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,233</u>	<u>\$ 150,200</u>	<u>\$ 19,618</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021
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	REAL ESTATE EXCISE TAX CAPITAL	ROADS CAPITAL PROGRAM	YOUTH SERVICES FACILITIES
ASSETS			
Cash and cash equivalents	\$ 54,157	\$ 41,752	\$ —
Taxes receivable—delinquent	—	—	519
Due from other funds	22	17	1
Due from other governments, net	—	2,193	—
Prepayments	—	—	—
Notes receivable	—	—	—
Total assets	<u>\$ 54,179</u>	<u>\$ 43,962</u>	<u>\$ 520</u>
LIABILITIES			
Accounts payable	\$ —	\$ 838	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	—
Wages payable	—	78	—
Unearned revenues	—	141	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>—</u>	<u>1,057</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	407
Unavailable revenue-other receivables	—	350	—
Total deferred inflows of resources	<u>—</u>	<u>350</u>	<u>407</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	54,179	42,555	113
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>54,179</u>	<u>42,555</u>	<u>113</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 54,179</u>	<u>\$ 43,962</u>	<u>\$ 520</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
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	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 577,810
Retail sales and use taxes	192,178
Business and other taxes	2,093
Licenses and permits	19,863
Intergovernmental revenues	66,864
Charges for services	222,959
Fines and forfeits	807
Investment gains (losses)	(683)
Miscellaneous revenues	23,830
Total revenues	1,105,721
EXPENDITURES	
Current:	
General government	48,271
Law, safety and justice	165,705
Physical environment	20,844
Transportation	82,237
Economic environment	154,944
Health and human services	243,767
Culture and recreation	68,112
Debt service:	
Interest and other debt service costs	4,640
Capital outlay	30,688
Total expenditures	819,208
Excess (deficiency) of revenues over (under) expenditures	286,513
OTHER FINANCING SOURCES (USES)	
Transfers in	69,396
Transfers out	(294,690)
General government bonds issued	48,040
Premium on general government bonds issued	7,771
Sale of capital assets	2,357
Insurance recoveries	1,840
Total other financing sources (uses)	(165,286)
Net change in fund balances	121,227
Fund balances (deficits) - beginning (Restated)	489,865
Fund balances (deficits) - ending	\$ 611,092

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	ANIMAL SERVICES	ARTS AND CULTURAL DEVELOPMENT	AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 22,207
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	91
Licenses and permits	2,880	—	—
Intergovernmental revenues	18	746	1
Charges for services	1,263	—	—
Fines and forfeits	141	—	—
Investment gains (losses)	—	4	(101)
Miscellaneous revenues	308	—	52
Total revenues	<u>4,610</u>	<u>750</u>	<u>22,250</u>
EXPENDITURES			
Current:			
General government	794	—	—
Law, safety and justice	—	—	18,410
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	5,895	—	—
Health and human services	—	—	—
Culture and recreation	—	5,967	—
Debt service:			
Interest and other debt service costs	—	—	—
Capital outlay	—	6	—
Total expenditures	<u>6,689</u>	<u>5,973</u>	<u>18,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,079)</u>	<u>(5,223)</u>	<u>3,840</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,545	7,326	—
Transfers out	(26)	—	(851)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	12
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>2,519</u>	<u>7,326</u>	<u>(839)</u>
Net change in fund balances	440	2,103	3,001
Fund balances (deficits) - beginning (Restated)	3,464	3,063	26,338
Fund balances (deficits) - ending	<u>\$ 3,904</u>	<u>\$ 5,166</u>	<u>\$ 29,339</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	BEST START FOR KIDS LEVY	COMMUNITY SERVICES OPERATING	COUNTY ROAD OPERATING
REVENUES			
Taxes:			
Property taxes	\$ 75,302	\$ —	\$ 94,413
Retail sales and use taxes	—	—	—
Business and other taxes	329	—	369
Licenses and permits	—	—	—
Intergovernmental revenues	4	917	12,953
Charges for services	—	—	6,300
Fines and forfeits	—	—	—
Investment gains (losses)	(239)	(62)	(88)
Miscellaneous revenues	—	1	340
Total revenues	<u>75,396</u>	<u>856</u>	<u>114,287</u>
EXPENDITURES			
Current:			
General government	—	387	6,715
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	81,615
Economic environment	—	8,880	—
Health and human services	20,711	884	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	27	79
Capital outlay	—	—	1,149
Total expenditures	<u>20,711</u>	<u>10,178</u>	<u>89,558</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,685</u>	<u>(9,322)</u>	<u>24,729</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	12,828	—
Transfers out	(90,160)	(315)	(29,205)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	40	—	2,095
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(90,120)</u>	<u>12,513</u>	<u>(27,110)</u>
Net change in fund balances	(35,435)	3,191	(2,381)
Fund balances (deficits) - beginning (Restated)	53,886	694	23,487
Fund balances (deficits) - ending	<u>\$ 18,451</u>	<u>\$ 3,885</u>	<u>\$ 21,106</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	DEPARTMENT OF COMMUNITY AND HUMAN SERVICES ADMIN	DEPARTMENT OF LOCAL SERVICES ADMINISTRATION	DEVELOPMENTAL DISABILITIES
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 3,658
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	15
Licenses and permits	—	—	—
Intergovernmental revenues	4,264	3,102	—
Charges for services	9,138	4,330	63,105
Fines and forfeits	—	—	—
Investment gains (losses)	17	1	(28)
Miscellaneous revenues	1	—	14
Total revenues	<u>13,420</u>	<u>7,433</u>	<u>66,764</u>
EXPENDITURES			
Current:			
General government	1,156	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	622	—
Economic environment	—	7,247	—
Health and human services	22,532	—	77,082
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	33	—	—
Capital outlay	—	—	—
Total expenditures	<u>23,721</u>	<u>7,869</u>	<u>77,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,301)</u>	<u>(436)</u>	<u>(10,318)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,537	989	11,710
Transfers out	(334)	(27)	(940)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	2
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>7,203</u>	<u>962</u>	<u>10,772</u>
Net change in fund balances	(3,098)	526	454
Fund balances (deficits) - beginning (Restated)	426	715	7,518
Fund balances (deficits) - ending	<u>\$ (2,672)</u>	<u>\$ 1,241</u>	<u>\$ 7,972</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	DEPARTMENT OF NATURAL RESOURCES AND PARKS ADMIN	EMERGENCY MEDICAL SERVICES	EMERGENCY TELEPHONE ENHANCED 911
REVENUES			
Taxes:			
Property taxes	\$ —	\$ 104,125	\$ —
Retail sales and use taxes	—	—	25,745
Business and other taxes	—	295	—
Licenses and permits	—	13	—
Intergovernmental revenues	222	29	45
Charges for services	6,411	235	—
Fines and forfeits	—	—	—
Investment gains (losses)	2	(237)	(129)
Miscellaneous revenues	—	139	399
Total revenues	<u>6,635</u>	<u>104,599</u>	<u>26,060</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	87,693	15,480
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	7,809	—	—
Health and human services	—	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	—	—
Capital outlay	—	51	—
Total expenditures	<u>7,809</u>	<u>87,744</u>	<u>15,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,174)</u>	<u>16,855</u>	<u>10,580</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,605	—	—
Transfers out	(21)	(108)	(3,021)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	91	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>1,584</u>	<u>(17)</u>	<u>(3,021)</u>
Net change in fund balances	410	16,838	7,559
Fund balances (deficits) - beginning (Restated)	767	62,104	44,334
Fund balances (deficits) - ending	<u>\$ 1,177</u>	<u>\$ 78,942</u>	<u>\$ 51,893</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
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	EMPLOYMENT AND EDUCATION RESOURCES	ENVIRONMENTAL HEALTH	FLOOD CONTROL DISTRICT
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 58,128
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	285
Licenses and permits	—	16,938	—
Intergovernmental revenues	2,006	5,219	—
Charges for services	—	7,534	—
Fines and forfeits	—	148	—
Investment gains (losses)	—	(65)	(409)
Miscellaneous revenues	574	20	47
Total revenues	<u>2,580</u>	<u>29,794</u>	<u>58,051</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	15,603	—	46,547
Health and human services	—	28,435	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	—	74
Capital outlay	—	—	20,950
Total expenditures	<u>15,603</u>	<u>28,435</u>	<u>67,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,023)</u>	<u>1,359</u>	<u>(9,520)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,366	675	139
Transfers out	(404)	(141)	(1,242)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>12,962</u>	<u>534</u>	<u>(1,103)</u>
Net change in fund balances	(61)	1,893	(10,623)
Fund balances (deficits) - beginning (Restated)	1,141	11,468	75,840
Fund balances (deficits) - ending	<u>\$ 1,080</u>	<u>\$ 13,361</u>	<u>\$ 65,217</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
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	<u>GRANTS FUND</u>	<u>HARBORVIEW HEALTH AND SAFETY</u>	<u>HEALTH THROUGH HOUSING</u>
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	61,218
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	12,366	—	—
Charges for services	3,225	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	370	(28)	(4)
Miscellaneous revenues	59	—	22
Total revenues	<u>16,020</u>	<u>(28)</u>	<u>61,236</u>
EXPENDITURES			
Current:			
General government	1,459	—	—
Law, safety and justice	14,583	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	1,008
Health and human services	—	1,972	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	191	2,277
Capital outlay	87	—	—
Total expenditures	<u>16,129</u>	<u>2,163</u>	<u>3,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109)</u>	<u>(2,191)</u>	<u>57,951</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	82	—	—
Transfers out	(6,284)	—	(2,055)
General government bonds issued	—	18,885	—
Premium on general government bonds issued	—	4,119	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(6,202)</u>	<u>23,004</u>	<u>(2,055)</u>
Net change in fund balances	(6,311)	20,813	55,896
Fund balances (deficits) - beginning (Restated)	7,481	—	—
Fund balances (deficits) - ending	<u>\$ 1,170</u>	<u>\$ 20,813</u>	<u>\$ 55,896</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 8 OF 15 - CONTINUED)

	HISTORICAL PRESERVATION	KC FLOOD CONTROL CONTRACT	LAW LIBRARY
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	31	160	—
Charges for services	649	4	1,067
Fines and forfeits	—	—	—
Investment gains (losses)	(2)	131	3
Miscellaneous revenues	—	1	—
Total revenues	<u>678</u>	<u>296</u>	<u>1,070</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	157	—
Health and human services	—	—	—
Culture and recreation	590	—	902
Debt service:			
Interest and other debt service costs	—	—	—
Capital outlay	—	—	—
Total expenditures	<u>590</u>	<u>157</u>	<u>902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>88</u>	<u>139</u>	<u>168</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	(2)	(138)	—
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(2)</u>	<u>(138)</u>	<u>—</u>
Net change in fund balances	86	1	168
Fund balances (deficits) - beginning (Restated)	499	(68)	566
Fund balances (deficits) - ending	<u>\$ 585</u>	<u>\$ (67)</u>	<u>\$ 734</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
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	LOCAL HAZARDOUS WASTE	LODGING TAX FUND	LONG-TERM LEASES
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	18,929	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	241	—	7,803
Charges for services	18,255	—	1,444
Fines and forfeits	—	—	—
Investment gains (losses)	(31)	144	618
Miscellaneous revenues	—	—	19,987
Total revenues	<u>18,465</u>	<u>19,073</u>	<u>29,852</u>
EXPENDITURES			
Current:			
General government	—	25	34,228
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	17,207	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	1,684	135
Capital outlay	—	—	—
Total expenditures	<u>17,207</u>	<u>1,709</u>	<u>34,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,258</u>	<u>17,364</u>	<u>(4,511)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	—	(7,383)	—
General government bonds issued	—	15,625	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>8,242</u>	<u>—</u>
Net change in fund balances	1,258	25,606	(4,511)
Fund balances (deficits) - beginning (Restated)	15,074	(127)	(4,034)
Fund balances (deficits) - ending	<u>\$ 16,332</u>	<u>\$ 25,479</u>	<u>\$ (8,545)</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
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	MAJOR MAINTENANCE	MENTAL ILLNESS AND DRUG DEPENDENCY	NOXIOUS WEED CONTROL
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	82,603	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	—	—	81
Charges for services	6,464	—	3,973
Fines and forfeits	—	—	—
Investment gains (losses)	12	(59)	(8)
Miscellaneous revenues	13	—	18
Total revenues	<u>6,489</u>	<u>82,544</u>	<u>4,064</u>
EXPENDITURES			
Current:			
General government	1,674	—	—
Law, safety and justice	21,556	7,983	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	18	—	3,726
Health and human services	—	40,009	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	75	—	—
Capital outlay	—	—	—
Total expenditures	<u>23,323</u>	<u>47,992</u>	<u>3,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,834)</u>	<u>34,552</u>	<u>338</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	(1)	(16,152)	(418)
General government bonds issued	13,530	—	—
Premium on general government bonds issued	3,652	—	—
Sale of capital assets	—	—	—
Insurance recoveries	1,840	—	—
Total other financing sources (uses)	<u>19,021</u>	<u>(16,152)</u>	<u>(418)</u>
Net change in fund balances	2,187	18,400	(80)
Fund balances (deficits) - beginning (Restated)	19,060	25,447	2,171
Fund balances (deficits) - ending	<u>\$ 21,247</u>	<u>\$ 43,847</u>	<u>\$ 2,091</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	PARKS OPERATING LEVY	PERMITTING AND ABATEMENT	PUGET SOUND EMERGENCY RADIO NETWORK LEVY
REVENUES			
Taxes:			
Property taxes	\$ 120,596	\$ —	\$ 34,198
Retail sales and use taxes	—	—	—
Business and other taxes	529	—	150
Licenses and permits	19	13	—
Intergovernmental revenues	53	1,200	2
Charges for services	2,070	13,355	—
Fines and forfeits	17	371	—
Investment gains (losses)	(68)	(14)	10
Miscellaneous revenues	1,663	1	—
Total revenues	<u>124,879</u>	<u>14,926</u>	<u>34,360</u>
EXPENDITURES			
Current:			
General government	—	5	64
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	16,672	—
Health and human services	—	—	—
Culture and recreation	58,336	—	—
Debt service:			
Interest and other debt service costs	27	—	—
Capital outlay	634	—	—
Total expenditures	<u>58,997</u>	<u>16,677</u>	<u>64</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65,882</u>	<u>(1,751)</u>	<u>34,296</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	11	3,394	—
Transfers out	(61,943)	(63)	(30,617)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	64	—	18
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(61,868)</u>	<u>3,331</u>	<u>(30,599)</u>
Net change in fund balances	4,014	1,580	3,697
Fund balances (deficits) - beginning (Restated)	25,204	(625)	1,787
Fund balances (deficits) - ending	<u>\$ 29,218</u>	<u>\$ 955</u>	<u>\$ 5,484</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
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	PUGET SOUND TAXPAYER ACCOUNTABILITY	RECORDER'S OPERATING AND MAINTENANCE	RISK ABATEMENT
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	10,163	936	—
Charges for services	—	1,491	—
Fines and forfeits	—	—	—
Investment gains (losses)	(11)	(9)	35
Miscellaneous revenues	—	—	—
Total revenues	<u>10,152</u>	<u>2,418</u>	<u>35</u>
EXPENDITURES			
Current:			
General government	—	1,373	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	2,762	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	—	11
Capital outlay	—	—	—
Total expenditures	<u>2,762</u>	<u>1,373</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,390</u>	<u>1,045</u>	<u>24</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	4,085
Transfers out	(6,791)	(119)	(6)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(6,791)</u>	<u>(119)</u>	<u>4,079</u>
Net change in fund balances	599	926	4,103
Fund balances (deficits) - beginning (Restated)	2,876	2,652	(4,103)
Fund balances (deficits) - ending	<u>\$ 3,475</u>	<u>\$ 3,578</u>	<u>\$ —</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
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(PAGE 13 OF 15)

	ROAD IMPROVEMENT DISTRICTS	SURFACE WATER PROGRAM	TREASURER'S OPERATING AND MAINTENANCE
REVENUES			
Taxes:			
Property taxes	\$ —	\$ 4	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	—	4,298	—
Charges for services	—	70,541	472
Fines and forfeits	—	130	—
Investment gains (losses)	2	(266)	—
Miscellaneous revenues	—	54	—
Total revenues	<u>2</u>	<u>74,761</u>	<u>472</u>
EXPENDITURES			
Current:			
General government	—	—	391
Law, safety and justice	—	—	—
Physical environment	—	20,844	—
Transportation	—	—	—
Economic environment	—	40,779	—
Health and human services	—	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	19	—
Capital outlay	—	7,301	—
Total expenditures	<u>—</u>	<u>68,943</u>	<u>391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>5,818</u>	<u>81</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	3,024	—
Transfers out	—	(6,577)	—
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>(3,553)</u>	<u>—</u>
Net change in fund balances	2	2,265	81
Fund balances (deficits) - beginning (Restated)	13	35,286	617
Fund balances (deficits) - ending	<u>\$ 15</u>	<u>\$ 37,551</u>	<u>\$ 698</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
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	TRANSFER OF DEVELOPER CREDIT	URBAN REFORESTATION AND HABITAT RESTORATION	VETERANS, SENIORS AND HUMAN SERVICES LEVY
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 61,920
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	16
Licenses and permits	—	—	—
Intergovernmental revenues	—	—	4
Charges for services	1,633	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	(62)	(2)	(78)
Miscellaneous revenues	4	—	70
Total revenues	<u>1,575</u>	<u>(2)</u>	<u>61,932</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	334	269	—
Health and human services	—	—	30,000
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	—	—
Capital outlay	510	—	—
Total expenditures	<u>844</u>	<u>269</u>	<u>30,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>731</u>	<u>(271)</u>	<u>31,932</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	—	—	(27,386)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	33
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(27,353)</u>
Net change in fund balances	731	(271)	4,579
Fund balances (deficits) - beginning (Restated)	16,406	521	19,961
Fund balances (deficits) - ending	<u>\$ 17,137</u>	<u>\$ 250</u>	<u>\$ 24,540</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
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	VETERANS RELIEF	YOUTH AMATEUR SPORTS
REVENUES		
Taxes:		
Property taxes	\$ 3,259	\$ —
Retail sales and use taxes	—	3,683
Business and other taxes	14	—
Licenses and permits	—	—
Intergovernmental revenues	—	—
Charges for services	—	—
Fines and forfeits	—	—
Investment gains (losses)	(2)	(30)
Miscellaneous revenues	16	27
Total revenues	<u>3,287</u>	<u>3,680</u>
EXPENDITURES		
Current:		
General government	—	—
Law, safety and justice	—	—
Physical environment	—	—
Transportation	—	—
Economic environment	—	—
Health and human services	2,173	—
Culture and recreation	—	2,317
Debt service:		
Interest and other debt service costs	—	8
Capital outlay	—	—
Total expenditures	<u>2,173</u>	<u>2,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,114</u>	<u>1,355</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	—	80
Transfers out	(201)	(1,759)
General government bonds issued	—	—
Premium on general government bonds issued	—	—
Sale of capital assets	2	—
Insurance recoveries	—	—
Total other financing sources (uses)	<u>(199)</u>	<u>(1,679)</u>
Net change in fund balances	915	(324)
Fund balances (deficits) - beginning (Restated)	399	7,557
Fund balances (deficits) - ending	<u>\$ 1,314</u>	<u>\$ 7,233</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 13,828
Business and other taxes	4
Intergovernmental revenues	9,542
Investment gains	4,988
Miscellaneous revenues	43
Total revenues	28,405
EXPENDITURES	
Debt service:	
Principal	73,416
Interest and other debt service costs	27,789
Total expenditures	101,205
Excess (deficiency) of revenues over (under) expenditures	(72,800)
OTHER FINANCING SOURCES (USES)	
Transfers in	72,824
Refunding bonds issued	30,410
Premium on refunded bonds issued	3,134
Payment to refunded bond escrow agent	(33,462)
Sale of capital assets	7
Total other financing sources (uses)	72,913
Net change in fund balances	113
Fund balances - beginning	9,616
Fund balances - ending	\$ 9,729

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
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	LIMITED GO BOND REDEMPTION	UNLIMITED GO BOND REDEMPTION
REVENUES		
Taxes:		
Property taxes	\$ —	\$ 13,828
Business and other taxes	—	4
Intergovernmental revenues	9,541	1
Investment gains	4,969	19
Miscellaneous revenues	43	—
Total revenues	<u>14,553</u>	<u>13,852</u>
EXPENDITURES		
Debt service:		
Principal	61,501	11,915
Interest and other debt service costs	25,896	1,893
Total expenditures	<u>87,397</u>	<u>13,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(72,844)</u>	<u>44</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	72,824	—
Refunding bonds issued	30,410	—
Premium on refunded bonds issued	3,134	—
Payment to refunded bond escrow agent	(33,462)	—
Sale of capital assets	—	7
Total other financing sources (uses)	<u>72,906</u>	<u>7</u>
Net change in fund balances	62	51
Fund balances - beginning	7,213	2,403
Fund balances - ending	<u>\$ 7,275</u>	<u>\$ 2,454</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 5)

	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 48,842
Business and other taxes	24,646
Intergovernmental revenues	25,159
Charges for services	4,818
Fines and forfeits	1
Investment gains (losses)	(1,130)
Miscellaneous revenues	8,236
Total revenues	110,572
EXPENDITURES	
Current:	
General government	13,043
Law, safety and justice	10,760
Physical environment	241
Transportation	22,383
Economic environment	12,130
Health and human services	3,049
Culture and recreation	18,932
Debt service:	
Interest and other debt service costs	495
Capital outlay	124,926
Total expenditures	205,959
Excess (deficiency) of revenues over (under) expenditures	(95,387)
OTHER FINANCING SOURCES (USES)	
Transfers in	175,931
Transfers out	(51,527)
General government bonds issued	14,145
Premium on general government bonds issued	3,640
Sale of capital assets	25
Total other financing sources (uses)	142,214
Net change in fund balances	46,827
Fund balances - beginning (Restated)	252,628
Fund balances - ending	\$ 299,455

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 5 - CONTINUED)

	BUILDING REPAIR AND REPLACEMENT	CONSERVATION FUTURES	DEPARTMENT OF LOCAL SERVICES CAPITAL
REVENUES			
Taxes:			
Property taxes	\$ —	\$ 21,707	\$ —
Business and other taxes	—	6	—
Intergovernmental revenues	14,288	1	—
Charges for services	—	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	(44)	(131)	—
Miscellaneous revenues	—	1	—
Total revenues	<u>14,244</u>	<u>21,584</u>	<u>—</u>
EXPENDITURES			
Current:			
General government	4,684	—	—
Law, safety and justice	826	—	—
Physical environment	241	—	—
Transportation	—	—	—
Economic environment	110	11,958	37
Health and human services	2,661	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	329	162	—
Capital outlay	24,825	12,216	—
Total expenditures	<u>33,676</u>	<u>24,336</u>	<u>37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,432)</u>	<u>(2,752)</u>	<u>(37)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	34,655	286	—
Transfers out	(1,026)	(9,332)	—
General government bonds issued	—	12,225	—
Premium on general government bonds issued	—	3,146	—
Sale of capital assets	—	11	—
Total other financing sources (uses)	<u>33,629</u>	<u>6,336</u>	<u>—</u>
Net change in fund balances	14,197	3,584	(37)
Fund balances - beginning (Restated)	(23,286)	30,878	—
Fund balances - ending	<u>\$ (9,089)</u>	<u>\$ 34,462</u>	<u>\$ (37)</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 5)

	ENHANCED 911 EMERGENCY TELEPHONE CAPITAL	IT SERVICES CAPITAL	KCIT CAPITAL PROJECTS
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Business and other taxes	—	—	—
Intergovernmental revenues	—	2,946	—
Charges for services	—	3,354	—
Fines and forfeits	—	—	—
Investment gains (losses)	(22)	—	(76)
Miscellaneous revenues	—	—	—
Total revenues	<u>(22)</u>	<u>6,300</u>	<u>(76)</u>
EXPENDITURES			
Current:			
General government	—	6,309	1,783
Law, safety and justice	3,370	—	6,564
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	—	167	221
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	—	—	—
Capital outlay	—	6,180	19,936
Total expenditures	<u>3,370</u>	<u>12,656</u>	<u>28,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,392)</u>	<u>(6,356)</u>	<u>(28,580)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,000	9,042	5,880
Transfers out	—	—	—
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Total other financing sources (uses)	<u>3,000</u>	<u>9,042</u>	<u>5,880</u>
Net change in fund balances	(392)	2,686	(22,700)
Fund balances - beginning (Restated)	4,345	4,331	31,387
Fund balances - ending	<u>\$ 3,953</u>	<u>\$ 7,017</u>	<u>\$ 8,687</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 5 - CONTINUED)

	OPEN SPACE ACQUISITIONS	PARKS CAPITAL PROJECTS	PUGET SOUND EMERGENCY RADIO NETWORK CAP
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Business and other taxes	—	—	—
Intergovernmental revenues	1,330	2,080	—
Charges for services	325	—	1,000
Fines and forfeits	—	—	—
Investment gains (losses)	4	(463)	(104)
Miscellaneous revenues	—	8,134	101
Total revenues	<u>1,659</u>	<u>9,751</u>	<u>997</u>
EXPENDITURES			
Current:			
General government	—	—	267
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	25	—	—
Health and human services	—	—	—
Culture and recreation	—	18,932	—
Debt service:			
Interest and other debt service costs	3	—	—
Capital outlay	1,608	30,494	28,759
Total expenditures	<u>1,636</u>	<u>49,426</u>	<u>29,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23</u>	<u>(39,675)</u>	<u>(28,029)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	70,716	30,618
Transfers out	(286)	(1,385)	(2)
General government bonds issued	—	—	—
Premium on general government bonds issued	—	—	—
Sale of capital assets	—	—	—
Total other financing sources (uses)	<u>(286)</u>	<u>69,331</u>	<u>30,616</u>
Net change in fund balances	(263)	29,656	2,587
Fund balances - beginning (Restated)	366	116,697	8,572
Fund balances - ending	<u>\$ 103</u>	<u>\$ 146,353</u>	<u>\$ 11,159</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 5 OF 5 - CONCLUDED)

	REAL ESTATE EXCISE TAXES CAPITAL	ROADS CAPITAL PROGRAM	YOUTH SERVICES FACILITIES
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 27,135
Business and other taxes	24,633	—	7
Intergovernmental revenues	—	4,512	2
Charges for services	—	139	—
Fines and forfeits	1	—	—
Investment gains (losses)	(144)	(153)	3
Miscellaneous revenues	—	—	—
Total revenues	<u>24,490</u>	<u>4,498</u>	<u>27,147</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	22,383	—
Economic environment	—	—	—
Health and human services	—	—	—
Culture and recreation	—	—	—
Debt service:			
Interest and other debt service costs	1	—	—
Capital outlay	—	908	—
Total expenditures	<u>1</u>	<u>23,291</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,489</u>	<u>(18,793)</u>	<u>27,147</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	21,734	—
Transfers out	(11,318)	(611)	(27,567)
General government bonds issued	—	1,920	—
Premium on general government bonds issued	—	494	—
Sale of capital assets	—	—	14
Total other financing sources (uses)	<u>(11,318)</u>	<u>23,537</u>	<u>(27,553)</u>
Net change in fund balances	13,171	4,744	(406)
Fund balances - beginning (Restated)	41,008	37,811	519
Fund balances - ending	<u>\$ 54,179</u>	<u>\$ 42,555</u>	<u>\$ 113</u>

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4 - CONTINUED)

APPROPRIATION UNIT	2021-2022 BUDGET				2021-2022
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	ACTUAL EXPENDITURES
MAJOR FUNDS					
GENERAL FUND					
County Council	\$ 4,112	\$ —	\$ 4,112	\$ 2,202	\$ 1,910
Council Administration	34,369	1,463	35,832	18,600	17,232
Hearing Examiner	1,251	49	1,300	777	523
County Auditor	5,235	222	5,457	2,740	2,717
Ombudsman/Tax Advisor	3,670	79	3,749	2,042	1,707
King County Civic Television	1,575	116	1,691	952	739
Board of Appeals	1,730	75	1,805	984	821
Office of Law Enforcement Oversight	2,873	330	3,203	1,906	1,297
Charter Review Commission Support	109	—	109	(83)	192
Office of Economic and Financial Analysis	1,064	20	1,084	522	562
Flood Control District Administration	1,628	—	1,628	1,598	30
County Executive	643	—	643	327	316
Office of the Executive	10,303	700	11,003	5,670	5,333
Deferred Compensation Administration	—	664	664	358	306
Office of Performance, Strategy and Budget	24,908	82,380	107,288	90,394	16,894
Office of Equity and Social Justice	7,635	10,875	18,510	16,906	1,604
Sheriff	408,926	6,234	415,160	212,265	202,895
Drug Enforcement Forfeits	1,742	—	1,742	1,320	422
Sheriff Office Succession Planning	1	—	1	1	—
Office of Emergency Management	7,031	9,764	16,795	4,863	11,932
Executive Services Administration	6,255	181	6,436	3,280	3,156
Human Resources Management	42,812	2,513	45,325	25,167	20,158
Labor Relations	6,238	653	6,891	3,967	2,924
Cable Communications	826	—	826	476	350
Real Estate Services	9,497	—	9,497	5,228	4,269
Records and Licensing Services	30,570	654	31,224	17,554	13,670
Elections	46,181	—	46,181	24,969	21,212
Prosecuting Attorney	160,950	23,823	184,773	103,073	81,700
Superior Court	113,485	17,282	130,767	73,171	57,596
District Court	70,375	7,764	78,139	44,907	33,232
Judicial Administration	50,759	5,925	56,684	31,058	25,626
Facilities Management	10,015	—	10,015	7,380	2,635
State Auditor	2,329	—	2,329	1,045	1,284
Boundary Review Board	848	—	848	470	378
Federal Lobbying	560	—	560	313	247
Special Programs: Memberships and Dues	1,921	100	2,021	1,213	808
Special Programs: Internal Support	36,584	5,600	42,184	30,655	11,529
Rainy Day Reserve	5,905	—	5,905	1,573	4,332
Jobs and Housing Program	—	38,000	38,000	37,272	728
Assessments	59,378	929	60,307	32,720	27,587
Transfers: Debt Service	66,545	—	66,545	32,461	34,084
Transfers: Dept. of Local Services	6,857	2,180	9,037	5,806	3,231
Transfers: Dept. of Community & Human Services	36,104	32,925	69,029	49,109	19,920
Transfers: Dept. of Executive Services	5,968	1,996	7,964	4,406	3,558
Transfers: Dept. of Public Health	55,629	8,648	64,277	36,028	28,249
Transfers: Dept. of Natural Resources & Parks	4,984	80	5,064	2,584	2,480
Transfers: King County Information Technology	—	300	300	(2)	302
Transfers: CIP Transfer to DES	752	5,305	6,057	1,018	5,039
Transfers: Transfer to Homelessness	—	—	—	(327)	327
Transfers: PSB GF IT cap F3280	—	1,279	1,279	1,279	—
Jail Health Services	86,605	10,710	97,315	51,419	45,896

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4)

APPROPRIATION UNIT	2021-2022 BUDGET			VARIANCE	2021-2022
	ORIGINAL	ADJUSTMENTS	FINAL		ACTUAL
					EXPENDITURES
GENERAL FUND continued					
Medical Examiner	\$ 14,075	\$ 1,571	\$ 15,646	\$ 8,480	\$ 7,166
Adult and Juvenile Detention	328,371	3,969	332,340	173,513	158,827
Public Defense	153,410	12,630	166,040	89,647	76,393
Inmate Welfare - Adult	2,847	—	2,847	1,385	1,462
Inmate Welfare - Juvenile	8	—	8	5	3
TOTAL GENERAL FUND	1,936,448	297,988	2,234,436	1,266,646	967,790
BEHAVIORAL HEALTH FUND					
Behavioral Health	564,647	63,486	628,133	320,019	308,114
HOUSING AND COMMUNITY DEVELOPMENT FUND					
Federal Housing and Community Development	643,449	224,548	867,997	451,276	416,721
HCD Rental Assistance	—	371,828	371,828	220,451	151,377
TOTAL HOUSING AND COMMUNITY DEVELOPMENT FUND	643,449	596,376	1,239,825	671,727	568,098
PUBLIC HEALTH					
Public Health	466,501	293,600	760,101	400,561	359,540
TOTAL MAJOR FUNDS WITH BIENNIAL BUDGETS	\$ 3,611,045	\$ 1,251,450	\$ 4,862,495	\$ 2,658,953	\$ 2,203,542
NONMAJOR SPECIAL REVENUE FUNDS					
ANIMAL SERVICES					
Animal Bequest	\$ 380	\$ —	\$ 380	\$ 190	\$ 190
Regional Animal Services	14,936	133	15,069	8,359	6,710
TOTAL ANIMAL SERVICES	15,316	133	15,449	8,549	6,900
ARTS AND CULTURAL DEVELOPMENT					
Cultural Development Authority	34,437	9,400	43,837	29,655	14,182
AUTOMATED FINGERPRINT IDENTIFICATION					
Automated Fingerprint Identification System	41,767	250	42,017	22,882	19,135
BEST START FOR KIDS LEVY					
Best Starts for Kids	91,826	142,570	234,396	123,526	110,870
COMMUNITY SERVICES OPERATING					
Community Services Operating	20,273	13,850	34,123	23,630	10,493
COUNTY ROAD OPERATING					
Roads	218,294	1,410	219,704	116,998	102,706
Roads Construction Transfer	22,990	2,015	25,005	9,581	15,424
TOTAL COUNTY ROAD OPERATING	241,284	3,425	244,709	126,579	118,130
DEPT COMMUNITY AND HUMAN SERVICES ADMIN					
Community and Human Services Administration	14,773	48,970	63,743	40,004	23,739
DEPARTMENT OF LOCAL SERVICES ADMINISTRATION					
Department Local Services	11,156	16,020	27,176	19,280	7,896
DEVELOPMENTAL DISABILITIES					
Developmental Disabilities	147,523	1,022	148,545	70,523	78,022
DEPT NATURAL RESOURCES AND PARKS ADMIN					
Department Natural Resources and Parks Admin	16,110	1,232	17,342	9,512	7,830
EMERGENCY MEDICAL SERVICES					
Emergency Medical Services	209,582	1,422	211,004	123,105	87,899
EMERGENCY TELEPHONE ENHANCED E911					
Enhanced 911	68,527	—	68,527	46,931	21,596

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4 - CONTINUED)

APPROPRIATION UNIT	2021-2022 BUDGET			VARIANCE	2021-2022
	ORIGINAL	ADJUSTMENTS	FINAL		ACTUAL
					EXPENDITURES
EMPLOYMENT AND EDUCATION RESOURCES					
Employment Education Resources	35,835	3,816	39,651	23,643	16,008
ENVIRONMENTAL HEALTH					
Environmental Health	63,178	8,797	71,975	43,596	28,379
FLOOD CONTROL DISTRICT					
Flood District Administration	2,239	100	2,339	216	2,123
Maintenance and Operation	13,162	984	14,146	2,139	12,007
Construction and Improvements	127,847	127,184	255,031	200,487	54,544
Bond Retirement and Interest	—	—	—	—	—
TOTAL FLOOD CONTROL DISTRICT	143,248	128,268	271,516	202,842	68,674
GRANTS FUND					
Grants	42,194	(126)	42,068	25,662	16,406
HEALTH THROUGH HOUSING					
Heath Through Housing	68,247	7,245	75,492	70,153	5,339
HISTORICAL PRESERVATION					
Historic Preservation Program	1,153	37	1,190	597	593
KING COUNTY FLOOD CONTROL CONTRACT					
Flood Control District	138,951	140,275	279,226	212,680	66,546
Intercounty River Improvement	100	(100)	—	—	—
TOTAL KING COUNTY FLOOD CONTROL CONTRACT	139,051	140,175	279,226	212,680	66,546
LOCAL HAZARDOUS WASTE					
Local Hazardous Waste	42,567	—	42,567	25,360	17,207
LODGING TAX					
Arts And Culture	18,029	—	18,029	14,375	3,654
Building 4Equity Advance	12,850	—	12,850	8,825	4,025
Tourism	11,168	250	11,418	9,164	2,254
Housing And Homeless Programs	24,257	—	24,257	22,613	1,644
TOTAL LODGING TAX	66,304	250	66,554	54,977	11,577
MENTAL ILLNESS AND DRUG DEPENDENCY					
Department Public Defense MIDD	4,523	342	4,865	3,065	1,800
District Court MIDD	3,540	325	3,865	2,309	1,556
Judicial Administration MIDD	3,047	351	3,398	2,165	1,233
Mental Illness and Drug Dependency	133,567	16,161	149,728	93,567	56,161
Prosecuting Attorney MIDD	2,303	149	2,452	1,402	1,050
Superior Court MIDD	5,046	235	5,281	2,937	2,344
TOTAL MENTAL ILLNESS AND DRUG DEPENDENCY	152,026	17,563	169,589	105,445	64,144
NOXIOUS WEED CONTROL					
Noxious Weed Control Program	9,701	—	9,701	5,557	4,144
PARKS OPERATING LEVY					
Parks	105,037	4,809	109,846	66,816	43,030
Parks Rec Trails OS Levy	247,251	7,996	255,247	133,463	121,784
TOTAL PARKS OPERATING LEVY	352,288	12,805	365,093	200,279	164,814
PERMITTING AND ABATEMENT					
General Public Services	4,580	—	4,580	2,521	2,059
Permitting and Review Abatement	672	—	672	412	260
Planning and Permitting	25,973	4,125	30,098	15,781	14,317
TOTAL PERMITTING AND ABATEMENT	31,225	4,125	35,350	18,714	16,636

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

APPROPRIATION UNIT	2021-2022 BUDGET			VARIANCE	2021-2022
	ORIGINAL	ADJUSTMENTS	FINAL		ACTUAL
					EXPENDITURES
PUGET SOUND EMERGENCY RADIO NETWORK LEVY					
Puget Sound Emergency Radio Network Levy	66,978	1,283	68,261	37,580	30,681
PUGET SOUND TAXPAYER ACCOUNTABILITY					
Puget Sound Taxpayer Accountability	28,423	2,853	31,276	21,723	9,553
RECORDER'S OPERATING AND MAINTENANCE					
Recorder's Operation and Maintenance	3,632	—	3,632	2,140	1,492
RISK ABATEMENT					
Omnibus 2006	242	—	242	225	17
SURFACE WATER PROGRAM					
Water and Land Resources	78,343	—	78,343	45,701	32,642
Water and Land Resources SWM	87,282	778	88,060	45,839	42,221
TOTAL SURFACE WATER PROGRAM	165,625	778	166,403	91,540	74,863
VETERANS AND FAMILY LEVY					
Veterans, Seniors and Human Services Levy	123,902	8,053	131,955	74,569	57,386
VETERANS RELIEF					
Veterans Services	6,531	—	6,531	4,157	2,374
YOUTH AMATEUR SPORTS					
Youth and Amateur Sports Fund	9,165	10,010	19,175	15,092	4,083
TOTAL NONMAJOR SPECIAL REVENUE FUNDS	\$ 2,464,089	\$ 584,226	\$ 3,048,315	\$ 1,880,707	\$ 1,167,608
DEBT SERVICE FUNDS					
LIMITED GO BOND REDEMPTION					
HUD Section 108 Loan Repayment	\$ 1,110	\$ —	\$ 1,110	\$ 848	\$ 262
Limited GO Bond Redemption	288,646	—	288,646	180,462	108,184
TOTAL LIMITED GO BOND REDEMPTION	289,756	—	289,756	181,310	108,446
UNLIMITED GO BOND REDEMPTION					
Unlimited GO Bond Redemption	28,435	—	28,435	14,627	13,808
TOTAL DEBT SERVICE FUNDS	\$ 318,191	\$ —	\$ 318,191	\$ 195,937	\$ 122,254
TOTAL GOVERNMENTAL FUNDS	\$ 6,393,325	\$ 1,835,676	\$ 8,229,001	\$ 4,735,597	\$ 3,493,404

Notes:

The Schedule of Biennial Budgets and Expenditures (Budgetary Basis) by Appropriation Unit is presented in order to disclose budgeted and actual expenditure comparisons classified the same as, and at the same level of detail as, the legally adopted budget.

Flood Control District, a blended component unit, has an adopted annual budget in accordance with RCW 86.15.140.



Proprietary Funds

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**
King County, Washington

NONMAJOR ENTERPRISE FUNDS

King County has established Enterprise Funds to account for organizations intended to be self-supporting through fees charged for services provided predominantly to the public. The County has three nonmajor enterprises that are reported using the accrual basis of accounting. A typical enterprise consists of an operating fund and construction subfund and may also include debt service or other reserve subfunds.

Institutional Network (I-Net) Enterprise - Accounts for the development and operation of a fiber-optic network connecting over 300 public facilities across King County. I-Net provides broadband internet connectivity, allowing data, voice, and video communications for various public, education, and government agencies, including schools, libraries, and cities in King County. Costs are recovered primarily through user fees. In addition, Public Education and Government (PEG) fees collected based on cable franchise agreements have contributed toward future equipment replacement.

King County International Airport (KCIA) Enterprise - Accounts for the operations, maintenance, capital improvements of the King County International Airport/Boeing Field. With its two runways (3,710 feet and 10,000 feet in length) and three fixed-base operators, KCIA provides all the facilities and services necessary to support jet and propeller-driven aircraft and helicopters. KCIA is an FAA-designated Primary, Non-hub, General Aviation Reliever Airport and averages over 170,000 operations per year.

Radio Communications Services Enterprise - Accounts for the operation, maintenance, capital improvements, and expansion of the 800 MHz trunked King County Emergency Communications System that provides communications for the public safety agencies of the County, as well as other local government agencies. Costs are recovered primarily through user fees, including charges for future equipment replacement.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
ASSETS	
Current assets	
Cash and cash equivalents	\$ 78,329
Restricted cash and cash equivalents	448
Accounts receivable, net	1,894
Due from other funds	232
Due from other governments, net	6,776
Inventory of supplies	504
Total current assets	88,183
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	648
Net pension asset	5,981
Total restricted assets	6,629
Capital assets:	
Nondepreciable assets	23,992
Depreciable assets, net	62,063
Total capital assets	86,055
Total noncurrent assets	92,684
Total assets	180,867
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows on pension	536
Deferred outflows on other post employment benefits	12
Deferred outflows on asset retirement obligations	110
Total deferred outflows of resources	658
LIABILITIES	
Current liabilities	
Accounts payable	2,434
Retainage payable	27
Wages payable	568
Compensated absences payable	95
Other postemployment benefits	15
Taxes payable	327
Unearned revenue	188
Customer deposits	233
Total current liabilities	3,887
Noncurrent liabilities	
Customer deposits	647
Compensated absences payable	928
Other postemployment benefits	223
Pollution remediation	245
Asset retirement obligation	250
Total noncurrent liabilities	2,293
Total liabilities	6,180
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on pension	5,528
Deferred inflows on other post employment benefits	27
Total deferred inflows of resources	5,555
NET POSITION	
Net investment in capital assets	84,422
Restricted	989
Unrestricted	84,379
Total net position	\$ 169,790

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,087	\$ 49,398	\$ 24,844
Restricted cash and cash equivalents	188	254	6
Accounts receivable, net	70	1,809	15
Due from other funds	25	196	11
Due from other governments, net	224	6,359	193
Inventory of supplies	—	413	91
Total current assets	<u>4,594</u>	<u>58,429</u>	<u>25,160</u>
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	—	648	—
Net pension asset	315	4,092	1,574
Total restricted assets	<u>315</u>	<u>4,740</u>	<u>1,574</u>
Capital assets:			
Nondepreciable assets	—	23,992	—
Depreciable assets, net	685	60,149	1,229
Total capital assets	<u>685</u>	<u>84,141</u>	<u>1,229</u>
Total noncurrent assets	<u>1,000</u>	<u>88,881</u>	<u>2,803</u>
Total assets	<u>5,594</u>	<u>147,310</u>	<u>27,963</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	28	367	141
Deferred outflows on other post employment benefits	—	10	2
Deferred outflows on asset retirement obligations	—	—	110
Total deferred outflows of resources	<u>28</u>	<u>377</u>	<u>253</u>
LIABILITIES			
Current liabilities			
Accounts payable	83	2,132	219
Retainage payable	—	21	6
Wages payable	30	422	116
Compensated absences payable	—	80	15
Other postemployment benefits	1	12	2
Taxes payable	—	321	6
Unearned revenue	188	—	—
Customer deposits	—	233	—
Total current liabilities	<u>302</u>	<u>3,221</u>	<u>364</u>
Noncurrent liabilities			
Customer deposits	—	647	—
Compensated absences payable	94	589	245
Other postemployment benefits	8	179	36
Pollution remediation	—	245	—
Asset retirement obligation	—	—	250
Total noncurrent liabilities	<u>102</u>	<u>1,660</u>	<u>531</u>
Total liabilities	<u>404</u>	<u>4,881</u>	<u>895</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	291	3,782	1,455
Deferred inflows on other post employment benefits	1	22	4
Total deferred inflows of resources	<u>292</u>	<u>3,804</u>	<u>1,459</u>
NET POSITION			
Net investment in capital assets	685	82,578	1,159
Restricted	52	677	260
Unrestricted	4,189	55,747	24,443
Total net position	<u>\$ 4,926</u>	<u>\$ 139,002</u>	<u>\$ 25,862</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
OPERATING REVENUES	
I-Net fees	\$ 3,404
Airfield fees	3,811
Hangar, building, and site rentals and leases	26,020
Radio services	6,109
Miscellaneous	33
Total operating revenues	39,377
OPERATING EXPENSES	
Personal services	8,560
Materials and supplies	1,155
Contract services and other charges	6,904
Utilities	3,042
Internal services	9,630
Depreciation and amortization	6,997
Other operating expenses	50
Total operating expenses	36,338
Operating income (loss)	3,039
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental revenues	9,005
Investment gains (losses)	(249)
Miscellaneous revenues	420
Interest expenses	(1)
Gain (loss) on disposal of capital assets	(917)
Miscellaneous expenses	(759)
Total nonoperating revenues (expenses)	7,499
Income (loss) before contributions and transfers	10,538
Capital grants and contributions	4,548
Transfers out	(410)
Change in net position	14,676
Net position - January 1, 2021 (Restated)	155,114
Net position - December 31, 2021	\$ 169,790

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
OPERATING REVENUES			
I-Net fees	\$ 3,404	\$ —	\$ —
Airfield fees	—	3,811	—
Hangar, building, and site rentals and leases	—	26,020	—
Radio services	—	—	6,109
Miscellaneous	—	9	24
Total operating revenues	<u>3,404</u>	<u>29,840</u>	<u>6,133</u>
OPERATING EXPENSES			
Personal services	460	6,123	1,977
Materials and supplies	9	802	344
Contract services and other charges	641	6,147	116
Utilities	—	2,790	252
Internal services	791	7,607	1,232
Depreciation and amortization	400	6,315	282
Other operating expenses	—	—	50
Total operating expenses	<u>2,301</u>	<u>29,784</u>	<u>4,253</u>
Operating income (loss)	<u>1,103</u>	<u>56</u>	<u>1,880</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	—	9,005	—
Investment gains (losses)	(10)	(152)	(87)
Miscellaneous revenues	—	1	419
Interest expenses	—	(1)	—
Gain (loss) on disposal of capital assets	—	(917)	—
Miscellaneous expenses	—	(9)	(750)
Total nonoperating revenues (expenses)	<u>(10)</u>	<u>7,927</u>	<u>(418)</u>
Income (loss) before contributions and transfers	1,093	7,983	1,462
Capital grants and contributions	—	4,548	—
Transfers out	(106)	(274)	(30)
Change in net position	987	12,257	1,432
Net position - January 1, 2021 (Restated)	3,939	126,745	24,430
Net position - December 31, 2021	<u>\$ 4,926</u>	<u>\$ 139,002</u>	<u>\$ 25,862</u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 2)**

	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 33,718
Cash received from other funds - internal services	4,469
Cash payments to suppliers	(10,223)
Cash payments to other funds - internal services	(9,870)
Cash payments for employee services	(10,353)
Other receipts	420
Other payments	(791)
Net cash provided by operating activities	7,370
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants and other receipts	4,001
Transfers out	(410)
Net cash provided (used) by noncapital financing activities	3,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(6,574)
Principal paid on capital debt	(580)
Interest paid on capital debt	(3)
Capital grants and contributions	920
Net cash used by capital and related financing activities	(6,237)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment gains (losses)	(249)
Net cash used by investing activities	(249)
Net increase in cash and cash equivalents	4,475
Cash and cash equivalents - January 1, 2021 (Restated)	74,950
Cash and cash equivalents - December 31, 2021	\$ 79,425
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 3,039
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization - capital assets	6,997
Other nonoperating revenues (expenses)	(339)
(Increases) decreases in assets:	
Accounts receivable, net	(1,072)
Due from other funds	(32)
Due from other governments, net	(82)
Inventory of supplies	(119)
Prepayments and other assets	740
Net pension asset	(5,981)
Increases in deferred outflows of resources	204
Increases (decreases) in liabilities:	
Accounts payable	266
Retainage payable	(42)
Due to other funds	(240)
Wages payable	23
Taxes payable	33
Unearned revenues	(61)
Compensated absences	(59)
Other postemployment benefits	58
Net pension liability	(779)
Customer deposits and other liabilities	25
Increases in deferred inflows of resources	4,791
Total adjustments	4,331
Net cash provided by operating activities	\$ 7,370

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,497	\$ 28,488	\$ 2,733
Cash received from other funds - internal services	950	136	3,383
Cash payments to suppliers	(782)	(8,685)	(756)
Cash payments to other funds - internal services	(898)	(7,607)	(1,365)
Cash payments for employee services	(566)	(7,266)	(2,521)
Other receipts	—	1	419
Other payments	—	(41)	(750)
Net cash provided by operating activities	<u>1,201</u>	<u>5,026</u>	<u>1,143</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	—	4,001	—
Transfers out	(106)	(274)	(30)
Net cash provided (used) by noncapital financing activities	<u>(106)</u>	<u>3,727</u>	<u>(30)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	—	(6,433)	(141)
Principal paid on capital debt	—	(580)	—
Interest paid on capital debt	—	(3)	—
Capital grants and contributions	—	920	—
Net cash used by capital and related financing activities	<u>—</u>	<u>(6,096)</u>	<u>(141)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	(33)	(136)	(80)
Net cash used by investing activities	<u>(33)</u>	<u>(136)</u>	<u>(80)</u>
Net increase in cash and cash equivalents	1,062	2,521	892
Cash and cash equivalents - January 1, 2021 (Restated)	3,213	47,779	23,958
Cash and cash equivalents - December 31, 2021	<u>\$ 4,275</u>	<u>\$ 50,300</u>	<u>\$ 24,850</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income	\$ 1,103	\$ 56	\$ 1,880
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization - capital assets	400	6,315	282
Other nonoperating revenues (expenses)	—	(8)	(331)
(Increases) decreases in assets:			
Accounts receivable, net	106	(1,185)	7
Due from other funds	—	(32)	—
Due from other governments, net	(58)	—	(24)
Inventory of supplies	—	(149)	30
Prepayments and other assets	—	740	—
Net pension asset	(315)	(4,092)	(1,574)
Increases in deferred outflows of resources	9	88	107
Increases (decreases) in liabilities:			
Accounts payable	(132)	468	(70)
Retainage payable	—	(42)	—
Due to other funds	(107)	—	(133)
Wages payable	(1)	60	(36)
Taxes payable	—	37	(4)
Unearned revenues	(5)	(56)	—
Compensated absences	(9)	(36)	(14)
Other postemployment benefits	1	53	4
Net pension liability	(42)	(513)	(224)
Customer deposits and other liabilities	—	25	—
Increases in deferred inflows of resources	251	3,297	1,243
Total adjustments	<u>98</u>	<u>4,970</u>	<u>(737)</u>
Net cash provided by operating activities	<u>\$ 1,201</u>	<u>\$ 5,026</u>	<u>\$ 1,143</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

INTERNAL SERVICE FUNDS

King County has established Internal Service Funds (ISFs) to report activities that provide goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The County must be the predominant participant, and the fund must function on an essentially break-even basis over time. The County's nine ISFs in 2021 are as follows:

Business Resource Center - Accounts for the support, maintenance, and optimization of the County's Enterprise Resource Planning applications including: financial, procurement, human resource, payroll, business intelligence, reporting, and budgetary business applications and solutions.

Construction and Facilities Management - Accounts for building repairs and operating maintenance, including security services, and construction in progress project management. The fund also provides printing, copying and bindery services.

Employee Benefits Program - Accounts for the activities of employee medical, dental, vision, life, accidental death and dismemberment and long-term disability benefit programs and well-being programs and will account for future modifications to existing well-being and benefit designs or additions of new employee well-being benefit programs.

Financial Management Services - Accounts for financial services, including accounting, treasury and property tax services, contracts and procurement services, and small business services provided to King County and other contracting agencies.

Insurance - Accounts for the activities of the Office of Risk Management, which include performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, activities of the Public Records Team, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

King County Geographic Information Systems - Accounts for the activities required to operate, maintain and enhance the geographic information systems that serves both King County agencies and external customers. The fund provides services for the capture, management, analysis, integration and display of geographically referenced information enabling users to view data to reveal spatial relationships, patterns, and trends.

King County Information Technology Services - Accounts for Information Technology services provided to King County and other contracting agencies. The fund is responsible for managing the County's information technology infrastructure, including the County network, digital platforms, and workstations, and sets countywide IT standards and policies. It also provides end-user support services and project management services.

Motor Pool Equipment Rental - Accounts for the purchase and maintenance of a fleet of vehicles, equipment and materials used by County agencies.

Safety and Workers' Compensation - Accounts for the administration of an employee safety and training program designed to provide a safe and healthy workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker's compensation system as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
ASSETS	
Current assets	
Cash and cash equivalents	\$ 335,865
Restricted cash and cash equivalents	406
Accounts receivable, net	1,267
Due from other funds	1,234
Due from other governments, net	21,342
Interfund short-term loans receivable	8,751
Inventory of supplies	3,049
Prepayments	12,720
Total current assets	384,634
Noncurrent assets	
Restricted net pension asset	90,961
Capital assets:	
Nondepreciable assets	175
Depreciable assets, net	59,879
Total capital assets	60,054
Advances to other funds	49,585
Total noncurrent assets	200,600
Total assets	585,234
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	10,229
Deferred outflows related to other postemployment benefits	163
Total deferred outflows of resources	10,392
LIABILITIES	
Current liabilities	
Accounts payable	18,131
Retainage payable	406
Estimated claim settlements	64,530
Due to other funds	306
Wages payable	9,322
Compensated absences payable	952
Other postemployment benefits	190
Unearned revenues	413
Custodial accounts	2,515
Other liabilities	49
Total current liabilities	96,814
Noncurrent liabilities	
Advances from other funds	2,240
Compensated absences payable	18,880
Other postemployment benefits	2,892
Net pension liability	7,993
Estimated claim settlements	127,960
Total noncurrent liabilities	159,965
Total liabilities	256,779
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	92,926
Deferred inflows related to other postemployment benefits	354
Total deferred inflows of resources	93,280
NET POSITION	
Net investment in capital assets	60,054
Restricted for:	
Pensions	15,043
Unrestricted (deficit)	170,470
Total net position	\$ 245,567

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
ASSETS			
Current assets			
Cash and cash equivalents	\$ 19,857	\$ 341	\$ 126,698
Restricted cash and cash equivalents	—	367	—
Accounts receivable, net	—	439	826
Due from other funds	—	495	—
Due from other governments, net	—	19,402	—
Interfund short-term loans receivable	—	—	—
Inventory of supplies	—	879	—
Prepayments	—	794	—
Total current assets	<u>19,857</u>	<u>22,717</u>	<u>127,524</u>
Noncurrent assets			
Restricted net pension asset	7,029	18,255	1,469
Capital assets:			
Nondepreciable assets	—	—	—
Depreciable assets, net	15	315	—
Total capital assets	<u>15</u>	<u>315</u>	<u>—</u>
Advances to other funds	—	—	—
Total noncurrent assets	<u>7,044</u>	<u>18,570</u>	<u>1,469</u>
Total assets	<u>26,901</u>	<u>41,287</u>	<u>128,993</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,343	2,255	132
Deferred outflows related to other postemployment benefits	9	49	2
Total deferred outflows of resources	<u>1,352</u>	<u>2,304</u>	<u>134</u>
LIABILITIES			
Current liabilities			
Accounts payable	331	2,574	4,175
Retainage payable	—	367	—
Estimated claim settlements	—	—	23,280
Due to other funds	—	6	—
Wages payable	596	1,943	390
Compensated absences payable	27	243	32
Other postemployment benefits	10	57	3
Unearned revenues	—	—	413
Custodial accounts	—	—	1,979
Other liabilities	—	48	—
Total current liabilities	<u>964</u>	<u>5,238</u>	<u>30,272</u>
Noncurrent liabilities			
Advances from other funds	—	2,240	—
Compensated absences payable	1,479	2,566	304
Other postemployment benefits	158	870	38
Net pension liability	2,955	2,434	—
Estimated claim settlements	—	—	—
Total noncurrent liabilities	<u>4,592</u>	<u>8,110</u>	<u>342</u>
Total liabilities	<u>5,556</u>	<u>13,348</u>	<u>30,614</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	9,775	19,570	1,358
Deferred inflows related to other postemployment benefits	19	106	5
Total deferred inflows of resources	<u>9,794</u>	<u>19,676</u>	<u>1,363</u>
NET POSITION			
Net investment in capital assets	15	315	—
Restricted for:			
Pensions	1,163	3,019	243
Unrestricted (deficit)	11,725	7,233	96,907
Total net position	<u>\$ 12,903</u>	<u>\$ 10,567</u>	<u>\$ 97,150</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,609	\$ 61,990	\$ 2,292
Restricted cash and cash equivalents	35	4	—
Accounts receivable, net	—	—	—
Due from other funds	62	2	—
Due from other governments, net	50	—	43
Interfund short-term loans receivable	—	—	—
Inventory of supplies	—	—	—
Prepayments	—	5,983	—
Total current assets	<u>9,756</u>	<u>67,979</u>	<u>2,335</u>
Noncurrent assets			
Restricted net pension asset	12,695	2,413	1,993
Capital assets:			
Nondepreciable assets	—	—	—
Depreciable assets, net	38	8	—
Total capital assets	<u>38</u>	<u>8</u>	<u>—</u>
Advances to other funds	—	—	—
Total noncurrent assets	<u>12,733</u>	<u>2,421</u>	<u>1,993</u>
Total assets	<u>22,489</u>	<u>70,400</u>	<u>4,328</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,753	216	179
Deferred outflows related to other postemployment benefits	23	4	3
Total deferred outflows of resources	<u>1,776</u>	<u>220</u>	<u>182</u>
LIABILITIES			
Current liabilities			
Accounts payable	785	3,158	154
Retainage payable	35	4	—
Estimated claim settlements	—	26,039	—
Due to other funds	—	—	—
Wages payable	1,254	196	162
Compensated absences payable	94	15	29
Other postemployment benefits	26	5	3
Unearned revenues	—	—	—
Custodial accounts	—	530	—
Other liabilities	—	—	—
Total current liabilities	<u>2,194</u>	<u>29,947</u>	<u>348</u>
Noncurrent liabilities			
Advances from other funds	—	—	—
Compensated absences payable	2,556	486	625
Other postemployment benefits	400	70	52
Net pension liability	2,544	—	—
Estimated claim settlements	—	74,968	—
Total noncurrent liabilities	<u>5,500</u>	<u>75,524</u>	<u>677</u>
Total liabilities	<u>7,694</u>	<u>105,471</u>	<u>1,025</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	14,556	2,230	1,843
Deferred inflows related to other postemployment benefits	49	9	6
Total deferred inflows of resources	<u>14,605</u>	<u>2,239</u>	<u>1,849</u>
NET POSITION			
Net investment in capital assets	38	8	—
Restricted for:			
Pensions	2,099	399	330
Unrestricted (deficit)	(171)	(37,497)	1,306
Total net position	<u>\$ 1,966</u>	<u>\$ (37,090)</u>	<u>\$ 1,636</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,625	\$ 57,529	\$ 47,924
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	2	—	—
Due from other funds	675	—	—
Due from other governments, net	1,804	43	—
Interfund short-term loans receivable	—	—	8,751
Inventory of supplies	—	2,170	—
Prepayments	5,940	3	—
Total current assets	<u>18,046</u>	<u>59,745</u>	<u>56,675</u>
Noncurrent assets			
Restricted net pension asset	40,182	4,932	1,993
Capital assets:			
Nondepreciable assets	175	—	—
Depreciable assets, net	20,772	38,731	—
Total capital assets	<u>20,947</u>	<u>38,731</u>	<u>—</u>
Advances to other funds	—	—	49,585
Total noncurrent assets	<u>61,129</u>	<u>43,663</u>	<u>51,578</u>
Total assets	<u>79,175</u>	<u>103,408</u>	<u>108,253</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,730	442	179
Deferred outflows related to other postemployment benefits	56	11	6
Total deferred outflows of resources	<u>3,786</u>	<u>453</u>	<u>185</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,890	736	2,328
Retainage payable	—	—	—
Estimated claim settlements	—	—	15,211
Due to other funds	300	—	—
Wages payable	4,219	415	147
Compensated absences payable	427	40	45
Other postemployment benefits	65	13	8
Unearned revenues	—	—	—
Custodial accounts	—	6	—
Other liabilities	—	1	—
Total current liabilities	<u>8,901</u>	<u>1,211</u>	<u>17,739</u>
Noncurrent liabilities			
Advances from other funds	—	—	—
Compensated absences payable	9,608	841	415
Other postemployment benefits	992	192	120
Net pension liability	60	—	—
Estimated claim settlements	—	—	52,992
Total noncurrent liabilities	<u>10,660</u>	<u>1,033</u>	<u>53,527</u>
Total liabilities	<u>19,561</u>	<u>2,244</u>	<u>71,266</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	37,193	4,558	1,843
Deferred inflows related to other postemployment benefits	121	24	15
Total deferred inflows of resources	<u>37,314</u>	<u>4,582</u>	<u>1,858</u>
NET POSITION			
Net investment in capital assets	20,947	38,731	—
Restricted for:			
Pensions	6,645	815	330
Unrestricted (deficit)	(1,506)	57,489	34,984
Total net position	<u>\$ 26,086</u>	<u>\$ 97,035</u>	<u>\$ 35,314</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
OPERATING REVENUES	
Profit (loss) on inventory sales	
Sales of inventory	\$ 3,826
Cost of goods sold	(8,150)
Gross profit (loss) on inventory	(4,324)
Information resources management fees	109,514
Geographic information systems fees	5,600
Building operation and maintenance service fees	72,364
Architect/engineering/renovation service fees	2,034
Benefit program contributions and fees	276,330
Business resources management fees	22,223
Financial services	30,529
Insurance services	41,737
Equipment rental fees	29,463
Garage shop services	192
Printing and duplication	1,180
Workers' compensation employer contributions	28,423
Miscellaneous operating revenue	3,927
Total operating revenues	619,192
OPERATING EXPENSES	
Personal services	112,118
Materials and supplies	11,462
Contract services and other charges	491,389
Internal services	30,739
Depreciation and amortization	15,458
Total operating expenses	661,166
Operating income (loss)	(41,974)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	15,843
Investment gains (losses)	(862)
Miscellaneous revenues	927
Interest expense	(27)
Gain (loss) on disposal of capital assets	210
Miscellaneous expenses	(25)
Total nonoperating revenues (expenses)	16,066
Income (loss) before contributions and transfers	(25,908)
Capital grants and contributions	3,663
Transfers in	4,440
Transfers out	(24,628)
Change in net position	(42,433)
Net position - January 1, 2021 (Restated)	288,000
Net position - December 31, 2021	\$ 245,567

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
OPERATING REVENUES			
Profit (loss) on inventory sales			
Sales of inventory	\$ —	\$ —	\$ —
Cost of goods sold	—	—	—
Gross profit (loss) on inventory	—	—	—
Information resources management fees	—	—	—
Geographic information systems fees	—	—	—
Building operation and maintenance service fees	—	72,364	—
Architect/engineering/renovation service fees	—	2,034	—
Benefit program contributions and fees	—	—	276,330
Business resources management fees	22,223	—	—
Financial services	—	—	—
Insurance services	—	—	—
Equipment rental fees	—	—	—
Garage shop services	—	—	—
Printing and duplication	—	1,169	—
Workers' compensation employer contributions	—	—	—
Miscellaneous operating revenue	1	738	300
Total operating revenues	<u>22,224</u>	<u>76,305</u>	<u>276,630</u>
OPERATING EXPENSES			
Personal services	9,987	21,049	3,093
Materials and supplies	18	3,453	5
Contract services and other charges	5,550	20,203	310,086
Internal services	1,623	7,979	538
Depreciation and amortization	8	32	—
Total operating expenses	<u>17,186</u>	<u>52,716</u>	<u>313,722</u>
Operating income (loss)	<u>5,038</u>	<u>23,589</u>	<u>(37,092)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	—	10,225	—
Investment gains (losses)	—	—	(663)
Miscellaneous revenues	—	470	—
Interest expense	—	(13)	—
Gain (loss) on disposal of capital assets	—	—	—
Miscellaneous expenses	—	(25)	—
Total nonoperating revenues (expenses)	<u>—</u>	<u>10,657</u>	<u>(663)</u>
Income (loss) before contributions and transfers	<u>5,038</u>	<u>34,246</u>	<u>(37,755)</u>
Capital grants and contributions	—	—	—
Transfers in	579	3,861	—
Transfers out	(1,994)	(13,944)	(72)
Change in net position	<u>3,623</u>	<u>24,163</u>	<u>(37,827)</u>
Net position - January 1, 2021 (Restated)	<u>9,280</u>	<u>(13,596)</u>	<u>134,977</u>
Net position - December 31, 2021	<u>\$ 12,903</u>	<u>\$ 10,567</u>	<u>\$ 97,150</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
OPERATING REVENUES			
Profit (loss) on inventory sales			
Sales of inventory	\$ —	\$ —	\$ —
Cost of goods sold	—	—	—
Gross profit (loss) on inventory	—	—	—
Information resources management fees	—	—	—
Geographic information systems fees	—	—	5,600
Building operation and maintenance service fees	—	—	—
Architect/engineering/renovation service fees	—	—	—
Benefit program contributions and fees	—	—	—
Business resources management fees	—	—	—
Financial services	30,529	—	—
Insurance services	—	41,737	—
Equipment rental fees	—	—	—
Garage shop services	—	—	—
Printing and duplication	—	—	—
Workers' compensation employer contributions	—	—	—
Miscellaneous operating revenue	63	—	—
Total operating revenues	<u>30,592</u>	<u>41,737</u>	<u>5,600</u>
OPERATING EXPENSES			
Personal services	9,240	3,251	2,355
Materials and supplies	251	11	6
Contract services and other charges	7,344	78,992	927
Internal services	4,686	961	1,440
Depreciation and amortization	20	1	—
Total operating expenses	<u>21,541</u>	<u>83,216</u>	<u>4,728</u>
Operating income (loss)	<u>9,051</u>	<u>(41,479)</u>	<u>872</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	4,385	—	—
Investment gains (losses)	—	5	—
Miscellaneous revenues	—	—	—
Interest expense	(4)	—	—
Gain (loss) on disposal of capital assets	(3)	—	—
Miscellaneous expenses	—	—	—
Total nonoperating revenues (expenses)	<u>4,378</u>	<u>5</u>	<u>—</u>
Income (loss) before contributions and transfers	<u>13,429</u>	<u>(41,474)</u>	<u>872</u>
Capital grants and contributions	—	—	—
Transfers in	—	—	—
Transfers out	(1,010)	(27)	(23)
Change in net position	<u>12,419</u>	<u>(41,501)</u>	<u>849</u>
Net position - January 1, 2021 (Restated)	<u>(10,453)</u>	<u>4,411</u>	<u>787</u>
Net position - December 31, 2021	<u>\$ 1,966</u>	<u>\$ (37,090)</u>	<u>\$ 1,636</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
OPERATING REVENUES			
Profit (loss) on inventory sales			
Sales of inventory	\$ —	\$ 3,826	\$ —
Cost of goods sold	—	(8,150)	—
Gross profit (loss) on inventory	—	(4,324)	—
Information resources management fees	109,514	—	—
Geographic information systems fees	—	—	—
Building operation and maintenance service fees	—	—	—
Architect/engineering/renovation service fees	—	—	—
Benefit program contributions and fees	—	—	—
Business resources management fees	—	—	—
Financial services	—	—	—
Insurance services	—	—	—
Equipment rental fees	—	29,463	—
Garage shop services	—	192	—
Printing and duplication	11	—	—
Workers' compensation employer contributions	—	—	28,423
Miscellaneous operating revenue	1,909	777	139
Total operating revenues	<u>111,434</u>	<u>26,108</u>	<u>28,562</u>
OPERATING EXPENSES			
Personal services	53,137	6,177	3,829
Materials and supplies	6,271	1,415	32
Contract services and other charges	29,343	1,856	37,088
Internal services	7,944	2,890	2,678
Depreciation and amortization	4,670	10,727	—
Total operating expenses	<u>101,365</u>	<u>23,065</u>	<u>43,627</u>
Operating income (loss)	<u>10,069</u>	<u>3,043</u>	<u>(15,065)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	1,233	—	—
Investment gains (losses)	—	(206)	2
Miscellaneous revenues	—	15	442
Interest expense	—	(10)	—
Gain (loss) on disposal of capital assets	(847)	1,060	—
Miscellaneous expenses	—	—	—
Total nonoperating revenues (expenses)	<u>386</u>	<u>859</u>	<u>444</u>
Income (loss) before contributions and transfers	<u>10,455</u>	<u>3,902</u>	<u>(14,621)</u>
Capital grants and contributions	517	3,146	—
Transfers in	—	—	—
Transfers out	(7,220)	(233)	(105)
Change in net position	<u>3,752</u>	<u>6,815</u>	<u>(14,726)</u>
Net position - January 1, 2021 (Restated)	<u>22,334</u>	<u>90,220</u>	<u>50,040</u>
Net position - December 31, 2021	<u>\$ 26,086</u>	<u>\$ 97,035</u>	<u>\$ 35,314</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 8,155
Cash received from other funds - internal services	602,949
Cash payments to suppliers for goods and services	(457,896)
Cash payments to other funds - internal services	(53,193)
Cash payments for employee services	(149,911)
Other receipts	3,927
Net cash provided (used) by operating activities	(45,969)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants and other receipts	16,747
Interfund short-term loan principal amounts paid to other funds	(12,351)
Interfund short-term loan principal amounts received from other funds	59,355
Interfund advance principal amounts paid to other funds	(49,585)
Interfund advance principal amounts received from other funds	21,877
Transfers in	4,440
Transfers out	(24,628)
Net cash provided (used) by noncapital financing activities	15,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(8,660)
Proceeds from disposal of capital assets	1,584
Net cash used by capital and related financing activities	(7,076)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment gains (losses)	(734)
Net cash provided (used) by investing activities	(734)
Net increase (decrease) in cash and cash equivalents	(37,924)
Cash and cash equivalents - January 1, 2021 (Restated)	374,195
Cash and cash equivalents - December 31, 2021	\$ 336,271
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (41,974)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization - capital assets	15,458
(Increase) decrease in accounts receivable, net	(855)
Increase in due from other funds	(994)
Increase in due from other governments, net	(10,576)
Increase in inventory	(535)
Increase in prepayments	(3,209)
Increase in net pension asset	(90,961)
(Increase) decrease in deferred outflows of resources	3,740
Increase (decrease) in accounts payable	(4,998)
Increase (decrease) in retainage payable	(285)
Increase in estimated claim settlements	39,353
Increase in due to other funds	306
Increase in wages payable	364
Increase (decrease) in other liabilities	19
Increase (decrease) in custodial accounts	114
Increase (decrease) in compensated absences payable	(419)
Increase (decrease) in other postemployment benefits	85
Decrease in net pension liability	(31,506)
Increase in deferred inflows of resources	80,904
Total adjustments	(3,995)
Net cash provided (used) by operating activities	\$ (45,969)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributions of capital assets from government	\$ 3,663
Contributions of capital assets to government	(2)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ —	\$ 881	\$ —
Cash received from other funds - internal services	22,223	63,912	276,093
Cash payments to suppliers for goods and services	(5,461)	(24,348)	(304,098)
Cash payments to other funds - internal services	(1,924)	(11,090)	(538)
Cash payments for employee services	(11,298)	(29,793)	(3,516)
Other receipts	1	738	300
Net cash provided (used) by operating activities	<u>3,541</u>	<u>300</u>	<u>(31,759)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	—	10,672	—
Interfund short-term loan principal amounts paid to other funds	—	(3,600)	—
Interfund short-term loan principal amounts received from other funds	—	—	59,355
Interfund advance principal amounts paid to other funds	—	—	—
Interfund advance principal amounts received from other funds	—	2,240	19,637
Transfers in	579	3,861	—
Transfers out	(1,994)	(13,944)	(72)
Net cash provided (used) by noncapital financing activities	<u>(1,415)</u>	<u>(771)</u>	<u>78,920</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	—	(39)	—
Proceeds from disposal of capital assets	—	—	—
Net cash used by capital and related financing activities	<u>—</u>	<u>(39)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	—	(14)	(547)
Net cash provided (used) by investing activities	<u>—</u>	<u>(14)</u>	<u>(547)</u>
Net increase (decrease) in cash and cash equivalents	2,126	(524)	46,614
Cash and cash equivalents - January 1, 2021 (Restated)	17,731	1,232	80,084
Cash and cash equivalents - December 31, 2021	<u>\$ 19,857</u>	<u>\$ 708</u>	<u>\$ 126,698</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 5,038	\$ 23,589	\$ (37,092)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	8	32	—
(Increase) decrease in accounts receivable, net	—	(413)	(442)
Increase in due from other funds	—	(495)	—
Increase in due from other governments, net	—	(9,866)	—
Increase in inventory	—	(108)	—
Increase in prepayments	—	(794)	—
Increase in net pension asset	(7,029)	(18,255)	(1,469)
(Increase) decrease in deferred outflows of resources	(20)	880	41
Increase (decrease) in accounts payable	(194)	(3,006)	2,740
Increase (decrease) in retainage payable	—	79	—
Increase in estimated claim settlements	—	—	3,253
Increase in due to other funds	—	6	—
Increase in wages payable	(2)	84	7
Increase (decrease) in other liabilities	—	20	—
Increase (decrease) in custodial accounts	—	—	205
Increase (decrease) in compensated absences payable	106	(314)	15
Increase (decrease) in other postemployment benefits	18	30	4
Decrease in net pension liability	(3,309)	(8,248)	(194)
Increase in deferred inflows of resources	8,925	17,079	1,173
Total adjustments	<u>(1,497)</u>	<u>(23,289)</u>	<u>5,333</u>
Net cash provided (used) by operating activities	<u>\$ 3,541</u>	<u>\$ 300</u>	<u>\$ (31,759)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ —	\$ —	\$ —
Contributions of capital assets to government	—	(2)	—

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,589	\$ —	\$ 217
Cash received from other funds - internal services	23,878	41,733	5,371
Cash payments to suppliers for goods and services	(6,936)	(49,971)	(782)
Cash payments to other funds - internal services	(6,223)	(2,007)	(1,441)
Cash payments for employee services	(21,501)	(4,031)	(3,216)
Other receipts	63	—	—
Net cash provided (used) by operating activities	<u>(4,130)</u>	<u>(14,276)</u>	<u>149</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	4,385	—	—
Interfund short-term loan principal amounts paid to other funds	—	—	—
Interfund short-term loan principal amounts received from other funds	—	—	—
Interfund advance principal amounts paid to other funds	—	—	—
Interfund advance principal amounts received from other funds	—	—	—
Transfers in	—	—	—
Transfers out	(1,010)	(27)	(23)
Net cash provided (used) by noncapital financing activities	<u>3,375</u>	<u>(27)</u>	<u>(23)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	—	—	—
Proceeds from disposal of capital assets	—	—	—
Net cash used by capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	(4)	5	—
Net cash provided (used) by investing activities	<u>(4)</u>	<u>5</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	(759)	(14,298)	126
Cash and cash equivalents - January 1, 2021 (Restated)	10,403	76,292	2,166
Cash and cash equivalents - December 31, 2021	<u>9,644</u>	<u>\$ 61,994</u>	<u>\$ 2,292</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 9,051	\$ (41,479)	\$ 872
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	20	1	—
(Increase) decrease in accounts receivable, net	—	—	—
Increase in due from other funds	(62)	(2)	—
Increase in due from other governments, net	—	—	(12)
Increase in inventory	—	—	—
Increase in prepayments	—	(764)	—
Increase in net pension asset	(12,695)	(2,413)	(1,993)
(Increase) decrease in deferred outflows of resources	1,364	81	106
Increase (decrease) in accounts payable	(510)	584	150
Increase (decrease) in retainage payable	(368)	4	—
Increase in estimated claim settlements	—	28,162	—
Increase in due to other funds	—	—	—
Increase in wages payable	(167)	(46)	(51)
Increase (decrease) in other liabilities	—	—	—
Increase (decrease) in custodial accounts	—	(2)	—
Increase (decrease) in compensated absences payable	(411)	17	(128)
Increase (decrease) in other postemployment benefits	(70)	2	(13)
Decrease in net pension liability	(12,910)	(333)	(319)
Increase in deferred inflows of resources	12,628	1,912	1,537
Total adjustments	<u>(13,181)</u>	<u>27,203</u>	<u>(723)</u>
Net cash provided (used) by operating activities	<u>\$ (4,130)</u>	<u>\$ (14,276)</u>	<u>\$ 149</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ —	\$ —	\$ —
Contributions of capital assets to government	—	—	—

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 224	\$ 244	\$ —
Cash received from other funds - internal services	108,101	33,215	28,423
Cash payments to suppliers for goods and services	(33,684)	(3,416)	(29,200)
Cash payments to other funds - internal services	(15,639)	(11,653)	(2,678)
Cash payments for employee services	(64,126)	(7,721)	(4,709)
Other receipts	1,909	777	139
Net cash provided (used) by operating activities	<u>(3,215)</u>	<u>11,446</u>	<u>(8,025)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	1,233	15	442
Interfund short-term loan principal amounts paid to other funds	—	—	(8,751)
Interfund short-term loan principal amounts received from other funds	—	—	—
Interfund advance principal amounts paid to other funds	—	—	(49,585)
Interfund advance principal amounts received from other funds	—	—	—
Transfers in	—	—	—
Transfers out	(7,220)	(233)	(105)
Net cash provided (used) by noncapital financing activities	<u>(5,987)</u>	<u>(218)</u>	<u>(57,999)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(847)	(7,774)	—
Proceeds from disposal of capital assets	524	1,060	—
Net cash used by capital and related financing activities	<u>(323)</u>	<u>(6,714)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	—	(176)	2
Net cash provided (used) by investing activities	<u>—</u>	<u>(176)</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	(9,525)	4,338	(66,022)
Cash and cash equivalents - January 1, 2021 (Restated)	19,150	53,191	113,946
Cash and cash equivalents - December 31, 2021	<u>\$ 9,625</u>	<u>\$ 57,529</u>	<u>\$ 47,924</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 10,069	\$ 3,043	\$ (15,065)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	4,670	10,727	—
(Increase) decrease in accounts receivable, net	(1)	1	—
Increase in due from other funds	(434)	(1)	—
Increase in due from other governments, net	(676)	(22)	—
Increase in inventory	—	(427)	—
Increase in prepayments	(1,651)	—	—
Increase in net pension asset	(40,182)	(4,932)	(1,993)
(Increase) decrease in deferred outflows of resources	1,031	139	118
Increase (decrease) in accounts payable	(4,414)	(330)	(18)
Increase (decrease) in retainage payable	—	—	—
Increase in estimated claim settlements	—	—	7,938
Increase in due to other funds	300	—	—
Increase in wages payable	632	(16)	(77)
Increase (decrease) in other liabilities	—	(1)	—
Increase (decrease) in custodial accounts	(89)	—	—
Increase (decrease) in compensated absences payable	441	(30)	(115)
Increase (decrease) in other postemployment benefits	105	12	(3)
Decrease in net pension liability	(5,208)	(652)	(333)
Increase in deferred inflows of resources	32,192	3,935	1,523
Total adjustments	<u>(13,284)</u>	<u>8,403</u>	<u>7,040</u>
Net cash provided (used) by operating activities	<u>\$ (3,215)</u>	<u>\$ 11,446</u>	<u>\$ (8,025)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ 517	\$ 3,146	\$ —
Contributions of capital assets to government	—	—	—

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiduciary Funds

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

CUSTODIAL FUNDS

The County's custodial funds fall into two categories: External Investment Pool Funds and Other Custodial Funds.

External Investment Pool Funds - External investment pool funds are used by King County to report investment activity engaged in on behalf of legally separate entities. The funds use the economic resources measurement focus and the accrual basis of accounting.

External Impaired Investment Pool - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units that participate in the County's investment pool. Effective September 1, 2008, certain impaired investments were separated from the main pool. The County has completed the restructuring of all the impaired assets in the Impaired Investment Pool Fund.

External Individual Investment Accounts - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units having investments with the County that are not in the County's investment pool.

External Investment Pool - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units that participate in the County's investment pool.

Other Custodial Funds - King County utilized approximately 683 active funds in 2021 to account for the resources of special purpose districts and other governments. The King County Executive, in compliance with the laws of the state of Washington or by contract, is the *ex officio* treasurer of King County and special districts, but not for the cities, towns or the State of Washington. Money received from or for the special districts or other governments is deposited in King County's central bank account; disbursements for both operations and investments are made upon receipt of instructions from governing bodies or administrators of the special districts/other governments. Revenues received for the accounts of the cities, towns, and State of Washington are remitted to their respective treasurers.

Board Deposits and Disbursements - This is a Public Transportation Fund which is used for the Regional Transportation Partnership Planning for three sub-area board: SCATBd (South County Transportation Board), ETP (Eastside Transportation Partnership), and Seashore. Metro Transit serves as the bookkeeper for these groups, recording their annual dues, paying meeting room/catering fees, and reimbursing members for other expenses associated with monthly meetings.

Central Puget Sound Regional Transit Authority - The Central Puget Sound Regional Transit Authority (more commonly known as Sound Transit) provides the region with alternatives to meet its transportation needs. Sound Transit is governed by an 18-member board comprised of 17 local elected officials and the State Transportation Department Secretary.

Cities and Towns - The King County Finance and Business Operations Division utilizes a group of funds for each of the 39 municipalities to account for the collection and remittance of regular, special, and bond property tax levies to their respective treasurers.

Deceased Effects - The fund accounts for the unclaimed effects and assets of deceased individuals.

District Court Partners - Resources in this fund are related to district court collections on behalf of partner cities. Resources are remitted to respective cities after reconciliation occurs.

Employee Charitable Contributions - Accounts for employee donations to charitable causes through the Employee Giving Program. The EGP is overseen and guided by a committee of up to 15 employees from the County and by King County Employee Giving Program staff, who report to the committee.

Fire Protection Districts - In King County, there are 30 fire protection districts. The primary purpose of these districts is to provide fire prevention and suppression services and to offer emergency medical services to protect life and property in areas outside cities and towns, except where the cities and towns have been annexed into a fire protection district. These districts are governed by elected Boards of Fire Commissioners.

Homelessness Authorities - Currently, a single homelessness authority exists, the King County Regional Homelessness Authority (RHA). The RHA is an independent governmental agency formed by the City of Seattle and King County to unify and coordinate policy, funding, and services for people experiencing homelessness across the County. Their mission is to significantly decrease the incidence of homelessness throughout the region using equity and social justice principles. The RHA is governed by an twelve-member Governing Committee and thirteen-member Implementation Board. The Board and Committee include members appointed by people who have personal experience with homelessness, the King County Executive, King County Council, Seattle Mayor, Seattle City Council and the Sound Cities Association.

Hospital Districts - King County has four public hospital districts. The county is the *ex officio* treasurer for Vashon Health Care District only. These municipal corporations are authorized to own and operate public hospitals and related facilities. Each district is governed by an elected five-member hospital commission.

Judicial Administration - Utilized to account for money deposited with King County Superior Court pending outcome of litigation.

King County Directors' Association (KCDA) - The KCDA is a nonprofit cooperative purchasing organization governed by a five-member Board of Directors elected from and by school boards throughout King County. The objectives of this association are to eliminate duplicate purchasing activities, establish product standards, and obtain the lowest possible costs through volume purchasing, centralized warehousing, and consolidated distribution.

King County Library System - This district serves the public through 50 community libraries, Outreach Services, and one institutional library in the King County Juvenile Detention Center. All unincorporated areas of the county are a part of the library district as are all cities in the County except for Seattle, Hunt's Point and Yarrow Point.

Other Special Purpose Districts - The following is a brief summary of the main entities:

- Puget Sound Regional Council - The regional planning and decision-making body for growth and transportation issues in the counties of King, Kitsap, Pierce, and Snohomish. Its primary goal is to plan for the growth and development of the region, including transportation planning, and to seek solutions to problems crossing political boundaries. It is governed by a general assembly and its executive board. Each member of the board is a voting member.
- Puget Sound Clean Air Agency - An air pollution control authority under the Washington Clean Air Act for the counties of King, Kitsap, Pierce, and Snohomish. The agency is governed by a nine-member board composed mainly of elected officials from the four county jurisdictions. Its major responsibility is the implementation of the Washington Clean Air Act. This responsibility has been delegated to the agency by both the State of Washington and the Federal Environmental Protection Agency.
- Drainage Districts - There are six districts in this category. They were established to ditch, dike, and provide pumping facilities for flood-prone or low-lying lands.
- Cemetery District No. 1 - Formed in 1978 to improve and maintain a public cemetery on Vashon Island that was originally established in 1888 by a private association.

Other Tax Distribution - Established for distribution of certain revenues other than property taxes, such as state private harvest timber tax, leasehold excise tax, real estate excise tax, state forest board earnings, and proceeds from sales of tax title property.

Parks and Recreation Districts - This includes park and recreation districts (RCW 36.69) and metropolitan park districts (RCW 35.61). Park and recreation districts include Finn Hill, Northshore and Vashon Maury. Metropolitan park districts include Des Moines Pool, Fall City, Normandy Park, Seattle, Si View and Tukwila Pool.

Port of Seattle - The Port of Seattle is a public enterprise governed by five commissioners elected by the citizens of King County. Its mission is to provide services and facilities to accommodate the transportation of cargo and passengers by air, water, and land. Its marine facilities include one of the largest container ports in the United States. The Port also includes Seattle-Tacoma International Airport and marinas for a commercial fishing fleet and pleasure craft. While King County is not the Port's treasurer, it continues to use a special district fund to account for the collection and remittance of the Port's special tax levies.

Property Taxes - Various property tax funds used to process and distribute real and personal property tax refunds authorized by the County Treasurer; to account for proceeds of foreclosure sales in excess of delinquent taxes, interest, penalties, and costs; and to account for required prepayment of real property taxes when a property owner plats a parcel of property. These funds are also used to record property tax payments in excess of liability and to process related refunds to taxpayers; to suspend tax receipts requiring further identification or additional payment before they can be distributed; and to distribute assessment and interest payments of local improvement districts and to process assessment refunds.

School Districts - Public education in King County from pre-kindergarten through grade 12 is provided by 21 school districts, each governed by an elected Board of Directors and administered by a superintendent. Also reported in this fund is the Puget Sound Educational Service District (PSESD) which serves 35 school districts and more than 200 private schools in King and Pierce Counties plus Bainbridge Island in Kitsap County. The PSESD is governed by a nine-member Board of Directors and administered by a superintendent. The PSESD assists public and private schools in its region through program and staff development, early childhood programs, administrative and instructional support, technical assistance, business, financial and state reporting services, and direct service to children and families. A complete list of services and programs can be found online at www.psesd.org.

Seizures and Forfeitures - Accounts for confiscated and forfeited property that belongs to the State or federal government.

Sewer and Water Districts - There are 11 sewer and water districts in King County. The principal purpose of these districts is to protect public health and to improve water quality by constructing, maintaining, and operating sewer systems. The districts may also provide water, storm drainage, street lighting, lake rehabilitation, and onsite systems management. Each district is governed by an elected three-member Board of Commissioners.

State of Washington - King County utilizes a group of funds to account for state-levied property tax collections, court filing fees, fines, and forfeiture payments due to violations of laws of the State of Washington and their subsequent remittance to the State Treasurer.

Washington Major League Baseball Stadium Public Facilities District (PFD) - The PFD was created by the Metropolitan King County Council (Ordinance 12000) on October 24, 1995. The PFD operates as a municipal corporation of the State of Washington and was formed to site, design, build, and operate a major league baseball park. The PFD had been reported as a component unit of the County prior to 2013. The bonds outstanding, for which the County had an indirect financial burden, have been paid and the PFD no longer qualifies as a component unit. Since the County is the *ex officio* treasurer for the PFD, it is reported as a custodial fund.

Washington Public Stadium Authority - This agency was established in 1997 to oversee the construction of a new football stadium and an exhibition center. The current mission is to represent the public's interest in owning Lumen Field Event Center and overseeing First & Goal Inc.'s operation of the facility for the benefit of all Washington state citizens. It is governed by a seven-member board appointed by the Governor.

Water Districts - There are 21 water districts in King County. The primary purpose of the districts is to provide consumers with the highest quality drinking water at the lowest possible cost. Each district is governed by a board with power to acquire, construct, maintain, and operate water supply systems. Reporting for the Cascade Water Alliance (CWA) is also included with the Water Districts. CWA is a municipal corporation comprised of seven municipalities (five cities and two water and sewer districts) in the Puget Sound Region that joined together to provide safe, clean, reliable water supply to its 350,000 residences and more than 20,000 businesses.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

EXTERNAL INVESTMENT POOL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)

	TOTAL	EXTERNAL IMPAIRED INVESTMENT POOL	EXTERNAL INDIVIDUAL INVESTMENT ACCOUNTS	EXTERNAL INVESTMENT POOL
ASSETS				
Investments at fair value:				
Repurchase agreements	\$ 126,670	\$ —	\$ —	\$ 126,670
Commercial paper	301,356	1,140	—	300,216
Corporate notes	117,474	—	—	117,474
U.S. Treasury notes	1,157,059	—	13,059	1,144,000
U.S. agency notes	498,242	—	—	498,242
U.S. agency collateralized mortgage obligations	879	—	—	879
Supranational coupon notes	1,280,313	—	—	1,280,313
State Treasurer's investment pool	366,304	—	—	366,304
Total investments	<u>3,848,297</u>	<u>1,140</u>	<u>13,059</u>	<u>3,834,098</u>
Interest receivable	1,738	—	138	1,600
Total assets	<u>\$ 3,850,035</u>	<u>\$ 1,140</u>	<u>\$ 13,197</u>	<u>\$ 3,835,698</u>
LIABILITIES				
Total liabilities	\$ —	\$ —	\$ —	\$ —
NET POSITION				
Restricted for:				
Individuals, organizations and other governments	3,850,035	1,140	13,197	3,835,698
Total net position	<u>\$ 3,850,035</u>	<u>\$ 1,140</u>	<u>\$ 13,197</u>	<u>\$ 3,835,698</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 9)

	TOTAL
ASSETS	
Cash and cash equivalents	\$ 163,125
U.S. Treasury notes	19,932
Taxes receivable for other governments	110,288
Accounts receivable	16,896
Assessments receivable for other governments	1,688
Notes and contracts receivable	52
Total assets	\$ 311,981
LIABILITIES	
Accounts payable and other liabilities	\$ 95,104
Due to beneficiaries	88,056
Due to other governments	56,168
Total liabilities	239,328
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	86,307
Unrestricted deficit	(13,654)
Total net position	\$ 72,653

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 9 - CONTINUED)

	BOARD DEPOSITS AND DISBURSEMENTS	CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY	CITIES AND TOWNS
ASSETS			
Cash and cash equivalents	\$ 22	\$ 855	\$ 26,827
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	2,179	20,487
Accounts receivable	—	—	9,245
Assessments receivable for other governments	—	—	21
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 22</u>	<u>\$ 3,034</u>	<u>\$ 56,580</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ —	\$ —
Due to beneficiaries	—	—	—
Due to other governments	—	—	26,826
Total liabilities	<u>—</u>	<u>—</u>	<u>26,826</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	22	3,034	29,754
Unrestricted deficit	—	—	—
Total net position	<u>\$ 22</u>	<u>\$ 3,034</u>	<u>29,754</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
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	DECEASED EFFECTS	DISTRICT COURT PARTNERS	EMPLOYEE CHARITABLE CONTRIBUTIONS
ASSETS			
Cash and cash equivalents	\$ 444	\$ 2,536	\$ 1,716
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	—
Accounts receivable	—	3,645	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 444</u>	<u>\$ 6,181</u>	<u>\$ 1,716</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ —	\$ 14
Due to beneficiaries	444	2,536	1,661
Due to other governments	—	3,645	—
Total liabilities	<u>444</u>	<u>6,181</u>	<u>1,675</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	—	—	41
Unrestricted deficit	—	—	—
Total net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 4 OF 9 - CONTINUED)

	FIRE PROTECTION DISTRICTS	HOMELESSNESS AUTHORITIES	HOSPITAL DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 3,032	\$ 166	\$ 770
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	6,223	—	987
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 9,255</u>	<u>\$ 166</u>	<u>\$ 1,757</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 5,892	\$ 166	\$ 137
Due to beneficiaries	—	—	—
Due to other governments	—	—	632
Total liabilities	<u>5,892</u>	<u>166</u>	<u>769</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	3,363	—	988
Unrestricted deficit	—	—	—
Total net position	<u>\$ 3,363</u>	<u>\$ —</u>	<u>\$ 988</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 5 OF 9)

	JUDICIAL ADMINISTRATION	KING COUNTY DIRECTOR'S ASSOCIATION	KING COUNTY LIBRARY SYSTEM
ASSETS			
Cash and cash equivalents	\$ 40,252	\$ 6,523	\$ —
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	2,510
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 40,252</u>	<u>\$ 6,523</u>	<u>\$ 2,510</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ 7,209	\$ 559
Due to beneficiaries	40,252	—	—
Due to other governments	—	—	—
Total liabilities	<u>40,252</u>	<u>7,209</u>	<u>559</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	—	—	1,951
Unrestricted deficit	—	(686)	—
Total net position	<u>\$ —</u>	<u>\$ (686)</u>	<u>\$ 1,951</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 6 OF 9 - CONTINUED)

	OTHER SPECIAL PURPOSE DISTRICTS	OTHER TAX DISTRIBUTION	PARKS AND RECREATION DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 514	\$ 21,870	\$ 744
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	357	—	1,289
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 871</u>	<u>\$ 21,870</u>	<u>\$ 2,033</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 750	\$ —	\$ 223
Due to beneficiaries	—	21,870	—
Due to other governments	—	—	—
Total liabilities	<u>750</u>	<u>21,870</u>	<u>223</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	121	—	1,810
Unrestricted deficit	—	—	—
Total net position	<u>\$ 121</u>	<u>\$ —</u>	<u>\$ 1,810</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 7 OF 9)

	PORT OF SEATTLE	PROPERTY TAXES	SCHOOL DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 938	\$ 24,862	\$ 9
U.S. Treasury notes	—	—	19,932
Taxes receivable for other governments	1,483	—	36,556
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 2,421</u>	<u>\$ 24,862</u>	<u>\$ 56,497</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ 3,966	\$ 69,465
Due to beneficiaries	—	20,893	—
Due to other governments	938	—	—
Total liabilities	<u>938</u>	<u>24,859</u>	<u>69,465</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	1,483	3	—
Unrestricted deficit	—	—	(12,968)
Total net position	<u>\$ 1,483</u>	<u>\$ 3</u>	<u>\$ (12,968)</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 8 OF 9 - CONTINUED)

	SEIZURES AND FORFEITURES	SEWER AND WATER DISTRICTS	STATE OF WASHINGTON
ASSETS			
Cash and cash equivalents	\$ 4,835	\$ —	\$ 20,110
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	38,217
Accounts receivable	—	—	4,006
Assessments receivable for other governments	—	468	—
Notes and contracts receivable	52	—	—
Total assets	<u>\$ 4,887</u>	<u>\$ 468</u>	<u>\$ 62,333</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 1	\$ —	\$ —
Due to beneficiaries	—	—	—
Due to other governments	—	—	24,127
Total liabilities	<u>1</u>	<u>—</u>	<u>24,127</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	4,886	468	38,206
Unrestricted deficit	—	—	—
Total net position	<u>\$ 4,886</u>	<u>\$ 468</u>	<u>\$ 38,206</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 9 OF 9 - CONCLUDED)

	WASHINGTON MAJOR LEAGUE BASEBALL STADIUM PFD	WASHINGTON PUBLIC STADIUM AUTHORITY	WATER DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 62	\$ 26	\$ 6,012
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	—
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	1,199
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 62</u>	<u>\$ 26</u>	<u>\$ 7,211</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 62	\$ 26	\$ 6,634
Due to beneficiaries	—	—	400
Due to other governments	—	—	—
Total liabilities	<u>62</u>	<u>26</u>	<u>7,034</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	—	—	177
Unrestricted deficit	—	—	—
Total net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 177</u>

EXTERNAL INVESTMENT POOL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)

	TOTAL	EXTERNAL IMPAIRED INVESTMENT POOL	EXTERNAL INDIVIDUAL INVESTMENT ACCOUNTS	EXTERNAL INVESTMENT POOL
ADDITIONS				
Pool participant contributions	\$ 6,830,486	\$ —	\$ 195	\$ 6,830,291
Investment earnings:				
Interest, dividends and other	25,455	—	386	25,069
Net increase (decrease) in fair value of investments	(39,525)	139	(563)	(39,101)
Total investment earnings (losses)	(14,070)	139	(177)	(14,032)
Less investment costs:				
Investment activity costs	(918)	—	(2)	(916)
Net investment earnings (losses)	(14,988)	139	(179)	(14,948)
Total additions	6,815,498	139	16	6,815,343
DEDUCTIONS				
Pool participant distributions	6,867,258	324	1,008	6,865,926
Total deductions	6,867,258	324	1,008	6,865,926
Net increase (decrease) in fiduciary net position	(51,760)	(185)	(992)	(50,583)
Net position - beginning	3,901,795	1,325	14,189	3,886,281
Net position - ending	<u>\$ 3,850,035</u>	<u>\$ 1,140</u>	<u>\$ 13,197</u>	<u>\$ 3,835,698</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 1 OF 9)

	TOTAL
ADDITIONS	
Property taxes collected for other governments	\$ 5,636,138
State apportionment	3,819,907
Real estate excise taxes collected for other governments	1,311,397
Bond proceeds	388,925
Utility charges	344,791
Local support non-tax receipts	405,562
Member contributions	272,564
Drainage utility charges collected for other governments	235,186
Pool participant contributions	(6,830,486)
Line of credit receipts	29,300
Investment earnings:	
Interest, dividends and other	7
Net increase in fair value of investments	(17)
Total investment earnings (losses)	(10)
Charges for fire protection services	40,502
Receipts from other governments	82,031
Court fees collected for other governments	11,006
Lease contributions	10,997
Regulatory fees	12,278
Recording fees collected for other governments	37,765
Other taxes collected for other governments	8,463,513
Charges for emergency medical services	8,584
Impact fees collected for other governments	1,501
Food services receipts	249
Forest funds	2,743
Fines and forfeits collected for other governments	815
Licensing fees collected for other governments	224
Other fees collected for other governments	517
Miscellaneous receipts	226,418
Total additions	14,512,417
DEDUCTIONS	
Payments to vendors	10,571,956
Taxes distributed to other governments	9,722,293
Principal payments	369,666
Interest and other debt service costs	255,769
Other receipts distributed to other governments	277,622
Pool participant distributions	(6,867,258)
Line of credit payments	24,825
Election costs	2,676
Payments to escrow	29
Treasurer collection fees	3,046
Cash management fees	132
Miscellaneous payments	158,617
Total deductions	14,519,373
Net increase (decrease) in fiduciary net position	(6,956)
Net position - beginning	79,609
Net position - ending	\$ 72,653

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 2 OF 9 - CONTINUED)

	BOARD DEPOSITS AND DISBURSEMENTS	CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY	CITIES AND TOWNS
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ 117,298	\$ 1,061,138
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	272,931
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	235,186
Pool participant contributions	—	10	—
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	1,801
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	510	43
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	475
Licensing fees collected for other governments	—	—	224
Other fees collected for other governments	—	—	94
Miscellaneous receipts	22	1	314
Total additions	22	117,819	1,572,206
DEDUCTIONS			
Payments to vendors	—	—	271,399
Taxes distributed to other governments	—	117,731	1,088,628
Principal payments	—	—	—
Interest and other debt service costs	—	—	—
Other receipts distributed to other governments	—	50,000	208,569
Pool participant distributions	—	(49,995)	—
Line of credit payments	—	—	—
Election costs	—	—	1,189
Payments to escrow	—	—	—
Treasurer collection fees	—	—	2,304
Cash management fees	—	—	—
Miscellaneous payments	—	1	—
Total deductions	—	117,737	1,572,089
Net increase (decrease) in fiduciary net position	22	82	117
Net position - beginning	—	2,952	29,637
Net position - ending	\$ 22	\$ 3,034	\$ 29,754

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 3 OF 9)

	<u>DECEASED EFFECTS</u>	<u>DISTRICT COURT PARTNERS</u>	<u>EMPLOYEE CHARITABLE CONTRIBUTIONS</u>
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ —
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	—	—
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	7
Net increase in fair value of investments	—	—	(17)
Total investment earnings (losses)	—	—	(10)
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	—	—
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	18	6,151	2,392
Total additions	<u>18</u>	<u>6,151</u>	<u>2,382</u>
DEDUCTIONS			
Payments to vendors	—	—	—
Taxes distributed to other governments	—	—	—
Principal payments	—	—	—
Interest and other debt service costs	—	—	—
Other receipts distributed to other governments	—	—	—
Pool participant distributions	—	—	—
Line of credit payments	—	—	—
Election costs	—	—	—
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	—	—
Miscellaneous payments	18	6,151	2,392
Total deductions	<u>18</u>	<u>6,151</u>	<u>2,392</u>
Net increase (decrease) in fiduciary net position	—	—	(10)
Net position - beginning	—	—	51
Net position - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
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(IN THOUSANDS)
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	FIRE PROTECTION DISTRICTS	HOMELESSNESS AUTHORITIES	HOSPITAL DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ 277,105	\$ —	\$ 58,579
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	1	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	27,588	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	(383,385)	(3,125)	(69,940)
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	40,502	—	—
Receipts from other governments	—	2,396	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	223	—	54
Charges for emergency medical services	8,584	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	227	—	38
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	20,969	739	103
Total additions	(8,186)	10	(11,166)
DEDUCTIONS			
Payments to vendors	322,789	1,691	46,357
Taxes distributed to other governments	4,382	—	—
Principal payments	7,168	—	13,700
Interest and other debt service costs	3,317	—	8,462
Other receipts distributed to other governments	—	—	—
Pool participant distributions	(346,607)	(1,682)	(80,467)
Line of credit payments	—	—	—
Election costs	555	—	—
Payments to escrow	—	—	—
Treasurer collection fees	659	—	—
Cash management fees	7	—	—
Miscellaneous payments	12	1	817
Total deductions	(7,718)	10	(11,131)
Net increase (decrease) in fiduciary net position	(468)	—	(35)
Net position - beginning	3,831	—	1,023
Net position - ending	\$ 3,363	\$ —	\$ 988

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 5 OF 9)

	JUDICIAL ADMINISTRATION	KING COUNTY DIRECTOR'S ASSOCIATION	KING COUNTY LIBRARY SYSTEM
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ 139,375
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	192,155	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	(138,827)	(114,861)
Line of credit receipts	—	29,300	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	—	364
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	125
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	107,158	1	5,376
Total additions	<u>107,158</u>	<u>82,629</u>	<u>30,379</u>
DEDUCTIONS			
Payments to vendors	—	195,262	108,574
Taxes distributed to other governments	—	—	—
Principal payments	—	—	12,540
Interest and other debt service costs	—	41	2,276
Other receipts distributed to other governments	—	—	—
Pool participant distributions	—	(138,015)	(94,351)
Line of credit payments	—	24,825	—
Election costs	—	—	—
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	1	7
Miscellaneous payments	107,158	1,201	11
Total deductions	<u>107,158</u>	<u>83,315</u>	<u>29,057</u>
Net increase (decrease) in fiduciary net position	—	(686)	1,322
Net position - beginning	—	—	629
Net position - ending	<u>\$ —</u>	<u>\$ (686)</u>	<u>\$ 1,951</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 6 OF 9 - CONTINUED)

	OTHER SPECIAL PURPOSE DISTRICTS	OTHER TAX DISTRIBUTION	PARKS AND RECREATION DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ 9,210	\$ —	\$ 62,872
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	2,237	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	(22,396)	—	(10,583)
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	9,976	—	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	12,278	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	1,374,094	375
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	634	—	3,166
Total additions	11,939	1,374,094	55,830
DEDUCTIONS			
Payments to vendors	33,224	—	62,156
Taxes distributed to other governments	—	1,374,094	520
Principal payments	—	—	763
Interest and other debt service costs	—	—	606
Other receipts distributed to other governments	—	—	109
Pool participant distributions	(21,033)	—	(8,528)
Line of credit payments	—	—	—
Election costs	—	—	25
Payments to escrow	—	—	—
Treasurer collection fees	81	—	—
Cash management fees	2	—	1
Miscellaneous payments	1	—	—
Total deductions	12,275	1,374,094	55,652
Net increase (decrease) in fiduciary net position	(336)	—	178
Net position - beginning	457	—	1,632
Net position - ending	\$ 121	\$ —	\$ 1,810

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 7 OF 9)

	PORT OF SEATTLE	PROPERTY TAXES	SCHOOL DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ 78,132	\$ —	\$ 1,822,278
State apportionment	—	—	3,819,907
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	300,848
Utility charges	—	—	—
Local support non-tax receipts	—	—	405,562
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	—	(5,508,633)
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	64,660
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	341	7,064,970	374
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	1,501
Food services receipts	—	—	249
Forest funds	42	—	1,230
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	4	—	49,517
Total additions	<u>78,519</u>	<u>7,064,970</u>	<u>957,493</u>
DEDUCTIONS			
Payments to vendors	—	—	6,002,054
Taxes distributed to other governments	66,010	7,064,970	—
Principal payments	—	—	323,531
Interest and other debt service costs	—	—	234,793
Other receipts distributed to other governments	12,518	—	—
Pool participant distributions	—	—	(5,598,641)
Line of credit payments	—	—	—
Election costs	—	—	108
Payments to escrow	—	—	29
Treasurer collection fees	—	—	—
Cash management fees	—	—	62
Miscellaneous payments	—	—	239
Total deductions	<u>78,528</u>	<u>7,064,970</u>	<u>962,175</u>
Net increase (decrease) in fiduciary net position	(9)	—	(4,682)
Net position - beginning	1,492	3	(8,286)
Net position - ending	<u>\$ 1,483</u>	<u>\$ 3</u>	<u>\$ (12,968)</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
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(PAGE 8 OF 9 - CONTINUED)

	SEIZURES AND FORFEITURES	SEWER AND WATER DISTRICTS	STATE OF WASHINGTON
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ 2,010,151
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	1,038,466
Bond proceeds	—	85,799	—
Utility charges	—	157,232	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	(267,324)	—
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	9,205
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	37,765
Other taxes collected for other governments	—	—	10,213
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	1,081
Fines and forfeits collected for other governments	—	28	263
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	423
Miscellaneous receipts	28,510	127	193
Total additions	<u>28,510</u>	<u>(24,138)</u>	<u>3,107,760</u>
DEDUCTIONS			
Payments to vendors	—	214,439	3,100,533
Taxes distributed to other governments	—	—	5,958
Principal payments	—	2,577	—
Interest and other debt service costs	—	1,461	—
Other receipts distributed to other governments	—	6,426	—
Pool participant distributions	—	(249,047)	—
Line of credit payments	—	—	—
Election costs	—	—	—
Payments to escrow	—	—	—
Treasurer collection fees	—	1	—
Cash management fees	—	17	—
Miscellaneous payments	31,526	158	—
Total deductions	<u>31,526</u>	<u>(23,968)</u>	<u>3,106,491</u>
Net increase (decrease) in fiduciary net position	(3,016)	(170)	1,269
Net position - beginning	7,902	638	36,937
Net position - ending	<u>\$ 4,886</u>	<u>\$ 468</u>	<u>\$ 38,206</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS)
(PAGE 9 OF 9 - CONCLUDED)

	WASHINGTON MAJOR LEAGUE BASEBALL STADIUM PDF	WASHINGTON PUBLIC STADIUM AUTHORITY	WATER DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ —
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	2,277
Utility charges	—	—	187,559
Local support non-tax receipts	—	—	—
Member contributions	—	—	50,584
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	(10,468)	(14,665)	(286,289)
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	4,999
Court fees collected for other governments	—	—	—
Lease contributions	5,583	5,414	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	2,858	9,094	—
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	49
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	6	1	1,016
Total additions	<u>(2,021)</u>	<u>(156)</u>	<u>(39,805)</u>
DEDUCTIONS			
Payments to vendors	781	4,822	207,875
Taxes distributed to other governments	—	—	—
Principal payments	—	—	9,387
Interest and other debt service costs	—	—	4,813
Other receipts distributed to other governments	—	—	—
Pool participant distributions	(10,206)	(4,979)	(263,707)
Line of credit payments	—	—	—
Election costs	—	—	799
Payments to escrow	—	—	—
Treasurer collection fees	—	—	1
Cash management fees	—	—	35
Miscellaneous payments	7,404	1	1,526
Total deductions	<u>(2,021)</u>	<u>(156)</u>	<u>(39,271)</u>
Net increase (decrease) in fiduciary net position	—	—	(534)
Net position - beginning	—	—	711
Net position - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 177</u>



Statistical Section

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2021**

King County, Washington

STATISTICAL SECTION

CONTENTS

This part of King County's annual comprehensive 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 County's overall financial health.

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
Net investment in capital assets	\$ 1,915,210	\$ 2,116,257	\$ 2,212,727	\$ 2,138,608	\$ 2,243,494	\$ 2,414,425	\$ 2,613,414	\$ 2,807,372	\$ 2,942,708	\$ 3,010,293
Restricted	607,377	656,379	735,149	566,544	875,297	948,107	969,485	984,605	1,169,765	1,581,076
Unrestricted	17,951	(58,297)	(569,652)	(188,016)	(323,006)	(255,666)	(189,220)	(94,092)	(143,390)	124,652
Total governmental activities net position	<u>\$ 2,540,538</u>	<u>\$ 2,714,339</u>	<u>\$ 2,378,224</u>	<u>\$ 2,517,136</u>	<u>\$ 2,795,785</u>	<u>\$ 3,106,866</u>	<u>\$ 3,393,679</u>	<u>\$ 3,697,885</u>	<u>\$ 3,969,083</u>	<u>\$ 4,716,021</u>
Business-type activities:										
Net investment in capital assets	\$ 1,617,947	\$ 1,606,139	\$ 1,607,754	\$ 1,642,168	\$ 1,778,134	\$ 1,893,240	\$ 2,258,823	\$ 2,384,935	\$ 2,301,448	\$ 2,194,694
Restricted	267,262	214,515	216,803	243,658	244,689	278,438	286,406	269,056	247,267	325,505
Unrestricted	636,458	770,428	434,686	568,395	805,073	924,568	1,009,923	1,076,151	1,697,145	2,295,578
Total business-type activities net position	<u>\$ 2,521,667</u>	<u>\$ 2,591,082</u>	<u>\$ 2,259,243</u>	<u>\$ 2,454,221</u>	<u>\$ 2,827,896</u>	<u>\$ 3,096,246</u>	<u>\$ 3,555,152</u>	<u>\$ 3,730,142</u>	<u>\$ 4,245,860</u>	<u>\$ 4,815,777</u>
Primary government:										
Net investment in capital assets	\$ 3,533,157	\$ 3,722,396	\$ 3,820,481	\$ 3,780,776	\$ 4,021,628	\$ 4,307,665	\$ 4,872,237	\$ 5,192,307	\$ 5,244,156	5,204,987
Restricted	874,639	870,894	951,952	810,202	1,119,986	1,226,545	1,255,891	1,253,661	1,417,032	1,906,581
Unrestricted	654,409	712,131	(134,966)	380,379	482,067	668,902	820,703	982,059	1,553,755	2,420,230
Total primary government net position	<u>\$ 5,062,205</u>	<u>\$ 5,305,421</u>	<u>\$ 4,637,467</u>	<u>\$ 4,971,357</u>	<u>\$ 5,623,681</u>	<u>\$ 6,203,112</u>	<u>\$ 6,948,831</u>	<u>\$ 7,428,027</u>	<u>\$ 8,214,943</u>	<u>9,531,798</u>

Restatements:

2012-2020 Governmental activities have been restated; see *Note 18: Components of Fund Balance, Restatements, and Restrictions* for additional detail.

2012-2020 Business-type activities have been restated; see *Note 18: Components of Fund Balance, Restatements, and Restrictions* for additional detail.

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)
 (PAGE 1 OF 2 - CONTINUED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 149,666	\$ 194,906	\$ 218,211	\$ 254,186	\$ 217,400	\$ 233,039	\$ 176,599	\$ 196,843	\$ 251,895	\$ 203,142
Law, safety and justice	629,924	588,794	866,983	667,361	572,925	574,938	697,250	726,568	819,211	725,732
Physical environment	77,111	94,138	162,969	110,864	21,046	20,784	25,468	22,788	22,253	25,590
Transportation	78,937	68,363	112,928	84,139	88,393	103,203	93,562	102,634	105,292	99,902
Economic environment	101,556	96,289	116,721	95,640	217,135	180,707	231,448	152,185	229,144	199,899
Health and human services	469,234	480,482	607,407	508,706	602,843	632,257	702,015	746,148	973,277	1,137,703
Culture and recreation	60,273	48,748	64,876	50,699	93,599	59,726	64,763	77,434	93,454	89,839
Interest and other debt service costs	38,509	41,790	36,098	34,207	29,714	25,987	25,629	23,606	18,400	24,435
Total governmental activities expenses	<u>1,605,210</u>	<u>1,613,510</u>	<u>2,186,193</u>	<u>1,805,802</u>	<u>1,843,055</u>	<u>1,830,641</u>	<u>2,016,734</u>	<u>2,048,206</u>	<u>2,512,926</u>	<u>2,506,242</u>
Business-type activities:										
Airport	29,909	28,339	32,786	21,392	26,304	23,830	22,869	25,475	30,816	30,980
Public Transportation	747,005	767,680	1,027,368	785,432	855,965	891,685	832,713	1,042,150	1,063,782	1,001,312
Solid Waste	108,837	102,030	149,906	113,751	132,386	105,597	155,026	234,164	136,081	125,740
Water Quality	393,989	428,016	569,324	445,793	464,915	463,176	482,946	471,400	477,359	468,551
Other	7,291	12,332	12,284	6,587	7,430	7,148	7,341	7,533	7,771	7,173
Total business-type activities expenses	<u>1,287,031</u>	<u>1,338,397</u>	<u>1,791,668</u>	<u>1,372,955</u>	<u>1,487,000</u>	<u>1,491,436</u>	<u>1,500,895</u>	<u>1,780,722</u>	<u>1,715,809</u>	<u>1,633,756</u>
Total primary government expenses	<u>\$ 2,892,241</u>	<u>\$ 2,951,907</u>	<u>\$ 3,977,861</u>	<u>\$ 3,178,757</u>	<u>\$ 3,330,055</u>	<u>\$ 3,322,077</u>	<u>\$ 3,517,629</u>	<u>\$ 3,828,928</u>	<u>\$ 4,228,735</u>	<u>\$ 4,139,998</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 77,081	\$ 79,991	\$ 33,229	\$ 98,363	\$ 201,040	\$ 144,956	\$ 138,906	\$ 151,874	\$ 174,374	\$ 253,235
Law, safety and justice	143,737	150,358	160,874	169,829	105,833	158,375	167,975	179,797	160,285	127,945
Physical environment	55,526	53,825	75,191	65,445	49,120	37,316	35,596	49,151	43,632	66,663
Transportation	13,656	28,093	49,311	12,233	8,946	3,123	10,413	11,997	12,257	8,942
Economic environment	29,958	20,854	28,440	35,963	34,628	71,750	69,302	80,993	62,912	62,240
Health and human services	300,604	294,291	335,188	357,367	393,430	391,338	413,469	368,686	435,966	538,071
Culture and recreation	8,163	8,908	457	8,684	8,897	9,079	9,527	9,835	4,522	4,277
Interest and other debt service costs	1,783	8,924	14,995	15,744	—	—	—	—	—	—
Operating grants and contributions	205,235	175,862	182,500	189,325	218,760	234,877	220,680	211,658	304,901	658,780
Capital grants and contributions	67,113	99,812	30,274	18,113	29,709	17,169	30,461	20,556	17,527	41,176
Total governmental activities	<u>902,856</u>	<u>920,918</u>	<u>910,459</u>	<u>971,066</u>	<u>1,050,363</u>	<u>1,067,983</u>	<u>1,096,329</u>	<u>1,084,547</u>	<u>1,216,376</u>	<u>1,761,329</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)
 (PAGE 2 OF 2 - CONCLUDED)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Business-type activities:										
Charges for services:										
Airport	\$ 17,812	\$ 20,440	\$ 17,457	\$ 19,081	\$ 20,289	\$ 20,965	\$ 31,532	\$ 27,805	\$ 28,053	\$ 29,841
Public Transportation	279,564	301,007	291,707	303,016	345,232	358,226	374,968	390,264	250,065	225,729
Solid Waste	98,827	109,131	114,270	121,858	131,234	143,524	137,943	137,158	145,702	146,677
Water Quality	386,335	427,502	434,882	434,154	598,173	519,564	522,907	539,385	534,934	554,656
Other	7,325	7,597	7,200	7,081	8,240	8,597	8,492	10,569	9,359	9,956
Operating grants and contributions	58,537	35,824	37,816	30,643	58,374	36,387	41,488	26,168	533,111	434,058
Capital grants and contributions	81,712	57,919	40,204	92,242	89,336	46,741	138,057	64,081	28,087	31,469
Total business-type activities	<u>930,112</u>	<u>959,420</u>	<u>943,536</u>	<u>1,008,075</u>	<u>1,250,878</u>	<u>1,134,004</u>	<u>1,255,387</u>	<u>1,195,430</u>	<u>1,529,311</u>	<u>1,432,386</u>
Total primary government	<u>\$ 1,832,968</u>	<u>\$ 1,880,338</u>	<u>\$ 1,853,995</u>	<u>\$ 1,979,141</u>	<u>\$ 2,301,241</u>	<u>\$ 2,201,987</u>	<u>\$ 2,351,716</u>	<u>\$ 2,279,977</u>	<u>\$ 2,745,687</u>	<u>\$ 3,193,715</u>
Net (Expenses) Revenues										
Governmental activities	\$ (702,354)	\$ (692,592)	\$ (1,275,734)	\$ (834,736)	\$ (792,692)	\$ (762,658)	\$ (920,405)	\$ (963,659)	\$ (1,296,550)	\$ (744,913)
Business-type activities	(356,919)	(378,977)	(848,132)	(364,880)	(236,122)	(357,432)	(245,508)	(585,292)	(186,498)	(201,370)
Total primary government	<u>\$(1,059,273)</u>	<u>\$(1,071,569)</u>	<u>\$(2,123,866)</u>	<u>\$(1,199,616)</u>	<u>\$(1,028,814)</u>	<u>\$(1,120,090)</u>	<u>\$(1,165,913)</u>	<u>\$(1,548,951)</u>	<u>\$(1,483,048)</u>	<u>\$(946,283)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities	\$ 833,950	\$ 866,393	\$ 939,619	\$ 973,648	\$ 1,071,341	\$ 1,073,739	\$ 1,207,218	\$ 1,267,865	\$ 1,567,748	\$ 1,491,851
Business-type activities	441,107	448,392	516,293	559,858	609,797	625,782	704,414	760,282	702,216	771,287
Total primary government	<u>\$ 1,275,057</u>	<u>\$ 1,314,785</u>	<u>\$ 1,455,912</u>	<u>\$ 1,533,506</u>	<u>\$ 1,681,138</u>	<u>\$ 1,699,521</u>	<u>\$ 1,911,632</u>	<u>\$ 2,028,147</u>	<u>\$ 2,269,964</u>	<u>\$ 2,263,138</u>
Change in Net Position										
Governmental activities	\$ 131,596	\$ 173,801	\$ (336,115)	\$ 138,912	\$ 278,649	\$ 311,081	\$ 286,813	\$ 304,206	\$ 271,198	\$ 746,938
Business-type activities	84,188	69,415	(331,839)	194,978	373,675	268,350	458,906	174,990	515,718	569,917
Total primary government	<u>\$ 215,784</u>	<u>\$ 243,216</u>	<u>\$ (667,954)</u>	<u>\$ 333,890</u>	<u>\$ 652,324</u>	<u>\$ 579,431</u>	<u>\$ 745,719</u>	<u>\$ 479,196</u>	<u>\$ 786,916</u>	<u>\$ 1,316,855</u>

Program revenues and expenses for governmental and business-type activities have been restated for all years; see *Note 18: Components of Fund Balance, Restatements, and Restrictions* for details.

General Revenues and Other Changes in Net Position, Total Primary Government, was restated for 2013 and 2014 to correct a mathematical error.

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 3,800	\$ 300	\$ 300	\$ 300	\$ —	\$ —	\$ —	\$ 6	\$ 44	\$ 43
Restricted	2,731	2,613	2,914	1,936	1,834	2,220	1,332	1,975	1,600	2,497
Committed	21,761	24,982	20,212	20,310	20,497	25,161	26,310	27,038	28,942	24,617
Assigned	8,827	8,264	8,151	12,125	35,128	19,181	28,578	13,435	37,147	11,948
Unassigned	102,554	78,318	71,742	68,113	68,195	98,412	107,845	141,561	133,225	222,255
Total General Fund	<u>\$ 139,673</u>	<u>\$ 114,477</u>	<u>\$ 103,319</u>	<u>\$ 102,784</u>	<u>\$ 125,654</u>	<u>\$ 144,974</u>	<u>\$ 164,065</u>	<u>\$ 184,015</u>	<u>\$ 200,958</u>	<u>\$ 261,360</u>
All Other Governmental Funds										
Nonspendable	\$ 169,496	\$ 171,019	\$ 171,603	\$ 179,668	\$ 183,594	\$ 192,755	\$ 201,735	\$ 245,380	\$ 270,557	325,568
Restricted	406,890	392,824	191,893	446,210	697,641	782,219	783,204	830,726	828,329	1,267,877
Committed	86,439	80,368	88,996	38,373	37	43	55	170	175	19,385
Assigned	33,157	45,224	286,300	117,729	33,468	45,905	43,799	41,918	56,254	28,173
Unassigned	(8,917)	(6,571)	(7,462)	(14,674)	(20,232)	(18,414)	(20,744)	(48,877)	(94,949)	(55,328)
Total all other governmental funds	<u>\$ 687,065</u>	<u>\$ 682,864</u>	<u>\$ 731,330</u>	<u>\$ 767,306</u>	<u>\$ 894,508</u>	<u>\$ 1,002,508</u>	<u>\$ 1,008,049</u>	<u>\$ 1,069,317</u>	<u>\$ 1,060,366</u>	<u>\$ 1,585,675</u>

Since 2014, Law Library has been reported as a special revenue fund. It was formerly reported as a fiduciary fund.

Fund balances for the General Fund and All Other Governmental Funds have been restated in all years; see *Note 18: Components of Fund Balance, Restatements, and Restrictions* for details.

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 818,822	\$ 861,622	\$ 930,096	\$ 980,047	\$1,066,173	\$1,081,121	\$1,162,734	\$1,203,183	\$1,271,932	\$1,430,197
Licenses and permits	21,652	22,155	23,633	26,536	23,525	28,253	29,254	28,999	25,379	25,377
Intergovernmental revenues	597,549	572,424	656,830	634,367	230,123	234,074	216,514	208,625	534,604	626,790
Charges for services	249,991	270,149	271,237	302,925	776,068	757,879	783,391	792,741	819,267	993,288
Fines and forfeits	8,499	7,376	6,357	7,334	8,989	26,369	27,663	27,794	23,214	32,147
Investment gains (losses)	6,550	3,456	5,008	4,837	8,047	14,611	30,240	53,413	37,122	3,277
Miscellaneous revenues	88,590	79,705	75,419	75,123	68,129	48,197	45,456	52,622	53,686	72,229
Total revenues	1,791,653	1,816,887	1,968,580	2,031,169	2,181,054	2,190,504	2,295,252	2,367,377	2,765,204	3,183,305
Expenditures										
General government	191,773	203,958	196,977	267,134	281,682	254,398	186,151	199,198	251,856	238,414
Law, safety and justice	570,926	590,701	619,161	642,723	592,779	604,713	719,701	763,842	837,473	825,932
Physical environment	98,962	123,241	190,979	165,260	59,074	24,470	21,278	24,920	23,072	21,085
Transportation	90,737	77,468	99,991	83,810	89,074	106,776	96,878	107,319	107,624	104,620
Economic environment	101,636	96,726	100,061	96,616	107,590	182,384	193,656	183,752	230,812	215,133
Health and human services	481,747	490,932	521,960	522,650	677,657	646,839	716,004	764,352	982,076	1,185,774
Culture and recreation	57,067	44,188	46,665	48,003	81,317	57,508	62,573	75,422	79,369	87,044
Debt service:										
Redemption of long-term debt	56,913	70,686	71,998	64,407	57,641	63,702	66,422	67,990	68,672	73,416
Interest	25,186	33,000	31,504	28,822	35,665	33,143	33,060	30,454	28,988	28,684
Other debt service costs	2,720	608	260	20,445	8,417	419	291	1,061	1,011	4,416
Capital outlay	138,279	119,746	78,595	92,895	80,682	155,501	226,035	171,852	218,337	368,826
Total expenditures	1,815,946	1,851,254	1,958,151	2,032,765	2,071,578	2,129,853	2,322,049	2,390,162	2,829,290	3,153,344
Excess (deficiency) of revenues over (under) expenditures	(24,293)	(34,367)	10,429	(1,596)	109,476	60,651	(26,797)	(22,785)	(64,086)	29,961
Other Financing Sources (Uses)										
Transfers in	142,955	187,571	175,619	218,212	301,289	368,617	409,346	429,016	426,388	490,740
Transfers out	(137,706)	(188,847)	(167,519)	(204,986)	(294,109)	(348,857)	(386,334)	(404,417)	(398,057)	(463,630)
General government debt issued	51,980	—	15,395	27,355	25,025	33,325	5,845	62,340	32,090	512,710
Premium on general government bonds issued	17,879	—	1,967	3,911	3,764	5,037	863	13,125	8,979	11,411
Refunding bonds issued	256,615	92,940	34,815	198,290	—	—	—	55,877	54,065	30,410
Premium on refunding bonds issued	41,267	7,261	4,403	29,888	—	—	—	8,248	—	3,134
Insurance recoveries	—	—	—	—	—	3,538	6,952	—	—	1,840
Sale of capital assets	547	5,638	1,157	4,323	4,627	5,009	14,757	3,466	3,133	2,597
Payment to refunded bonds escrow agent	(296,322)	(99,593)	(38,958)	(227,200)	—	—	—	(63,652)	(54,520)	(33,462)
Total other financing sources (uses)	77,215	4,970	26,879	49,793	40,596	66,669	51,429	104,003	72,078	555,750
Special item	—	—	—	(12,756)	—	—	—	—	—	—
Net change in fund balances	\$ 52,922	\$ (29,397)	\$ 37,308	\$ 35,441	\$ 150,072	\$ 127,320	\$ 24,632	\$ 81,218	\$ 7,992	\$ 585,711
Debt service as a percentage of noncapital expenditures	4.89 %	5.99 %	5.51 %	4.81 %	4.69 %	4.91 %	4.75 %	4.44 %	3.74 %	3.67 %

Since 2014, Law Library has been reported as part of the primary government as a special revenue fund. It was formerly reported as a fiduciary fund.

Charges for services revenues, and general government and economic environment expenditure have been restated. See *Note 18: Components of Fund Balance, Restatements, and Restrictions* for more information.

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

YEAR	TAXABLE REAL PROPERTY				TAXABLE PERSONAL PROPERTY		TOTAL TAXABLE PROPERTY		PERCENTAGE OF ASSESSED VALUE TO ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	MANUFACTURING PROPERTY	OTHER	MACHINERY & EQUIPMENT	OTHER	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2012	\$ 227,449,614	\$ 54,172,019	\$ 8,712,532	\$ 11,044,709	\$ 8,601,970	\$ 9,480,094	\$ 319,460,938	\$ 346,131,439	92.3 %	1.84
2013	222,163,087	56,215,135	8,654,663	10,009,341	8,600,412	9,103,568	314,746,206	350,086,008	89.9	1.95
2014	243,285,020	59,878,692	8,817,579	10,443,602	9,768,484	8,450,240	340,643,617	373,068,501	91.3	1.94
2015	285,252,943	63,574,962	9,211,109	11,760,682	9,544,869	8,774,291	388,118,856	413,683,277	93.8	1.74
2016	315,624,341	69,742,685	9,636,149	12,349,296	9,616,099	9,367,036	426,335,606	459,811,075	92.7	1.69
2017	340,810,182	78,150,750	9,864,864	22,874,016	10,346,738	9,409,738	471,456,288	507,652,528	92.9	1.72
2018	395,931,088	92,276,902	10,806,811	15,171,572	8,686,537	11,789,525	534,662,435	579,466,224	92.3	1.63
2019	445,967,636	100,773,081	11,814,481	26,906,766	9,704,396	11,457,339	606,623,699	680,382,916	89.2	1.49
2020	475,171,965	113,344,511	13,117,286	18,980,633	11,191,173	10,684,923	642,490,491	739,867,831	86.8	1.55
2021	478,890,363	122,148,032	15,022,735	20,973,227	11,462,470	11,038,055	659,534,882	741,115,763	89.0	1.55

Source: King County Department of Assessments.

Ratios for real property and personal property were provided by Washington Department of Revenue.

Total Direct Tax Rate is per \$1,000 of assessed value.

**DIRECT AND OVERLAPPING GOVERNMENTS
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rates										
General	\$ 1.42	\$ 1.54	\$ 1.52	\$ 1.34	\$ 1.33	\$ 1.37	\$ 1.32	\$ 1.21	\$ 1.24	\$ 1.25
Emergency Medical Services	0.19	0.19	0.21	0.19	0.17	0.16	0.14	0.13	0.16	0.16
Road District	0.23	0.22	0.21	0.21	0.19	0.19	0.17	0.15	0.15	0.14
Total County Direct Rates	\$ 1.84	\$ 1.95	\$ 1.94	\$ 1.74	\$ 1.69	\$ 1.72	\$ 1.63	\$ 1.49	\$ 1.55	\$ 1.55
State School Fund Rate	2.42	2.57	2.47	2.29	2.17	2.03	2.92	2.63	3.03	3.09
Port of Seattle Rate	0.23	0.23	0.22	0.19	0.17	0.15	0.14	0.12	0.12	0.12
Ferry District Rate	0.004	0.004	0.003	0.003	0.003	0.012	0.011	0.010	0.010	0.010
King County Library System Rate	0.57	0.57	0.56	0.50	0.48	0.45	0.41	0.37	0.36	0.36
Cities and Towns Rate	0.39-3.28	0.40-3.29	0.36-3.15	0.32-3.16	0.30-3.00	0.28-3.06	0.26-2.92	0.23-2.82	0.24-2.73	0.25-2.68
School Districts Rate	1.81-6.14	1.83-7.55	1.94-7.28	1.83-6.42	1.86-6.75	1.94-6.74	1.82-6.30	0.61-4.49	0.90-5.20	0.91-5.20
Fire Districts Rate ⁴	0.14-1.94	0.15-2.41	0.14-2.42	0.11-2.17	0.10-2.09	0.10-2.01	0.09-2.00	0.00-2.06	0.00-2.01	0.00-3.76
Hospital Districts Rate	0.31-0.50	0.50-0.52	0.47-0.50	0.40-0.50	0.38-0.50	0.36-0.50	0.33-0.46	0.29-0.42	0.28-0.40	0.28-0.59
Flood Control Zone Districts Rate	0.12	0.13	0.15	0.14	0.13	0.12	0.11	0.10	0.09	0.09
Park and Recreation Districts Rate	0.02-0.74	0.02-0.50	0.02-0.53	0.01-0.40	0.15-0.50	0.09-0.58	0.08-0.52	0.08-0.50	0.04-0.47	0.04-0.54
Miscellaneous Districts Rate	0.05-0.50	0.10-0.50	0.04-0.50	0.04-0.50	0.03-0.50	0.03-0.47	0.04-0.43	0.04-0.50	0.04-0.47	0.04-0.44

Source: King County Department of Assessments

Notes:

(1) Limitations on levies: Article 7, § 2 (as amended) of the Washington State Constitution and the Revised Code of Washington (RCW) 84.52.050 limit the total "regular" property tax levy to a maximum of \$10 per \$1,000 of true and fair value of real and personal property valuation. This "1 percent of value" limitation does not include tax levies for port and public utility districts. This limit is subject to further reduction since RCW 84.52.043(2) limits the overlapping levy rate excluding the State (school), port districts, and public utility districts to \$5.90 per \$1,000 of assessed value. RCW 84.55.010, as amended by Ch.1, Laws of 2002 (approved as Initiative 747 by State voters in November 2001) also limits the total dollar amount of regular property taxes levied by individual taxing districts to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an amount applicable to new construction. The limit factor is defined as the lesser of 101 percent or 100 percent plus inflation, but if the inflation rate is less than one percent, the limit factor can be increased to 101 percent, if approved by a majority plus one vote of the governing body of the municipality upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the municipality upon a finding of substantial need and is also approved by the voters at a general or special election within the municipality. These limitations are not applicable to "excess" or special levies approved by the electorate of districts.

(2) Real and personal property taxes are payable on or after February 15. Unpaid taxes become delinquent after April 30, unless tax is \$50 or more and one-half is paid before April 30. In this case, the second half is not delinquent until after October 31.

(3) Tax rates are in per \$1,000 of assessed value. Rates include excess and special levies not subject to the limitations discussed in footnote (1) above.

(4) Fire District 24 - Angle Lake has the only 0.00 rate. This District is governed by a three-person Board of Commissioners, and all three positions are vacant. If not filled in 2022, the district will be dissolved.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

YEAR	TAXES LEVIED FOR THE YEAR		TOTAL ADJUSTED TAX LEVY	COLLECTED WITHIN THE YEAR OF THE LEVY		COLLECTIONS SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE		TOTAL UNCOLLECTED TAXES	
	(ORIGINAL LEVY)	ADJUSTMENTS		AMOUNT	PERCENTAGE OF ORIGINAL LEVY		AMOUNT	PERCENTAGE OF ADJUSTED LEVY	AMOUNT	PERCENTAGE OF ADJUSTED LEVY
2012	\$ 618,371	\$ (171)	\$ 618,200	\$ 607,960	98.32 %	\$ 9,849	\$ 617,809	99.94 %	\$ 391	0.06 %
2013	648,586	(58)	648,528	638,073	98.38	9,912	647,985	99.92	543	0.08
2014	706,912	(182)	706,730	696,423	98.52	9,725	706,148	99.92	582	0.08
2015	726,319	(136)	726,183	716,418	98.64	9,490	725,908	99.96	275	0.04
2016	837,123	(220)	836,903	825,870	98.66	10,900	836,770	99.98	133	0.02
2017	864,070	(248)	863,822	852,835	98.70	10,517	863,352	99.95	470	0.05
2018	927,807	(115)	927,692	915,691	98.69	11,443	927,134	99.94	558	0.06
2019	961,179	(38)	961,141	949,763	98.81	9,365	959,128	99.79	2,013	0.21
2020	1,043,698	(295)	1,043,403	1,026,741	98.38	11,680	1,038,421	99.52	4,982	0.48
2021	1,068,619	—	1,068,619	1,046,296	97.91	—	1,046,296	97.91	22,323	2.09

Source: King County Treasury Property Tax Year End Reports for 2012-2021

Note: The levy of any given fiscal year is based on the assessed values from the tax roll of the preceding calendar year. The amounts in the total uncollected taxes column are cumulative totals of all taxes levied at the end of the year.

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(DOLLARS IN THOUSANDS)**

TAXPAYER	2021			2012		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Microsoft	\$ 3,693,625	1	0.51 %	\$ 2,826,189	2	0.90 %
Amazon.com	3,399,726	2	0.47			—
Boeing	2,144,489	3	0.30	2,946,451	1	0.94
Essex Property Trust	2,012,747	4	0.28			—
Puget Sound Energy/Elec	1,711,655	5	0.24	1,793,515	3	0.57
C/O Prologis - Re Tax	1,154,420	6	0.16	—		—
Union Square LLC	1,113,715	7	0.15	487,184	9	0.15
Puget Sound Energy/Gas	1,021,070	8	0.14	—		—
Acorn Development LLC	887,266	9	0.12	—		—
Ponte Gadea Seattle LLC	872,244	10	0.12	—		—
Alaska Airlines	—		—	813,750	4	0.26
AT&T Mobility LLC	—		—	771,005	5	0.24
Qwest Corporation Inc.	—		—	695,292	6	0.22
Kemper Development	—		—	558,829	7	0.18
T-Mobile	—		—	506,575	8	0.16
W2007 Seattle (formerly Archon Group LP)	—		—	392,475	10	0.12
Total	18,010,957		2.49	11,791,265		3.74
Total assessed valuation of other taxpayers	704,516,947		97.51	302,954,942		96.26
Total 2021 assessed valuation for taxes due in 2022	<u>\$ 722,527,904</u>		<u>100.00 %</u>			
Total 2012 assessed valuation for taxes due in 2013				<u>\$ 314,746,207</u>		<u>100.00 %</u>

Source: King County Department of Assessments

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FISCAL YEAR	GENERAL	GENERAL	GENERAL	GENERAL		RESTRICTED	PERCENTAGE		PER CAPITA ^(c)	
	OBLIGATION	OBLIGATION	OBLIGATION	OBLIGATION	OBLIGATION	FOR DEBT	OF ESTIMATED			
	BONDS ^(a)	UNAMORTIZED	BOND	LEASE	BONDED DEBT	SERVICE	ACTUAL VALUE			
		PREMIUMS /	ANTICIPATION	REVENUE	OUTSTANDING	CAPITAL	OF TAXABLE			
		DISCOUNTS	NOTES	BONDS		LEASES	PROPERTY ^(b)			
							TOTAL	TOTAL		
							PAYMENT			
							TOTAL			
2012	\$ 1,763,614	\$ 121,622	\$ 73,395	\$ 321,780	\$ 2,280,411	\$ —	\$ 71,464	\$ 2,208,947	0.64%	1,100
2013	1,763,383	118,097	—	265,325	2,146,805	—	60,197	2,086,608	0.60%	1,019
2014	1,731,255	116,425	—	217,900	2,065,580	—	60,149	2,005,431	0.54%	964
2015	1,844,253	178,986	—	20,965	2,044,204	—	11,760	2,032,444	0.49%	960
2016	1,771,677	160,189	—	12,765	1,944,631	—	11,968	1,932,663	0.42%	899
2017	1,699,077	161,084	—	—	1,860,161	8,843	12,222	1,856,782	0.37%	848
2018	1,591,767	140,964	—	—	1,732,731	8,291	20,622	1,720,400	0.30%	770
2019	1,716,537	161,774	—	—	1,878,311	8,156	4,805	1,881,662	0.28%	835
2020 ^(d)	1,671,220	149,821	—	—	1,821,041	7,793	4,963	1,823,871	0.25%	804
2021	2,187,734	184,568	—	—	2,372,302	7,402	6,471	2,373,233	0.33%	1,054

Additional details regarding the County's outstanding debt can be found in Note 15 - "Liabilities"

- (a) This is the general bonded debt of both governmental and business-type activities.
- (b) Property value data can be found in the table "Assessed and Estimated Actual Value of Taxable Property."
- (c) Population data can be found in the table "Demographic and Economic Indicators."
- (d) 2020 per capita rate restated to reflect a revised population estimate.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
(IN THOUSANDS)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED^(a) PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	ESTIMATED SHARE OF OVERLAPPING DEBT
DEBT REPAID WITH PROPERTY TAXES			
King County – net overlapping debt:			
Port of Seattle	\$ 281,355	100.0000 %	\$ 281,355
School Districts:			
Bellevue SD	756,020	100.0000 %	756,020
Issaquah SD	692,925	100.0000 %	692,925
Lake Washington SD	561,438	100.0000 %	561,438
Northshore SD	472,892	61.1565 %	289,204
Auburn SD	471,595	91.9411 %	433,590
Federal Way SD	511,528	100.0000 %	511,528
Highline SD	371,330	100.0000 %	371,330
Shoreline SD	380,729	100.0000 %	380,729
Renton SD	286,900	100.0000 %	286,900
Snoqualmie SD	214,945	100.0000 %	214,945
Other school districts	778,751	99.9999 %	778,751
Total school districts	<u>5,499,053</u>		<u>5,277,360</u>
Cities and towns ^(b) :			
City of Seattle	930,006	100.0000 %	930,006
City of Bellevue	261,731	100.0000 %	261,731
City of Tukwila	134,847	100.0000 %	134,847
City of Bothell	72,395	55.7644 %	40,371
City of Kent	60,794	100.0000 %	60,794
City of Renton	48,401	100.0000 %	48,401
City of Shoreline	59,055	100.0000 %	59,055
City of Redmond	40,570	100.0000 %	40,570
City of Auburn	35,572	100.0000 %	35,572
City of Kirkland	30,919	100.0000 %	30,919
Other cities and towns	116,076	100.0000 %	116,076
Total cities and towns	<u>1,790,366</u>		<u>1,758,342</u>
Hospital districts	<u>297,579</u>	100.0000 %	<u>297,579</u>
King County Library System	<u>44,335</u>	98.1857 %	<u>43,531</u>
Fire protection districts	<u>71,938</u>	100.0000 %	<u>71,938</u>
Park districts	<u>17,947</u>	100.0000 %	<u>17,947</u>
TOTAL KING COUNTY – NET OVERLAPPING DEBT	<u>8,002,573</u>		<u>7,748,052</u>
KING COUNTY – DIRECT DEBT^(c)	<u>1,131,744</u>	100.0000 %	<u>1,131,744</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 9,134,317</u></u>		<u><u>\$ 8,879,796</u></u>

Source: Assessed value data used to estimate percentages applicable to this governmental unit are provided by King County Department of Assessments.

Note: Within King County, other municipal governments incur general obligation debt. Debts incurred by other governmental units, although overlapping, have no claim on any County revenues.

(a) Determined by ratio of assessed valuation of property in overlapping unit subject to taxation in reporting unit to total valuation of property subject to taxation in overlapping unit.

(b) Outstanding debts are provided by the cities and towns.

(c) Direct debt calculation:

\$ 1,072,561	General long-term debt
<u>58,915</u>	Unamortized premiums/discounts
<u><u>\$ 1,131,476</u></u>	DIRECT DEBT

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

GOVERNMENTAL ACTIVITIES						
FISCAL YEAR	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION LEASE REVENUE BONDS	PREMIUMS, DISCOUNTS AND OTHER ADJUSTMENTS	NET GENERAL OBLIGATION AND LEASE REVENUE BONDS	GENERAL OBLIGATION CAPITAL LEASES	
2012	\$ 772,439	\$ 321,780	\$ 66,786	\$ 1,161,005	\$ —	
2013	741,373	265,325	61,793	1,068,491	—	
2014	717,640	217,900	63,326	998,866	—	
2015	825,298	20,965	85,768	932,031	—	
2016	779,012	12,765	75,940	867,717	—	
2017	742,455	—	63,247	805,702	8,843	
2018	677,072	—	52,763	729,835	8,291	
2019	659,047	—	61,988	721,035	8,156	
2020	628,425	—	56,074	684,499	7,793	
2021	1,065,159	—	58,915	1,124,074	7,402	
BUSINESS-TYPE ACTIVITIES						
FISCAL YEAR	GENERAL OBLIGATION BONDS	SEWER REVENUE BONDS	PREMIUMS, DISCOUNTS AND OTHER ADJUSTMENTS	NET GENERAL OBLIGATION BONDS AND REVENUE BONDS	CAPITAL LEASES	STATE OF WASHINGTON REVOLVING LOANS
2012	\$ 1,064,570	\$ 2,841,755	\$ 176,348	\$ 4,082,673	\$ 3,087	\$ 136,002
2013	1,022,010	2,866,085	194,273	4,082,368	2,983	146,672
2014	1,013,615	2,813,805	207,705	4,035,125	2,874	159,053
2015	1,018,955	2,830,165	295,087	4,144,207	2,760	179,388
2016	992,665	2,884,890	369,807	4,247,362	2,640	205,989
2017	956,595	2,875,310	378,377	4,210,282	2,514	218,044
2018	914,695	2,807,510	353,187	4,075,392	2,381	229,474
2019	1,057,490	2,572,745	338,625	3,968,860	2,241	227,543
2020	1,042,795	2,598,885	312,261	3,953,941	2,094	247,287
2021	1,122,575	2,540,960	304,669	3,968,204	1,940	104,183
PRIMARY GOVERNMENT						
FISCAL YEAR	TOTAL	PERCENTAGE OF PERSONAL INCOME^(a)	DEBT PER CAPITA^(a)			
2012	\$ 5,382,767	4.10 %	\$ 2,681			
2013	5,300,514	3.92 %	2,589			
2014	5,195,918	3.48 %	2,498			
2015	5,258,386	3.29 %	2,484			
2016	5,323,708	3.21 %	2,476			
2017	5,245,385	2.87 %	2,397			
2018	5,045,373	2.50 %	2,259			
2019	4,927,835	2.30 %	2,187			
2020	4,895,614	2.29 %	2,173			
2021	5,205,803	N/A	2,311			

Note: Details regarding the County's outstanding debt can be found in *Note 15: Liabilities*.

(a) Personal income and population data can be found in the table "Demographic and Economic Statistics." Because personal income data is not available for 2021, 2021 is N/A

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Valuation ^(a)	\$314,746,207	\$340,643,616	\$388,118,856	\$426,335,606	\$471,456,288	\$534,662,435	\$606,623,698	\$642,490,492	\$659,534,881	\$722,527,904
Limited Tax General Obligations (LTGO) for Metropolitan Functions										
Debt Limit - 0.75% of Assessed Value	\$ 2,360,597	\$ 2,554,827	\$ 2,910,891	\$ 3,197,517	\$ 3,535,922	\$ 4,009,968	\$ 4,549,678	\$ 4,818,679	\$ 4,946,512	\$ 5,418,959
Debt applicable to limit	1,132,185	1,092,797	1,126,570	1,030,577	981,943	931,848	877,083	1,040,574	1,033,218	1,210,075
Less: Amounts set aside to repay LTGO debts	(20,128)	(25,148)	(42,336)	(42,062)	(53,429)	(51,768)	(48,093)	(36,901)	(51,254)	(81,190)
Total net debt applicable to the limit	1,112,057	1,067,649	1,084,234	988,515	928,514	880,080	828,990	1,003,673	981,964	1,128,885
Legal Debt Margin ^(b) of LTGO	\$ 1,248,540	\$ 1,487,178	\$ 1,826,657	\$ 2,209,002	\$ 2,607,408	\$ 3,129,888	\$ 3,720,688	\$ 3,815,006	\$ 3,964,548	\$ 4,290,074
Total net debt applicable to the limit as a percentage of the debt limit	47.11 %	41.79 %	37.25 %	30.92 %	26.26 %	21.95 %	18.22 %	20.83 %	19.85 %	20.83 %
LTGOs for General County Purposes and Metropolitan Functions										
Debt Limit - 1.5% of Assessed Value	\$ 4,721,193	\$ 5,109,654	\$ 5,821,783	\$ 6,395,034	\$ 7,071,844	\$ 8,019,937	\$ 9,099,355	\$ 9,637,357	\$ 9,893,023	\$10,837,919
Debt applicable to limit	2,181,468	2,070,328	2,110,601	1,768,043	1,667,527	1,588,678	1,479,047	1,662,672	1,657,590	2,126,575
Less: Amounts set aside to repay LTGO debts	(62,179)	(57,509)	(54,910)	(53,491)	(62,968)	(64,825)	(55,690)	(44,895)	(57,508)	(87,661)
Total net debt applicable to the limit	2,119,289	2,012,819	2,055,691	1,714,552	1,604,559	1,523,853	1,423,357	1,617,777	1,600,082	2,038,914
Legal Debt Margin ^(b) of LTGO	\$ 2,601,904	\$ 3,096,835	\$ 3,766,092	\$ 4,680,482	\$ 5,467,285	\$ 6,496,084	\$ 7,675,998	\$ 8,019,580	\$ 8,292,941	\$ 8,799,005
Total net debt applicable to the limit as a percentage of the debt limit	44.89 %	39.39 %	35.31 %	26.81 %	22.69 %	19.00 %	15.64 %	16.79 %	16.17 %	18.81 %
Total GO for Metropolitan Functions										
Debt Limit - 2.5% of Assessed Value	\$ 7,868,655	\$ 8,516,09	\$ 9,702,971	\$10,658,390	\$11,786,407	\$13,366,561	\$15,165,592	\$16,062,262	\$16,488,372	\$18,063,198
Debt applicable to limit	1,132,185	1,092,797	1,126,570	1,030,577	981,943	931,848	877,083	1,040,574	1,033,218	1,210,075
Less: Amounts set aside to repay GO debts	(20,128)	(25,148)	(42,336)	(42,062)	(53,429)	(51,768)	(48,093)	(36,901)	(51,254)	(81,190)
Total net debt applicable to the limit	1,112,057	1,067,649	1,084,234	988,515	928,514	880,080	828,990	1,003,673	981,964	1,128,885
Legal Debt Margin ^(b) of total GO	\$ 6,756,598	\$ 7,448,441	\$ 8,618,737	\$ 9,669,875	\$10,857,893	\$12,486,481	\$14,336,602	\$15,058,589	\$15,506,408	\$16,934,313
Total net debt applicable to the limit as a percentage of the debt limit	14.13 %	12.54 %	11.17 %	9.27 %	7.88 %	6.58 %	5.47 %	6.25 %	5.96 %	6.25 %
Total GO for County Purposes										
Debt Limit - 2.5% of Assessed Value	\$ 7,868,655	\$ 8,516,090	\$ 9,702,971	\$10,658,390	\$11,786,407	\$13,366,561	\$15,165,592	\$16,062,262	\$16,488,372	\$18,063,198
Debt applicable to limit	1,190,973	1,104,336	1,097,286	839,316	775,719	734,620	666,394	671,923	663,157	962,255
Less: Amounts set aside to repay GO debts	(48,774)	(39,292)	(19,723)	(13,377)	(11,582)	(15,164)	(9,851)	(10,474)	(8,825)	(9,173)
Total net debt applicable to the limit	1,142,199	1,065,044	1,077,563	825,939	764,137	719,456	656,543	661,449	654,332	953,082
Legal Debt Margin ^(b) of total GO	\$ 6,726,456	\$ 7,451,046	\$ 8,625,408	\$ 9,832,451	\$11,022,270	\$12,647,105	\$14,509,049	\$15,400,813	\$15,834,040	\$17,110,116
Total net debt applicable to the limit as a percentage of the debt limit	14.52 %	12.51 %	11.11 %	7.75 %	6.48 %	5.38 %	4.33 %	4.12 %	3.97 %	5.28 %

Source: Assessed Valuation data are from King County Department of Assessments.

Notes:

- (a) In compliance with the Washington State Budgeting, Accounting and Reporting System, the most current assessed value - the assessed value for the following calendar year's tax roll - is used for a given fiscal year.
- (b) "Legal debt margin" is the County's available borrowing authority under state statutes.

DEBT SERVICE COVERAGE FOR THE WATER QUALITY ENTERPRISE

LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average residential customer and residential customer equivalents (RCEs)	708,900	719,160	725,844	736,090	756,430	756,916	760,571	763,436	767,265	738,286
Percentage annual change	0.23 %	1.31 %	1.07 %	1.41 %	2.76 %	0.06 %	0.48 %	0.38 %	0.50 %	(3.78)%
Operating revenues										
Sewage disposal fees ^(a)	\$307,143	\$342,850	\$346,591	\$371,253	\$381,513	\$401,650	\$403,589	\$415,279	\$417,361	\$419,672
Rate stabilization	13,923	10,350	18,000	(12,000)	—	—	—	—	—	—
Capacity charge revenues	51,411	58,660	59,522	62,479	71,200	82,615	86,836	102,146	92,622	90,814
Other operating revenues	9,398	10,126	11,675	11,674	11,828	18,308	19,125	19,024	19,956	24,010
Total operating revenues	<u>381,875</u>	<u>421,986</u>	<u>435,788</u>	<u>433,406</u>	<u>464,541</u>	<u>502,573</u>	<u>509,550</u>	<u>536,449</u>	<u>529,939</u>	<u>534,496</u>
Operating and Maintenance Expenses ^(a)	114,939	117,183	122,014	127,211	138,698	142,263	139,585	143,834	154,513	138,166
Add: GAAP adjustments ^(b)	—	—	2,187	1,715	(2,377)	5,936	13,004	10,438	3,505	18,198
Net operating and maintenance expenses	<u>114,939</u>	<u>117,183</u>	<u>124,201</u>	<u>128,926</u>	<u>136,321</u>	<u>148,199</u>	<u>152,589</u>	<u>154,272</u>	<u>158,018</u>	<u>156,364</u>
Net operating revenue	266,936	304,803	311,587	304,480	328,220	354,374	356,961	382,177	371,921	378,132
Interest income ^(c)	1,697	2,682	2,822	2,863	4,549	6,055	8,956	10,765	7,971	4,833
Net revenue available for debt service	<u>\$268,633</u>	<u>\$307,485</u>	<u>\$314,409</u>	<u>\$307,343</u>	<u>\$332,769</u>	<u>\$360,429</u>	<u>\$365,917</u>	<u>\$392,942</u>	<u>\$379,892</u>	<u>\$382,965</u>
Debt service										
Parity bonds	\$157,117	\$172,959	\$175,463	\$167,694	\$160,957	\$159,761	\$163,967	\$171,321	\$162,385	\$153,818
Parity lien obligations	38,626	43,064	42,876	40,348	53,164	52,650	49,121	41,529	50,755	77,079
Subordinate debt service	14,087	15,039	17,477	18,318	21,316	26,277	33,139	35,174	30,367	12,714
Total debt service	<u>\$209,830</u>	<u>\$231,062</u>	<u>\$235,816</u>	<u>\$226,360</u>	<u>\$235,437</u>	<u>\$238,688</u>	<u>\$246,227</u>	<u>\$248,024</u>	<u>\$243,507</u>	<u>\$243,611</u>
Debt service coverage										
On parity bonds	1.71	1.78	1.79	1.83	2.07	2.26	2.23	2.29	2.34	2.49
On parity bonds and parity lien obligations	1.36	1.42	1.44	1.48	1.55	1.70	1.72	1.85	1.78	1.66
On all sewer system obligations	1.28	1.33	1.33	1.36	1.41	1.51	1.49	1.58	1.56	1.57

Notes:

(a) 2014 operating and maintenance expenses were restated as part of GASB Statement Nos. 68 and 71 implementation.

(b) Non-cash GAAP adjustments consist primarily of pension, other post-employment benefits and compensated absence accruals.

(c) Interest Income excludes unrealized gains and losses in the fair value adjustment of investments.

**WATER QUALITY ENTERPRISE
ADDITIONAL COVERAGE RATIOS
DECEMBER 31, 2021**

The Water Quality Enterprise is obligated by applicable bond ordinances to set sewage disposal rates at a level adequate to provide net revenue equal to at least 1.15 times the annual debt service requirements for sewer revenue and general obligation bonds payable from revenues of Water Quality. It is an adopted policy of Water Quality to achieve a debt service coverage ratio of 1.25.

Coverage (1.15 required by covenant, adopted policy 1.25) 1.66

In 2001, the County adopted a new debt service coverage target of 1.15 times the annual debt service for bonds, obligations, notes and loans of the Enterprise.

Coverage (1.15 adopted target) 1.57

The Enterprise is required to generate revenues sufficient to pay all costs of operation of the sewage treatment system and debt service on obligations of the Enterprise.

Coverage (1.00 required by covenant) 1.38

In 2001, Water Quality issued an additional tier of revenue bonds. The bond covenants of the Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2001A and Series 2001B, require that sewage disposal rates provide net revenue equal to at least 1.10 times the annual debt service requirements for all Junior Lien obligations after payment of senior lien requirements. All of Water Quality's Junior Lien Variable Rate Sewer Revenue Bonds and Multi-Modal Limited Tax General Obligation Sewer Revenue Bonds incorporate the identical requirement stated in the 2001 bond covenant requirements. Beyond the continuation of low interest rates, improved coverage in 2020 and 2021 resulted from early calls and refinancing of higher interest rate 2011 and 2012 put bonds.

Coverage (1.10 required by covenant) 52.88

**OPERATING AND CAPITAL INDICATORS BY FUNCTION
LAST TEN YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works										
Miles of paved roads	1,451	1,441	1,442	1,418	1,418	1,415	1,415	1,415	1,415	1,481
Miles of unpaved roads	53	51	51	51	51	51	51	51	51	51
Bridges ¹	182	181	181	181	181	182	182	182	185	185
Building Permits										
Permits	2,021	1,303	1,309	1,459	3,172	1,294	1,501	1,406	835	1,217
Value of buildings (in thousands)	\$ 366,207	\$ 257,261	\$ 292,863	\$ 276,607	\$ 272,327	\$ 323,987	\$ 279,194	\$ 252,807	\$ 234,386	\$ 291,620
Justice and Law Enforcement - Sheriff's Office										
Number of employees - commissioned	637	650	671	679	721	724	728	739	747	711
Number of employees - civilian	287	385	378	340	412	411	360	374	367	345
Motor Pool fleet - vehicles	632	629	602	640	646	646	681	695	687	695
Motor Pool fleet - boats	8	8	8	8	10	12	11	10	10	10
Motor Pool fleet - helicopters ²	4	4	4	5	5	5	5	7	7	7
Adult Detention										
Average daily adult custodial population	1,946	1,960	2,076	2,027	2,011	2,186	2,107	2,691	1,668	1,530
Average stay (in days)	22	21	22	22	22	22	22	25	29	37
Bookings	33,506	34,282	34,724	34,939	36,135	37,125	35,631	32,864	18,324	14,208
Parks and Land Use										
Number of parks	219	220	221	220	223	229	229	234	239	242
Acres of parks	170,574	171,196	171,659	172,281	172,615	173,203	173,825	174,063	174,599	174,890
Public Transportation										
Size of fleet - buses	1,503	1,462	1,423	1,472	1,396	1,429	1,491	1,527	1,404	1,363
Size of fleet - active commuter vans	1,283	1,365	1,421	1,476	1,791	1,817	1,877	1,894	1,864	1,257
Annual bus trips (in thousands)	123,127	126,682	129,081	130,648	130,800	130,093	130,617	128,641	59,869	50,088
Annual commuter van trips (in thousands)	3,451	3,524	3,416	3,560	3,555	3,626	3,497	3,465	1,085	512
Wastewater Treatment										
Total sewer customers (residences and residential customer equivalents)	708,900	718,160	725,844	736,090	756,430	756,916	760,571	763,436	767,265	738,286
New sewer connections equivalents	7,915	8,467	10,767	11,676	10,743	12,484	12,906	12,513	6,522	6,720
Monthly sewer rate	\$ 36.10	\$ 39.79	\$ 39.79	\$ 42.03	\$ 42.03	\$ 44.22	\$ 44.22	\$ 45.33	\$ 45.33	\$ 47.37
Residential connection charge (monthly for 15 years)	\$ 53.50	\$ 53.50	\$ 55.35	\$ 57.00	\$ 58.70	\$ 60.80	\$ 62.60	\$ 64.50	\$ 66.35	\$ 68.34
Total sewer revenues (in thousands)	\$ 321,066	\$ 353,200	\$ 364,591	\$ 371,252	\$ 381,513	\$ 401,650	\$ 403,589	\$ 415,279	\$ 417,361	\$ 419,672
Number of treatment plants	5	5	5	5	5	5	5	5	5	5
Total treatment capacity (MGD ³)	895	895	895	895	862	862	868	868	868	868
Average daily flow (MGD)	188	167	186	178	188	194	177	161	178	183
Peak daily flow (MGD)	523	500	541	556	505	605	482	752	596	580

Source: Various King County agencies

¹Total number reported includes vehicular and pedestrian bridges.²King County currently has seven helicopters available for use. Only three of these are owned by the County. The remaining four are on loan from the Defense Reutilization Marketing Office program.³MGD = Million of gallons per day

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

Year	FUNCTION/PROGRAM							Total
	General Government	Law, Safety and Justice	Physical Environment	Transportation	Economic Environment	Health and Human Services	Culture and Recreation	
2012	1,497	3,871	1,275	4,554	186	1,406	204	12,993
2013	1,687	3,472	1,069	4,581	476	1,507	184	12,976
2014	1,704	3,828	1,069	4,581	476	1,492	193	13,343
2015	1,680	3,822	1,121	4,472	471	1,394	200	13,160
2016	1,680	3,822	1,121	4,472	471	1,394	200	13,160
2017	1,759	3,878	1,153	5,137	490	1,486	224	14,127
2018	1,759	3,878	1,153	5,137	490	1,486	224	14,127
2019	1,819	3,992	1,199	5,820	526	1,621	241	15,218
2020	1,823	3,998	1,199	5,820	526	1,623	260	15,249
2021	1,909	4,143	1,275	5,909	546	1,749	289	15,820

Source: 2021-2022 King County Biennial Budget

Notes:

A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,088 hours are scheduled per year (including holidays, vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

FTEs are stated using a beginning-of-year convention.

DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

CALENDAR YEAR	POPULATION	PERSONAL INCOME (IN THOUSANDS)	PER CAPITA PERSONAL INCOME	AVERAGE EARNINGS PER JOB	UNEMPLOYMENT RATE		POPULATION 65 YEARS OLD AND OVER	MEDIAN HOUSEHOLD INCOME ESTIMATES	BIRTHS	DEATHS	STUDENTS ENROLLED IN PUBLIC SCHOOLS	STUDENTS ENROLLED IN PRIVATE SCHOOLS
					COUNTY	STATE						
2012	2,007,455	\$ 131,263,349	\$ 65,345	\$ 66,773	6.3 %	8.1 %	227,291	\$ 69,047	24,702	12,045	267,655	40,428
2013	2,046,956	135,176,058	66,073	67,276	5.0	7.0	243,588	69,900	25,098	12,131	271,130	40,464
2014	2,079,967	149,434,812	71,882	70,484	4.7	6.1	247,516	71,500	26,343	13,784	278,409	41,047
2015	2,117,125	159,665,109	75,518	75,302	4.3	5.6	258,289	73,035	26,063	13,795	287,145	41,199
2016	2,149,970 *	166,006,277	77,213	81,484	3.9	5.4	266,596	75,302 *	30,508	16,162	292,066	42,256
2017	2,188,649 *	182,495,475	83,383	87,898	3.7	4.8	277,958	78,800 *	25,274	14,725	296,519	41,771
2018	2,233,163 *	201,962,200	90,438	92,596	3.5	4.5	290,311	83,571 *	24,337	13,179	302,450	41,860
2019	2,252,782 *	213,956,690	94,974	98,000	2.8	4.3	297,367	89,418 *	24,090	13,463	306,397	42,794
2020	2,269,675 *	219,805,809	96,647	108,844	7.6	8.4	304,125	94,974 *	23,638	14,353	292,651	34,758
2021	2,252,305 *	N/A	N/A	N/A	4.3	5.3	304,061	99,158 *	N/A	N/A	285,899	38,717

N/A = Not yet available

Population*, personal income, per capita personal income and average earnings per job are from Washington Regional Economic Analysis Project - King County, Washington and United States Department of Commerce, Bureau of Economic Analysis, Regional Income Division.

*Estimate for 2016, 2017, 2018, 2019, 2020, and 2021 population from the United States Census Bureau, State and County QuickFacts.

Unemployment rates are from Washington Employment Security Department, Labor Market and Economic Analysis Branch. Reported unemployment rates are the average for the year, and are not seasonally-adjusted.

Median household income estimates and population 65 old are from the United States Census Bureau. Births and deaths are from Washington State Department of Health Data & Statistical Reports.

Public school student enrollment data from the Washington State Office of Superintendent of Public Instruction.

2012-2018; 2021 private school enrollment data from the Washington State Office of the Superintendent of Public Instruction.

2019-2020 private school enrollment data from the Washington State Board of Education.

**PRINCIPAL EMPLOYERS OF KING COUNTY BY MAJOR INDUSTRY
CURRENT YEAR AND TEN YEARS AGO**

TYPE OF INDUSTRY	2021			2012		
	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Trade, transportation and utilities	282,642	1	20.08 %	216,150	1	18.10 %
Professional and business services	245,717	2	17.45	192,675	2	16.14
Educational and health services	182,575	3	12.97	159,258	4	13.34
Government	170,583	4	12.12	165,433	3	13.86
Information	134,450	5	9.55	80,983	7	6.78
Leisure and hospitality	104,425	6	7.42	114,850	5	9.62
Manufacturing	88,933	7	6.32	103,208	6	8.64
Construction	79,375	8	5.64	50,625	9	4.24
Financial activities	73,525	9	5.22	66,658	8	5.58
Total	<u>1,362,225</u>		<u>96.77 %</u>	<u>1,149,840</u>		<u>96.30 %</u>
Total employment	<u>1,407,825</u>			<u>1,193,917</u>		

Source: Washington State Employment Security Department, Labor Market and Economic Analysis

Notes:

The State of Washington is legally prohibited from disclosing the names of individual employers. The information in this table is intended to assist readers in understanding the degree of concentration in the County's employment base.

The number of employees is an annual average based on total non-farm employment and is not seasonally adjusted.