

2015



Comprehensive Annual Financial Report



For the fiscal year ended December 31, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

PREPARED BY THE DEPARTMENT OF FINANCE:

JOSEPH GUINASSO
DIRECTOR OF FINANCE AND INFORMATION SERVICES

CHRIS GIANINI
DEPUTY DIRECTOR OF FINANCE AND INFORMATION SERVICES

JENNIFER DILLEY
ACCOUNTING MANAGER

JODEE BASS
FINANCE SPECIALIST II

MARLENE DUNHAM
FINANCE SPECIALIST I

COLLEEN RUPKE
ADMINISTRATIVE ASSISTANT

**CITY OF SAMMAMISH
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended December 31, 2015**

TABLE OF CONTENTS

INTRODUCTORY SECTION

City Officials	1
Organization Chart.....	2
GFOA Certificate of Achievement	3
Letter of Transmittal	4

FINANCIAL SECTION

Independent Auditor’s Report	9
Management’s Discussion and Analysis	13

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	26
Statement of Activities	27
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds	28
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds.....	35
Statement of Revenues, Expenses, and Changes on Fund Net Position – Proprietary Funds.....	36
Statement of Cash Flows – Proprietary Funds.....	37
Notes to the Financial Statements.....	39

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....		65
Schedule of the City's Proportionate Share of the Net Pension Liability.....		66
Schedule of City's Contributions		67
Notes to Required Supplementary Information		68

CITY OF SAMMAMISH

Combining and Individual Fund Statements and Schedules

Governmental Funds.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund Accounts	70
G.O. Debt Service Fund	72
General Government CIP Fund	73
Parks CIP Fund.....	74
Transportation CIP Fund	75
Internal Service Funds	77
Combining Statement of Net Position – Internal Service Funds.....	78
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	79
Combining Statement of Cash Flows – Internal Service Funds.....	80

STATISTICAL SECTION

Narrative	83
Financial Trends	
Table 1 – Net Position by Component	84
Table 2 – Changes in Net Position	85
Table 3 – Fund Balances of Governmental Funds	87
Table 4 – Changes in Fund Balances of Governmental Funds.....	88
Revenue Capacity	
Table 5 – Assessed and Actual Value of Taxable Property.....	90
Table 6 – Property Tax Rates, Direct and Overlapping Governments	91
Table 7 – Principal Property Taxpayers.....	92
Table 8 – Property Tax Levies and Collections	93
Debt Capacity	
Table 9 – Ratio of Outstanding Debt by Type	94
Table 10 – Ratio of General Bonded Debt Outstanding.....	95
Table 11 – Computation of Direct and Overlapping Debt	96
Table 12 – Legal Debt Margin Information	97
Demographic Information	
Table 13 – Demographic Statistics	98
Table 14 – Principal Employers	99
Operating Information	
Table 15 – Full-time Equivalent City Government Employees by Function/Program.....	100
Table 16 – Operating Indicators by Function/Program	101
Table 17 – Capital Assets Statistics by Function/Program.....	102

INTRODUCTORY SECTION



Back row: Ramiro Valderrama, Tom Vance, Tom Odell, Don Gerend. Front row: Kathleen Huckabay, Nancy Whitten, Bob Keller

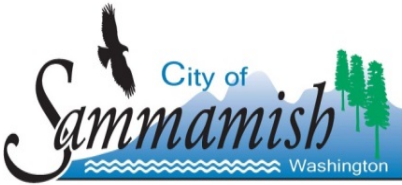
2015 CITY OFFICIALS

MAYOR AND CITY COUNCIL

Tom Vance	Mayor
Kathleen Huckabay	Deputy Mayor
Don Gerend	Council Member
Bob Keller	Council Member
Tom Odell	Council Member
Ramiro Valderrama	Council Member
Nancy Whitten	Council Member

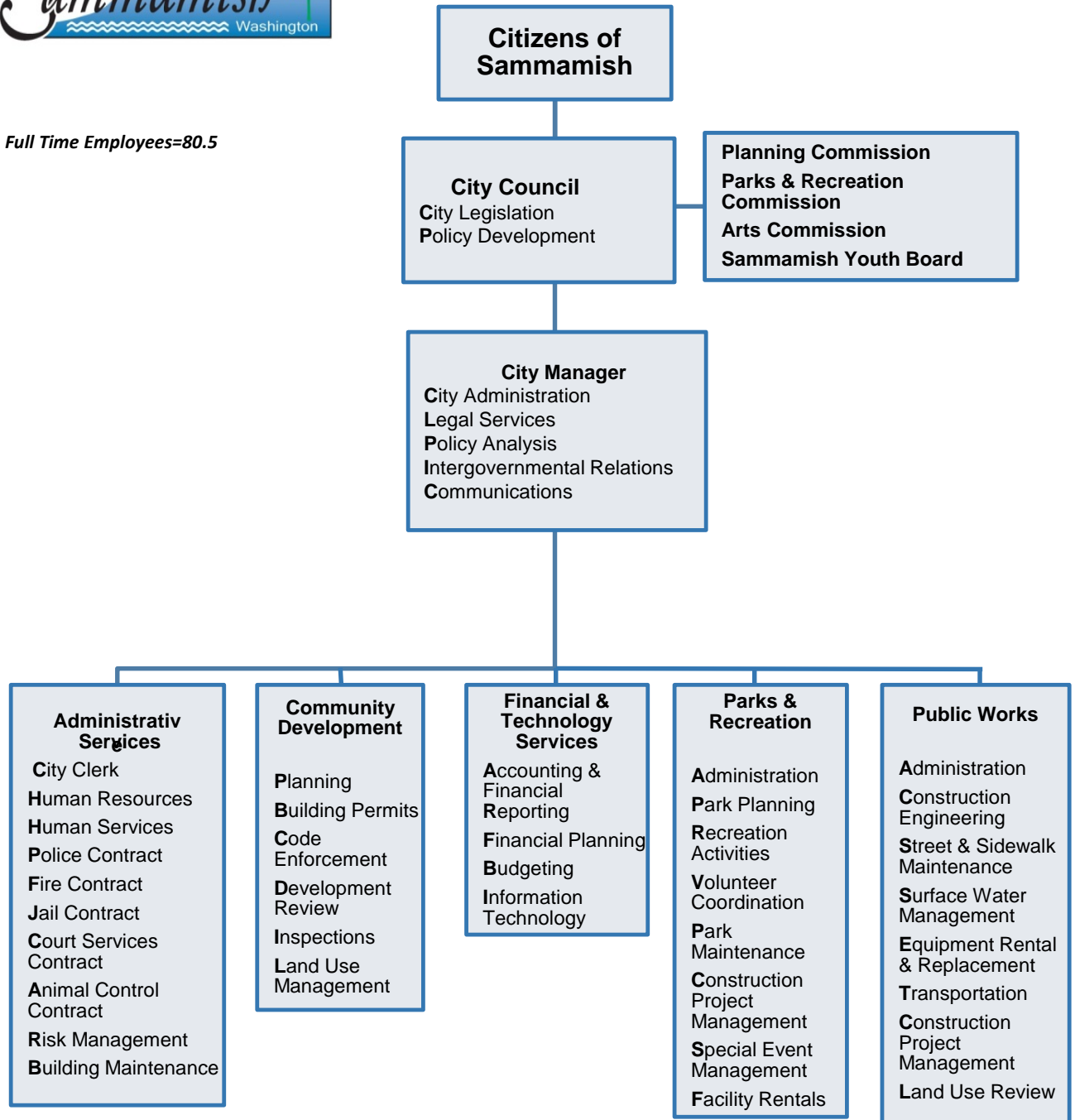
ADMINISTRATIVE OFFICIALS

Ben Yazici	City Manager
Lyman Howard	Deputy City Manager
Joseph Guinasso	Director of Finance
John Cunningham	Interim Director of Public Works
Jessi Bon	Director of Parks and Recreation
Jeffery Thomas	Director of Community Development
Beth Goldberg	Director of Administrative Services
Mike Kenyon	City Attorney
Nate Elledge	Police Chief
Melonie Anderson	City Clerk



ORGANIZATION CHART

Full Time Employees=80.5





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sammamish
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



801 – 228th Avenue SE • Sammamish, WA 98075 • Phone: 425-295-0500 • Fax: 425-295-0600
• web: www.sammamish.us

June 17, 2016

Mayor Don Gerend, Sammamish City Council, and Citizens of Sammamish,

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Sammamish, Washington for the fiscal year ended December 31, 2015.

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

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

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

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

State law provides for an annual independent audit by the Office of the State Auditor. Additionally, as a recipient of federal financial assistance, the City may be required to have an annual single audit that meets the requirements of the federal Office of Management and Budget Circular A-133 and its supplements. The federal audit is conducted by the state auditor's office in conjunction with the annual independent audit. The City was not required to have such an audit in 2014.

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

City Profile

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

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

Sammamish, covering about 24 square miles, is situated between Issaquah to the south, Redmond to the north, and is east of Lake Sammamish. This suburban community—which back in 1970 was home to only 6,000 people—still retains its rural look and feel, even though the population has grown to 62,770. The City is conveniently located within easy commuting and shopping distance of many larger cities including Bellevue, Renton and Seattle.

Sammamish provides a full range of municipal services including:

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

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

Local Economy

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

Sammamish has two main commercial complexes. Sammamish Highlands Center features a Safeway supermarket with 175 employees and several smaller shops and businesses. Pine Lake Village is another commercial center which is anchored by a QFC supermarket with 110 employees. There are 11 schools inside the city limits, including three high schools within one mile of one another.

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

The City is dependent upon property taxes as a major source of revenue to the general fund, providing about 70% of the fund's revenue. Annual property tax increases are limited to 1% of the prior year's collections plus a new construction factor unless approved via referendum. The City did not increase property taxes by the allowable 1% in 2015 but may use the "banked" 2015 increase in future years.

During the period between 2006-2010 charges for services revenue decreased \$1.5 million, mostly due to reduced development activity. However, construction activity over 2011 - 2015 increased markedly and charges for services went up by \$3.9 million over that five-year period. The City, considering the increasing development activity has added 5.0 full time equivalent positions to the 2015-2016 biennial budget.

Real estate excise taxes derived from the sale of real property along with transportation and park impact fees are major sources of funding for capital expenditures. These two real estate dependent sources of revenue have begun to rebound since 2010. Real estate excise tax receipts in 2015 were, for the first time, higher than 2005 levels and impact fee collection has gone from a low in 2008 of \$602,700 to \$3.3 million in 2015. Significant infrastructure funding is also provided by transfers of general fund resources to the capital improvement funds. The city has no utility or business taxes.

Long-Term Financial Planning

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

The City maintains a six-year financial planning horizon and balances requirements to resources over the life of the six-year forecast. As part of this process, one-time excesses of revenues over expenses are identified and allocated to one-time expenses. Ongoing costs are funded only by ongoing revenue sources. In 2008 the City received national recognition for its prudent financial modeling and forecasting strategies when Standard and Poors upgraded the City's bond rating from AA to AAA, making Sammamish the youngest city in the state to ever get the top rating. As of 2015, the City no longer holds a bond rating, as all outstanding bonds have been paid.

Since the City's incorporation in 1999, an average of \$13 million per year has been invested in capital assets including roads, parks, and buildings. This new infrastructure brings with it increased operating costs. Public safety expenditures for police and fire contracted services accounted for 38% of General Fund expenditures in 2015, down from a high of 49% in 2010. While ending fund balances remain healthy, the City Council and management are discussing revenue source alternatives in anticipation of expenditures exceeding current revenue sources in the next five to ten years.

Sammamish operates using a combination of city staff and contracted services to ensure flexibility in operations and maintain a sustainable level of service to the citizens. As Sammamish moves forward, economic indicators will continue to be monitored, and adjustments to city spending and

service levels made to maintain the City's financial health. The City uses a long-term financial forecasting model to assist with future planning. This model's projections are shared with the City Council on a regular basis.

Major Initiatives

Capital improvements remain a significant focus as the City continues to improve its transportation system, neighborhood sidewalks, and to offer varied recreational opportunities. Major projects in 2015 included:

- During 2014, the City began construction on a two-story, approximately 69,000 square-foot community and aquatic center. The facility will be owned by the City and operated by the YMCA in accordance with the operating and management agreement approved by the City Council on February 19, 2013. Construction was completed in early 2016.
- During 2015, the City continued improvements to the Sammamish Landing Park. Improvements will consist of a parking lot, designated crosswalk, and a public restroom.
- The City installed a Traffic Signal Intelligent Transportation System along 228th Avenue between Issaquah-Pine Lake Road and Northeast 12th Place. The new system will measure real-time traffic loads, time the lights accordingly, and maximize the efficient flow of vehicles.
- The first permits were issued in 2015 for development in the City's planned Town Center. Town Center is envisioned to be a vibrant, family-friendly, urban gathering place to live, work and play in a healthy, natural setting.

Sammamish Commons was the site of the City's sixth 4th of July fireworks celebration. Activities included clowns and balloons in the children's play area, food booths, a family fun zone, and of course fireworks. The popular Farmer's Market returned for the sixth year in May and ran every Wednesday throughout the summer offering home grown fruits and vegetables, flowers, bakery items, and crafts. Residents of all ages and interests find enjoyment at Sammamish Commons, whether taking a peaceful walk around the lower commons trail or watching the pyrotechnics on the 4th of July.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sammamish for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City of Sammamish its Distinguished Budget Presentation Award for its biennial budgets since the 2005/2006 biennium.

The International City Managers' Association (ICMA) awarded the City its Certificate of Achievement for its "performance measurement" approach to management. This approach gathers data in a variety of service areas, identifies management practices that contribute to high performance, and shares the results to help other jurisdictions in a process of continuous improvement.

The preparation of the Comprehensive Annual Financial Report on a timely and accurate basis could not have been accomplished without the efforts and dedication of the staff of the City's Finance Department. I would like to express my appreciation to my staff and to personnel from other departments and agencies that assisted in its preparation. Also, I would like to thank the City Manager and City Council for their continued interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,



Chris Gianini
Interim Finance Director

FINANCIAL SECTION



Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 17, 2016

Council
City of Sammamish
Sammamish, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sammamish, King County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sammamish, King County, Washington, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 3, during the year ended December 31, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 25, budgetary comparison information on page 65 and pension plan information on pages 66 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 69 through 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

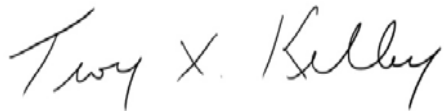
records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 17, 2016, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Sincerely,



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA



MANAGEMENT'S DISCUSSION

AND

ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative provides an overview and analysis of the City of Sammamish's financial activities for the fiscal year ended December 31, 2015. The purpose is to highlight significant financial issues, major financial activities, and resulting changes in financial position, as well as economic factors affecting the City. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the letter of transmittal in the introductory section and the City's financial statements and accompanying notes following the narrative.

Financial Highlights

- The City ended the year in a strong financial position, with total assets and deferred outflows exceeding total liabilities and deferred inflows by \$514.8 million, an increase of \$16.0 million over the 2014 ending net position. This increase was entirely due to the acquisition of capital assets, including land, buildings, equipment, and developer contributions of \$31.9 million. The increase in assets was partially offset by an \$8.4 increase in liabilities.
- During 2015, the City saw an increase in tax revenues of \$1.9 million and an increase in developer and private contributions of \$11.9 million. The increase in private contributions, of \$2.0 million, is related to the construction of the City's community and aquatic center. Although the community and aquatic center will be owned by the city, day-to-day operations will be handled by the YMCA. As part of their partnership with the city, the YMCA is contributing \$5.0 million toward construction expenses. The remaining \$9.9 million are capital assets, such as roads, drainage facilities, and parks, contributed to the City by private developers.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or to meet certain objectives. The City, like other state and local governments, uses fund accounting to demonstrate

compliance with finance-related and legal requirements. The City's funds are divided into two categories: governmental funds and proprietary funds.

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

Because the focus of the governmental funds is narrower than that of the government-wide statements, it is useful to compare similar information in the governmental fund statements and the government-wide statements. In doing so, the reader may better understand the long term impact of the City's current year financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

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

Notes to the financial statements

The notes to the financial statements provide additional information that is important to a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other information

The combining statements for other governmental funds and internal service funds are presented immediately following the notes section.

Government-wide Financial Analysis

Statement of net position

The City's financial condition remained good during 2015, despite only moderate economic expansion. As noted earlier, net position may serve as a useful indicator of the City's financial situation. The City's net position at December 31, 2015 total \$514.8 million, an increase of \$16.0 million over 2014. Net position of the City as of December 31, 2015 are summarized and analyzed below.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
	(in thousands)					
Current and other assets	\$ 69,792	\$ 79,339	\$ 5,837	\$ 4,615	\$ 75,629	\$ 83,954
Capital assets, net of accumulated depreciation	412,712	387,286	43,166	36,736	455,878	424,022
Total assets	482,504	466,625	49,003	41,351	531,507	507,976
Deferred outflows	770	-	100	-	870	-
Total deferred outflows	770	-	100	-	870	-
Long-term liabilities	9,352	4,295	956	322	10,308	4,617
Other liabilities	6,065	4,338	234	177	6,299	4,515
Total liabilities	15,418	8,634	1,189	498	16,607	9,132
Deferred inflows	852	-	111	-	963	-
Total deferred inflows	852	-	111	-	963	-
Net position						
Net investment in capital assets	409,512	386,000	43,166	36,736	452,678	422,736
Restricted	9,386	5,397	-	-	9,386	5,397
Unrestricted	48,106	66,593	4,638	4,117	52,744	70,711
Total net position	\$ 467,004	\$ 457,991	\$ 47,803	\$ 40,853	\$ 514,807	\$ 498,844

Governmental Activities: Net position from governmental activities increased by \$9.0 million in 2015, for a total of \$467.0 million. Of total governmental activities net position, \$9.4 million is restricted for capital projects. Unrestricted net position of \$48.1 million are available to meet ongoing obligations to citizens and creditors. Factors contributing to the changes are as follows:

- Of the increase in governmental activities, \$25.4 million was from the acquisition of capital assets. \$19.6 million of the increase in capital assets was due to the 2015 construction of the City's community and aquatic center and \$6.1 million was connected to the purchase of property intended to attract higher education facilities to the City. Developer and private contributions of land and infrastructure totaled \$4.8 million. These increases were offset by the sale of property valued at \$0.56 million and annual depreciation expense of \$8.3 million.
- Total liabilities and deferred inflows increased by \$7.6 million. Of that increase, \$6.4 million are liabilities and deferred inflows related to pensions, which are shown on the financial statements for the first time due to the City's

implementation of a new accounting standard. The remaining \$1.6 million increase primarily consists of a rise in the accounts payable balance in the General Fund pertaining to retainage held on a major construction project.

Business-type Activities: Business-type activities of the City’s surface water fund increased the City’s net position by \$7.0 million in 2015. Of total net position, \$4.6 million is available to meet ongoing operating needs. Contributing factors of the increase were:

- The largest component of the increase was the result of capital assets contributed by developers of \$7.1 million, offset by current depreciation expense for a net increase of \$6.4 million.
- Total liabilities increased by \$802,000. The increase consists of \$829,000 in pension liabilities and deferred inflows which were previously unreported, and are now reported as the result of new accounting standards. A slight increase in accounts payable of \$57,000, offset by a reduction in long-term debt of \$84,000 accounts for the remainder of the change.

Changes in position

As illustrated in the following table, the City’s net position increased approximately \$16.0 million in 2015. The increase was split between the governmental activities (\$9.0 million) and the business-type activities (\$7.0 million).

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

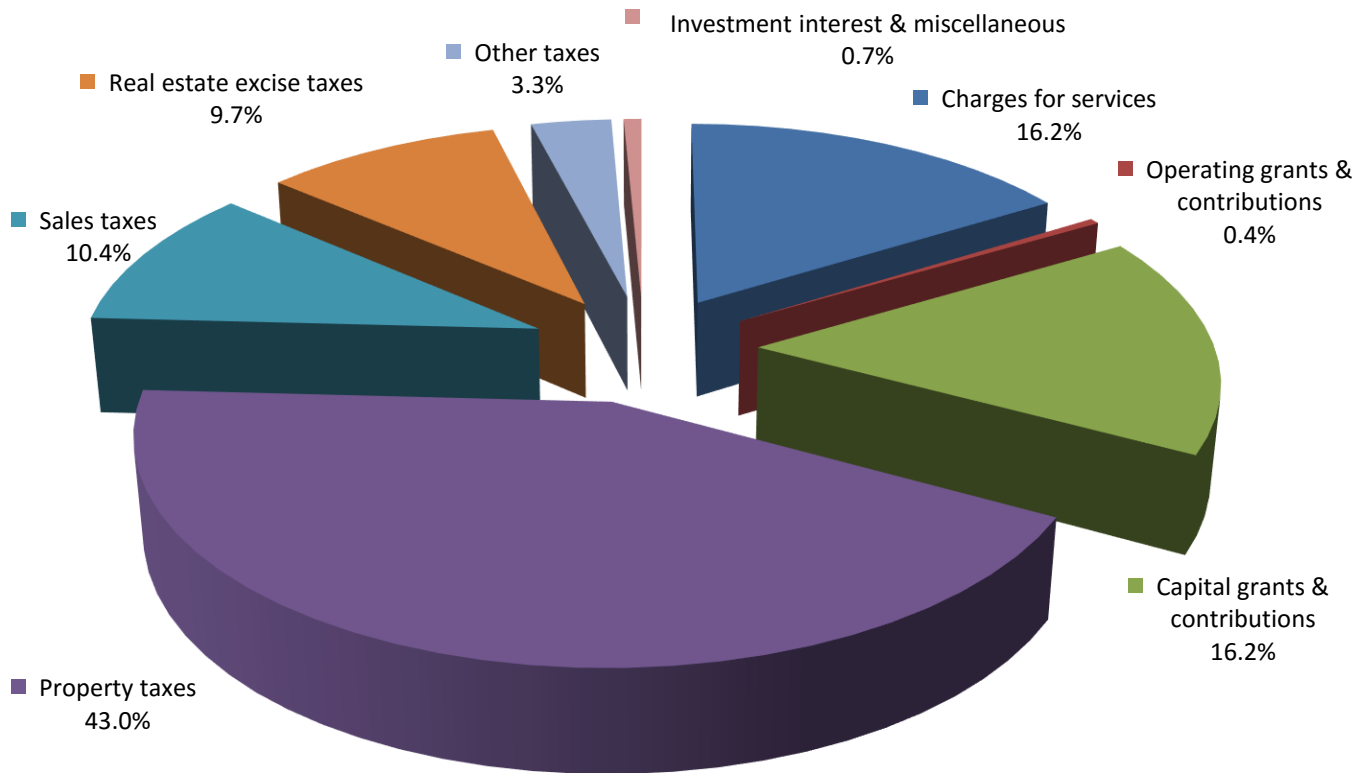
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(in thousands)					
Revenues:						
Program revenues:						
Charges for services	\$ 8,642	\$ 8,352	\$ 3,713	\$ 3,604	12,355	\$ 11,956
Operating grants & contributions	223	390	22	50	245	440
Capital grants & contributions	8,681	4,324	7,537	2,964	16,218	7,288
General revenues:						
Property taxes	22,996	22,424	-	-	22,996	22,424
Sales taxes	5,586	4,863	-	-	5,586	4,863
Real estate excise taxes	5,194	4,686	-	-	5,194	4,686
Other taxes	1,756	1,650	-	-	1,756	1,650
Investment interest	282	144	18	8	300	151
Miscellaneous	105	2,649	77	-	182	2,649
Total revenues	<u>53,466</u>	<u>49,481</u>	<u>11,368</u>	<u>6,625</u>	<u>64,834</u>	<u>56,107</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
			(in thousands)			
Expenses:						
General government	7,083	5,959	-	-	7,083	5,959
Security	11,723	11,603	-	-	11,723	11,603
Physical environment	1,187	744	-	-	1,187	744
Economic environment	3,163	3,064	-	-	3,163	3,064
Transportation	9,878	10,500	-	-	9,878	10,500
Mental/physical health	15	8	-	-	15	8
Culture and recreation	5,802	5,438	-	-	5,802	5,438
Interest on long-term debt	17	20	-	-	17	20
Stormwater	-	-	3,692	3,932	3,692	3,932
Total expenses	<u>38,867</u>	<u>37,336</u>	<u>3,692</u>	<u>3,932</u>	<u>42,559</u>	<u>41,268</u>
Increase in net position before transfers and special items	<u>14,600</u>	<u>12,146</u>	<u>7,676</u>	<u>2,693</u>	<u>22,276</u>	<u>14,839</u>
Increase in net position	14,600	12,146	7,676	2,693	22,276	14,839
Net position - beginning	457,991	445,845	40,853	38,160	498,844	484,005
Change in accounting principal	(5,587)	-	(726)	-	(6,313)	-
Net position - ending	<u>\$ 467,004</u>	<u>\$ 457,991</u>	<u>\$ 47,803</u>	<u>\$ 40,853</u>	<u>\$ 514,807</u>	<u>\$ 498,844</u>

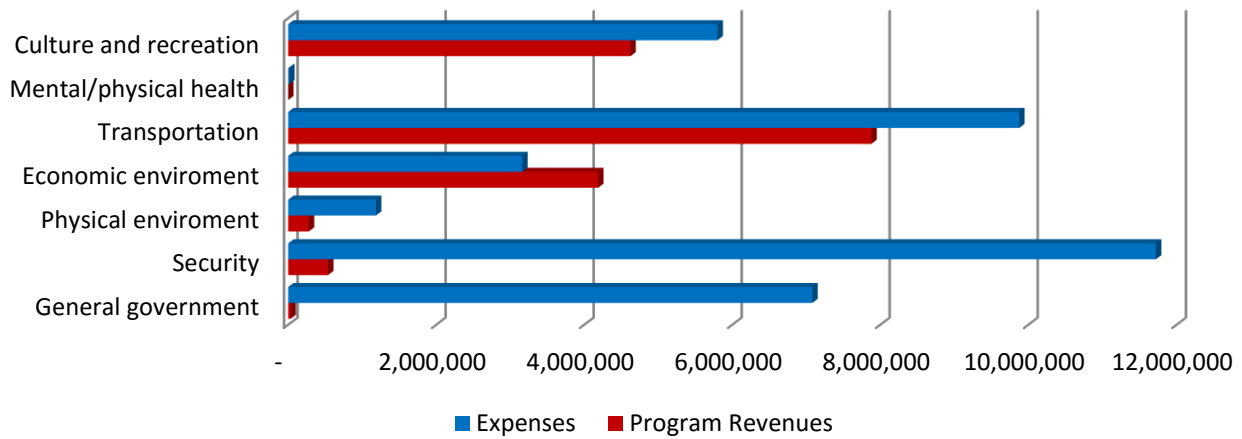
Governmental activities increased the City's net position by \$9.0 million in 2015, which accounts for 65.5% of the total increase in net position of the City. Most of the increase in net position can be attributed to capital assets. Total revenues increased by approximately 8.1%, while total expenses were about 4.1% higher than in 2014. Key elements of the changes in governmental activities net position are:

- Charges for services increased by \$290,000, which is associated with an increase in review services connected with development.
- Tax revenues increased by \$1.9 million, the largest portions of this increase are attributable to property tax (\$572,000) and real estate excise tax (\$508,000).
- Total general government expenses increased by \$1.1 million, the largest component of the increase was related to legal services, and accounted for \$0.5 million of the increase. The remainder of the increase is attributable to an increase in personnel expenditures and contracted services.

Revenue by Source - Governmental Activities



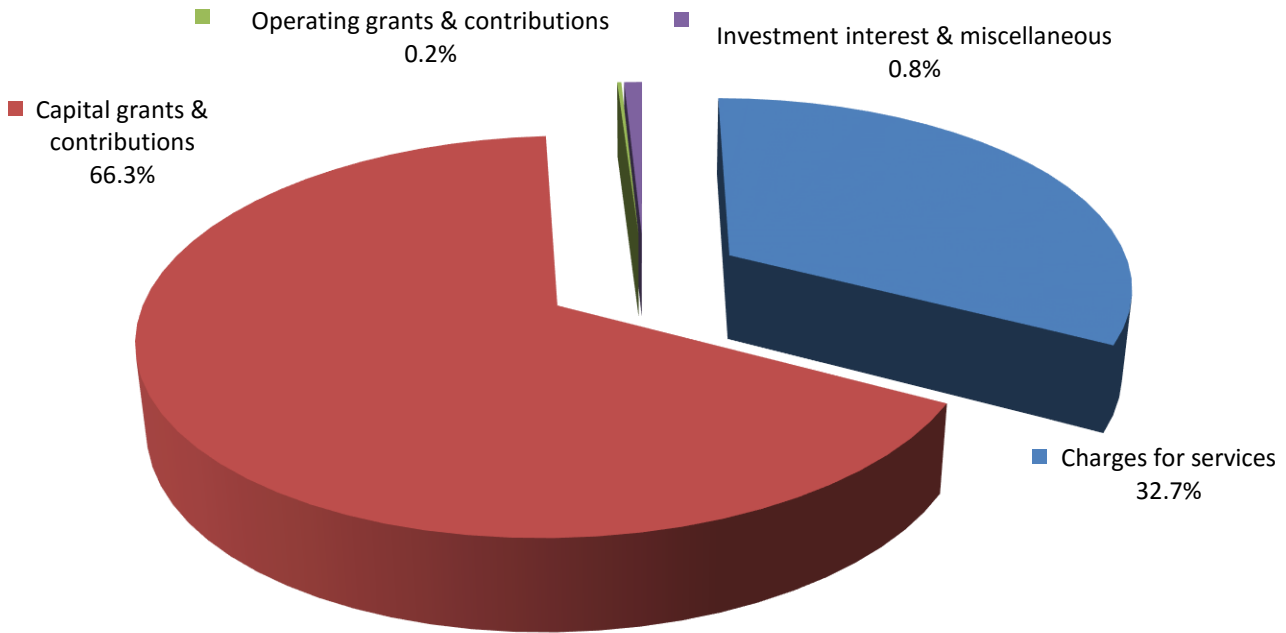
Expenses and Program Revenues - Governmental Activities



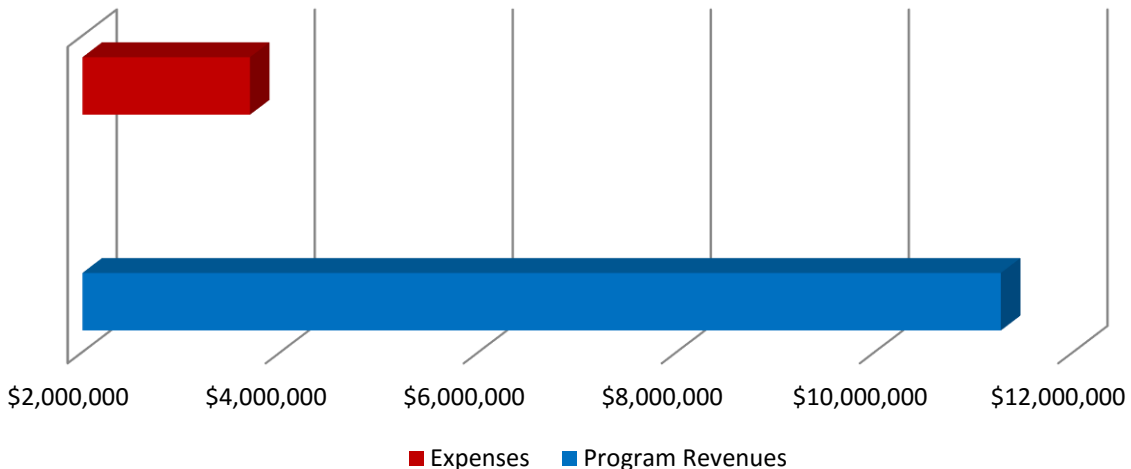
Business-type activities increased the City’s net position by \$7.0 million, accounting for 34.5% of the total growth in the City’s net position. Total revenues increased by approximately 71.6%, while total expenses were about 0.6% lower than in 2014. Key elements of the changes in business-type activities net position are:

- Revenues improved by \$4.7 million over 2014, of which \$4.6 million is due to an increase in stormwater facilities contributed by developers, an increase in charges for services of \$109,000 accounts for the rest of the variation.
- Expenses decreased by \$240,000, in large part due to staff vacancies and a delayed start on several capital projects.

Revenue by Source - Business Type Activities



Expenses and Program Revenues - Business Type Activities



Financial Analysis of the Government's Funds

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

Governmental funds

The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. This information helps determine the City's financial requirements in the near future. In particular, fund balance is a good indicator of the City's resources available at the end of the year.

At the end of the current year the City's governmental funds reported combined ending fund balances of \$60.9 million. This was a decrease of \$11.4 million or 15.8% over the ending fund balances of the prior year. Of the ending fund balances, \$3.9 million has been set aside for a strategic reserve, and the remaining \$57.0 million is available for ongoing City operations and initiatives.

The General fund is the primary operating fund of the City. Receipts and payments of ordinary city operations are processed through the General fund, unless they are required to be accounted for in another fund. Taxes are the major revenue source. At the end of 2015 the fund balance of the General fund was \$20.1 million.

The general fund balance decreased \$8.2 million from the prior year. Revenues increased 5.5% while expenditures increased 6.4% and transfers-out increased over 300% from 2014. Revenues exceeded expenditures in the general fund by \$5.4 million in 2015. Net transfers out of the general fund to capital projects funds totaled \$14.5 million.

General fund revenues were \$1.9 million higher in 2015 than in 2014. Property taxes, which increased approximately \$572,000, are the primary source of revenue in the General Fund, at 63.0% of the fund's 2015 revenues. An increase in local sales and use tax of \$723,000 and an increase in real estate excise tax of \$508,000, in addition to the increase in property tax collections, accounts for a majority of the growth in tax revenues.

General Fund expenditures were up \$1.9 million in 2015. General government expenditures increased by \$1.5 million in 2015. The increase is due to increased funds spent on legal fees and staffing. Expenditures for economic environment decreased by \$924,000, this was largely due to a large, one-time study conducted in 2014, as well as some savings attributable to staff vacancies. Transportation expenditures decreased by \$700,000, attributable to a decrease in activity of the road overlay program. The remaining functions had a combined increase in expenditures of \$474,000.

General Fund expenditures are closely monitored with all departments working together to limit their expenditures with minimal impact on currently provided public services. The City's total budgeted positions increased by 5.0 full-time equivalents, to a total of 80.5. City staff received a cost of living increase of 2.33% in 2015.

Ending fund balance in the General Capital Improvement Fund increased \$3.7 million. There are currently no active or planned construction projects in this fund.

Ending fund balance in the Park Capital Improvement Fund decreased \$11.9 million. Expenditures exceeded revenues by \$14.7 million and were supplemented with net transfers in of \$12.9 million. Total park capital expenditures for the year were \$21.6 million which included \$19.6 million for design and construction of a new community and aquatics center and \$1.1 million on construction of a new waterfront park. The remaining \$900,000 paid for several smaller restoration and renovation projects.

The Transportation Capital Improvement Fund ending fund balance was \$25.0 million, an increase of \$3.7 million from 2014. Expenditures of \$1.4 million were spent largely on an intelligent transportation system (\$628,000) and several smaller programs, including intersection improvements, and the sidewalk program. Traffic impact fees of \$2.5 million and real estate excise taxes of \$2.6 million made up a majority of the \$5.7 million in fund revenues for 2015.

Proprietary funds

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

General Fund Budgetary Highlights

The City of Sammamish budgets on a biennial basis with each budget beginning in an odd numbered year in compliance with state law. The difference between the original 2015-2016 general fund budget adopted at the end of 2014 and the 2015-2016 biennial general fund budget at December 31, 2015 amounts to an increase of \$11,974,990.

Revenues increased/ (decreased) in the following categories:

- Beginning Fund Balance \$ 2,158,492
- Taxes \$ 4,644,744
- Licenses & Permits \$ 293,000
- Intergovernmental \$ 121,600
- Charges for Goods & Services \$ 270,000
- Fines & Forfeitures \$ 27,000

A higher than expected actual ending fund balance in 2014 allowed for an increase to the General Fund budget beginning balance for 2015. The anticipated increase in revenues is primarily due to the annexation of the Klahanie neighborhood, effective January 1, 2016, which increased the City's population by approximately 11,000 citizens.

Expenditure increases/ (decreases) occurred in various functional areas and were as follows:

- Ending Fund Balance \$ (4,703,354)
- Security \$ 2,574,021
- General Government \$ 721,550
- Culture & Recreation \$ 608,070
- Economic Development \$ 366,704
- Physical Environment \$ 356,156
- Capital Outlay \$ 124,789
- Mental/Physical Health \$ 2,800

The increase in budgeted across all functions is a result of the Klahanie annexation. Security expenses, the largest increase, is for additional police and fire coverage for the annexed area. The City is also anticipates expending funds to bring Klahanie assets up to City standards, and on-going maintenance costs associated with the annexation.

Capital Asset and Debt Administration

Capital assets

The City of Sammamish's investment in capital assets for its governmental and business-type activities as of December 31, 2015 was \$455.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, art, construction in progress, utility transmission/distribution systems, roads, and bridges.

Major capital assets changes during 2015 included the following:

- Developer and private contributions of \$11.9 million in land, streets, and surface water facilities.
- Construction in progress added \$33.4 million to the 2015 capital assets balance. \$20.0 million of which is due the on-going construction of a new community and aquatics center. An additional \$2.0 million is being spent on construction of various other parks projects.
- The City purchased property, consisting of land and an existing building, for \$6.1 million. The City hopes to use this facility to attract higher education services to the area.
- The City expended \$628,000 on an intelligent transportation system, \$182,000 on improvements to existing stormwater facilities, and purchased an asset management system for \$63,000.

City of Sammamish's capital assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 260,060,069	\$ 256,609,305	\$ 12,642,421	\$ 11,368,005	\$ 272,702,490	\$ 267,977,309
Buildings/building improvements	17,692,287	14,138,461	1,427,001	1,490,423	19,119,288	15,628,884
Improvements other than buildings	14,971,562	16,833,278	28,762,612	23,807,040	43,734,174	40,640,318
Machinery & equipment	2,005,204	2,179,315	14,916	13,334	2,020,120	2,192,649
Construction in progress	33,362,234	11,466,690	317,624	54,911	33,679,858	11,521,601
Art	91,041	91,041	-	-	91,041	91,041
Software	149,701	140,528	1,089	2,179	150,790	142,707
Infrastructure	84,379,803	85,827,224	-	-	84,379,803	85,827,224
Total	\$ 412,711,902	\$ 387,285,841	\$ 43,165,663	\$ 36,735,892	\$ 455,877,565	\$ 424,021,733

Additional information on the City of Sammamish's capital assets can be found in Note 7 of this report.

Long-term debt

At the end of the current fiscal year, the City had debt outstanding of \$3.4 million. Of this amount, \$3.2 million is a State of Washington Public Works Trust Fund Loan and \$169,000 is revenue debt, which was inherited from King County at incorporation in 1999.

General obligation and revenue debt

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
			(in thousands)			
General obligation debt	\$ 3,200	\$ 3,733	\$ -	\$ -	\$ 3,200	\$ 3,733
Revenue debt	-	-	169	252	169	252
Total	\$ 3,200	\$ 3,733	\$ 169	\$ 252	\$ 3,369	\$ 3,985

The City was not rated by Standard & Poors in 2015 due to the fact the City has no outstanding bond obligations.

Washington State law limits the amount of general obligation debt the City may issue to 5.0% of its total assessed valuation, subject to a 60% majority vote of qualified electors. Of the 5.0% limit, 2.5% is for general purposes and 2.5% for open space/park facilities. Non-voted (limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 5.0% of assessed valuation. The City's assessed valuation for 2015 was \$11,196,424,308 and remaining debt capacity is as follows:

General	\$ 276,710,608
Open Space/Park Facilities	279,910,608
Total	\$ 556,621,215

The total amount of unlimited tax and limited tax general obligation debt the City may issue is \$559,621,215. Additional information on the City of Sammamish's long-term debt can be found in Note 12 of this report.

Economic Factors and Next Biennium's Budget

Sammanish's operations are primarily funded by property taxes with few volatile sources of revenue that fund operating activities. By state law, the City may raise property taxes 1% per year plus the property taxes on new construction. To minimize the impact of tax increases on its citizens, the City chose not to exercise that option for 2014, but instead banked (reserved) this taxing capacity for future years. To control fixed costs during economic ups and downs, the City operates with a lean staff, contracting out for many municipal services such as police, fire, and some development review. The combination of a stable operating revenue source and limited permanent staff insulates the City somewhat from future economic slowdowns.

Two revenue sources dedicated to capital projects, real estate excise taxes and impact fees have shown continued growth since the low point in 2009, and are expected to continue to do so. Transportation impact fee revenues in the 2015-2016 budget period are expected to rise by one-third compared to 2013-2014 levels, and parks impact fees are expected to grow nearly 50%. Real estate excise tax revenues are anticipated to increase by a modest 15%.

Sammanish has a history of excellent financial management and prudent fiscal policies. The 2015-2016 biennial budget maintains the City's strong financial position, with a projected ending fund balance of nearly \$34.5 million at the end of 2016. Adherence to good financial management practices and policies has served the City well and set the stage for a community that will thrive for many years to come.

Requests for Information

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

The end of 2015 marks the midpoint of the City's biennial budget. A mid-biennial review was completed as required by state law and adjustments were made to the budget based on several factors. Most notably, was the anticipation of additional tax revenue and corresponding capital and operating expenses associated with the annexation of the Klahanie neighborhood, which added 11,000 citizens to the City's population. The outlook for the nation, state, and region was weighed in relation to its expected impact on Sammanish. The character of the City, including its current and future business activity and its attraction as a place to live, was evaluated. Current financial position and the ability of the City to thrive under its adopted fiscal policies were also considered. Based on these factors, the City's projection for the second half of the biennium reflects an increase in projected tax revenue that is 14.5% higher than 2014. An equivalent rise in expenditures is also expected.

Sammanish's operations are primarily funded by property taxes with few volatile sources of revenue that fund operating activities. By state law, the City may raise property taxes 1% per year plus the property taxes on new construction. To minimize the impact of tax increases on its citizens, the City chose not to exercise that option for 2015, but instead banked (reserved) this taxing capacity for future years. To control fixed costs during economic ups and downs, the City operates with a lean staff, contracting out for many municipal services such as police, fire, and some development review. The combination of a stable operating revenue source and limited permanent staff insulates the City somewhat from future economic slowdowns.

Two revenue sources dedicated to capital projects, real estate excise taxes and impact fees have shown continued growth since the low point in 2009, and are expected to continue to do so. Transportation impact fee revenues in the 2015-2016 budget period are expected to nearly be double over 2013-2014 levels, and parks impact fees are expected rise by one-third. Real estate excise tax revenues are anticipated to rise by 20%.

Sammanish has a history of excellent financial management and prudent fiscal policies. The 2015-2016 biennial budget maintains the City's strong financial position, with a projected ending fund balance of nearly \$31.6 million at the end of 2016. Adherence to good financial management practices and policies has served the City well and set the stage for a community that will thrive for many years to come.



**BASIC FINANCIAL
STATEMENTS**



CITY OF SAMMAMISH

STATEMENT OF NET POSITION

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,365,475	\$ 1,886,055	\$ 22,251,530
Cash with outside agencies	1,161,673	-	1,161,673
Investments	43,659,791	3,797,386	47,457,177
Receivables:			
Taxes	1,581,773		1,581,773
Accounts	331,190	253,219	584,409
Interest	67,480	5,869	73,349
Contracts	626,083		626,083
Due from other governments	560,706	13,469	574,175
Internal balances	118,519	(118,519)	-
Restricted assets:			
Deposit cash	1,319,124	-	1,319,124
Capital assets:			
Land, artwork, construction in progress	293,513,344	12,960,045	306,473,389
Depreciable capital assets, net	<u>119,198,557</u>	<u>30,205,618</u>	<u>149,404,175</u>
Total assets	<u>482,503,715</u>	<u>49,003,142</u>	<u>531,506,857</u>
DEFERRED OUTFLOWS			
Related to pensions	<u>769,825</u>	<u>100,034</u>	<u>869,859</u>
Total deferred outflows	<u>769,825</u>	<u>100,034</u>	<u>869,859</u>
LIABILITIES			
Accounts/claims payable	4,494,125	233,640	4,727,765
Employee wages payable	219,788	-	219,788
Accrued interest payable	8,000	-	8,000
Due to other governments	1,439	-	1,439
Customer deposits	1,319,124	-	1,319,124
Unearned revenues	22,976	-	22,976
Noncurrent liabilities:			
Due within one year	595,944	94,705	690,649
Due in more than one year	3,230,171	142,752	3,372,923
Net pension liability	<u>5,526,050</u>	<u>718,074</u>	<u>6,244,124</u>
Total liabilities	<u>15,417,617</u>	<u>1,189,171</u>	<u>16,606,788</u>
DEFERRED INFLOWS			
Related to pensions	<u>852,161</u>	<u>110,733</u>	<u>962,894</u>
Total deferred inflows	<u>852,161</u>	<u>110,733</u>	<u>962,894</u>
NET POSITION			
Net investment in capital assets	409,511,901	43,165,663	452,677,564
Restricted for:			
Capital projects	9,385,561	-	9,385,561
Unrestricted	<u>48,106,300</u>	<u>4,637,609</u>	<u>52,743,909</u>
Total net position	<u>\$ 467,003,762</u>	<u>\$ 47,803,272</u>	<u>\$ 514,807,034</u>

See accompanying notes to the financial statements

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental activities:							
General government	\$ 7,083,298	\$ 31,619	\$ 620	\$ -	\$ (7,051,059)	\$ -	\$ (7,051,059)
Security	11,722,676	441,409	97,263	-	(11,184,004)	-	(11,184,004)
Physical environment	1,186,820	203,478	75,812	-	(907,530)	-	(907,530)
Economic environment	3,162,987	4,189,181	-	-	1,026,194	-	1,026,194
Transportation	9,877,643	2,628,764	-	5,252,378	(1,996,501)	-	(1,996,501)
Mental/physical health	14,507	-	-	-	(14,507)	-	(14,507)
Culture and recreation	5,801,593	1,147,652	49,481	3,428,272	(1,176,188)	-	(1,176,188)
Interest on long-term debt	17,334	-	-	-	(17,334)	-	(17,334)
Total governmental activities	38,866,858	8,642,103	223,176	8,680,650	(21,320,929)	-	(21,320,929)
Business-type activities:							
Surface water management	3,691,830	3,713,183	22,295	7,537,292	-	7,580,940	7,580,940
Total business-type activities	3,691,830	3,713,183	22,295	7,537,292	-	7,580,940	7,580,940
Total government	\$ 42,558,688	\$ 12,355,286	\$ 245,471	\$ 16,217,942	(21,320,929)	7,580,940	(13,739,989)
General revenues							
Taxes							
Property					22,996,379	-	22,996,379
Sales					5,586,409	-	5,586,409
Real estate excise					5,194,396	-	5,194,396
Other					1,756,323	-	1,756,323
Unrestricted investment interest					282,122	18,360	300,482
Miscellaneous					104,826	76,961	181,787
Transfers, internal activities					-	-	-
Total general revenues and transfers					35,920,455	95,321	36,015,776
Change in net position					14,599,526	7,676,261	22,275,787
Net position - beginning					457,991,143	40,852,994	498,844,137
Change in accounting principle - GASB 68					(5,586,907)	(725,983)	(6,312,890)
Net position - ending					\$ 467,003,762	\$ 47,803,272	\$ 514,807,034

See accompanying notes to the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	Major Funds	
	General	General CIP
ASSETS		
Cash and cash equivalents	\$ 6,051,758	\$ 1,286,449
Cash with outside agencies	1,161,673	
Investments	14,870,383	2,590,139
Receivables:		
Taxes	1,133,453	-
Accounts	214,736	-
Interest	22,983	4,003
Contracts	626,083	-
Due from other governments	160,382	-
Restricted assets:		
Deposit cash	1,319,124	-
Total assets	\$ 25,560,575	\$ 3,880,591
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts/claims payable	\$ 3,033,383	\$ -
Employee wages payable	219,788	-
Due to other governments	1,439	-
Unearned revenues	886,595	3,082
Payable from restricted assets:		
Customer deposits	1,319,124	-
Total liabilities	5,460,329	3,082
Fund balances:		
Nonspendable	626,083	-
Restricted	83,750	178,372
Committed	-	-
Assigned	2,954,196	3,699,137
Unassigned	16,436,217	-
Total fund balances	20,100,246	3,877,509
Total liabilities and fund balances	\$ 25,560,575	\$ 3,880,591

See accompanying notes to the financial statements.

Major Funds		Non-Major Fund	Total Governmental Funds
Parks CIP	Transportation CIP	G.O. Debt Service Fund	
\$ 4,243,298	\$ 8,191,600	\$ -	\$ 19,773,105
8,543,461	16,463,131	-	1,161,673
224,160	224,160	-	42,467,114
18,241	98,213	-	1,581,773
13,205	25,445	-	331,190
-	-	-	65,636
-	400,324	-	626,083
-	-	-	560,706
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,319,124</u>
<u>\$ 13,042,365</u>	<u>\$ 25,402,873</u>	<u>\$ -</u>	<u>\$ 67,886,404</u>
\$ 1,104,136	\$ 289,252	\$ -	\$ 4,426,771
-	-	-	219,788
-	-	-	1,439
28,408	117,805	-	1,035,890
-	-	-	1,319,124
<u>1,132,544</u>	<u>407,057</u>	<u>-</u>	<u>7,003,012</u>
-	-	-	626,083
263,756	8,859,683	-	9,385,561
-	-	-	-
11,646,065	16,136,133	-	34,435,531
-	-	-	16,436,217
<u>11,909,821</u>	<u>24,995,816</u>	<u>-</u>	<u>60,883,392</u>
<u>\$ 13,042,365</u>	<u>\$ 25,402,873</u>	<u>\$ -</u>	<u>\$ 67,886,404</u>

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2015

Total governmental fund balances		\$ 60,883,392
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and thus not reported in the funds.		411,730,877
These assets consist of:		
Land	260,060,070	
Construction in progress	33,362,233	
Art	91,041	
Buildings	24,718,955	
Improvements other than buildings	33,442,427	
Machinery and equipment	4,275,241	
Depreciable infrastructure	155,835,015	
Software	421,139	
Less: accumulated depreciation	(100,475,244)	
Some liabilities, including bonds, loans and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.		(9,096,345)
These long-term liabilities consist of:		
Bonds payable		
Pension Obligations	(5,270,041)	
Other long-term debt payable	(3,200,000)	
Accrued debt interest payable	(8,000)	
Compensated absences	(618,304)	
Unearned revenues are not available to pay for current period expenditures.		1,012,914
Net Deferred Outflows/ Inflows - Pension not available in current period		(78,521)
Due from Business type activities - charges by internal service funds were less than actual expenses.		118,519
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information services, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		2,432,926
Net position of governmental activities		\$ 467,003,762

See accompanying notes to the financial statements.



STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Major Funds	
	General Fund	General CIP Fund
REVENUES		
Taxes	\$ 28,534,100	\$ -
Licenses and Permits	2,146,576	-
Intergovernmental	1,856,578	-
Charges for Services	3,002,361	-
Fines and Forfeitures	238,490	-
Investment Income	94,058	23,719
Contributions	132,421	-
Miscellaneous	523,340	-
Total Revenues	<u>36,527,924</u>	<u>23,719</u>
EXPENDITURES		
Current		
General Government	6,664,519	-
Security of Persons and Property	11,388,581	-
Physical Environment	1,179,043	-
Transportation	5,086,877	-
Economic Environment	3,151,848	-
Mental/Physical Health	14,507	-
Culture and Recreation	3,486,555	-
Capital Outlay	109,772	6,114,958
Debt Service		
Principal	-	-
Interest and Debt Issue Costs	-	-
Total Expenditures	<u>31,081,702</u>	<u>6,114,958</u>
Excess (deficiency) of revenues over (under) expenditures	5,446,222	(6,091,239)
OTHER FINANCING SOURCES (USES)		
Insurance Recovery	4,515	-
Disposition of Capital Assets	-	-
Transfers In	795,000	6,200,000
Transfers Out	(14,470,000)	(5,025,000)
Total other financing sources and uses	<u>(13,670,485)</u>	<u>1,175,000</u>
Net change in fund balances	(8,224,263)	(4,916,239)
Fund balances - beginning	28,324,509	8,793,748
Fund balances - ending	<u>\$ 20,100,246</u>	<u>\$ 3,877,509</u>

See accompanying notes to the financial statements.

CITY OF SAMMAMISH

Page 2 of 3

Major Funds		Non-Major Fund	Total Governmental Funds
Parks CIP Fund	Transportation CIP Fund	G.O. Debt Service Fund	
\$ 2,716,478	\$ 2,597,198	\$ -	\$ 33,847,776
-	-	-	2,146,576
-	415,146	-	2,271,724
712,330	2,586,605	-	6,301,296
-	-	-	238,490
49,269	70,525	-	237,571
3,428,272	-	-	3,560,693
-	53,104	-	576,444
<u>6,906,349</u>	<u>5,722,578</u>	<u>-</u>	<u>49,180,570</u>
-	-	-	6,664,519
-	-	-	11,388,581
-	-	-	1,179,043
-	-	-	5,086,877
-	-	-	3,151,848
-	-	-	14,507
13,156	-	-	3,499,711
21,604,147	1,437,146	-	29,266,023
-	-	533,333	533,333
-	-	18,667	18,667
<u>21,617,303</u>	<u>1,437,146</u>	<u>552,000</u>	<u>60,803,109</u>
(14,710,954)	4,285,432	(552,000)	(11,622,539)
-	-	-	4,515
170,000	-	-	170,000
12,885,000	385,000	552,000	20,817,000
(385,000)	(937,000)	-	(20,817,000)
<u>12,670,000</u>	<u>(552,000)</u>	<u>552,000</u>	<u>174,515</u>
(2,040,954)	3,733,432	-	(11,448,024)
13,950,775	21,262,384	-	72,331,416
<u>\$ 11,909,821</u>	<u>\$ 24,995,816</u>	<u>\$ -</u>	<u>\$ 60,883,392</u>

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ (11,448,024)

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

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlays and depreciation in the current period. 21,165,445

This amount is comprised of:

Capital outlays	29,266,023
Current year depreciation	(8,100,578)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,105,981

This amount is comprised of:

Deferred tax revenues	(70,317)
Deferred grants and contracts revenue	(97,597)
Developer and private contributions	4,790,628
Interest Income	39,234
Cost of Disposal	(555,967)

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net position. 533,333

This amount is comprised of:

Long-term debt repayments	533,333
---------------------------	---------

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. (88,003)

This amount is comprised of:

Accrued interest expense	1,333
Pension Expense	(20,484)
Accrued compensated absences expense	(68,852)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 330,794

Change in net position of governmental activities. \$ 14,599,526

See accompanying notes to the financial statements.

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015

	Business-type Activities Enterprise Fund	Governmental Activities
	Surface Water Fund	Internal Service Funds
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,886,055	\$ 592,370
Investments	3,797,386	1,192,677
Receivables		
Accounts	253,219	-
Due from other governments	13,469	-
Interest	5,869	1,844
Total current assets	5,955,998	1,786,891
Capital assets:		
Land	12,642,421	-
Buildings	1,744,111	-
Improvements other than buildings	39,528,776	-
Equipment	29,458	2,848,915
Construction in progress	317,624	-
Software	13,740	168,887
Less accumulated depreciation and amortization	(11,110,467)	(2,036,778)
Total capital assets (net of depreciation and amortization)	43,165,663	981,024
Total assets	49,121,661	2,767,915
DEFERRED OUTFLOWS		
Related to pensions	100,034	35,664
Total deferred outflows	100,034	35,664
LIABILITIES		
Current liabilities		
Accounts payable	233,640	67,354
Compensated absences	6,889	781
Contract payable	87,816	-
Total current liabilities	328,345	68,135
Noncurrent Liabilities:		
Compensated absences	62,000	7,030
Contracts payable	80,752	-
Net pension liability	718,074	256,009
Total noncurrent liabilities	860,826	263,039
Total liabilities	1,189,171	331,174
DEFERRED INFLOWS		
Related to pensions	110,733	39,479
Total deferred inflows	110,733	39,479
NET POSITION		
Investment in capital assets	43,165,663	981,024
Unrestricted	4,756,128	1,451,902
Total net position	\$ 47,921,791	\$ 2,432,926
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.		
	(118,519)	
Net position of business-type activities	\$ 47,803,272	

See accompanying notes to the financial statements.

CITY OF SAMMAMISH

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Service Funds</u>
OPERATING REVENUES:		
Charges for services	\$ 3,713,183	\$ 1,224,479
Charges for replacement	-	253,354
Charges for insurance	-	379,500
Total operating revenues	<u>3,713,183</u>	<u>1,857,333</u>
OPERATING EXPENSES:		
Administrative and general	1,097,211	1,118,647
Supplies	121,354	35,845
Maintenance and operations	1,328,549	127,960
Taxes	62,892	-
Depreciation	1,101,472	218,383
Total operating expenses	<u>3,711,478</u>	<u>1,500,835</u>
Operating income	<u>1,705</u>	<u>356,498</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	18,360	5,317
Grant Income	22,295	
Loss on impairment of capital assets	-	-
Interest expense	(11,375)	-
Miscellaneous	76,961	-
Total non-operating revenues (expenses)	<u>106,241</u>	<u>5,317</u>
Income before contributions	107,946	361,815
Capital contributions	<u>7,537,292</u>	<u>25,424</u>
Change in net position	7,645,238	387,239
Total net position - beginning	41,002,535	2,304,516
Change in accounting principle - GASB 68	(725,983)	(258,829)
Total net position - ending	<u><u>47,921,790</u></u>	<u><u>\$ 2,432,926</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.	<u>31,022</u>	
Change in net position of business-type activities	<u><u>\$ 7,676,260</u></u>	

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Services Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,631,213	\$ 1,603,979
Cash Received for Replacement		253,354
Cash Payments to Suppliers	(492,640)	(69,871)
Cash Payments to Employees	(890,248)	(280,344)
Cash Payments to Other Governments	(151,783)	(117,671)
Cash Payments for Other Operating Expenses	(1,114,438)	(814,427)
Net Cash Provided (Used) By Operating Activities	<u>982,104</u>	<u>575,020</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants	58,826	
Principal Paid on Contracts	(60,274)	
Interest Paid on Contracts	(6,600)	
Transfers Out to Other Funds		
Net Cash Provided By Noncapital Financing Activities	<u>(8,048)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(380,335)	(154,271)
Proceeds from Sale of Other Assets	76,961	-
Capital Contributions	456,632	
Net Cash Used for Capital and Related Financing Activities	<u>153,258</u>	<u>(154,271)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Purchases	(3,797,386)	(1,192,678)
Investment Sales/Maturities	2,253,605	674,959
Interest on Investments	13,826	3,873
Net Cash Provided by Investing Activities	<u>(1,529,956)</u>	<u>(513,846)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(402,642)	(93,097)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,288,697</u>	<u>685,468</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>1,886,055</u>	\$ <u>592,371</u>
 Cash at the End of the Year Consists of:		
Operating Fund Cash	<u>1,886,055</u>	<u>592,370</u>
Total Cash at End of Year	<u>\$ 1,886,055</u>	<u>\$ 592,370</u>

See accompanying notes to the financial statements.

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Surface Water Fund</u>	<u>Internal Services Funds</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income	\$ 1,705	\$ 356,498
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	1,101,472	218,383
Pension Expense	2,790	995
Decrease (Increase) in Accounts Receivable	(81,970)	-
Increase (Decrease) in Accounts Payable	(41,150)	3,890
Increase (Decrease) in Compensated Absences Payable	(743)	(4,746)
Increase (Decrease) in Customer Deposits Payable	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 982,104</u>	<u>\$ 575,020</u>
Noncash Investing, Capital and Financing Activities:		
Fair value of investments increased by	\$ (1,020)	\$ (3,192)
Contributed/Transferred Capital	7,080,958	
Net Noncash Activities	<u>\$ 7,079,938</u>	<u>\$ (3,192)</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTES	PAGE
1. Summary of Significant Accounting Policies	40
Reporting Entity	40
Basic Financial Statements.....	40
Measurement Focus and Basis of Accounting	40
Financial Statement Presentation	41
Budgets and Budgetary Accounting.....	41
Assets, Liabilities and Equities	42
Cash and Investments	42
Receivables.....	42
Grants and Other Intergovernmental Revenues	43
Inventories and Prepaid Items	43
Capital Assets	43
Compensated Absences	44
Long Term Debt	44
Pensions.....	44
Deferred Inflows of Resources	44
Net Assets and Fund Balance	44
2. Stewardship, Compliance and Accountability	45
3. Budget to GAAP Reconciliation	45
4. Deposits and Investments.....	45
5. Property Taxes	47
6. Contracts Receivable.....	47
7. Capital Assets.....	48
8. Operating Leases	49
9. Pension Plans	51
Public Employees' Retirement System.....	51
401(a) Plan.....	55
Other Employee Benefits.....	56
10. Construction Commitments.....	56
11. Interfund Transfers.....	56
12. Long-Term Obligations.....	57
13. Governmental Fund Balances	58
14. Other Post Employment Benefits	59
15. Contingencies and Litigation	60
16. Risk Management.....	60
17. Joint Ventures	61
18. Arbitrage Statement	63

**CITY OF SAMMAMISH
NOTES TO THE
FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2015**

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

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

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

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

Reporting Entity

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

Basic Financial Statements

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

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

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. Program revenues include 1) charges to customers 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within sixty days after the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Financial Statement Presentation

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

Additionally the City reports the following fund type:

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

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

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

The proprietary fund statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

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

The budget is proposed by the City Manager and adopted by the City Council with legal budgetary control at the fund level, i.e., the total of expenditures, other financing uses, and the ending fund balance may not exceed the total of beginning balances and budgeted receipts at the fund level. The City Manager may authorize transfers within funds; however, the

City Council must approve by ordinance any additional appropriations, which increase the total for the fund. Any unexpended appropriation balances lapse at the end of the biennium.

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

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

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

Assets, Liabilities and Equities

Cash and Investments

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

The City, by State law, is authorized to purchase Certificates of Deposit with financial institutions qualified by the Washington Public Deposit Protection Commission; U.S. Treasury and Agency Securities; bankers' acceptances and repurchase agreements, and to invest in the Washington State Treasurer's Local Government Investment Pool (2a7- like). In accordance with GASB 31, investments in external 2a7-like pools, money market investments, and participating interest-earning investment contracts with remaining maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

Receivables

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

Property Taxes

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

Sales Taxes

Sales taxes collected for November and December but not remitted by the state to the City until January and February of the following year are reported as receivables at year-end. There is no allowance for uncollectable sales taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the state.

Accrued Interest Receivable

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

Accounts Receivable

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

Contracts Receivable

The contract receivable is the result of an Asset Transfer Agreement between King County Fire Protection District No. 10 and the city, entered into when the city withdrew from District 10 and joined Eastside Fire and Rescue. The amount receivable is being collected over a twenty year period beginning in 2003. See Note 6.

Grants and Other Intergovernmental Revenues

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

Inventories and Prepaid Items

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase. Prepaid items consist of annual maintenance contracts that span years and are recorded as expenditures at the time of purchase. Year-end balances of inventory and prepaid items are insignificant and accordingly no reservation of fund balance is reported in governmental funds for these items.

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

Deferred Outflows of Resources

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

Capital Assets

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

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

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

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

Compensated Absences

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

Long-Term Debt

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

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

Pensions

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

Deferred Inflows of Resources

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

Net Position and Fund Balance

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

The City's policy is to spend restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned, and then unassigned.

Note 13 provides a disaggregation of governmental fund balances between nonspendable, restricted, committed, and unassigned.

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

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

Fund Deficits and Overexpenditures

During 2015, no City funds exceeded total authorized appropriations at the fund level and there were no material violations of finance-related legal or contractual provisions.

**NOTE 3:
ACCOUNTING CHANGES AND RESTATEMENTS**

New Accounting Standards

In June of 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions* and is effective for fiscal years beginning on or after June 15, 2014. The primary objective of this Statement is to improve financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions provided by other entities.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, this statement amended Statement No. 68 to require recognition of additional pension contributions at transition. The adoption of Statement No. 68 resulted in a prior period adjustment to recognize net pension liability and deferred outflows of resources related to pension contributions made during the measurement period.

Changes in Accounting Principles

Fiscal year 2014 financial statements have been retroactively adjusted following GASB No. 68 *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as described above.

The effect of this adjustment is a decrease in net position at January 1, 2015 of \$6,312,890, due to the recognition of the net pension liability and deferred outflow of resources related to contributions made after the measurement date. This change is in accordance with generally accepted accounting principles.

**NOTE 4:
DEPOSITS AND INVESTMENTS**

Deposits

As of December 31, 2015 the carrying amount of the City's cash demand deposits with the City's Official Depository, Bank of America was \$3,933,389 and the bank balance was \$4,031,845. The outstanding checks totaled \$85,002. Petty cash funds totaled \$500. \$1,161,673 retained from contractors pending acceptance of City construction projects was held in escrow. The FDIC insures the first \$250,000 of the City's deposits. The Washington Public Deposit Protection Commission (WPDPC) insures the deposit balances over \$250,000. The WPDPC is a multiple financial institution collateral pool. State statute permits additional amounts to be assessed on a pro rata basis to members of the pool in the event the pool's collateral should be insufficient to cover a loss.

Deposit Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits. The City does not have a formal policy for deposit custodial credit risk beyond the requirements of State statute. State law restricts deposit of funds to financial institutions physically located in Washington unless otherwise expressly permitted by statute and authorized by the WPDPC.

Investments

As of December 31, 2015, the City had the following investments and maturities (in years):

Investment Type	Fair Value	Less than 1	1 to 3
Federal Home Loan Bank	\$ 9,012,948	\$ 9,012,948	\$ -
Financing Corporation	5,970,826	5,970,826	-
Federal Home Loan Mortgage Corporation	8,980,668	5,980,992	2,999,676
Federal Farm Credit Bank	5,955,891	5,955,891	-
Federal National Mortgage Association	8,969,726	8,969,726	-
United States Treasury Certificates	2,998,242	-	2,998,242
Municipal Bonds	5,568,860	4,584,105	984,755
Local Government Investment Pool	19,637,266	19,637,266	-
Total	\$ 67,094,427	\$ 60,111,754	\$ 6,982,673

The City participates in the Washington State Treasurer's Local Government Investment Pool (LGIP), an unrated 2a7-like pool, as defined by GASB 31. The fair value of the City's pool investments is determined by the pool's share price. The City has no regulatory oversight responsibility for the LGIP which is governed by the Washington State Finance Committee and is administered by the State Treasurer. The Office of the State Auditor, an independently elected public official, audits the LGIP annually.

Interest Rate Risk. As a means of minimizing risk of loss from interest rate fluctuations the City's official policy is to generally limit its investment maturities to one year. The City's informal policy is to target weighted average maturity of its investment portfolio to not exceed 24 months. The LGIP investment policy limits the purchase of investments in securities so the weighted average maturity of the portfolio doesn't exceed 90 days.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. By formal City policy investments in any one institution, other than the LGIP are limited to 25% of the institution's net worth as established by the WPDPC as well as being limited to a maximum of 40% in any one issuer. The City's informal investment management policy limits its investments in any one issuer to a maximum of 20%. As of 12/31/2014 there was no concentration of credit risk exceeding the policy guidelines.

The following table displays the City's credit ratings and investments in any one issuer (other than the LGIP) that represents 5% or more of the total portfolio.

Issuer	Credit Rating	Percentage of Portfolio
Federal Home Loan Bank	AAA	13.43%
Federal Home Loan Mortgage Corporation	AAA	13.39%
Federal National Mortgage Association	AAA	13.37%
Financing Corporation	AAA	8.90%
Federal Farm Credit Bank	AAA	8.88%

**NOTE 5:
PROPERTY TAXES**

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

Property Tax Calendar

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

During the year, property tax revenues are recognized when cash is received. At year-end, uncollected property taxes are recognized as receivables and revenue. Amounts collected more than 60 days after year-end are reported as unavailable revenues in governmental funds. Under Washington State law the City may levy property taxes for 2015 up to \$2.15 per \$1,000 of assessed valuation.

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

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

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

Accordingly, for 2015 the City levied \$2.05 per \$1,000 of assessed value for general governmental services, and had no voter approved excess levy.

**NOTE 6:
CONTRACT RECEIVABLE**

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

	<u>Contract Amount</u>	<u>Collected to Date</u>	<u>Balance as of 12/31/2015</u>
District 10	\$ 1,788,803	\$ 1,162,720	\$ 626,083
Annual contract payments receivable to maturity:		<u>Year</u>	<u>Principal</u>
		2016	\$ 89,440
		2017	89,440
		2018	89,440
		2019	89,440
		2020	89,440
		2021-2025	178,880
		Total	<u>\$ 626,083</u>

**NOTE 7:
CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 256,609,304	\$ 4,006,732	\$ (555,967)	\$ 260,060,069
Construction in Progress	11,466,690	22,203,171	(307,626)	33,362,235
Art	91,041	-	-	91,041
Total capital assets, not being depreciated	<u>268,167,035</u>	<u>26,209,903</u>	<u>(863,593)</u>	<u>293,513,345</u>
Capital assets, being depreciated or amortized:				
Buildings & Building Improvements	20,269,058	4,449,897	-	24,718,955
Improvements other than Buildings	33,107,535	334,893	-	33,442,428
Machinery & Equipment	6,858,433	265,722	-	7,124,155
Infrastructure	152,575,214	3,259,814	-	155,835,028
Software	501,638	88,388	-	590,026
Total capital assets, being depreciated or amortized	<u>213,311,878</u>	<u>8,398,713</u>	<u>-</u>	<u>221,710,591</u>
Less accumulated depreciation and amortization for:				
Buildings & Building Improvements	6,130,597	896,071	-	7,026,668
Improvements other than Buildings	16,274,257	2,196,609	-	18,470,866
Machinery & Equipment	4,679,118	439,832	-	5,118,950
Infrastructure	66,747,990	4,707,235	-	71,455,225
Software	361,110	79,215	-	440,325
Total accumulated depreciation and amortization	<u>94,193,072</u>	<u>8,318,962</u>	<u>-</u>	<u>102,512,034</u>
Total capital assets, being depreciated or amortized, net	<u>119,118,806</u>	<u>79,751</u>	<u>-</u>	<u>119,198,557</u>
Governmental Activities Capital Assets, net	<u>\$ 387,285,841</u>	<u>\$ 26,289,654</u>	<u>\$ (863,593)</u>	<u>\$ 412,711,902</u>
Business-Type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 11,368,006	\$ 1,274,416	\$ -	\$ 12,642,422
Construction in Progress	54,911	262,713	-	317,624
Total capital assets, not being depreciated	<u>11,422,917</u>	<u>1,537,129</u>	<u>-</u>	<u>12,960,046</u>
Capital Assets, being depreciated or amortized:				
Buildings & Building Improvements	1,744,111	-	-	1,744,111
Improvements other than Buildings	33,540,453	5,988,323	-	39,528,776
Machinery & Equipment	23,668	5,790	-	29,458
Software	13,740	-	-	13,740
Total capital assets, being depreciated or amortized	<u>35,321,972</u>	<u>5,994,113</u>	<u>-</u>	<u>41,316,085</u>

Less Accumulated Depreciation or amortization for:				
Buildings & Building Improvements	253,688	63,422	-	317,110
Improvements other than Buildings	9,733,413	1,032,751	-	10,766,164
Machinery & Equipment	10,334	4,208	-	14,542
Software	11,561	1,090	-	12,651
	<u>10,008,996</u>	<u>1,101,471</u>	<u>-</u>	<u>11,110,467</u>
Total accumulated depreciation and amortization				
Total capital assets, being depreciated or amortized, net	<u>25,312,976</u>	<u>4,892,642</u>	<u>-</u>	<u>30,205,618</u>
Business-Type Activities Capital Assets, net	<u>\$ 36,735,893</u>	<u>\$ 6,429,771</u>	<u>\$ -</u>	<u>\$ 43,165,664</u>

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

General Government	\$	712,925
Security		333,463
Physical Environment		-
Transportation, including depreciation of General Government Infrastructure assets		4,785,514
Culture and Recreation		2,268,676
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of those assets		<u>218,383</u>
Total depreciation and amortization expense - Governmental Activities	\$	<u>8,318,962</u>
Business-Type Activities:		
Surface Water Management	\$	<u>1,101,472</u>
Total depreciation and amortization expense - Business-Type Activities	\$	<u>1,101,472</u>

**NOTE 8:
OPERATING LEASES**

Youth Eastside Services

Effective March 1, 2010, the City entered into a ten-year lease with Youth Eastside Services (YES), a non-profit corporation providing services to citizens of Sammamish. YES leases the main floor of a two-story building (Sween House), an attached garage, and adjacent parking area. The downstairs of the building is used by the city. The building and adjacent parking are reported on the city's Statement of Net Position as part of depreciable assets.

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

The Boys and Girls Club of King County

Effective November 2, 2010, the City entered into a ten-year lease with The Boys and Girls Club of King County (the Club), a non-profit corporation providing services to citizens of Sammamish. The Club leases a former library and the adjacent parking area that was purchased by the city from the King County Library System in 2010. The building and adjacent parking are reported on the city's Statement of Net Position as part of depreciable assets. The Club remodeled and will operate the premises as a learning and recreation center for teens.

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

King County Sheriff’s Office

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

Current annual lease payments to the City are \$107,880, and are adjusted annually based on the cumulative increase in the Consumer Price Index for All Urban Customers- All Items- Seattle- Tacoma- Bremerton published by the United States Department of Labor, Bureau of Statistics for the preceding twelve consecutive month period. The KCSO is also responsible for their proportionate share of electrical, janitorial, and other shared overhead costs. The city is responsible for maintaining the structural and exterior components of the building; mechanical, electrical and plumbing systems; and the parking area, sidewalks, paths and grounds around the premises.

Sammamish Heritage Society

On December 1, 2011, the City entered into a 15-year lease with the Sammamish Heritage Society (the Society), a Washington nonprofit corporation. The Society will move a historic structure (the Reard-Freed House) from its current location, to private property, for which the City obtained an easement. The Society will also undertake a complete renovation of the House. Both the move and renovation are at the sole cost of the Society.

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

Schedule of Leased Property

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Sween House	\$ 268,925	\$ 58,674	\$ 210,251
Library	1,682,086	367,002	1,315,084
KCSO Office Space	580,355	63,312	517,043
Total Leased Property	<u>\$ 2,531,366</u>	<u>\$ 488,988</u>	<u>\$ 2,042,378</u>
2015 Depreciation Expense	\$ 92,050		

**NOTE 9:
PENSION PLANS**

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2015:

<u>Aggregate Pension Amounts – All Plans</u>	
Pension Liabilities	6,244,124
Pension Assets	-
Deferred Outflows of Resources	869,859
Deferred Inflows of Resources	962,894
Pension Expense	763,298

State Sponsored Pension Plans

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

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

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

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees’ Retirement System (PERS)

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

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions - The PERS Plan 1 member contribution rate is established by State statute at six percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

	<u>Employer</u>	<u>Employee</u>
January through June	9.21%	6.00%
January through December	11.18%	6.00%

The City’s actual contributions to the plan were \$317,810 for the year ended December 31, 2015.

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

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

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

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

Contributions - The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

	<u>Employer</u>	<u>Employee</u>
January through June	9.21%	4.92%
July through December	11.18%	6.12%
Employee PERS Plan 3		varies

The City’s actual contributions to the plan were \$408,193 for the year ended December 31, 2015.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation.
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. 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 minor changes in methods and assumptions since the last valuation.

- OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA.
- OSA corrected how valuation software calculates a member's entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.
- For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.
- OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5%.

To determine that rate, an asset sufficiency test included an assumed 7.7% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7% except LEOFF 2, which has assumed 7.5%). Consistent with the long-term expected rate of return, a 7.5% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5% was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on DRS pension plan investments of 7.5% was determined using a building-block-method. The *Washington State Investment Board (WSIB)* used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5% approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the table below. The inflation component used to create the table is 2.2% and represents WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return Arithmetic
Fixed Income	20.0%	1.7%
Tangible Assets	5.0%	4.4%
Real Estate	15.0%	5.8%
Global Equity	37.0%	6.6%
Private Equity	23.0%	9.6%

Sensitivity of NPL

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
PERS 1	\$ 4,038,374	\$ 3,316,933	\$ 2,696,559
PERS 2/3	8,559,259	2,927,191	(1,385,072)

Pension Plan Fiduciary Net Position

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

Pension Liabilities

At June 30, 2015, the City reported a total pension liability of \$6,244,124 for its proportionate share of the net pension liabilities as follows:

	<u>Pension Liability</u>	
PERS 1	\$	3,316,933
PERS 2/3		2,927,191

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

	<u>Proportionate Share 12/31/14</u>	<u>Proportionate Share 12/31/15</u>	<u>Change in Proportion</u>
PERS 1	0.060054%	0.063410%	0.003356%
PERS 2/3	0.077320%	0.081924%	0.004604%

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

The collective net pension liability was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2015, the City recognized pension expense as follows:

	<u>Pension Expense</u>	
PERS 1	\$	382,077
PERS 2/3		381,220

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	181,473
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	175,987	-
TOTAL	\$ 175,987	\$ 181,473

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 311,161	
Net difference between projected and actual investment earnings on pension plan investments	-	781,421
Changes of assumptions	4,716	
Changes in proportion and differences between contributions and proportionate share of contributions	148,141	
Contributions subsequent to the measurement date	229,853	-
TOTAL	\$ 693,872	\$ 781,421

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended 12/31	PERS 2/3
2016	\$ 43,571
2017	43,571
2018	43,571
2019	17,428
	\$ 148,141

There is no long-term amortization of deferred outflows or deferred inflows for the PERS 1 plan.

401(a) Plan

Permanent City employees participate in a 401(a) Plan that is a replacement for the Social Security System. Permanent employees working 1040 or more hours per year are required to participate in the plan. ICMA Retirement Corporation administers the plan.

The 401(a) Plan is a defined contribution plan with participants contributing an amount equal to the current Social Security rate (7.65%) of their salary. Employees contribute 6.2% to the 401(a) Plan and 1.65% to Medicare. The City contributes 6.2% for permanent employees. Employee contributions during 2015 were \$423,523. City contributions were \$436,419. The Medicare portion of social security contributed by employees was \$110,564.

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

Other Employee Benefits

Employees are covered by a long-term disability plan that takes effect after 90 days. Coverage is provided at 67% of the employee's monthly salary. It is capped at a maximum payout of \$8,000 per month.

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

The City offers its employees a voluntary 457 deferred compensation plan. ICMA Retirement Corporation administers this plan. The monies deposited to this plan are not considered resources available to the City. Employees may contribute up to \$17,500 of wages to this plan per year.

NOTE 10: CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2015. The projects include widening and construction of existing streets, sidewalks, and bridges; and building improvements.

	Spent-to-Date	Remaining Commitment
Building Construction	\$ 26,338,102	\$ 2,612,987
Street and Bridge Construction	519,120	1,106,015
Total	\$ 26,857,222	\$ 3,719,002

NOTE 11: INTERFUND TRANSFERS

Fund	Transfers In	Transfers Out
General Fund	795,000	14,470,000
G.O. Debt Service Fund	552,000	-
General CIP Fund	6,200,000	5,025,000
Parks CIP Fund	12,885,000	385,000
Transportation CIP Fund	385,000	937,000
Total Transfers	\$ 20,817,000	\$ 20,817,000

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

**NOTE 12:
LONG-TERM OBLIGATIONS**

Public Works Trust Fund Loan

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

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Redemptions to Date</u>	<u>Outstanding 12/31/2015</u>
2001 PWTFL	05/11/01	05/18/21	0.5%	\$ 10,000,000	\$ 6,800,000	\$ 3,200,000
Total Public Works Trust Fund Loans				<u>\$ 10,000,000</u>	<u>\$ 6,800,000</u>	<u>\$ 3,200,000</u>

Annual debt service requirements to maturity for the loans are as follows:

Governmental Activities

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 533,333	\$ 13,333
2017	533,333	10,667
2018	533,333	8,000
2019	533,333	5,333
2020	533,333	2,667
2021	533,333	1,333
	<u>\$ 3,200,000</u>	<u>\$ 41,333</u>

Surface Water LTGO Revenue Bonds

Prior to incorporation in 1999, the area which is currently the City of Sammamish was part of King County. In 1996 and 1999 King County issued Limited General Obligation (LTGO) bonds payable from revenues generated by King County Surface Water fees to fund capital projects. As part of the City's incorporation process a share of each bond issue, based on assessed valuation of the City, became an obligation of the City although none of the projects financed by the bonds were built within the City limits. Therefore, this debt is not used in the calculation of Net Investment in Capital Assets on the Statement of Net Position. In 2009, the city annexed property from King County, increasing the city's share of the 1996 bond issue by \$5,911 and the 1999 bond issue by \$3,530. The City recognizes this debt obligation on its financial statements (per RCW 36.89.120) as a contract payable based on an interlocal contract with King County.

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Redemptions to Date</u>	<u>Outstanding 12/31/2015</u>
1996 LTGO Bond	02/10/96	01/01/16	5.0% - 5.25%	\$ 733,552	\$ 670,025	\$ 63,527
1999 LTGO Bond	05/01/99	12/01/19	4.0% - 5.25%	368,338	263,297	105,041
Total LTGO Bonds				<u>\$ 1,101,890</u>	<u>\$ 933,322</u>	<u>\$ 168,568</u>

Annual debt service requirements to maturity for the loans are as follows:

Business Type Activities

Year	Principal	Interest
2016	\$ 87,816	\$ 7,168
2017	25,545	4,244
2018	26,904	2,885
2019	28,303	1,486
	<u>\$ 168,568</u>	<u>\$ 15,783</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
PWTFL	3,733,333	-	(533,333)	3,200,000	533,333
Compensated absences	548,602	723,641	(646,128)	626,115	62,611
Total Governmental Activities	<u>\$ 4,281,935</u>	<u>\$ 723,641</u>	<u>\$ (1,179,461)</u>	<u>\$ 3,826,115</u>	<u>\$ 595,944</u>
Business-Type Activities:					
Surface Water Revenue Bonds	\$ 251,933	\$ -	\$ (83,365)	\$ 168,568	\$ 87,816
Compensated absences	70,832	69,849	(71,792)	68,889	6,889
Total Business-Type Activities	<u>\$ 322,765</u>	<u>\$ 69,849</u>	<u>\$ (155,157)</u>	<u>\$ 237,457</u>	<u>\$ 94,705</u>

Internal service funds predominately serve the governmental funds. Accordingly, long term liabilities for them are included as part of the above totals for governmental activities. At year end \$7,811 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities are liquidated from the general fund.

**NOTE 13:
GOVERNMENTAL FUND BALANCES**

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

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

A summary of governmental fund balances at December 31, 2014 are as follows:

	Major Funds				Nonmajor Fund	Total
	General	General CIP	Parks CIP	Transportation CIP	G.O. Debt Service Fund	
Nonspendable:						
Long-term receivable	\$ 626,083	\$ -	\$ -	\$ -	\$ -	\$ 626,083
Restricted for:						
Law enforcement	-	178,372	-	-	-	178,372
Transportation	83,750	-	-	8,859,683	-	8,943,433
Parks and recreation	-	-	263,756	-	-	263,756
Committed:						
	-	-	-	-	-	-
Assigned for:						
General Government	-	3,699,137	-	-	-	3,699,137
Transportation	2,954,196	-	-	16,136,133	-	19,090,329
Parks and recreation	-	-	11,646,065	-	-	11,646,065
Unassigned:						
	16,436,217	-	-	-	-	16,436,217
Total Fund Balances	<u>\$20,100,246</u>	<u>\$3,877,509</u>	<u>\$11,909,821</u>	<u>\$ 24,995,816</u>	<u>\$ -</u>	<u>\$60,883,392</u>

Strategic Reserve Allocation

The City has adopted a strategic reserve policy that is categorized as unassigned under GASB No. 54. The amount of the reserve is set at ten percent of the annual budgeted revenues of the General Fund, which is \$3,895,592 for 2016 and \$3,331,334 for 2015. The strategic reserve may be spent to provide sufficient working capital for City programs, to maintain City services at an appropriate level, to fund unanticipated one-time expenditures, or in the event of an emergency declared by the City Manager.

NOTE 14: OTHER POST EMPLOYMENT BENEFITS

Association of Washington Cities Employee Benefit Trust

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

Funding Policy. The Trust provides that contribution requirements of Participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute monthly as follows: For the AWC HealthFirst 1000 plan - \$871.51 for non-Medicare enrolled retiree coverage and \$879.12 for non-Medicare enrolled spouse coverage, and for the AWC HealthFirst 2500 plan - \$760.96 for non-Medicare enrolled retiree coverage and \$766.49 for non-Medicare enrolled spouse coverage.

Participating Employers are contractually required to contribute at rates assessed each year by the Trust for all active covered employees. The City requires all employees to contribute 10% of their dependent's premium costs. The City's contribution to the Trust for the years ended in December 31st were \$1,268,497 in 2013, \$1,197,793 in 2014, and \$1,320,063 in 2015, and the employee's dependent premium contributions were \$51,019 in 2013, \$51,856 in 2014, and \$55,144 in 2015, which equaled the required contributions for the year. The Trust pays benefits for both active employees and retirees from the same pool of assets.

NOTE 15: CONTINGENCIES AND LITIGATION

As of December 31, 2015, there were a number of damage claims and lawsuits pending against the City. However, in our opinion, with which the City Attorney concurs, neither the potential liability from any single claim or lawsuit, nor the aggregate potential liability resulting from all pending claims or lawsuits, would affect materially the financial condition of the City.

NOTE 16: RISK MANAGEMENT

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

Utilizing Chapter 48.62 RCW (self-insurance) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 150 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

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

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

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

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

NOTE 17: JOINT VENTURES

E-Gov Alliance

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

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

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

Eastside Fire and Rescue

In 1999, through an interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation included King County Washington Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement is for a seven-year period ending December 31, 2014. Any party may withdraw at the end of any seven-year term by filing with the other parties a notice of withdrawal in January of the seventh year.

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

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

<u>Entity</u>	<u>Share</u>
Fire District 10	43.50%
Fire District 38	6.09%
City of Issaquah	20.52%
City of North Bend	4.42%
City of Sammamish	25.47%

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

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

The Districts levy regular real property and emergency medical services taxes at the maximum rate allowed by law. The Directors deposit taxes, as agreed upon and approved by the Directors, with the Board of Directors in June and December.

The amount of annual contribution for the Cities, and the amount of additional services contribution, if any, is determined by the respective legislative bodies, after recommendation by the Board of Directors. Annually, Cities contribute financially according to an updated funding model established in 2014. The model utilizes calls for service to establish a first due area of response for each fire station and then applies the surrounding assessed value by jurisdiction to derive each jurisdiction's portion of cost for that station. The total of all stations establishes 85% of each partner's share of the total cost of operation, the remaining costs are determined based on calls for service by jurisdiction. The EF&R Board then establishes a monthly billing schedule which the partners are obligated to pay in a timely fashion. The Equipment Replacement funding uses the same contribution percentages against the total need established by the EF&R Board in concert with the operating budget.

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

<u>Year</u>	<u>Contributions</u>
2011	5,661,427
2012	5,855,427
2013	5,959,215
2014	6,308,277
2015	6,082,869

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

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

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

ARCH-Housing Coalition

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

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

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

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

<u>Year</u>	<u>Budget</u>	<u>Sammamish's Share</u>	<u>Percentage</u>
2011	499,875	46,188	9.24%
2012	521,167	46,188	8.90%
2013	543,948	49,167	9.04%
2014	601,989	53,420	8.87%
2015	633,805	60,644	9.57%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution the agreement, as amended, provides for distribution of net position among members based on the percentage of the total annual contributions during the period of the Agreement paid by each member. The City's share of net position is deemed immaterial and thus is not reflected in the financial statements.

Budget monitoring information can be obtained from ARCH, c/o Art Sullivan, 16225 NE 87th Street, Redmond, WA 98052.

NOTE 18:
ARBITRAGE STATEMENT

The City of Sammamish had no arbitrage liability at the end of 2014. The Public Works Trust Loan proceeds were spent within twelve months of receipt.



REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 For the Mid-Biennium Ended December 31, 2015

	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Taxes	\$ 55,642,990	\$ 60,287,734	\$ 28,534,100	\$ (31,753,634)
Licenses and permits	4,301,800	4,594,800	2,146,576	(2,448,224)
Intergovernmental	1,779,500	1,657,900	1,856,578	198,678
Charges for services	3,822,900	4,092,900	3,002,361	(1,090,539)
Fines and forfeitures	510,300	537,300	238,490	(298,810)
Investment income	110,000	110,000	94,058	(15,942)
Contributions	258,880	258,880	132,421	(126,459)
Miscellaneous	679,850	679,850	523,340	(156,510)
Total revenues	<u>67,106,220</u>	<u>72,219,364</u>	<u>36,527,924</u>	<u>(35,691,440)</u>
EXPENDITURES				
Current				
General government	14,342,980	15,064,530	6,664,519	8,400,011
Security of persons and property	23,099,070	25,673,091	11,388,581	14,284,510
Physical environment	1,787,306	2,143,462	1,179,043	964,419
Transportation	-	-	5,086,877	(5,086,877)
Economic development	7,918,727	8,285,431	3,151,848	5,133,583
Mental/physical health	24,000	26,800	14,507	12,293
Cultural and recreation	7,310,724	7,918,794	3,486,555	4,432,239
Capital outlay	3,063,250	3,188,039	109,772	3,078,267
Total expenditures	<u>57,546,057</u>	<u>62,300,147</u>	<u>31,081,702</u>	<u>31,218,445</u>
Excess (deficiency) of revenues over (under) expenditures	9,560,163	9,919,217	5,446,222	(4,472,995)
OTHER FINANCING SOURCES (USES)				
Insurance recovery	-	-	4,515	4,515
Transfers in	50,000	50,000	795,000	745,000
Transfers out	(18,000,000)	(25,220,900)	(14,470,000)	10,750,900
Total other financing sources and uses	<u>(17,950,000)</u>	<u>(25,170,900)</u>	<u>(13,670,485)</u>	<u>11,500,415</u>
Net change in fund balance	(8,389,837)	(15,251,683)	(8,224,263)	7,027,420
Fund balance - beginning	20,085,806	22,244,298	28,324,509	6,080,211
Fund balance - ending	<u>\$ 11,695,969</u>	<u>\$ 6,992,615</u>	<u>\$ 20,100,246</u>	<u>\$ 13,107,631</u>

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

	Plan Year Ended	
	2014	2015
City's proportion of the net pension liability	0.060054%	0.063410%
City's proportionate share of the net pension liability	\$ 3,025,248	\$ 3,316,933
City's covered payroll	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll**	N/A	N/A
Plan fiduciary net position as a percentage of the total net pension liability	61.19%	59.10%

*Only two years of information are available due to the implementation of GASB 68 in 2015.

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

City of Sammamish
Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employee Retirement System Plans 2 & 3
Last Two Years*
As of June 30

	Plan Year Ended	
	2014	2015
City's proportion of the net pension liability	0.077320%	0.081924%
City's proportionate share of the net pension liability	\$ 1,562,916	\$ 2,927,191
City's covered payroll	\$ 6,636,573	\$ 6,981,549
City's proportionate share of the net pension liability as a percentage of its covered payroll	23.55%	41.93%
Plan fiduciary net position as a percentage of the total net pension liability	93.29%	89.20%

*Only two years of information are available due to the implementation of GASB 68 in 2015.

City of Sammamish
Schedule of City's Contributions
Public Employee Retirement System Plan 1
Last Two Fiscal Years*

	Fiscal Year	
	2014	2015
Statutorily required contribution	272,445	314,284
Contributions in relation to the contractually required contribution	273,422	318,090
Contribution deficiency (excess)	(977)	(3,806)
City's covered payroll	\$ -	\$ -
Contributions as a percentage of covered payroll		

*Only two years of information are available due to the implementation of GASB 68 in 2015.

City of Sammamish
Schedule of City's Contributions
Public Employee Retirement System Plans 2 & 3
Last Two Fiscal Years*

	Fiscal Year	
	2014	2015
Statutorily required contribution	337,128	403,033
Contributions in relation to the contractually required contribution	338,336	407,913
Contribution deficiency (excess)	(1,208)	(4,880)
City's covered payroll	\$ 6,774,726	\$ 7,235,007
Contributions as a percentage of covered payroll		

*Only two years of information are available due to the implementation of GASB 68 in 2015.

BUDGETARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Accounting

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

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

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

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

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

Budget to GAAP Reconciliation

Actuals reported in the General Fund, include the activities of the Street Fund. The Street Fund does not meet the criteria set forth by GASB Statement No. 54 for classification as a special revenue fund, and is therefore, included in the General Fund for financial reporting purposes. However, the Street Fund remains operational and is budgeted as a separate fund in the budget ordinance. To demonstrate budgetary legal compliance, a budget to actual schedule with both General and Street Funds is included in the Fund Financial Statements and Schedules section of this report.

FUND FINANCIAL
STATEMENTS
AND
SCHEDULES

SPECIAL REVENUE FUNDS

The **Street Fund** is a special revenue fund. The street operating program was established to provide efficient and safe movement of both motorized and non-motorized vehicles as well as pedestrians within City limits and to coordinate and provide convenient interconnect to the regional transportation system.

The **Street Fund** does not meet the Governmental Accounting Standards Board (GASB) requirements allowing it to be individually presented, and is therefore, combined with the General Fund for reporting purposes. Its budget, however, is adopted legally as a separate fund.

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Funds

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

MAJOR FUNDS BUDGET TO ACTUAL SCHEDULES

Capital Projects Funds

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

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

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND ACCOUNTS
 For the Mid-Biennium Ended December 31, 2015

	General Fund Basic Accounts					Variance with Final Budget Positive (Negative)
	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2016	Actual Through 12/31/15	
REVENUES AND OTHER FINANCING SOURCES						
Taxes	\$ 55,642,990	\$ 60,287,734	28,534,100		\$ 28,534,100	\$ (31,753,634)
Licenses and permits	4,301,800	4,594,800	2,146,576		2,146,576	(2,448,224)
Intergovernmental	1,779,500	1,657,900	815,007		815,007	(842,893)
Charges for services	3,822,900	4,092,900	2,963,767		2,963,767	(1,129,133)
Fines and forfeitures	510,300	537,300	238,490		238,490	(298,810)
Investment income	110,000	110,000	69,732		69,732	(40,268)
Contributions	258,880	258,880	132,421		132,421	(126,459)
Miscellaneous	679,850	679,850	472,086		472,086	(207,764)
Total revenues	<u>67,106,220</u>	<u>72,219,364</u>	<u>35,372,179</u>	<u>-</u>	<u>35,372,179</u>	<u>(36,847,185)</u>
EXPENDITURES						
Current						
General government	14,342,980	15,064,530	6,664,519		6,664,519	8,400,011
Security of persons and property	23,099,070	25,673,091	11,388,581		11,388,581	14,284,510
Physical environment	1,787,306	2,143,462	1,179,043		1,179,043	964,419
Transportation	-	-	-		-	-
Economic development	7,918,727	8,285,431	3,151,848		3,151,848	5,133,583
Mental/physical health	24,000	26,800	14,507		14,507	12,293
Cultural and recreation	7,310,724	7,918,794	3,486,555		3,486,555	4,432,239
Capital outlay	3,063,250	3,188,039	90,372		90,372	3,097,667
Total expenditures	<u>57,546,057</u>	<u>62,300,147</u>	<u>25,975,425</u>	<u>-</u>	<u>25,975,425</u>	<u>36,324,722</u>
Excess (deficiency) of revenues over (under) expenditures	9,560,163	9,919,217	9,396,754	-	9,396,754	(522,463)
OTHER FINANCING SOURCES (USES)						
Insurance recovery	-	-	-		-	-
Transfers in*	50,000	50,000	25,000	-	25,000	(25,000)
Transfers out*	(18,000,000)	(25,220,900)	(18,950,000)		(18,950,000)	6,270,900
Total other financing sources and uses	<u>(17,950,000)</u>	<u>(25,170,900)</u>	<u>(18,925,000)</u>	<u>-</u>	<u>(18,925,000)</u>	<u>6,245,900</u>
Net change in fund balance	(8,389,837)	(15,251,683)	(9,528,246)	-	(9,528,246)	5,723,437
Fund balance - beginning	20,085,806	22,244,298	22,194,298		22,194,298	(50,000)
Fund balance - ending	<u>\$ 11,695,969</u>	<u>\$ 6,992,615</u>	<u>12,666,052</u>	<u>\$ -</u>	<u>\$ 12,666,052</u>	<u>\$ 5,673,437</u>

* Activity between the General and Street Accounts are presented net on the financial statements

Street Accounts in the General Fund

Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2016	Actual Through 12/31/15	Variance with Final Budget Positive (Negative)	Combined Actuals per Financial Statements
\$ -	\$ -	\$ -		-	\$ -	\$ 28,534,100
-	-	-		-	-	2,146,576
1,998,000	2,254,000	1,041,571		1,041,571	(1,212,429)	1,856,578
60,000	60,000	38,594		38,594	(21,406)	3,002,361
-	-	-		-	-	238,490
15,000	15,000	24,326		24,326	9,326	94,058
-	-	-		-	-	132,421
-	-	51,254		51,254	51,254	523,340
<u>2,073,000</u>	<u>2,329,000</u>	<u>1,155,745</u>	<u>-</u>	<u>1,155,745</u>	<u>(1,173,255)</u>	<u>36,527,924</u>
-	-	-		-	-	6,664,519
-	-	-		-	-	11,388,581
-	-	-		-	-	1,179,043
11,527,035	12,725,291	5,086,877		5,086,877	7,638,414	5,086,877
-	-	-		-	-	3,151,848
-	-	-		-	-	14,507
-	-	-		-	-	3,486,555
9,000	105,600	19,400		19,400	86,200	109,772
<u>11,536,035</u>	<u>12,830,891</u>	<u>5,106,277</u>	<u>-</u>	<u>5,106,277</u>	<u>7,724,614</u>	<u>31,081,702</u>
(9,463,035)	(10,501,891)	(3,950,532)	-	(3,950,532)	6,551,359	5,446,222
-	-	4,515		4,515	4,515	4,515
10,500,000	11,520,900	5,250,000		5,250,000	(6,270,900)	795,000
-	-	-		-	-	(14,470,000)
<u>10,500,000</u>	<u>11,520,900</u>	<u>5,254,515</u>	<u>-</u>	<u>5,254,515</u>	<u>(6,266,385)</u>	<u>(13,670,485)</u>
1,036,965	1,019,009	1,303,983	-	1,303,983	284,974	(8,224,263)
5,523,474	6,130,211	6,130,211		6,130,211	-	28,324,509
<u>\$ 6,560,439</u>	<u>\$ 7,149,220</u>	<u>\$ 7,434,194</u>	<u>\$ -</u>	<u>\$ 7,434,194</u>	<u>\$ 284,974</u>	<u>\$ 20,100,246</u>

CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 G.O. DEBT SERVICE FUND
 For the Mid-Biennium Ended December 31, 2015

	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2016	Actual 2015-2016	Variance with Final Budget Positive (Negative)
EXPENDITURES						
Debt principal	\$ 1,066,666	\$ 1,066,666	\$ 533,333	\$ -	\$ 533,333	\$ 533,333
Debt interest	34,667	34,667	18,667	-	18,667	16,000
Total expenditures	<u>1,101,333</u>	<u>1,101,333</u>	<u>552,000</u>	<u>-</u>	<u>552,000</u>	<u>549,333</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	<u>1,101,333</u>	<u>1,101,333</u>	<u>552,000</u>	<u>-</u>	<u>552,000</u>	<u>(549,333)</u>
Total other financing sources and uses	<u>1,101,333</u>	<u>1,101,333</u>	<u>552,000</u>	<u>-</u>	<u>552,000</u>	<u>(549,333)</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL GOVERNMENT CIP FUND
 For the Mid-Biennium Ended December 31, 2015

	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2014	Actual 2013-2014	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,668,750	1,668,750	-	-	-	1,668,750
Interest	30,000	30,000	23,718	-	23,718	(6,282)
Total revenues	<u>1,698,750</u>	<u>1,698,750</u>	<u>23,718</u>	<u>-</u>	<u>23,718</u>	<u>(1,675,032)</u>
EXPENDITURES						
Current						
Capital outlay	3,530,000	9,730,000	6,114,958	-	6,114,958	3,615,042
Total expenditures	<u>3,530,000</u>	<u>9,730,000</u>	<u>6,114,958</u>	<u>-</u>	<u>6,114,958</u>	<u>3,615,042</u>
Excess (deficiency) of revenues over (under) expenditures	(1,831,250)	(8,031,250)	(6,091,240)	-	(6,091,240)	1,940,010
OTHER FINANCING SOURCES (USES)						
Transfers in	-	6,200,000	6,200,000	-	6,200,000	-
Transfers Out	(5,050,000)	(5,050,000)	(5,025,000)	-	-	5,050,000
Total other financing sources and uses	<u>(5,050,000)</u>	<u>1,150,000</u>	<u>1,175,000</u>	<u>-</u>	<u>1,175,000</u>	<u>25,000</u>
Net change in fund balance	(6,881,250)	(6,881,250)	(4,916,240)	-	(4,916,240)	1,965,010
Fund balance - beginning	9,197,609	8,793,748	8,793,748	-	8,793,748	-
Fund balance - ending	<u>\$ 2,316,359</u>	<u>\$ 1,912,498</u>	<u>\$ 3,877,508</u>	<u>\$ -</u>	<u>\$ 3,877,508</u>	<u>\$ 1,965,010</u>

CITY OF SAMMAMISH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 PARKS CIP FUND
 For the Mid-Biennium Ended December 31, 2015

	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2016	Actual 2015-2016	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES						
Taxes	\$ 3,490,000	\$ 3,732,000	\$ 2,716,478	\$ -	\$ 2,716,478	\$ (1,015,522)
Intergovernmental	-	-	-	-	-	-
Charges for services	1,475,000	1,561,000	712,330	-	712,330	(848,670)
Interest	10,000	10,000	49,269	-	49,269	39,269
Contributions	2,418,000	2,418,000	3,428,272	-	3,428,272	1,010,272
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>7,393,000</u>	<u>7,721,000</u>	<u>6,906,349</u>	<u>-</u>	<u>6,906,349</u>	<u>(814,651)</u>
EXPENDITURES						
Current						
Cultural and recreation	-	-	13,156	-	13,156	(13,156)
Capital outlay	27,410,500	29,943,482	21,604,147	-	21,604,147	8,339,335
Total expenditures	<u>27,410,500</u>	<u>29,943,482</u>	<u>21,617,303</u>	<u>-</u>	<u>21,617,303</u>	<u>8,326,179</u>
Excess (deficiency) of revenues over (under) expenditures	(20,017,500)	(22,222,482)	(14,710,954)	-	(14,710,954)	7,511,528
OTHER FINANCING SOURCES (USES)						
Disposition of Capital Assets	800,000	800,000	170,000	-	170,000	(630,000)
Transfers in	13,270,000	13,270,000	12,885,000	-	12,885,000	(385,000)
Transfers out	(770,000)	(770,000)	(385,000)	-	(385,000)	385,000
Total other financing sources and uses	<u>13,300,000</u>	<u>13,300,000</u>	<u>12,670,000</u>	<u>-</u>	<u>12,670,000</u>	<u>(630,000)</u>
Net change in fund balance	(6,717,500)	(8,922,482)	(2,040,954)	-	(2,040,954)	6,881,528
Fund balance - beginning	9,197,609	13,950,775	13,950,775	-	13,950,775	-
Fund balance - ending	<u>\$ 2,480,109</u>	<u>\$ 5,028,293</u>	<u>\$ 11,909,821</u>	<u>\$ -</u>	<u>\$ 11,909,821</u>	<u>\$ 6,881,528</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 TRANSPORTATION CIP FUND
 For the Mid-Biennium Ended December 31, 2015

	Original Budget 2015-2016	Final Budget 2015-2016	Actual Through 12/31/15	Actual 2016	Actual 2015-2016	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES						
Taxes	\$ 3,250,000	\$ 3,470,000	\$ 2,597,198	\$ -	\$ 2,597,198	\$ (872,802)
Intergovernmental	430,000	430,000	415,146	-	415,146	(14,854)
Charges for services	5,600,000	6,050,000	2,586,604	-	2,586,604	(3,463,396)
Interest	80,000	80,000	70,525	-	70,525	(9,475)
Miscellaneous	-	-	53,104	-	53,104	53,104
Total revenues	<u>9,360,000</u>	<u>10,030,000</u>	<u>5,722,577</u>	<u>-</u>	<u>5,722,577</u>	<u>(4,307,423)</u>
EXPENDITURES						
Capital outlay	<u>17,820,000</u>	<u>23,986,011</u>	<u>1,437,145</u>	<u>-</u>	<u>1,437,145</u>	<u>22,548,866</u>
Total expenditures	<u>17,820,000</u>	<u>23,986,011</u>	<u>1,437,145</u>	<u>-</u>	<u>1,437,145</u>	<u>22,548,866</u>
Excess (deficiency) of revenues over (under) expenditures	(8,460,000)	(13,956,011)	4,285,432	-	4,285,432	18,241,443
OTHER FINANCING SOURCES (USES)						
Transfers in	770,000	770,000	385,000	-	385,000	(385,000)
Transfers out	(1,871,333)	(1,871,333)	(937,000)	-	(937,000)	934,333
Total other financing sources and uses	<u>(1,101,333)</u>	<u>(1,101,333)</u>	<u>(552,000)</u>	<u>-</u>	<u>(552,000)</u>	<u>549,333</u>
Net change in fund balance	(9,561,333)	(15,057,344)	3,733,432	-	3,733,432	18,790,776
Fund balance - beginning	17,509,147	21,262,384	21,262,384	-	21,262,384	-
Fund balance - ending	<u>\$ 7,947,814</u>	<u>\$ 6,205,040</u>	<u>\$ 24,995,816</u>	<u>\$ -</u>	<u>\$ 24,995,816</u>	<u>\$ 18,790,776</u>



INTERNAL SERVICE FUNDS

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

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

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

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

CITY OF SAMMAMISH

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS December 31, 2015

	<u>Equipment Rental & Replacement</u>	<u>Technology Replacement</u>	<u>Risk Management</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 318,151	\$ 177,667	\$ 96,552	\$ 592,370
Investments	640,564	357,714	194,399	1,192,677
Receivables				
Interest	990	553	301	1,844
Total current assets	<u>959,705</u>	<u>535,934</u>	<u>291,252</u>	<u>1,786,891</u>
Noncurrent assets:				
Capital Assets:				
Equipment	2,129,795	719,120	-	2,848,915
Software	-	168,887	-	168,887
Less accumulated depreciation	<u>(1,424,844)</u>	<u>(611,934)</u>	<u>-</u>	<u>(2,036,778)</u>
Total capital assets (net of depreciation)	<u>704,951</u>	<u>276,073</u>	<u>-</u>	<u>981,024</u>
Total assets	<u>1,664,656</u>	<u>812,007</u>	<u>291,252</u>	<u>2,767,915</u>
DEFERRED OUTFLOWS				
Related to pensions	-	35,664	-	35,664
Total deferred outflows	<u>-</u>	<u>35,664</u>	<u>-</u>	<u>35,664</u>
LIABILITIES				
Current Liabilities				
Accounts payable	25,053	30,873	11,428	67,354
Compensated absences	-	781	-	781
Total current liabilities	<u>25,053</u>	<u>31,654</u>	<u>11,428</u>	<u>68,135</u>
Noncurrent liabilities				
Compensated absences	-	7,030	-	7,030
Net pension liability	-	256,009	-	256,009
Total noncurrent liabilities	<u>-</u>	<u>263,039</u>	<u>-</u>	<u>263,039</u>
Total liabilities	<u>25,053</u>	<u>294,693</u>	<u>11,428</u>	<u>331,174</u>
DEFERRED INFLOWS				
Related to pensions	-	39,479	-	39,479
Total deferred inflows	<u>-</u>	<u>39,479</u>	<u>-</u>	<u>39,479</u>
NET POSITION				
Net investment in capital assets	704,951	276,073	-	981,024
Unrestricted	934,652	237,426	279,824	1,451,902
Total net position	<u>\$ 1,639,603</u>	<u>\$ 513,499</u>	<u>\$ 279,824</u>	<u>\$ 2,432,926</u>

See accompanying notes to the financial statements.

CITY OF SAMMAMISH

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	<u>Equipment Rental & Replacement</u>	<u>Technology Replacement</u>	<u>Risk Management</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 117,479	\$ 1,107,000	\$ -	\$ 1,224,479
Charges for replacement	253,354	-	-	253,354
Charges for insurance	-	-	379,500	379,500
Total operating revenues	<u>370,833</u>	<u>1,107,000</u>	<u>379,500</u>	<u>1,857,333</u>
OPERATING EXPENSES				
Administrative and general	-	815,311	303,336	1,118,647
Supplies	6,945	28,900	-	35,845
Maintenance and operations	127,960	-	-	127,960
Depreciation and amortization	144,840	73,543	-	218,383
Total operating expenses	<u>279,745</u>	<u>917,754</u>	<u>303,336</u>	<u>1,500,835</u>
Operating income (loss)	91,088	189,246	76,164	356,498
NON-OPERATING REVENUES				
Investment income	<u>3,356</u>	<u>1,605</u>	<u>356</u>	<u>5,317</u>
Total non-operating revenues(expenses)	3,356	1,605	356	5,317
Loss before contributions	94,444	190,851	76,520	361,815
Capital contributions	25,424	-	-	25,424
Change in net position	119,868	190,851	76,520	387,239
Total net position - beginning	1,519,735	581,477	203,304	2,304,516
Change in accounting principle - GASB 68	-	(258,829)	-	(258,829)
Total net position - ending	<u>\$ 1,639,603</u>	<u>\$ 513,499</u>	<u>\$ 279,824</u>	<u>\$ 2,432,926</u>

See accompanying notes to the financial statements.

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
For the Year Ended December 31, 2015

	Equipment Rental & Replacement Fund	Technology Replacement Fund	Risk Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 117,479	\$ 1,107,000	\$ 379,500	\$ 1,603,979
Cash Received for Replacement	253,354	-	-	253,354
Cash Payments to Suppliers	(6,528)	(30,307)	(33,036)	(69,871)
Cash Payments to Employees	-	(280,344)	-	(280,344)
Cash Payments to Other Governments	-	(117,671)	-	(117,671)
Cash Payments for Other Operating Expenses	(124,368)	(429,466)	(260,593)	(814,427)
Net Cash Provided (Used) By Operating Activities	<u>239,937</u>	<u>249,212</u>	<u>85,871</u>	<u>575,020</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(66,411)	(87,860)	-	(154,271)
Proceeds from Sale of Capital Assets	-	-	-	-
Proceeds from Sale of Other Assets	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	<u>(66,411)</u>	<u>(87,860)</u>	<u>-</u>	<u>(154,271)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Purchases	(640,564)	(357,714)	(194,399)	(1,192,678)
Investment Sales/Maturities	388,274	184,994	101,691	674,959
Interest on Investments	2,597	1,161	115	3,873
Net Cash Provided (Used) by Investing Activities	<u>(249,694)</u>	<u>(171,559)</u>	<u>(92,593)</u>	<u>(513,846)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,168)	(10,208)	(6,722)	(93,097)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>394,319</u>	<u>187,875</u>	<u>103,274</u>	<u>685,468</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 318,151</u>	<u>\$ 177,667</u>	<u>\$ 96,552</u>	<u>\$ 592,371</u>
 Cash at the End of the Year Consists of:				
Operating Fund Cash	318,151	177,667	96,552	592,370
Total Cash at End of Year	<u>\$ 318,151</u>	<u>\$ 177,667</u>	<u>\$ 96,552</u>	<u>\$ 592,370</u>

See accompanying notes to the financial statements.

	<u>Equipment Rental & Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Risk Management Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used) operating activities:				
Operating Income	\$ 91,088	\$ 189,246	\$ 76,164	\$ 356,498
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				-
Depreciation	144,840	73,543	-	218,383
Pension Expense	-	995	-	995
Decrease (Increase) in Accounts Receivable	-	-	-	-
Decrease (Increase) in Pension Expenses	-	-	-	-
Increase (Decrease) in Accounts Payable	4,009	(9,826)	9,707	3,890
Increase in Compensated Absences Payable	-	(4,746)	-	(4,746)
Net Cash Provided (Used) by Operating Activities	<u>\$ 239,937</u>	<u>\$ 249,212</u>	<u>\$ 85,871</u>	<u>\$ 575,020</u>
Noncash Investing, Capital and Financing Activities:				
The fair value of investments decreased by	<u>\$ (1,679)</u>	<u>\$ (981)</u>	<u>\$ (532)</u>	<u>\$ (3,192)</u>
	<u>\$ (1,679)</u>	<u>\$ (981)</u>	<u>\$ (532)</u>	<u>\$ (3,192)</u>

See accompanying notes to the financial statements.



STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	84
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	90
Debt Capacity <i>These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	96
Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	98
Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	100

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

Table 1

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013*	2014*	2015*
Governmental activities										
Invested in capital assets	\$ 293,259,846	\$ 296,894,729	\$ 301,549,025	\$ 324,418,285	\$ 358,080,903	\$ 365,172,019	\$ 372,402,209	\$ 375,067,384	\$ 386,000,481	\$ 409,511,901
Restricted	936,600	937,609	205,936	1,075,257	504,058	1,765,066	801,525	3,564,937	5,397,186	9,385,561
Unrestricted	48,899,128	54,770,519	60,501,350	53,870,932	49,608,109	54,237,899	59,226,058	67,213,161	66,593,476	48,106,300
Total governmental activities net position	\$ 343,095,574	\$ 352,602,857	\$ 362,256,311	\$ 379,364,474	\$ 408,193,070	\$ 421,174,984	\$ 432,429,792	\$ 445,845,482	\$ 457,991,143	\$ 467,003,762
Business-type activities										
Invested in capital assets	\$ 16,697,511	\$ 16,235,295	\$ 15,673,714	\$ 24,243,602	\$ 27,679,907	\$ 30,476,598	\$ 31,357,612	\$ 34,903,871	\$ 36,735,892	\$ 43,165,663
Unrestricted	903,938	1,999,139	3,618,403	2,974,633	1,736,593	1,719,691	2,696,753	3,256,039	4,117,102	4,637,609
Total business-type activities net position	\$ 17,601,449	\$ 18,234,434	\$ 19,292,117	\$ 27,218,235	\$ 29,416,500	\$ 32,196,289	\$ 34,054,365	\$ 38,159,910	\$ 40,852,994	\$ 47,803,272
Primary government										
Invested in capital assets	\$ 309,957,357	\$ 313,130,024	\$ 317,222,739	\$ 348,661,887	\$ 385,760,810	\$ 395,648,617	\$ 403,759,821	\$ 409,971,255	\$ 422,736,373	\$ 452,677,564
Restricted	936,600	937,609	205,936	1,075,257	504,058	1,765,066	801,525	3,564,937	5,397,186	9,385,561
Unrestricted	49,803,066	56,769,658	64,119,753	56,845,565	51,344,702	55,957,590	61,922,811	70,469,200	70,710,578	52,743,909
Total primary government net position	\$ 360,697,023	\$ 370,837,291	\$ 381,548,428	\$ 406,582,709	\$ 437,609,570	\$ 453,371,273	\$ 466,484,157	\$ 484,005,392	\$ 498,844,137	\$ 514,807,034

* Definition of Restricted limited to external restraints not internal

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 4,088,930	\$ 5,590,482	\$ 4,649,758	\$ 4,925,713	\$ 4,746,498	\$ 5,002,347	\$ 5,500,271	\$ 5,672,187	\$ 5,958,904	\$ 7,083,298
Security	9,416,687	8,909,576	9,632,165	10,080,206	10,447,739	10,392,738	10,760,835	11,210,290	11,603,010	11,722,676
Physical environment	961,529	684,745	890,371	938,244	975,651	942,125	911,803	769,418	744,288	1,186,820
Economic environment	2,529,240	3,023,010	2,751,431	2,755,588	2,650,808	2,269,383	2,376,696	2,948,828	3,064,000	3,162,987
Transportation	5,886,313	7,873,170	5,524,321	6,672,855	7,787,020	8,678,256	10,270,520	9,078,077	10,499,661	9,877,643
Mental/physical health	116,345	9,340	11,633	9,600	10,704	11,061	11,717	8,525	7,577	14,507
Culture and recreation	2,309,076	2,319,021	3,904,831	3,990,057	4,440,059	4,315,611	4,597,333	5,330,077	5,438,387	5,801,593
Interest on long-term debt	178,136	201,140	161,032	149,655	136,754	123,455	118,383	22,667	20,000	17,334
Total governmental activities expenses	25,486,256	28,610,484	27,525,542	29,521,918	31,195,233	31,734,976	34,547,564	35,038,069	37,335,827	38,866,858
Business-type activities										
Stormwater	2,138,560	2,108,476	2,060,032	2,549,384	2,529,589	2,844,007	2,767,246	3,277,117	3,932,295	3,691,830
Total business-type activities expenses	2,138,560	2,108,476	2,060,032	2,549,384	2,529,589	2,844,007	2,767,246	3,277,117	3,932,295	3,691,830
Total primary government expenses	<u>\$ 27,624,816</u>	<u>\$ 30,718,960</u>	<u>\$ 29,585,574</u>	<u>\$ 32,071,302</u>	<u>\$ 33,724,822</u>	<u>\$ 34,578,983</u>	<u>\$ 37,314,810</u>	<u>\$ 38,315,186</u>	<u>\$ 41,268,122</u>	<u>\$ 42,558,688</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 484,378	\$ 540,076	\$ 678,620	\$ 22,747	\$ 23,137	\$ 21,170	\$ 23,623	\$ 25,414	\$ 30,241	\$ 31,619
Security	10,733	136,232	217,006	155,305	336,220	246,467	249,603	322,876	314,552	441,409
Physical environment	39,643	43,728	49,701	49,638	119,382	197,197	166,031	248,890	261,652	203,478
Economic environment	2,538,873	2,525,094	2,118,642	2,965,301	3,601,259	3,193,869	2,842,651	3,621,426	3,733,623	4,189,181
Transportation	2,436,643	1,955,921	519,911	534,203	102,848	1,656,272	3,034,927	4,176,163	2,859,263	2,628,764
Culture and recreation	121,563	388,451	417,116	265,480	329,764	643,819	956,631	1,129,379	1,152,418	1,147,652
Operating grants and contributions	166,918	413,320	220,375	208,078	259,187	342,148	382,586	613,373	390,151	223,176
Capital grants and contributions	148,146	822,591	2,701,704	14,419,009	26,776,827	8,440,125	6,846,094	5,286,254	4,323,952	8,680,650
Total governmental activities program revenues	5,946,897	6,825,413	6,923,075	18,619,761	31,548,624	14,741,067	14,502,146	15,423,775	13,065,852	17,543,929
Business-type activities:										
Charges for services:										
Stormwater	2,543,786	2,289,914	2,341,796	2,435,144	2,435,128	2,443,010	2,498,951	3,103,573	3,604,009	3,713,183
Operating grants and contributions	-	60,000	5,014	259,329	70,832	-	302,492	-	50,000	22,295
Capital grants and contributions	-	246,274	611,634	7,736,769	2,298,749	3,310,540	1,813,728	4,356,180	2,963,631	7,537,292
Total business-type activities program revenues	2,543,786	2,596,188	2,958,444	10,431,242	4,804,709	5,753,550	4,615,171	7,459,753	6,617,640	11,272,770
Total primary government program revenues	<u>\$ 8,490,683</u>	<u>\$ 9,421,601</u>	<u>\$ 9,881,519</u>	<u>\$ 29,051,003</u>	<u>\$ 36,353,333</u>	<u>\$ 20,494,617</u>	<u>\$ 19,117,317</u>	<u>\$ 22,883,528</u>	<u>\$ 19,683,492</u>	<u>\$ 28,818,699</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Governmental activities	\$ (19,539,359)	\$ (21,785,071)	\$ (20,602,497)	\$ (10,902,157)	\$ 353,391	\$ (16,993,909)	\$ (20,045,418)	\$ (19,614,294)	\$ (24,269,975)	\$ (21,320,929)
Business-type activities	405,226	487,712	898,412	7,881,858	2,275,120	2,909,543	1,847,925	4,095,136	2,685,345	7,580,940
Total primary government net (expense) revenue	\$ (19,134,133)	\$ (21,297,359)	\$ (19,704,085)	\$ (3,020,299)	\$ 2,628,511	\$ (14,084,366)	\$ (18,197,493)	\$ (15,519,158)	\$ (21,584,630)	\$ (13,739,989)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property tax	\$ 18,408,625	\$ 18,996,300	\$ 19,575,197	\$ 20,115,481	\$ 20,430,422	\$ 21,526,141	\$ 21,516,331	\$ 21,850,729	\$ 22,423,974	\$ 22,996,379
Sales tax	3,542,656	3,970,185	3,940,496	3,490,110	3,419,205	2,579,700	4,011,247	4,368,406	4,863,206	5,586,409
Real estate excise tax	4,505,156	3,455,007	2,393,100	1,845,412	2,458,558	2,723,464	3,307,522	4,640,298	4,686,138	5,194,396
Other taxes	1,598,876	1,534,755	1,491,083	1,475,981	1,540,236	1,636,020	1,728,777	1,573,747	1,650,189	1,756,323
Unrestricted investment interest	2,623,767	3,006,620	2,708,441	818,535	271,922	261,092	192,958	114,281	143,536	282,122
Miscellaneous	100,253	319,487	178,016	254,801	245,002	241,554	473,290	482,523	2,648,593	104,826
Special items	-	-	-	-	18,950	-	70,101	-	-	-
Transfers	48,000	10,000	(30,412)	10,000	90,910	7,852	-	-	-	-
Total governmental activities	30,827,333	31,292,354	30,255,921	28,010,320	28,475,205	28,975,823	31,300,226	33,029,984	36,415,636	35,920,455
Business-type activities:										
Unrestricted investment interest	123,552	144,898	128,629	54,260	13,940	11,677	10,093	10,377	7,515	18,360
Miscellaneous	2,131	10,375	230	-	115	374	58	32	224	76,961
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	(48,000)	(10,000)	30,412	(10,000)	(90,910)	(7,852)	-	-	-	-
Total business-type activities	77,683	145,273	159,271	44,260	(76,855)	4,199	10,151	10,409	7,739	95,321
Total primary government	\$ 30,905,016	\$ 31,437,627	\$ 30,415,192	\$ 28,054,580	\$ 28,398,350	\$ 28,980,022	\$ 31,310,377	\$ 33,040,393	\$ 36,423,375	\$ 36,015,776
Change in Net Assets										
Governmental activities	\$ 11,287,974	\$ 9,507,283	\$ 9,653,454	\$ 17,108,163	\$ 28,828,596	\$ 12,981,914	\$ 11,254,808	\$ 13,415,690	\$ 12,145,661	\$ 14,599,526
Business-type activities	482,909	632,985	1,057,683	7,926,118	2,198,265	2,913,742	1,858,076	4,105,545	2,693,084	7,676,261
Total primary government	\$ 11,770,883	\$ 10,140,268	\$ 10,711,137	\$ 25,034,281	\$ 31,026,861	\$ 15,895,656	\$ 13,112,884	\$ 17,521,235	\$ 14,838,745	\$ 22,275,787

Table 3

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011**	2012	2013	2014	2015
General Fund										
Nonspendable	N/A	N/A	N/A	N/A	\$ 1,073,283	\$ 983,843	\$ 894,403	\$ 804,963	\$ 715,523	\$ 626,083
Restricted	N/A	N/A	N/A	N/A	\$ 83,750	\$ 83,750	\$ 83,750	\$ 83,750	\$ 83,750	\$ 83,750
Committed	N/A	N/A	N/A	N/A	-	-	-	-	-	-
Assigned	N/A	N/A	N/A	N/A	\$ 931,009	\$ 2,507,136	\$ 3,358,155	\$ 5,408,025	\$ 1,650,211	\$ 2,954,196
Unassigned	N/A	N/A	N/A	N/A	\$ 16,693,974	\$ 18,660,752	\$ 17,362,744	\$ 19,075,995	\$ 25,875,025	\$ 16,436,217
Unreserved	\$ 13,501,081	\$ 15,792,382	\$ 15,448,317	\$ 17,610,023	N/A	N/A	N/A	N/A	N/A	N/A
Total general fund	\$ 13,501,081	\$ 15,792,382	\$ 15,448,317	\$ 17,610,023	\$ 18,782,016	\$ 22,235,481	\$ 21,699,052	\$ 25,372,733	\$ 28,324,509	\$ 20,100,246
All other governmental funds										
Nonspendable	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	N/A	N/A	N/A	N/A	\$ 499,059	\$ 1,968,439	\$ 717,775	\$ 3,481,187	\$ 5,313,436	\$ 9,301,811
Committed	N/A	N/A	N/A	N/A	-	-	-	-	-	-
Assigned	N/A	N/A	N/A	N/A	\$ 27,589,403	\$ 28,037,913	\$ 34,102,559	\$ 39,430,557	\$ 38,693,471	\$ 31,481,335
Unassigned	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	\$ 2,899,046	\$ 3,075,040	\$ 2,898,504	\$ 3,117,552	N/A	N/A	N/A	N/A	N/A	N/A
Capital projects funds	29,301,614	32,695,405	37,741,813	30,093,218	N/A	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	\$ 32,200,660	\$ 35,770,445	\$ 40,640,317	\$ 33,210,770	\$ 28,088,462	\$ 30,006,352	\$ 34,820,334	\$ 42,911,744	\$ 44,006,907	\$ 40,783,146
Total governmental fund balances	\$ 45,701,741	\$ 51,562,827	\$ 56,088,634	\$ 50,820,793	\$ 46,870,478	\$ 52,241,833	\$ 56,519,386	\$ 68,284,477	\$ 72,331,416	\$ 60,883,392

N/A indicates data not available

* Beginning in 2011, fund balance categories were reclassified as a result of implementing GASB No. 54. Fund Balance was not restated to the new categories for 2006 through 2009.

**Beginning in 2011 the General Fund and the Street Fund are reported together as the General Fund

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 26,457,853	\$ 26,404,991	\$ 25,880,385	\$ 25,404,720	\$ 26,339,093	\$ 27,820,187	\$ 28,839,035	\$ 30,879,861	\$ 31,954,385	\$ 33,847,776
Licenses and permits	1,391,854	1,544,415	1,307,177	1,114,453	1,341,583	1,529,597	1,788,519	2,037,092	2,108,859	2,146,576
Intergovernmental	1,823,420	2,259,938	2,238,630	3,468,816	6,895,687	1,973,233	3,048,615	2,536,582	1,925,399	2,271,724
Charges for services	4,228,740	3,579,233	2,412,479	2,861,266	2,779,297	3,762,072	5,441,712	7,404,996	6,106,071	6,301,296
Fines and forfeitures	11,237	132,030	108,656	114,911	114,373	115,227	109,836	167,472	189,447	238,490
Investment income	2,523,208	2,823,975	1,885,925	924,706	256,741	282,187	192,152	112,907	140,759	237,571
Contributions	-	-	-	142,382	141,278	142,300	144,293	140,973	1,587,487	3,560,693
Miscellaneous	113,020	440,437	454,245	252,162	238,990	338,944	529,370	568,725	585,850	576,444
Total revenues	<u>36,549,332</u>	<u>37,185,019</u>	<u>34,287,497</u>	<u>34,283,416</u>	<u>38,107,042</u>	<u>35,963,747</u>	<u>40,093,532</u>	<u>43,848,608</u>	<u>44,598,257</u>	<u>49,180,570</u>
Expenditures										
General government	3,208,916	3,667,453	4,049,111	4,316,294	4,037,452	4,064,782	4,383,967	5,131,441	5,162,819	6,664,519
Security of persons and property	8,849,919	8,573,760	9,321,234	9,776,703	10,151,941	10,080,487	10,452,442	10,910,662	11,277,769	11,388,581
Physical environment	447,606	625,188	871,089	952,736	959,898	950,199	914,357	647,450	749,942	1,179,043
Transportation	1,321,147	2,506,566	2,085,166	3,100,089	3,631,794	4,318,694	5,720,593	4,443,236	5,786,602	5,086,877
Economic environment	2,505,820	3,033,764	2,729,931	2,713,581	2,658,468	2,295,159	2,357,657	2,929,710	3,076,043	3,151,848
Mental/physical health	116,345	9,340	11,633	9,600	10,704	11,061	11,717	8,525	7,577	14,507
Culture and recreation	1,831,984	2,163,876	2,301,155	2,281,835	2,582,888	2,779,198	3,014,476	3,097,055	3,173,620	3,499,711
Capital outlay	24,273,764	11,010,324	6,515,121	15,444,285	17,810,060	5,176,288	6,486,072	4,388,451	11,438,802	29,266,023
Debt service										
Principal	730,000	773,333	778,333	788,333	798,333	808,333	2,433,333	533,333	533,333	533,333
Interest and debt issue costs	178,136	169,327	162,234	148,928	136,061	122,795	109,128	24,000	21,334	18,667
Total expenditures	<u>43,463,637</u>	<u>32,532,931</u>	<u>28,825,007</u>	<u>39,532,384</u>	<u>42,777,599</u>	<u>30,606,996</u>	<u>35,883,742</u>	<u>32,113,863</u>	<u>41,227,841</u>	<u>60,803,109</u>
Excess of revenues over (under) expenditures	(6,914,305)	4,652,088	5,462,490	(5,248,968)	(4,670,557)	5,356,751	4,209,790	11,734,745	3,370,416	(11,622,539)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Transfers in	13,598,136	11,392,660	14,037,999	6,337,261	10,951,034	8,681,128	8,162,409	4,597,333	4,594,667	20,817,000
Transfers out	(13,598,136)	(11,477,660)	(15,002,182)	(6,422,261)	(11,036,034)	(8,681,128)	(8,162,409)	(4,597,333)	(4,594,667)	(20,817,000)
Bond/loan proceeds	-	500,000	-	-	-	-	-	-	-	-
Insurance recovery	-	-	-	54,123	19,746	14,603	10,375	30,346	21,521	4,515
Disposition of capital assets	-	-	27,500	12,004	785,496	-	57,391	-	655,000	170,000
Total other financing sources (uses)	-	415,000	(936,683)	(18,873)	720,242	14,603	67,766	30,346	676,521	174,515
Net change in fund balances	\$ (6,914,305)	\$ 5,067,088	\$ 4,525,807	\$ (5,267,841)	\$ (3,950,315)	\$ 5,371,354	\$ 4,277,556	\$ 11,765,091	\$ 4,046,937	\$ (11,448,024)

Debt service as a percentage of noncapital expenditures

4.73%	4.38%	4.22%	3.89%	3.74%	3.66%	8.65%	2.01%	1.86%	1.75%
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

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

Table 5

Fiscal Year	Real Property	Personal Property	State Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	\$ 7,083,323,160	\$ 17,203,090	\$ 51,775,183	\$ 7,152,301,433	2.58
2007	7,643,552,274	21,465,963	49,975,733	7,714,993,970	2.47
2008	8,663,218,275	21,965,672	53,959,302	8,739,143,249	2.24
2009	9,736,033,863	22,368,481	67,518,210	9,825,920,554	2.04
2010	8,314,338,299	18,592,049	66,427,066	8,399,357,414	2.43
2011	8,514,671,523	18,215,005	72,312,621	8,605,199,149	2.47
2012	8,341,401,422	12,045,684	51,974,379	8,405,421,485	2.56
2013	8,359,886,282	17,048,592	49,500,064	8,426,434,938	2.59
2014	9,218,133,360	18,360,322	53,873,536	9,290,367,218	2.41
2015	11,120,030,590	17,421,857	58,971,861	11,196,424,308	2.05

Source: King County Assessor

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

Table 6

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

Fiscal Year	City Direct Rate		*Overlapping Rates							Total Direct and Overlapping Rate
	Operating	Total Direct	Emergency Medical Service	Library	Fire District Bond	Washington State/Other	**School District			
2006	\$ 2.58	\$ 2.58	0.22	0.53	0.06	4.06	\$ 3.78	\$ 11.23		
2007	2.47	2.47	0.21	0.50	0.04	3.85	3.80	10.87		
2008	2.24	2.24	0.30	0.45	0.03	3.72	3.71	10.45		
2009	2.04	2.04	0.27	0.42	-	3.40	3.72	9.85		
2010	2.43	2.43	0.30	0.49	-	3.83	4.81	11.86		
2011	2.47	2.47	0.30	0.57	-	3.84	4.85	12.03		
2012	2.56	2.56	0.30	0.50	-	3.55	5.00	11.91		
2013	2.59	2.59	0.30	0.57	-	4.48	4.74	12.68		
2014	2.41	2.41	0.34	0.56	-	4.36	4.59	12.25		
2015	2.05	2.05	0.30	0.50	-	3.96	4.14	10.95		

Source: King County Assessor

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

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

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

City of Sammamish
Principal Property Taxpayers

Table 7

<u>Taxpayer</u>	2015			2006		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
PPC Sammamish LLC	\$ 55,592,000	1	0.50%			
Boulder Creek South LLC	53,592,000	2	0.48%			
Regency Centers LP	50,968,200	3	0.46%	\$ 32,627,200.00	1	0.46%
Puget Sound Energy	40,758,560	4	0.36%	\$ 24,536,036.00	2	0.34%
Saffron Partners LLC	23,500,000	5	0.21%			
Sahalee Country Club	12,212,283	6	0.11%	\$ 12,782,960.00	5	0.18%
CPTS (Safeway)	8,185,200	7	0.07%	\$ 5,604,669.00	8	0.08%
Colina Pine Lake LLC	7,871,000	8	0.07%	\$ 3,560,000.00	9	0.05%
Oskoui Family Ltd Partnership	6,477,700	9	0.06%			
Quadrant	5,044,000	10	0.05%	\$ 13,290,000.00	4	0.19%
Frontier Communications NW	3,839,220	11	0.03%			
Qwest Corporation	2,239,974	12	0.02%	\$ 14,396,069.00	3	0.20%
Saxony LLC				\$ 11,925,000.00	6	0.17%
Trossachs Group				\$ 6,209,000.00	7	0.09%
	<u>\$ 270,280,137</u>		<u>2.41%</u>	<u>\$ 106,796,934.00</u>		<u>1.75%</u>

Source: King County Assessor

Note: 2015 total assessed valuation for the City of Sammamish is \$11,196,424,308.

2006 total assessed valuation for the City of Sammamish was \$7,138,221,987.

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

Table 8

Fiscal Year	Collected within the Fiscal Year of the Levy			Collected in Subsequent Years	Total Collections to Date	
	Total Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 18,359,238	18,103,966	98.61%	255,272	18,359,238	100.00%
2007	19,003,921	18,733,441	98.58%	270,480	19,003,921	100.00%
2008	19,493,505	19,200,624	98.50%	292,880	19,493,504	100.00%
2009	20,055,647	19,555,008	97.50%	499,737	20,054,745	100.00%
2010	20,668,456	20,380,906	98.61%	286,850	20,667,756	100.00%
2011	21,145,205	20,864,169	98.67%	280,274	21,144,443	100.00%
2012	21,435,266	21,163,924	98.73%	271,112	21,435,036	100.00%
2013	21,781,796	21,522,676	98.81%	231,946	21,754,622	99.88%
2014	22,296,716	22,014,170	98.73%	233,705	22,247,876	99.78%
2015	22,889,426	22,635,723	98.89%	-	22,635,723	98.89%

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

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

Table 9

Fiscal Year	Governmental Activities		Business-type Activities	Total Primary Government	*Percentage of Personal Income	*Per Capita
	General Obligation Bonds	PWTF Loans	LTGO Revenue Bonds			
2006	3,180,000	8,000,000	773,172	11,953,172	0.56%	301
2007	2,940,000	7,466,667	718,139	11,124,806	0.48%	276
2008	2,695,000	6,933,333	660,557	10,288,890	0.44%	254
2009	2,440,000	6,400,000	600,060	9,440,060	0.41%	232
2010	2,175,000	5,866,667	545,174	8,586,841	0.35%	188
2011	1,900,000	5,333,333	477,493	7,710,826	0.31%	168
2012	-	4,800,000	406,183	5,206,183	0.19%	110
2013	-	4,266,667	331,077	4,597,744	0.16%	95.67
2014	-	3,733,333	251,933	3,985,266	0.13%	80.90
2015	-	3,200,000	168,568	3,368,568	0.10%	67.40

*See Table 13 for personal income and population data.

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

City of Sammamish
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	*Percentage of Actual Taxable Value of Property	**Per Capita
2006	3,180,000	0.04%	82.30
2007	2,940,000	0.04%	74.00
2008	2,695,000	0.03%	66.94
2009	2,440,000	0.02%	60.17
2010	2,175,000	0.03%	53
2011	1,900,000	0.02%	42
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-

*See Table 5 for property value statistics.

**See Table 13 for population statistics.

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

City of Sammamish
 Computation of Direct and Overlapping Debt
 As of December 31, 2015

Table 11

Governmental Unit	Gross General Obligation Debt Outstanding	*Percentage Applicable to Sammamish	Amount Applicable to Sammamish
Overlapping Debt:			
School District # 410	\$ 174,955,000	5.23%	\$ 9,144,717
School District # 411	392,415,000	30.68%	120,394,310
School District # 414	413,080,000	17.29%	71,412,237
King County	839,316,000	3.54%	29,735,243
Hospital District # 2	219,790,000	12.11%	26,609,168
Library District	109,205,000	3.10%	3,383,985
Fire District #27-1	915,000	17.62%	161,192
Port of Seattle	305,535,000	3.54%	10,824,478
Total Overlapping Debt	<u>2,455,211,000</u>		<u>262,520,613</u>
Direct Debt:			
City of Sammamish	<u>3,200,000</u>	100.00%	3,200,000
Total Direct and Overlapping Debt	<u>\$ 2,458,411,000</u>		<u>\$ 265,720,613</u>

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

*Determined by the ratio of 2014 assessed valuation of property subject to taxation in the overlapping unit to the valuation of property subject to taxation in the reporting unit.

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

City of Sammamish
Legal Debt Margin Information
Last ten Fiscal Years

Table 12

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit (in thousands)	\$ 357,615	\$ 385,750	\$ 436,957	\$ 491,296	\$ 419,968	\$ 430,260	\$ 420,271	\$ 421,322	\$ 464,518	\$ 559,821
Total net debt applicable to limit	10,680	10,407	9,629	8,840	8,042	7,233	4,800	4,267	3,733	3,200
Legal debt margin (in thousands)	\$ 346,935	\$ 375,343	\$ 427,328	\$ 482,456	\$ 411,926	\$ 423,027	\$ 415,471	\$ 417,055	\$ 460,785	\$ 556,621

Total net debt applicable to limit as a percentage of debt limit

	2.99%	2.70%	2.20%	1.80%	1.91%	1.68%	1.14%	1.01%	0.80%	0.57%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Note:

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

Legal Debt Margin Calculation for Fiscal Year 2015

	General Capacity		Special Purpose Capacity		Total Capacity
	Non-Voted Debt	Voted Debt	Parks and Open Space		
December 31, 2015 Assessed Value:					
\$11,196,424,308					
2.50% of Assessed Value	\$ -	\$ 279,910,608	\$ 279,910,608		\$ 559,821,215
1.5% of Assessed Value	167,946,365	(167,946,365)	-		-
Statutory Debt Limit	\$ 167,946,365	\$ 111,964,243	\$ 279,910,608		\$ 559,821,215
Debt Applicable to Limit					
Bonds outstanding	\$ -	-	-		\$ -
PWTF Loans	3,200,000	-	-		3,200,000
Accounts payable	3,389,989	-	1,104,136		4,494,125
Compensated absences payable	626,115	-	-		626,115
Due to other governments	1,439	-	-		1,439
Less:					
*Available cash and investments	(4,017,543)	-	(1,104,136)		(5,121,679)
Total net debt applicable to limit	3,200,000	-	-		3,200,000
Remaining debt capacity	\$ 164,746,365	\$ 111,964,243	\$ 279,910,608		\$ 556,621,215

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

City of Sammamish
Demographic Statistics
Last Ten Fiscal Years

Table 13

Fiscal Year	Population	Per Capita Personal Income	Personal Income	Median Age	Number of Households	Unemployment Rate
2006	39,730	53,488	2,125,078,240	35	11,131	4.20%
2007	40,260	57,710	2,323,404,600	35	11,131	3.90%
2008	40,550	58,141	2,357,617,550	35	11,131	4.30%
2009	40,670	56,904	2,314,285,680	35	11,131	8.30%
2010	45,780	53,559	2,451,931,020	37	15,154	8.40%
2011	46,940	55,136	2,588,083,840	37	15,736	8.20%
2012	47,420	57,837	2,742,630,540	37	16,148	6.00%
2013	48,060	60,090	2,887,925,400	37	16,490	5.20%
2014	49,260	62,770	3,092,050,200	37	16,490	4.20%
2015	49,980	68,877	3,442,472,460	37	16,490	4.60%

Sources:

Population figures are from the Puget Sound Regional Council.

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

Median age and number of households are from the 2000 Census for years 2001-2009. The 2010 Census was used for 2010-2013.

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

City of Sammamish
Principal Employers
Current Year

Table 14

Employer	Type of Business	Rank	Number of Employees
Lake Washington School District	Education	1	483
Issaquah School District	Education	2	439
Safeway	Grocery Store	3	175
Sahalee Country Club	Country Club	4	150
Eastside Catholic School	Education	5	120
Columbia Athletic Club @ Pine Lake	Fitness Club	6	100
Plateau Club	Country Club	7	100
QFC	Grocery Store	8	99
Starbucks	Coffee House	9	82

Notes:

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

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

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

Table 15

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Executive	5.5	6.5	4.5	4.5	3.5	3.5	3.5	3.5	3.5	3.5
Finance	4	4	6	6	6	6	6	6	6	6
Information Technology	2	2	3	3	3	3	3	3	3	4
Administrative Services	5	4	4	4	4	3	3	3.5	3.5	4
Community Development	22.5	23.5	21.5	21.5	20.5	17.5	17.5	18.5	20	21.5
Facilities	0	0	0	0	0	0	0	1	1	1
*Security										
Police	1	1	1	1	1	1	1	1	1	1
Culture and Recreation	12	12	13	14.2	14.2	14.2	15.2	15.2	15.2	15.2
Transportation	7.45	7.45	7.45	7.35	7.05	6.425	6.425	7.42	7.75	8.13
Public Works	4.9	5.4	5.4	5.4	6.7	4.7	4.7	3.7	4.04	5.3
Surface Water Management	7.65	8.15	8.15	8.05	9.05	8.175	8.175	10.18	10.51	10.88
Total	72	74	74	75	75	67.5	68.5	73	75.5	80.51

Source: City budget office

*The city contracts with King County for Police services and with Eastside Fire and Rescue for Fire services.

Police and Fire personnel are employees of the agencies the city contracts with for services.

The only employee of the city in the Security function is the Police Administrative Assistant.

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

Table 16

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community Development										
Single Family Resident Permits	136	141	54	68	155	180	210	277	249	184
Estimated Value (in thousands)	\$ 55,923	\$ 59,594	\$ 26,480	\$ 24,682	\$ 58,015	\$ 70,282	\$ 84,455	\$ 114,029	\$ 107,416	\$ 84,911
Transportation										
Road Resurfacing (in thousands)	\$ 295	\$ 494	\$ 68	\$ 1,064	\$ 1,708	\$ 2,206	\$ 3,400	\$ 2,487	\$ 3,485	\$ 2,725
Road Construction (in thousands)	\$ 2,593	\$ 5,176	\$ 3,078	\$ 12,072	\$ 12,141	\$ 1,708	\$ 3,300	\$ 2,144	\$ 1,404	\$ 701
Police Responses										
Arson	15	0	4	5	1	1	1	2	6	4
Assault	50	57	5	3	7	7	31	6	50	50
Burglary	104	144	183	70	95	94	38	89	134	79
Drugs	20	18	12	8	9	9	12	7	12	21
Homicide	0	0	0	0	0	0	0	0	1	0
Rape	5	4	3	7	6	8	3	4	3	5
Robbery	29	8	9	3	4	1	0	191	1	3
Traffic enforcement	1,683	1,347	607	555	132	1,987	150	95	2,347	2,945
Fire Responses										
Fires	118	81	92	80	44	90	69	63	66	227
Emergency Medical	1,056	1,053	1,058	1,068	787	1,072	1,067	1,024	1,028	1,142
Motor Vehicle	84	48	61	72	28	48	44	45	51	58
Service	529	473	517	541	319	480	261	501	451	310

Sources: Various city departments. Fire response data provided by Eastside Fire & Rescue
Police responses provided by King County Sheriff's Office
*Information not available

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

Table 17

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of fire engines	7	7	7	7	7	7	7	7	7	7
Number of aid cars	6	6	6	6	6	6	6	6	6	6
Transportation										
Center lane miles of streets	*	167	167	167	168	168	168	172	176	176
Traffic signals	*	19	20	20	20	20	21	21	23	23
School Zone flashers	*	3	4	4	15	24	26	28	32	32
Culture and Recreation										
Acres of developed parks	147	173	173	179	255	442	442	445	445	525
Acres of undeveloped parks	271	254	254	252	187	48	48	48	48	48
Playgrounds	5	7	7	7	7	9	9	9	9	9
Tennis courts (includes public schools)	26	27	27	27	27	27	27	27	27	27
Athletic fields (football, baseball, soccer)	34	34	34	34	34	48	48	49	49	49

*Data not available
 Note: Police vehicles are owned by King County from whom Sammamish contracts for Police services.
 Fire stations and vehicles are owned by Sammamish and operated by Eastside Fire and Rescue.
 Transportation data is provided by City Engineer. Culture & Recreation data is provided and tracked by the Parks department.