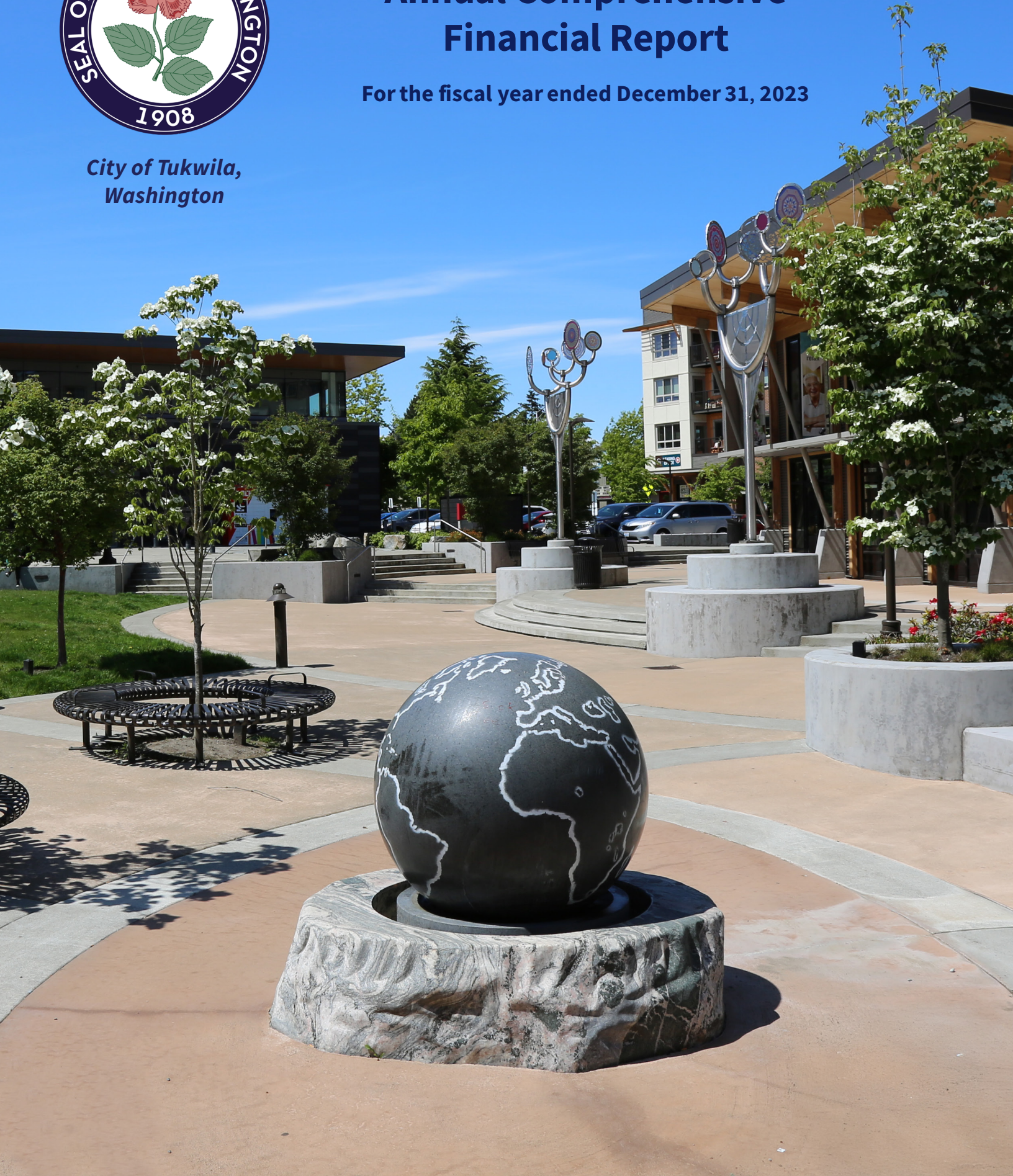




*City of Tukwila,
Washington*

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2023





City of Tukwila, Washington

VISION

*The city of opportunity,
the community of choice*

MISSION

*To provide superior services
that support a safe, inviting and
healthy environment for our
residents, businesses and guests.*

VALUES

*Caring
Professional
Responsive*

STRATEGIC GOALS AND OBJECTIVES

1 A community of inviting neighborhoods and vibrant business districts

- ◆ Cultivate community ownership of shared spaces.
- ◆ Build a broad and collaborative approach to preventing crime and increasing the sense of safety.
- ◆ Focus City planning and investments on creating a connected, dynamic urban environment.
- ◆ Use City efforts and investments to realize established visions for specific sub-areas.
- ◆ Build and maintain public infrastructure that supports a healthy and attractive built and natural environment.

2 A solid foundation for all Tukwila residents

- ◆ Partner with organizations that help meet the basic needs of all residents.
- ◆ Strive for excellent education, vocational supports, and personal growth opportunities through effective partnerships and City services.
- ◆ Encourage maintenance, improvements and diversity in the City's housing stock.
- ◆ Work to eliminate systemic barriers and provide equitable access to opportunities and services as outlined in the City's Equity Policy.

3 A diverse and regionally competitive economy

- ◆ Embrace the City's economic potential and strengthen the City's role as a regional business and employment center.
- ◆ Strengthen the City's engagement and partnership with the business community.
- ◆ Encourage development, maintenance, improvements, and diversity in the City's stock of business space.

4 A high-performing and effective organization

- ◆ Use Tukwila's Vision, Mission, and Strategic Plan to focus and prioritize City efforts.
- ◆ Advance Tukwila's interests through participation in regional partnerships.
- ◆ Continue to develop as an organization and support individual growth.
- ◆ Ensure City facilities are safe, efficient and inviting to the public.
- ◆ Ensure the long-term fiscal sustainability of the City.

5 A positive community identity and image

- ◆ Improve the City's ability to build trust and work with all members of the Tukwila community.
- ◆ Facilitate connections among Tukwila's communities.
- ◆ Promote a positive identity and image of Tukwila.



The City of Tukwila, Washington

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended December 31, 2023

*Prepared by the City of Tukwila, Finance Department
Vicky Carlsen, Finance Director*

Allan Ekberg, MAYOR

2023 TUKWILA CITY COUNCIL

Cynthia Delostrinos Johnson, Council President

Kathy Hougardy

De'Sean Quinn

Kate Kruller

Thomas McLeod

Tosh Sharp

Mohamed Abdi

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
Administrative Organizational Structure, Principal Officials, and Council Committees.....	1
Letter of Transmittal.....	3
Certificate of Achievement.....	9
II. FINANCIAL SECTION	
Auditor's Report.....	11
Management's Discussion and Analysis.....	15
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	28
Statement of Activities.....	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	30
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position.....	31
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities.....	33
Statement of Net Position – Proprietary Funds.....	34
Statement of Revenues, Expenses, and Changes in	
Net Position – Proprietary Funds.....	35
Statement of Cash Flows – Proprietary Funds.....	36
Statement of Fiduciary Net Position – Fiduciary Funds.....	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	39
Notes to the Financial Statements.....	40
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual	
General Fund.....	103
Notes to the Required Supplementary Information.....	104
Schedule of Proportionate Share of the Net Pension Liability.....	105
Schedule of Employer Contributions.....	106
Firemen's Pension Trust Fund.....	107
Retiree Medical and Long-Term Care Benefits for LEOFF I Employees.....	109
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds.....	112
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Non-Major Governmental Funds.....	113
Combining Balance Sheet – Non-Major Special Revenue Funds.....	114
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Non-Major Special Revenue Funds.....	115

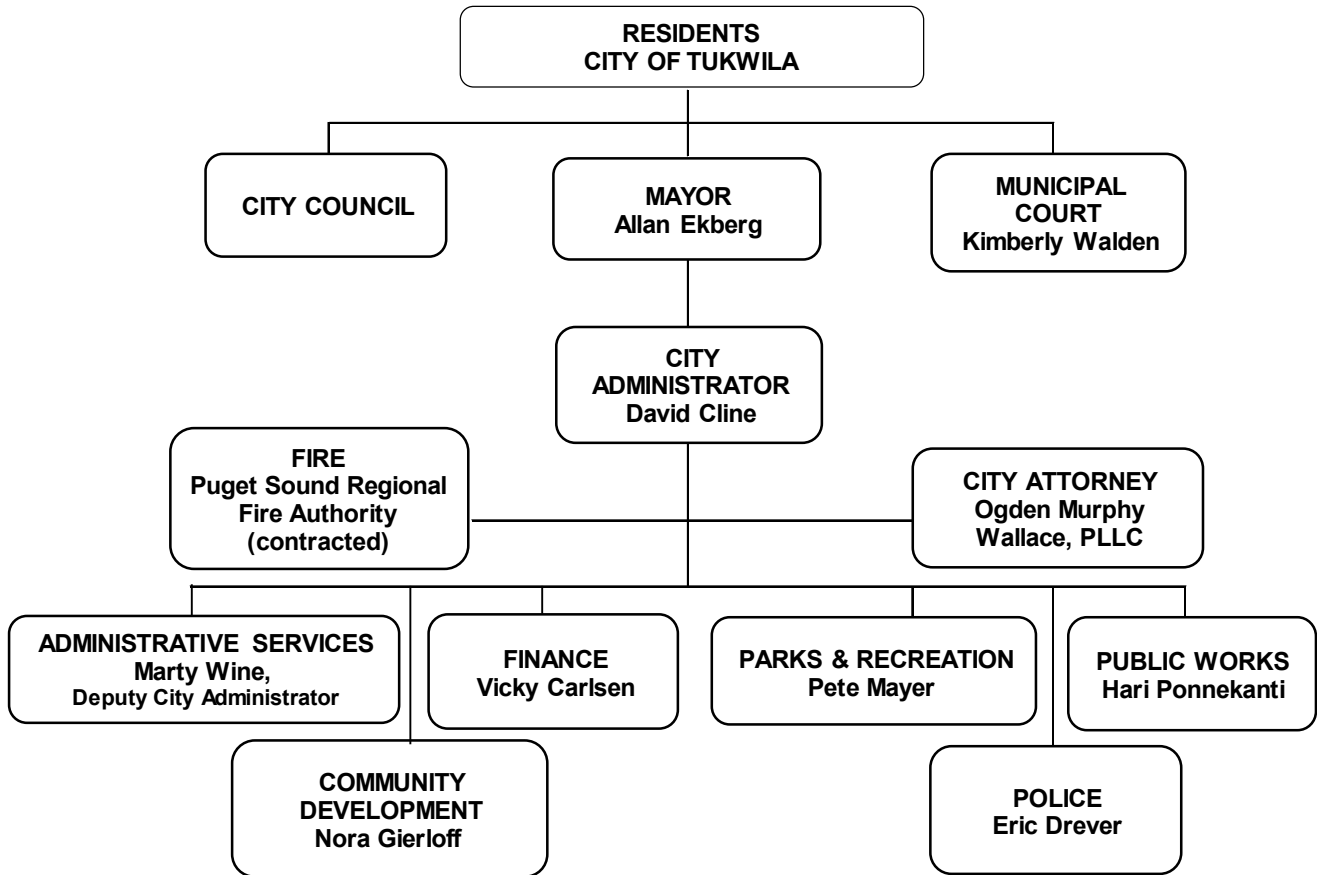
TABLE OF CONTENTS - continued

	Page
Combining Balance Sheet – Non-Major Debt Service Funds.....	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Debt Service Funds.....	117
Combining Balance Sheet – Non-Major Capital Project Funds.....	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Project Funds.....	119
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Arterial Street Capital Project Fund.....	120
Local Improvement District #33 Debt Service Fund.....	121
Public Safety Plan Capital Project Fund.....	122
City Facilities Capital Project Fund.....	123
Hotel/Motel Tax Special Revenue Fund.....	124
Drug Seizure Special Revenue Fund.....	125
Residential Street Capital Project Fund.....	126
Land & Park Acquisition Capital Project Fund.....	127
Urban Renewal Capital Project Fund.....	128
General Government Improvements Capital Project Fund.....	129
Fire Improvements Capital Project Fund.....	130
Special Assessment Bonds Guaranty Fund.....	131
Unlimited Tax General Obligation Debt Service Fund.....	132
Limited Tax General Obligation Debt Service Fund.....	133
Combining Statements of Net Position – Internal Service Funds.....	135
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	136
Combining Statement of Cash Flows – Internal Service Funds.....	137

III. STATISTICAL SECTION

	Schedule	
Net Position by Component.....	1	140
Changes in Net Position	2	142
Fund Balances, Governmental Funds	3	144
Changes in Fund Balances of Governmental Funds.....	4	146
General Government Tax Revenues by Source	5	148
Property Tax Levies and Collections	6	149
Assessed and Estimated Actual Value of Taxable Property	7	150
Property Tax Rates – Direct and Overlapping Governments	8	151
Principal Property Taxpayers	9	152
Retail Sales Tax Collections by Sector.....	10	154
Sales Tax Rate Direct and Overlapping Governments	11	156
Ratios of Outstanding Debt by Type.....	12	158
Ratios of General Bonded Debt Outstanding	13	160
Computation of Direct and Overlapping Debt.....	14	161
Legal Debt Margin Information	15	162
Demographic Statistics	16	164
Principal Employers	17	165
Full-Time Equivalent City Government Employees by Department	18	166
Operating Indicators by Function.....	19	167
Capital Assets by Function	20	168

ADMINISTRATIVE ORGANIZATIONAL STRUCTURE AND PRINCIPAL OFFICIALS, as of December 31, 2023



2023 COUNCIL COMMITTEES

COUNCIL PRESIDENT
Cynthia Delostrinos-Johnson

FINANCE & GOVERNANCE COMMITTEE

Kate Kruller, Chairperson
Kathy Hougardy, Member
De'Sean Quinn, Member

TRANSPORTATION & INFRASTRUCTURE SERVICES

Tosh Sharp, Chairperson
Kate Kruller, Member
Mohamed Abdi, Member

COMMUNITY SERVICES & SAFETY

Mohamed Abdi, Chairperson
Thomas McLeod, Member
Tosh Sharp, Member

PLANNING & COMMUNITY DEVELOPMENT

Kathy Hougardy, Chairperson
De'Sean Quinn, Member
Thomas McLeod, Member





City of Tukwila

6200 Southcenter Blvd, Tukwila, WA 98188

Thomas McLeod, Mayor

November 21, 2024

Honorable Thomas McLeod, Mayor
Members of the Tukwila City Council
Citizens of Tukwila
City of Tukwila
6200 Southcenter Boulevard
Tukwila, WA 98188-2599

Subject: **TRANSMITTAL OF 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

I am pleased to transmit the City of Tukwila's Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2023. This transmittal letter provides an overview of the report and the financial condition of the City. State law requires that cities publish financial statements annually in conformity with Generally Accepted Accounting Principles (GAAP), which are audited in accordance with generally accepted auditing standards by the State Auditor's Office, under the Revised Code of Washington (RCW) 43.09.230.

The ACFR has several significant uses. First, it provides a general overview of the City's finances to the general public and taxpayers. Second, it is used as a reference by bond buyers and rating agencies to evaluate the City's fiscal stability and creditworthiness. Finally, the ACFR is a series of financial statements that have been audited by the State Auditor's Office and provides assurances that assets are safeguarded and funds are expended as they were legally appropriated in the adopted budget.

The Tukwila Finance Department prepares the report and accepts responsibility for the accuracy, completeness, and fairness of presentation of the information included. The data is believed to be accurate in all material respects, and it is believed that the data is presented in a manner that fairly sets forth the results of operations and financial position of the City, as measured by the financial activity of the City's various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The report has been prepared in conformance with GAAP and in conformance with financial reporting standards issued by the Governmental Accounting Standards Board (GASB).

City management has developed and evaluated a comprehensive internal control structure that is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

As a recipient of federal, state and county financial assistance, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings, and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws, regulations, contracts, and agreements. The results of the City's annual single audit for the fiscal year ended December 31, 2022 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws.

Management's Discussion and Analysis (MD&A) immediately follows the State Auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE CITY

Incorporated in 1908, the City of Tukwila is in the heart of the Puget Sound region, 12 miles south of downtown Seattle, 17 miles north of Tacoma, and one mile east of Seattle-Tacoma International Airport. Tukwila has a small residential population of 22,780, making it the 51st largest of 281 cities in the State of Washington. However, the daytime shopper/visitor and working population can reach over 150,000 during the holiday shopping season.

The City of Tukwila is a non-charter optional code City, operating under Section 35A of the Revised Code of Washington. It has a strong Mayor form of government with a seven-member City Council elected by the voters of the City to serve a four-year term. Councilmembers are elected at large rather than by district and are responsible for establishing the general guidelines and policies for the City. The Mayor appoints the City Administrator as the City's chief administrative officer responsible for carrying out the policies and direction set by the Mayor and City Council.

The City of Tukwila provides a full range of local government services. These services include police & fire protection, emergency medical services, construction & maintenance of streets and traditional municipal infrastructure, planning & zoning, parks & recreational activities, and cultural events. In addition, the City operates an equipment maintenance/rental fund. The City operates its own municipal 18-hole golf course and provides sewer, water, and surface water services. Tukwila has a municipal court for traffic infractions, misdemeanors, and gross misdemeanors. Other jurisdictions provide jail services to the City. Tukwila residents receive library services from the King County Library System.

The City adopts a biennial budget in accordance with RCW 35A.34. The Council is required to adopt a biennial budget prior to the first of each odd-numbered calendar year. Budget reviews are conducted at mid-biennium and any changes for the second half of the biennium are adopted by the City Council. The biennial budget serves as the foundation for the City of Tukwila's financial planning and control. The budget is adopted at the fund level and any increases or decreases to a fund must be authorized by Council. Appropriation changes within a fund may be authorized by the Mayor. The General Fund, both special revenue funds, all four debt service funds, and all eight capital project funds are included in the biennially appropriated operating budget and have budget to actual statements presented for 2023. Budgets for the general fund, special revenue, debt service, and capital funds are appropriated biennially.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

LOCAL ECONOMY

Tukwila has a strong local economy, largely due to its location within the Puget Sound region's robust economy. The Puget Sound region benefits from a world-class natural environment, excellent universities, and the headquarters of world-class companies such as Amazon, Microsoft, and Starbucks. The region has tens of thousands of excellent jobs in leading high-tech fields such as aerospace, life sciences and global health, information and computing, gaming, and more. It also has strong industry clusters in manufacturing, maritime, military, tourism, and transportation and logistics. The Seattle/Bellevue/Everett area had a large labor force of 1.82 million in December of 2023, which was an increase compared to the previous year. At the same time the already low unemployment rate increased from 3.2% to a still low 3.6%.

Tukwila is located at the center of the Puget Sound region. As such, it has excellent transportation with one of the State's busiest interchanges (I-5 at I-405), a commuter train station, a light rail station, multiple bus routes including two Rapid Ride lines, and a future bus rapid transit station. The City also has easy access to Sea-Tac International Airport, King County International Airport, and the Ports of Seattle and Tacoma.

Although Tukwila is small based on square miles and residential population, it has a lot of jobs. Averaging over 40 thousand jobs, more people are employed in the City of Tukwila than in 27 of the 39 counties in the State of Washington. Over two thirds of those jobs are in services, manufacturing, and retail. The City is home to the headquarters of industry leaders and brands such as BECU, Continental Mills, La Panzarella, LeoStella, Red Dot Corporation, Sabey Corporation, Sahale Snacks, and Seattle Chocolates. Tukwila is also home to hundreds of small businesses, many of which are owned by members of the City's diverse international community.

Anchored by Westfield Southcenter, which is the largest mall in the Pacific Northwest, Tukwila has a large retail economy. With a large presence of Boeing and other aerospace companies, Tukwila is also strong in manufacturing. Although the Boeing Company has endured many challenges over the past few years, it still employs thousands of people in Tukwila. Boeing continues to go through significant change but it is anticipated that the aerospace and technology sectors will continue with the strength of aerospace in the region.

Retail business significantly dropped during 2020 due to the COVID pandemic. In 2021 and 2022 retail returned to pre-pandemic levels, except when adjusted for inflation. The tourism economy as indicated by lodging tax revenue has rebounded to pre-pandemic levels. Industrial space has lower vacancy rates and higher property values than ever before. These trends continued through 2023. Although construction slowed during the pandemic, it still continued and total permit value for 2023 was only slightly lower than 2022 values; \$186 million vs \$188 million.

Over the past twenty years, the number of jobs in Tukwila covered by Washington State's unemployment insurance has ranged from a low of 41,500 to a high of 48,700. Employment has fluctuated over those years with 2019's pre-pandemic numbers being slightly above average. 2021 employment was ten percent below 2019's pre-pandemic levels with the decline primarily in services, retail, and manufacturing. Depending on macro-economic events, we anticipate employment over the next few years returning to pre-pandemic levels.

Tukwila is a retail powerhouse with one of the largest local retail sales tax bases in the state of Washington. Anchored by Westfield Southcenter, which is the largest mall in the Pacific Northwest, Tukwila generated almost \$2.55 billion dollars in taxable retail sales in 2023. The total retail sales tax revenue amounted to \$21.69 million in 2023, representing an increase of 4.0% from the \$20.85 million

collected in the prior year (*Statistical section, schedule 10*). Although this shows a significant increase over 2022 levels, most of this increase can be attributed to high inflation that continued into 2023.

LONG-TERM FINANCIAL PLANNING

The City uses its six-year financial planning model and Capital Improvement Program (CIP) as long-term financial planning tools. These tools, along with regular review and revisions to the financial policies, ensure the City incorporates current economic conditions and financial projections into its long-range financial plans. In mid-2015, the City revised its financial reserve policy to increase the General Fund reserve level from 10% to 18% and added a one-time 10% revenue reserve in the Contingency Fund. These changes will ensure the City's policies are in alignment with the Government Finance Officers Association's "Best Practices" and provide additional protection from future downturns in the economy.

The City's diversified revenue base is supported by an assessed valuation of \$9.5 billion, which is an increase of 6.23% from 2022, allowing the City to pursue a long-term capital investment program. The City's 2023-2028 Capital Improvement Program, which is adopted every two years, anticipates approximately \$138 million in general government capital projects, with only \$5.65 million of that paid by City funding sources. These improvements are vital to the economic health of the City which must continue to efficiently move employees, shoppers, and goods into and out of the area.

MAJOR INITIATIVES

The City made significant investments of time and financial resources into key public projects in 2023. These projects represent Council's commitment to meeting their five Strategic Goals and Objectives:

- A community of inviting neighborhoods and vibrant business districts
- A solid foundation for all Tukwila residents
- A diverse and regionally competitive economy
- A high-performing and effective organization, and
- A positive community identity and image

The City of Tukwila project staff continued to move forward on design of the 42nd Ave S Bridge Replacement. Approximately \$31.5 million in federal, state and local funds have been awarded for the project. This structure serves as the connection to the residential community and the BNSF railroad Intermodal Yard. The 60% plans and estimate was submitted to the City, reviewed internally, and returned to the design consultant with comments. With the 60% plans and estimate returned to the design consultant, the permit team could determine which permits needed to be applied for and the estimated timeframe of the permit acceptance.

The City began work on the Transportation Element of the Comprehensive Plan in 2023 and will complete the update in 2024, including establishing a Local Road Safety Plan. West Valley Highway/Longacres Way roadway project saw most of the work completed in 2023 but some efforts continue into 2024. It is anticipated that the bulk of the work will be fully completed in 2024, but a possibility of a signal pole replacement (recently determined would be required) could possibly see an extension into 2025 due to the long-lead time in obtaining the pole and mast arm.

The City of Tukwila has an on-going extensive rehabilitation program in the Sewer Fund for the Southcenter Commercial Business District. As the sewer mains are reaching their 50-year life span, the City has budgeted over \$2 million for a 3 year project to reline the aging, existing pipes throughout the City. The City completed phase 1 of the Sewer Lift Station 2 construction late in 2022 and is looking to

start the construction of phase 2 later in 2024. Phase 2 will see improved maintenance access and safety improvements to provide reliable service to the area.

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 Tukwila for its annual comprehensive financial report for the fiscal year that ended December 31, 2022. This was the 36th consecutive year that Tukwila has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and the cooperation of other City departments. Their long hours of assistance with the preparation and review of this report are greatly appreciated. The Mayor, City Administrator and City Council are to be complimented for their encouragement, interest, and support in conducting the financial operations of the City in a fiscally sound and progressive manner. The efficient assistance of examiners from the Office of the State Auditor is also appreciated. Staff who had a direct role in preparing Tukwila's 2023 Annual Comprehensive Financial Report take great pride in their work, and the entire team who worked on this project is to be commended.

Respectfully submitted,



Aaron BeMiller
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tukwila
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Tukwila January 1, 2023 through December 31, 2023

Council
City of Tukwila
Tukwila, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 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 the effectiveness of the City's 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.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

November 18, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2023

The management discussion and analysis section of the City of Tukwila's Annual Comprehensive Financial Report provides an overview of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- As of December 31, 2023, the City of Tukwila's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$377.7 million. Of this amount, \$70.4 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to residents and creditors.
- The City of Tukwila's total net position increased \$13.3 million, or 3.7%. Governmental activities increased \$8.1 million due in part to generally improving revenues, offset by rising expenditure costs. Business-type activities increased \$5.2 million which was primarily driven by rate increases which helped offset rising costs. These increases were offset by the operations transfer of the City's fire department to a legally separate regional fire authority, which included a reduction in capital assets and net pension assets.
- Government-wide, the City transferred \$8.5 million in assets (net book value of \$3.2 million) to the Puget Sound Regional Fire Authority.
- At the close of the current fiscal year, the City of Tukwila's governmental funds reported combined fund balances of \$47.0 million, an increase of \$3.4 million (7.8%). Approximately 51.8% (\$24.4 million) of the fund balance is available for spending at the City's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Tukwila's basic financial statements. The City's basic financial statements are presented in three parts:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status, in a manner similar to private-sector business.

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

The **Statement of Activities** presents information designed to show how the City's net position changed during the year. The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed. Items such

as (but not limited to) uncollected taxes, unpaid vendor invoices for goods or services received during the year, and earned but unused vacation leave are included in the statement of activities as revenue and expenses even though no cash has changed hands.

Both the government-wide financial statements distinguish functions of the City of Tukwila that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Tukwila include general government (finance, executive, legal, court, and human resources), public safety (police and fire), physical environment, economic environment, transportation, mental/physical health, and culture and recreation. The City's business-type activities include water, sewer, and surface water utilities, and a municipal golf course. Governmental activities are primarily supported by taxes, charges for services, and grants. Business-type activities are primarily self-supporting through user fees and charges.

Fund Financial Statements

The annual financial report includes fund financial statements in addition to the government-wide financial statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. The City of Tukwila funds are often set up in accordance with special regulations, restrictions or limitations. The City of Tukwila, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. The governmental fund statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide statements can help the reader better understand the long-term impact of the City's current year financing decisions.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund 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 fifteen individual governmental funds. Of these, five are considered major (the general fund, the arterial street fund, the local improvement district #33 fund, the public safety plan fund, and city facilities fund) and are presented separately in the governmental funds' *Balance Sheet* and the governmental funds' *Statement of Revenues, Expenditures and Changes in Fund Balances*. The remaining governmental funds are combined into a single column labeled "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is presented in the combining and individual fund statements and schedules section of this report.

The City maintains budgetary control over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level according to state law. A budgetary comparison schedule is presented for the general fund in the Required Supplemental Information section of the report. Other budgetary comparison schedules are included following the other governmental funds' combining statements in this report.

Proprietary funds are used by governments to account for their business-type activities and use the same basis of accounting as utilized in private industry. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services rendered.

The City has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to residents, while internal service funds are used to account for goods

and services provided internally to various City departments. The same basis of accounting is used for proprietary funds in both the government-wide and individual fund statements.

Enterprise funds report the same functions presented as business-type activities in the government-wide statements, but in greater detail. The City's enterprise fund statements provide information on the City's three utilities (water, sanitary sewer, surface water) as well as the City-owned golf course.

Internal service funds are an essential accounting tool used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, and its insurance premiums for active employees and LEOFF 1 retirees. Internal service fund activities are predominantly governmental and have been included in the governmental activities columns of the government-wide statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City of Tukwila's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The Firemen's Pension Trust Fund is used to report resources held in trust for retirees and beneficiaries covered by the Firemen's Pension plan. The Custodial fund reports resources held by Tukwila in a custodial capacity for individuals, private organizations, and other governments.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including a budget and actual schedule for the City's general fund and schedules of progress in funding its obligation to provide pension and OPEB benefits to its former employees. Additional pension benefit information is found in Note 8.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Tukwila, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$377.7 million at the close of the most recent fiscal year. Total net position increased by \$13.3 million (3.7%) when compared to 2022.

CITY OF TUKWILA'S NET POSITION

	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$92,626	\$94,196	\$31,707	\$28,334	\$124,334	\$122,530
Capital assets, net of accumulated depreciation	324,239	330,014	77,585	77,653	401,824	407,667
Total assets	416,865	424,210	109,293	105,987	526,158	530,198
Deferred Outflows of Resources	13,879	11,896	816	975	14,695	12,871
Long-term liabilities	133,492	141,384	1,892	2,557	135,384	143,940
Net pension liability	1,950	2,480	451	572	2,401	3,053
Total OPEB liabilities	4,642	5,962	-	-	4,642	5,962
Other liabilities	13,502	12,626	578	1,439	14,080	14,064
Total liabilities	153,586	162,452	2,921	4,568	156,507	167,019
Deferred Inflows of Resources	6,045	10,664	605	1,029	6,650	11,693
Net position						
Net investment in capital assets	196,460	199,058	76,180	75,309	272,640	274,366
Restricted	33,388	28,835	1,262	-	34,650	28,835
Unrestricted	41,264	35,098	29,141	26,057	70,405	61,155
Total net position	\$271,113	\$262,991	\$106,583	\$101,365	\$377,695	\$364,356

By far, the largest portion of the City's net position (\$272.6 million or 72.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to residents. Accordingly, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$34.7 million or 9.2%) represents resources that are subject to external restrictions on how they may be used. The business-type activities restrictions are limited to the portion related to net pension assets, the remaining \$33.4 million is restricted in governmental activities funds. The majority is related to tourism, net pension assets, and ongoing debt obligations. The remaining net position balance (\$70.4 million, or 18.6%) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Tukwila continued to report positive balances in all categories of net position. The City's overall net position increased \$13.3 million (3.7%) from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF TUKWILA'S CHANGES IN NET POSITION

(in thousands)

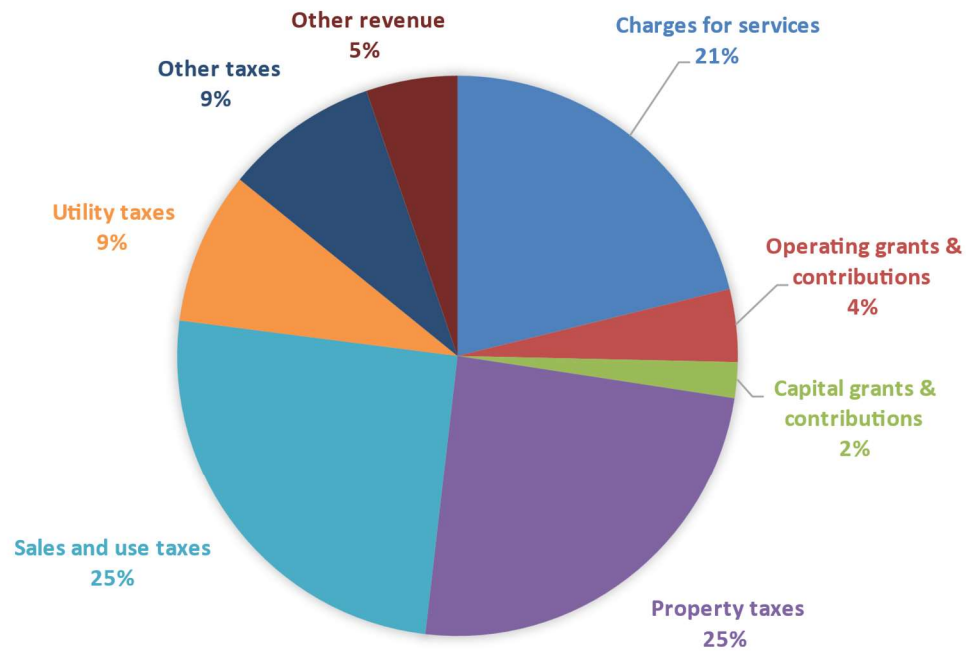
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$19,193	\$15,969	\$28,147	\$26,244	\$47,341	\$42,213
Operating grants and contributions	3,802	2,771	2	364	3,803	3,135
Capital grants and contributions	1,874	3,469	681	175	2,554	3,644
General revenues						
Property taxes	22,157	21,852	-	-	22,157	21,852
Sales and use taxes	22,852	21,977	-	-	22,852	21,977
Hotel/Motel taxes	971	897	-	-	971	897
Utility taxes	5,433	3,950	-	-	5,433	3,950
Interfund utility taxes	2,567	2,405	-	-	2,567	2,405
Business taxes	1,625	2,684	-	-	1,625	2,684
Excise taxes	5,465	6,609	-	-	5,465	6,609
Investment earnings	2,496	(107)	1,287	-	3,783	(107)
Miscellaneous	2,286	3,646	57	-	2,342	3,646
Total revenues	90,720	86,122	30,174	26,783	120,893	112,905
Expenses:						
General government	15,092	14,314	-	-	15,092	14,314
Public safety	33,191	35,504	-	-	33,191	35,504
Transportation	15,429	13,806	-	-	15,429	13,806
Economic environment	7,014	5,599	-	-	7,014	5,599
Culture and recreation	6,200	6,148	-	-	6,200	6,148
Interest on long-term debt	4,190	4,303	-	-	4,190	4,303
Water/sewer	-	-	15,735	15,457	15,735	15,457
Surface Water	-	-	4,908	5,945	4,908	5,945
Foster golf course	-	-	2,561	2,415	2,561	2,415
Total expenses	81,116	79,674	23,204	23,818	104,320	103,491
Increase (decrease) in net position before transfers	9,604	6,448	6,970	2,965	16,574	9,413
Transfers	1,752	1,253	(1,752)	(1,253)	-	-
Change in net position before special item	11,356	7,701	5,217	1,712	16,574	9,413
Special Item-transfer of Fire services	(3,235)	-	-	-	(3,235)	-
Change in net position	8,122	7,701	5,217	1,712	13,339	9,413
Net position-beginning of period	262,991	255,290	101,365	99,653	364,356	354,943
Net position-end of period	\$271,113	\$262,991	\$106,583	\$101,365	\$377,695	\$364,356

Governmental Activities

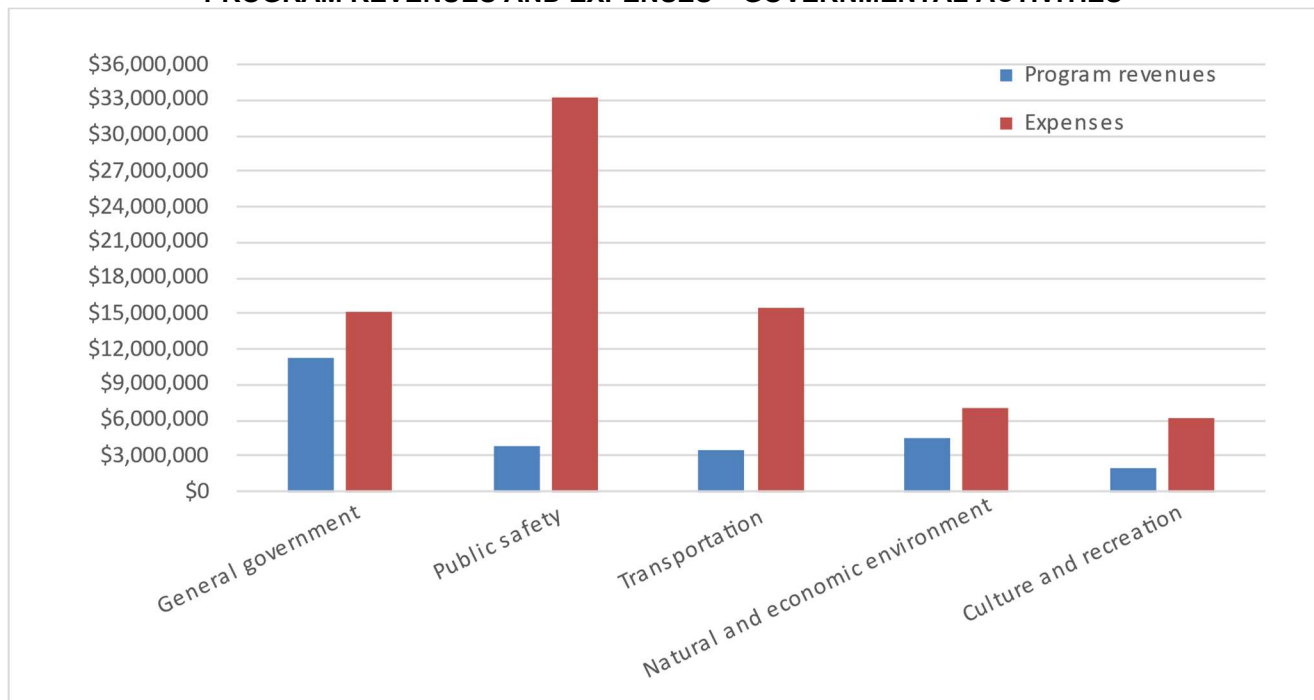
During the current fiscal year, net position for governmental activities increased \$8.1 million (3.1%) from the prior fiscal year for an ending balance of \$271.1 million. The primary reasons for this are:

- Charges for services increased by \$3.2 million compared to the prior year, 20.2% over the previous revenues. This increase was primarily due to increases in permits & inspection revenues.
- Retail sales and use taxes totaled \$22.8 million, which is an increase of \$874.5 thousand or 4.0% compared to the prior year.
- Generally improving revenues for all other taxes as well as increases in grant revenues account for the remaining improvements to revenues over the prior year.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES

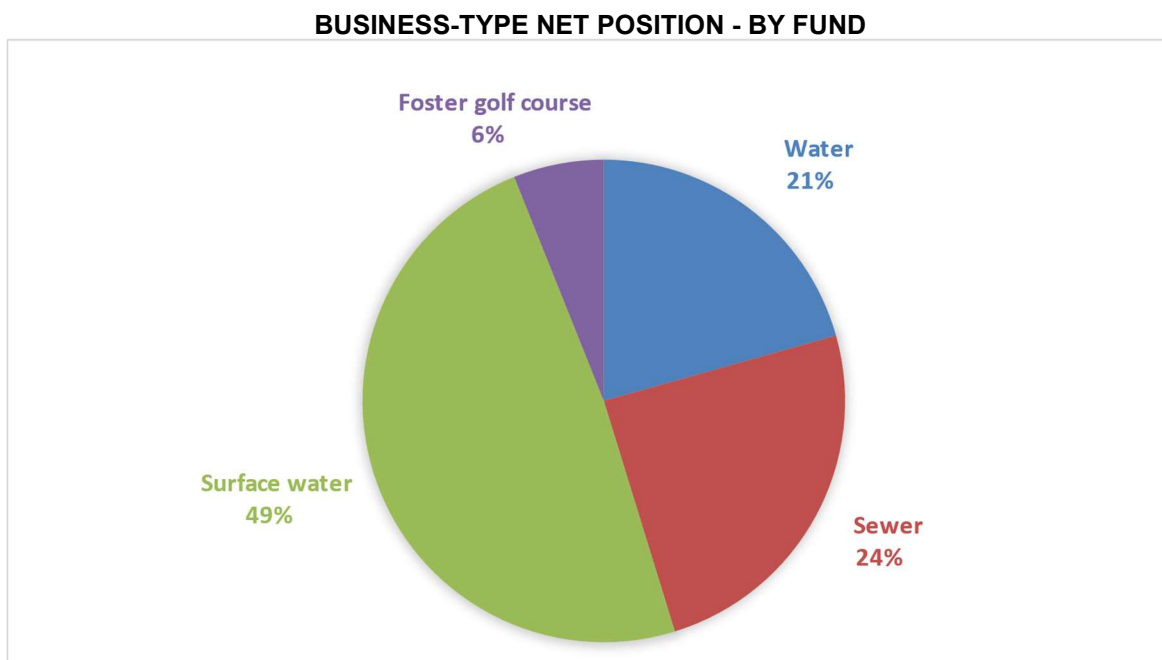


Business-Type Activities

For the City of Tukwila's business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$5.2 million (5.1%) to reach an ending balance of \$106.6 million. The overall growth is attributable to the following factors:

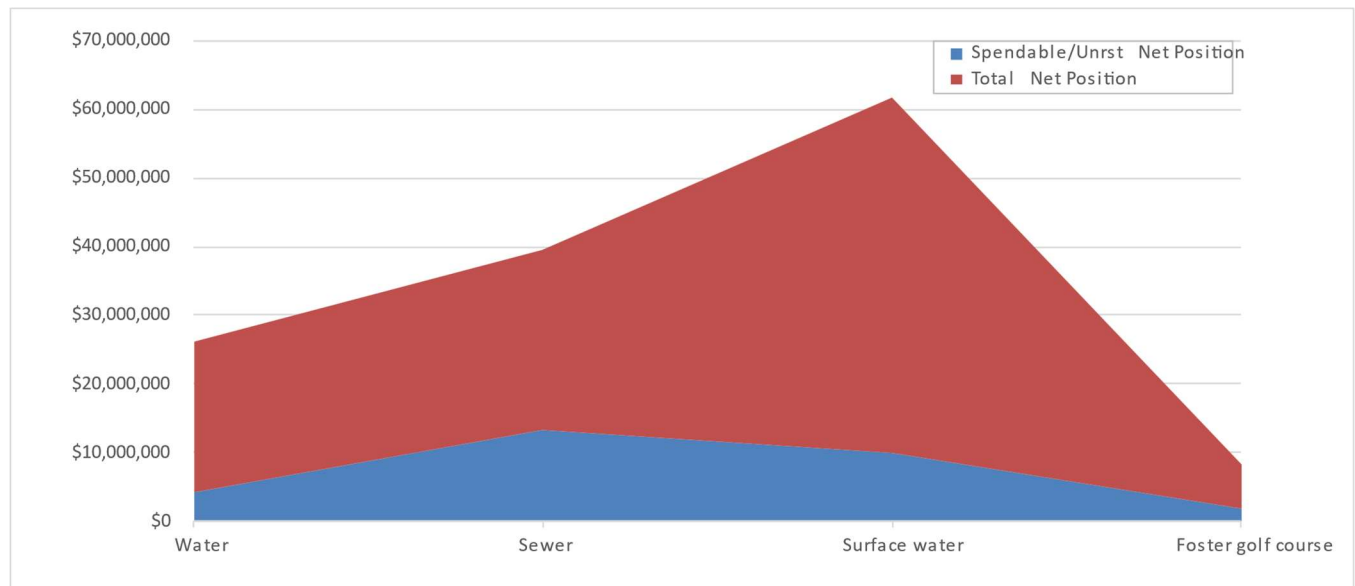
- In the Water Utility, total net position increased \$497 thousand (2.3%). Operating revenues increased by \$591 thousand, primarily the result of a 7.0% rate increase effective January 1, 2023. This increase offset the 2.0% increase in operating and maintenance expenses.
- In the Sewer Utility, total net position increased by \$1.5 million (5.9%). Operating revenues increased by \$632 thousand, primarily the result of a 5.75% increase on commercial rates and 3% increase on the flat rate for residential properties effective January 1, 2023. These increases offset the 1.7% increase in operating and maintenance expenses.
- In the Surface Water Utility, total net position increased by \$2.9 million (2.3%). Operating revenues increased by \$377 thousand (5.1%) driven primarily by a 5.0% rate increase effective January 1, 2023.
- Of the \$106.6 million total net position, \$29.1 million (27.3%) is unrestricted and each fund can utilize their portion for any purpose. This operating balance is necessary for future planned infrastructure replacements and repairs.

The following chart shows the relative net position balances for each business-type fund:



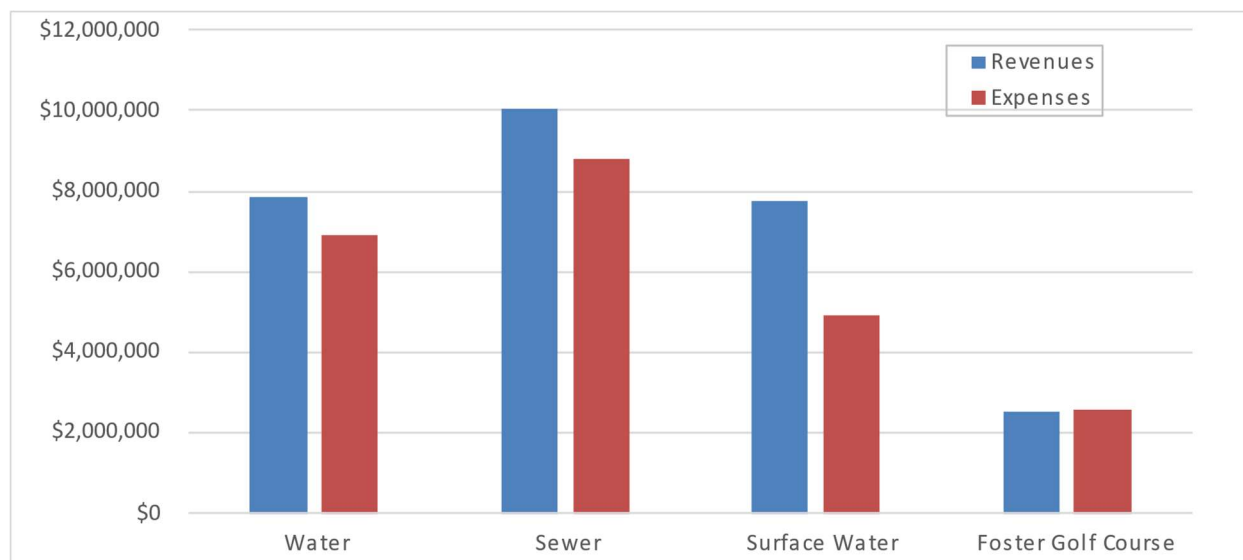
The majority of net position in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, and the golf course land. As such, most of the net position is not available to support the ongoing expenses of the funds. The following chart contrasts the total net position to the spendable portion of net position for each enterprise fund:

COMPARISON OF TOTAL NET POSITION TO SPENDABLE NET POSITION -BUSINESS-TYPE FUNDS



The following chart depicts the revenues and expenses for business-type funds:

BUSINESS-TYPE ACTIVITY REVENUES & EXPENSES (before Capital Contributions & Transfers)



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The purpose of the City's governmental funds is to report on near-term inflows, outflows, and balances of spendable resources. This information helps determine the City's financial requirements in the near future. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Tukwila itself, or a group or individual that has been delegated authority to assign resources for use for a particular purpose.

As of December 31, 2023, the City's governmental funds had combined fund balances of \$47.0 million, an increase of \$3.4 million (7.8%). The increase in overall fund balance reflects a combination of improving revenues offset by the overall rising costs of programs and services due to inflation.

The change in fund balance for governmental funds compared to 2022 is as follows:

- General Fund \$1,999,873
- Arterial Street Fund \$627,725
- Local Improvement District #33 (\$47,135)
- Public Safety Plan \$232,556
- City Facilities Fund (\$757,732)
- Other Governmental Funds \$1,349,570

The General Fund is the primary operating fund of the City. All receipts and payments of ordinary City operations are processed through this fund unless they are required to be accounted for in another. At the end of 2023, the general fund had a fund balance of \$25.0 million, with \$24.4 million (97.5%) of the balance classified as unassigned and available to meet the City's general obligations. Unassigned fund balance increased from \$22.5 million in 2022 to \$24.4 million in 2023 due primarily to increases in most major revenue sources offsetting the inflationary increase in costs of programs and services. Notable increases in taxes, licenses & permits, grant revenue, and investment earnings account for the majority of revenue increases.

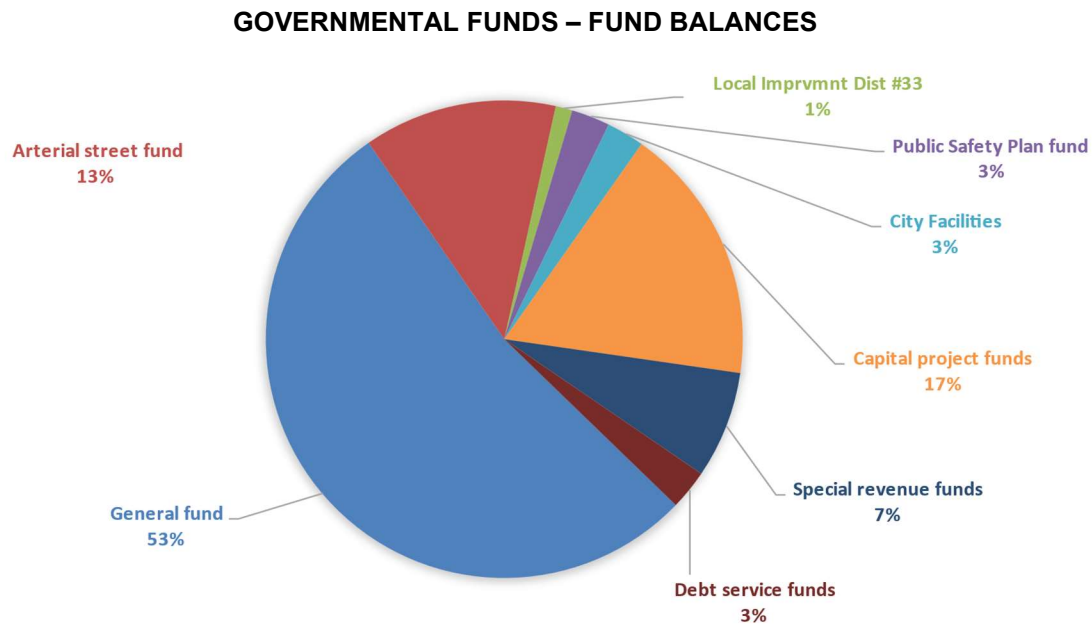
The Arterial Street Fund increase in fund balance is primarily related to unspent funding related to Green River Trail improvement project. These expenditures were budgeted to occur in 2023 but will be carried into 2024

The Public Safety Plan Fund increase in fund balance is the result of higher than expected revenues received during the year. This fund receives fire impact fees and real estate excise taxes which are used for a transfer to the general fund to support the debt service related to the new fire stations 51 and 52.

The City Facilities Fund decrease is due to capital outlays of \$2.8 million, which is primarily phase two of improvements for the Public Works Shops project. While there were transfers into this fund, use of existing fund balance of \$757 thousand was utilized as planned. The second phase of the project is underway with design and planning for a new Maintenance & Engineering facility, which will house operations for streets & utilities.

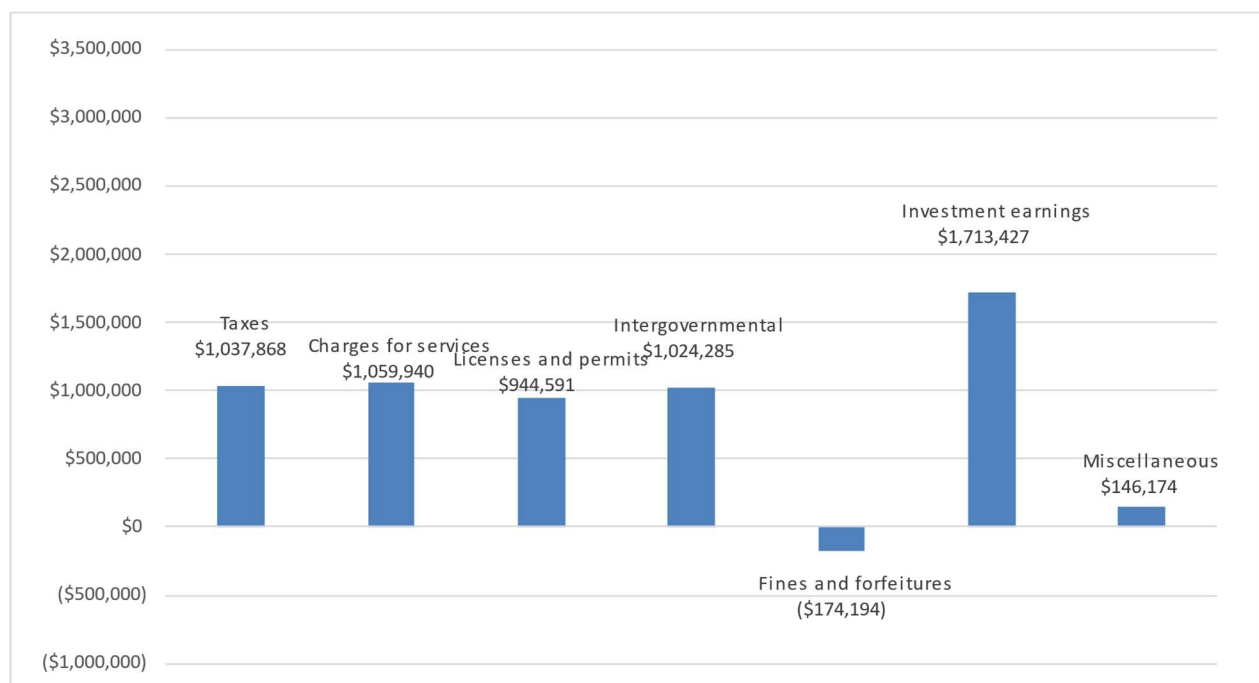
In Other Governmental Funds, the increase in fund balance can be attributed to several factors. Planned events in the lodging tax fund did not occur in 2023 and lodging tax revenues exceeded budget resulting in an increase in ending fund balance in the lodging tax fund of \$735 thousand. Additionally, park impact fees exceeded budget by \$883 thousand and will be spent in future years..

The following chart shows the relative fund balances for governmental funds:



The general fund revenue increased a total of \$5.75 million, which is comprised of the following sources:

GENERAL FUND REVENUE INCREASES/DECREASES – BY SOURCE



FINANCIAL ANALYSIS OF PROPRIETARY FUNDS

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

Unrestricted net position in business-type activities ended 2023 at \$29.4 million, an increase of \$3.1 million 11.8% from 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgets biennially by adopting a budget at the end of the preceding biennium, and then making adjustments as necessary via budget amendments throughout the next two years.

In 2023, the City continued to face the financial challenges that resulted due to the COVID-19 pandemic coupled with high inflation. The 2023-2024 biennial budget includes many of the same expenditure reductions that had been implemented in 2020, with frozen positions and reduced department budgets for supplies and services. In March 2021, the federal government passed the American Rescue Plan Act (ARPA). The City received \$5.68 million in ARPA which allowed the City to bring back some services that had been reduced or eliminated due to the reduced revenues caused by the pandemic.

The following is a summary of significant budget amendments that occurred in 2023:

- A grant for \$1.3 million was received to provide internet access in residential areas surrounding schools.
- Budget of \$370 thousand was moved from 2023 into 2024 for a financial sustainability plan project and costs associated with the finance system replacement project. Both projects were expected to be further along in 2023 than was realized.
- Grants totaling \$215 thousand and related expenditures were added to the recreation department for youth and wellness activities.
- Just under \$200 thousand in grant revenue and related expenditures for commute trip reduction initiatives.
- Budget for the fire department was increased by \$729 thousand to account for higher than projected overtime costs.
- A budget to transfer funds to the City's contingency fund for \$170 thousand was added to meet fund balance requirements in the contingency fund. The contingency fund is accounted for as a sub fund of the general fund.

CAPITAL ASSETS

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2023 totaled \$401.8 million (net of accumulated depreciation), a decrease of \$5.8 million (-1.4%) from 2022. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, utility transmission/distribution systems, roads, bridges, and infrastructure.

CITY OF TUKWILA'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 61,580,992	\$ 60,661,130	\$ 2,350,969	\$ 2,350,969	\$ 63,931,961	\$ 63,012,099
Buildings & Structures	99,322,742	100,657,683	8,360,979	8,781,754	107,683,721	109,439,438
Other Improvements	4,710,734	5,615,091	63,387,377	63,126,975	68,098,111	68,742,065
Machinery and Equipment	5,428,742	8,758,199	1,815,433	1,871,057	7,244,176	10,629,256
Leased Equipment	2,188,530	736,426	-	-	2,188,530	736,426
Subscription based IT Agreements	1,952,342	-	-	-	1,952,342	-
Infrastructure	131,986,055	133,538,293	-	-	131,986,055	133,538,293
Construction in Progress	17,068,585	20,047,275	1,670,707	1,522,404	18,739,292	21,569,680
Total	\$ 324,238,723	\$ 330,014,098	\$ 77,585,466	\$ 77,653,159	\$ 401,824,188	\$ 407,667,257

More detailed information on capital assets is provided in Note 7 to the financial statements.

Capital asset events during the current fiscal year included the following:

Governmental Activities:

- **Residential and Arterial Street Funds:** The West Valley Highway project (from I-405 to Strander) was substantially completed during 2023 and placed in service. Design and planning continues on the replacement of the 42nd Ave Bridge, with \$1.07 million in costs added to construction in progress.
- **Public Works Shop and City Facilities:** Additional costs of \$1.4 million related to the new Fleet & Facilities Building (phase 1 of the Public Works shops project) was capitalized during the year. Planning and design work is underway for the second phase of the project, adding \$1.3 million to construction in progress.
- **Fleet Equipment:** The fleet fund added \$1.85 million in new vehicles and equipment (purchases and leases) and disposed of \$1.5 million in surplus & retired fleet assets. In addition, the Fleet fund disposed of \$6.85 million in fire apparatus and equipment related to the transfer of fire operations to the Puget Sound Regional Fire Authority (PSRFA).
- **Construction in Progress (CIP):** Construction in progress decreased by \$6.5 million compared to the prior year. While current year construction in progress additions were \$3.5 million, \$7.2 million of completed projects were placed in service and capitalized to land, buildings, infrastructure and other improvements. The decrease in construction in progress is primarily attributed to the completion of the West Valley project (\$4.8M) and the cancellation of the Fire Station 54 project (\$1.3M). The land acquired related to the fire station project was capitalized to land assets for \$911 thousand.

Business Type Activities:

- **Water fund projects:** The South 152nd Ave waterline extension project was completed during the year, adding \$1.6 million in new assets to mains, hydrants and services.
- **Sewer fund projects:** Work continues on the rebuild of lift station #5 as well as the Central Business District sewer rehab projects, adding a total of \$275 thousand to construction in progress.
- **Surface Water fund project:** The Chinook Wind public access project was completed and placed in service, adding \$250 thousand of other improvements. In addition, the surface water improvements related to the West Valley Highway project were placed in service, adding \$283 thousand in intakes and mains.

LONG-TERM DEBT

The City had total long-term obligations outstanding of \$131.7 million at the end of the current fiscal year. Of this amount, \$109.6 million is general obligation bonds which is backed by the full faith and credit of the City, \$5.3 million of general obligation direct placement/borrowings, \$515 thousand is revenue bonds for the water/sewer and surface water utilities, \$903 thousand in public works trust fund loans, \$4.2 million due to other governments, \$8.9 million premium on bonds, and the remaining \$2.3 million is special assessment bonds which were issued to improve access to the City's urban center.

The City currently maintains a rating of "AA+" with Standard and Poor's and Fitch's Investor Service, and "Aa3" with Moody's for its general obligation debt.

The following schedule summarizes the City's long-term debt:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 109,595,000	\$ 113,895,000	\$ -	\$ -	\$ 109,595,000	\$ 113,895,000
General obligation- direct placement/borrowings	5,252,000	6,746,000	-	-	5,252,000	6,746,000
Revenue bonds	-	-	515,144	677,704	515,144	677,704
Premium on bonds issued	8,925,467	9,544,638	-	-	8,925,467	9,544,638
Special assessment bonds	2,285,000	2,685,000	-	-	2,285,000	2,685,000
Public Works Trust Fund Loans	-	-	902,817	1,476,233	902,817	1,476,233
Due to other governments	4,191,954	4,383,790	-	-	4,191,954	4,383,790
	\$ 130,249,421	\$ 137,254,428	\$ 1,417,961	\$ 2,153,937	\$ 131,667,382	\$ 139,408,365

More detailed information on long-term debt, including debt limitations, is provided in Note 10 to the financial statements.

ECONOMIC FACTORS AND THE UPCOMING BIENNIAL BUDGET

Tukwila has a strong business community, largely due to its central location in the Puget Sound region. Tukwila is located at the intersection of one of the State's busiest interchanges (I-5 and I-405) and has excellent public transportation including a commuter train, light rail, and multiple bus routes including two Rapid Ride lines. The City also has quick, easy access to Sea-Tac International Airport, King County International Airport, the Ports of Seattle and Tacoma, and downtown Seattle.

Tukwila has a very strong retail sector. Anchored by Westfield Southcenter, which is the largest mall in the Pacific Northwest, the City has become a retail, restaurant, and entertainment hub. The City also has a high concentration of light industrial jobs across many sectors and particularly aerospace. It is also home to hundreds of small businesses, many of which are owned by members of Tukwila's diverse international community.

The effects of the pandemic that started in early 2020 continue to impact local economies, including Tukwila's. Revenues such as sales taxes and lodging taxes have rebounded; both revenue streams were significantly impacted during the early part of the pandemic due to shutdowns. It should be noted that the increase in sales tax is primarily due to inflation, and not to increased sales volume. Continued remote working and ecommerce shopping has prolonged the recovery for Tukwila. Over time, revenues have slowly recovered, with some returning to pre-pandemic levels. With this recovery, however, historically high inflation has pushed program and service costs even higher. Additionally, federal funding from the American Rescue and Recovery Act (ARPA) will be ending at the end of 2024, making it more difficult to maintain existing levels of City programs and services without increasing existing revenue streams or adding new ones to the mix.

Although the Tukwila economy continues to improve from the effects of the COVID-19 pandemic, the City still faces some challenges entering 2024 and the upcoming 2025-2026 biennium. Federal, state and county governments continue to devolve services down to cities and there is no evidence that the trajectory will slow or change anytime soon. In Addition, the historically high inflation will continue to impact all expenditure types throughout the City, which will cause additional pressures on limited resources. At the same time, some of the City's revenues are still recovering from the effects of the pandemic and are not rising at the same pace as expenditures. It is with these challenges in mind that the City will vigilantly strive to monitor and control expenses in order to remain within the City's means.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Tukwila's finances for readers with an interest in the City's finances. Questions concerning this report, or requests for additional information, may be addressed to the Finance Director, City of Tukwila, 6200 Southcenter Blvd, Tukwila, WA 98188-2544.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF NET POSITION
 DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 36,703,750	\$ 21,482,589	\$ 58,186,340
Investments	15,069,598	5,796,660	20,866,257
Restricted cash and cash equivalents	1,628,554	160,417	1,788,970
Taxes receivable	1,954,635	-	1,954,635
Other receivables	1,006,127	1,950,475	2,956,603
Intergovernmental receivable	6,412,026	238,521	6,650,547
Leases receivable	134,347	-	134,347
Internal balances	(966,375)	966,375	-
Inventory of materials and supplies	170,978	66,257	237,235
Notes receivable - Current	10,265	-	10,265
Notes receivable - Noncurrent	1,867,209	18,924	1,886,134
Real property held for resale	370,410	-	370,410
Net Pension asset	15,700,293	1,027,061	16,727,354
Investment in joint ventures	11,598,257	-	11,598,257
Capital assets not being depreciated	78,649,577	4,021,676	82,671,253
Capital assets, net of accumulated depreciation/amortization	245,589,146	73,563,789	319,152,935
Total Assets	415,898,797	109,292,745	525,191,542
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related	13,429,281	803,452	14,232,733
OPEB related	449,737	-	449,737
Deferred charge on refunding	-	12,376	12,376
Total Deferred Outflows Of Resources	13,879,018	815,828	14,694,846
LIABILITIES:			
Accounts payable	2,315,912	114,848	2,430,760
Accrued wages and benefits payable	1,455,344	182,798	1,638,142
Accrued interest payable	535,358	3,638	538,996
Unearned revenue	1,982,084	16,265	1,998,349
Long-term liabilities			
Due within one year: Bonds, notes, claims, leases, subscription based IT agreements, OPEB, compensated absences	9,777,546	1,079,824	10,857,370
Due in more than one year:			
Net pension liability	1,950,407	450,685	2,401,092
Total OPEB liability	4,641,640	-	4,641,640
Bonds, notes, leases, claims, subscriptions based IT agreements, compensated absences	129,961,761	1,072,609	131,034,369
Total Liabilities	152,620,052	2,920,666	155,540,718
DEFERRED INFLOWS OF RESOURCES:			
Pension related	5,513,445	605,258	6,118,703
Lease related	129,500	-	129,500
Deferred revenue-other	402,088	-	402,088
Total Deferred Inflows Of Resources	6,045,032	605,258	6,650,290
NET POSITION:			
Net investment in capital assets	196,460,485	76,179,881	272,640,366
Restricted for:			
Debt service	1,735,429	-	1,735,429
Tourism promotion	3,069,355	-	3,069,355
Arterial street improvements	1,424,543	-	1,424,543
Drug investigation and enforcement	340,970	-	340,970
Land and park acquisition, development	3,823,452	-	3,823,452
Pension Asset	22,994,367	1,261,911	24,256,278
Unrestricted net position	41,264,130	29,140,857	70,404,987
Total Net Position	\$ 271,112,731	\$ 106,582,649	\$ 377,695,380

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Government						
	--Expenses--	----- Program revenues -----			-Net (Expense) Revenue and Changes in Net Position-		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS / PROGRAMS:							
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 15,092,500	\$ 9,368,454	\$ 1,819,649	\$ -	\$ (3,904,396)	\$ -	\$ (3,904,396)
Public safety	33,190,709	3,396,090	412,458	-	(29,382,161)	-	(29,382,161)
Transportation	15,428,634	1,459,071	245,642	1,702,962	(12,020,958)	-	(12,020,958)
Natural and economic environment	7,013,570	3,497,508	877,240	170,556	(2,468,267)	-	(2,468,267)
Culture and recreation	6,200,186	1,471,954	446,738	-	(4,281,493)	-	(4,281,493)
Interest on long-term debt	4,190,257	-	-	-	(4,190,257)	-	(4,190,257)
Total Governmental Activities	81,115,855	19,193,077	3,801,728	1,873,518	(56,247,532)	-	(56,247,532)
BUSINESS-TYPE ACTIVITIES:							
Water	6,906,666	7,844,404	-	32,104	-	969,842	969,842
Sewer	8,827,989	10,049,854	-	40,800	-	1,262,665	1,262,665
Surface water	4,907,747	7,755,433	1,637	607,717	-	3,457,040	3,457,040
Foster golf course	2,561,419	2,497,754	-	-	-	(63,665)	(63,665)
Total Business-Type Activities	23,203,822	28,147,445	1,637	680,622	-	5,625,882	5,625,882
Total Primary Government	\$ 104,319,677	\$ 47,340,522	\$ 3,803,365	\$ 2,554,140	\$ (56,247,532)	\$ 5,625,882	\$ (50,621,650)

General Revenues:

Taxes

Property taxes	\$ 22,156,679	\$ -	\$ 22,156,679
Retail sales and use taxes	22,851,709	-	22,851,709
Hotel/motel taxes	971,162	-	971,162
Utility taxes	5,432,796	-	5,432,796
Interfund utility taxes	2,567,243	-	2,567,243
Business taxes	1,625,073	-	1,625,073
Excise Taxes	5,465,302	-	5,465,302
Unrestricted investment earnings	2,495,712	1,287,325	3,783,037
Miscellaneous	2,285,888	56,507	2,342,395
Total General Revenues	65,851,564	1,343,832	67,195,396
Excess of revenues over expenses before transfers and special item	9,604,032	6,969,714	16,573,746
Transfers	1,752,366	(1,752,366)	-
Special Item - Transfer of Fire Operations	(3,234,674)	-	(3,234,674)
Change in net position	8,121,723	5,217,349	13,339,072
Net position - beginning	262,991,008	101,365,300	364,356,308
Net position-ending	\$ 271,112,731	\$ 106,582,649	\$ 377,695,380

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

CITY OF TUKWILA, WASHINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and cash equivalents	\$ 8,901,073	\$ 4,138,685	\$ 535,318	\$ 1,059,722	\$ 1,513,818	\$ 12,188,079	\$ 28,336,695
Investments	15,069,598	-	-	-	-	-	15,069,598
Taxes receivable	1,581,164	373,471	-	-	-	-	1,954,635
Other receivables	468,635	293,351	-	-	-	-	761,986
Leases receivable	134,347	-	-	-	-	-	134,347
Due from other governmental units	5,480,515	302,734	-	165,000	-	415,146	6,363,395
Restricted assets:							
Cash and cash equivalents	-	1,424,543	-	-	-	204,010	1,628,554
Special assessment receivable	-	-	1,867,209	-	-	-	1,867,209
Notes receivable - Current	10,265	-	-	-	-	-	10,265
Real property held for resale	-	-	-	-	-	370,410	370,410
Total Assets	\$ 31,645,597	\$ 6,532,784	\$ 2,402,527	\$ 1,224,722	\$ 1,513,818	\$ 13,177,645	\$ 56,497,093
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:							
Liabilities:							
Accounts payable	1,464,303	275,878	-	-	312,184	136,573	2,188,936
Accrued wages & benefits	1,414,838	19,786	-	-	-	3,680	1,438,303
Unearned revenue	1,982,084	-	-	-	-	-	1,982,084
Due to other funds	966,375	-	-	-	-	-	966,375
Other liabilities	286,643	74,904	-	300	-	21,895	383,742
Total Liabilities	6,114,241	370,567	-	300	312,184	162,148	6,959,439
Deferred inflow of resources							
Unavailable revenue-special assessment	-	-	1,867,209	-	-	-	1,867,209
Unavailable revenue-property tax, other	410,628	-	-	-	-	106,065	516,692
Deferred revenue-leases	129,500	-	-	-	-	-	129,500
Total Deferred Inflow Of Resources	540,127	-	1,867,209	-	-	106,065	2,513,401
Fund balance:							
Restricted:							
Hotel/motel tax	-	-	-	-	-	3,069,355	3,069,355
Arterial street capital improvements	-	1,424,543	-	-	-	-	1,424,543
Drug investigation and enforcement	-	-	-	-	-	340,970	340,970
Park and land acquisition/development	-	-	-	-	-	3,823,452	3,823,452
Debt service guaranty fund	-	-	-	-	-	788,243	788,243
Debt service public safety plan	-	-	-	-	-	481,683	481,683
Local Improvement District	-	-	535,318	-	-	-	535,318
Assigned:							
Residential street improvements	-	-	-	-	-	1,422,929	1,422,929
Arterial street improvements	-	4,737,674	-	-	-	-	4,737,674
Land & park acquisition	-	-	-	-	-	144,231	144,231
Facilities & urban renewal	-	-	-	-	-	2,195,136	2,195,136
General government improvements	-	-	-	-	-	425,712	425,712
Public safety facilities	-	-	-	1,224,422	-	-	1,224,422
City facilities	-	-	-	-	1,201,634	-	1,201,634
1% Arts	-	-	-	-	-	217,722	217,722
Technology	537,773	-	-	-	-	-	537,773
Shoreline Restoration	93,849	-	-	-	-	-	93,849
Unassigned	24,359,607	-	-	-	-	-	24,359,607
Total Fund Balance	24,991,228	6,162,217	535,318	1,224,422	1,201,634	12,909,433	47,024,252
Total Liabilities, Deferred Inflows And Fund Balances	\$ 31,645,597	\$ 6,532,784	\$ 2,402,527	\$ 1,224,722	\$ 1,513,818	\$ 13,177,645	\$ 56,497,093

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

CITY OF TUKWILA, WASHINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Total Governmental Funds
Amounts reported for governmental activities in the statement of net position are different because:	
Total governmental fund balances as reported on this statement	\$ 47,024,252
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	
Non-depreciable assets	78,649,577
Depreciable assets (net)	240,454,662
Internal service fund assets	<u>5,134,484</u>
	324,238,723
The net pension asset is not an available resource and, therefore, is not reported in the funds.	15,700,293
Deferred outflows - pension related	13,429,281
Deferred outflows - OPEB related	449,737
Deferred inflows - pension related	<u>(5,513,445)</u>
	8,365,573
The City has an equity interest in two joint ventures. This equity interest for the provision of governmental services is not a current financial resource and therefore is not reported in the funds.	11,598,257
Revenue that was not collected within the recognition period and therefore was not available to pay current liabilities:	
Unavailable revenue reported for property tax and other receivables	114,605
Unavailable revenue reported for special assessment	<u>1,867,209</u>
	1,981,814
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long term liabilities due within one year	(7,395,967)
Long term liabilities due in more than one year	(128,004,603)
Lease liabilities payable	(189,364)
Subscription Based IT Agreement (SBITA) liabilities payable	(1,804,284)
Unfunded other post employment benefits (OPEB)	(5,058,252)
Accrued interest payable	<u>(523,993)</u>
	(142,976,463)
Internal service funds are used by management to charge the cost of certain activities, such as health insurance and fleet maintenance, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.	5,180,283
Net Position of Government Activities as Reported on the Statement of Net Position	\$ 271,112,731

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 52,387,938	\$ 1,940,464	\$ -	\$ 500,390	\$ -	\$ 6,312,086	\$ 61,140,878
Licenses and permits	6,321,147	46,173	-	-	-	-	6,367,320
Intergovernmental	7,620,041	1,710,530	-	-	-	737,859	10,068,430
Charges for services	3,806,905	810,328	-	300,000	-	1,731,121	6,648,353
Fines and forfeitures	311,630	11,081	-	-	-	-	322,710
Investment earnings	1,077,390	266,657	113,883	50,212	26,709	544,060	2,078,911
Special assessments	-	-	382,843	-	-	-	382,843
Miscellaneous	486,216	453,234	327	-	-	(296,496)	643,281
Total Revenues	72,011,266	5,238,466	497,053	850,602	26,709	9,028,630	87,652,727
EXPENDITURES:							
Current:							
General government	10,280,988	-	-	-	26,997	150,716	10,458,700
Public safety	37,773,695	-	-	(1,700)	-	188,493	37,960,489
Transportation	4,987,790	2,578,819	-	-	-	445,616	8,012,225
Natural and economic environment	5,783,354	-	-	-	-	414,803	6,198,158
Culture and recreation	5,184,824	-	-	-	-	345,535	5,530,360
Debt service:							
Principal	776,163	-	400,000	-	-	5,794,000	6,970,163
Interest	78,855	-	144,188	-	-	4,494,116	4,717,159
Capital outlay	3,654,499	2,031,923	-	-	2,757,444	270,327	8,714,193
Total Expenditures	68,520,169	4,610,742	544,188	(1,700)	2,784,441	12,103,605	88,561,445
Excess (deficiency) of revenues Over (Under) Expenditures	3,491,098	627,725	(47,135)	852,302	(2,757,732)	(3,074,975)	(908,718)
OTHER FINANCING SOURCES (USES):							
Transfers in	1,323,249	-	-	699,274	2,000,000	6,128,049	10,150,571
Transfers out	(5,375,683)	-	-	(1,319,019)	-	(1,703,504)	(8,398,206)
Lease and subscription financing	2,561,209	-	-	-	-	-	2,561,209
Total Other Financing Sources And Uses	(1,491,225)	-	-	(619,745)	2,000,000	4,424,545	4,313,575
Net change in fund balances	1,999,873	627,725	(47,135)	232,556	(757,732)	1,349,570	3,404,857
Fund balances - Beginning	22,991,356	5,534,493	582,452	991,865	1,959,366	11,559,864	43,619,395
Fund Balances - Ending	\$ 24,991,228	\$ 6,162,217	\$ 535,318	\$ 1,224,422	\$ 1,201,634	\$ 12,909,433	\$ 47,024,252

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

CITY OF TUKWILA, WASHINGTON
**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, 2023

Net change in fund balances per the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,404,857

Amount reported as change in net position 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. In the current period, these amounts are:

Capital Outlay	8,714,193	
Capital asset disposal	(1,095,749)	
Depreciation Expense (excludes internal service fund depreciation which is reflected in internal service fund change in net position listed below)	<u>(11,227,830)</u>	
Excess of Capital Outlay Over Depreciation Expense		(3,609,386)

The net effect of various transactions involving the City's pension plans are:

Increase in pension contribution revenue	468,955	
Reduction in Pension liability and expense	<u>3,298,491</u>	3,767,446

The City has equity interests in two joint ventures. The equity interests for the provision of governmental services are not current financial resources and therefore are not reported in the funds.

467,854

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Bond principal retirement	6,970,163	
Amortization expense	<u>619,171</u>	7,589,334

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

General Obligation Bonds issued		(2,369,373)
---------------------------------	--	-------------

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The change in net position of internal service funds is reported with governmental activities. (3,091,998)

Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the government funds. Changes this year are for:

Miscellaneous receivables	79,372	
Property taxes	(70,914)	
Special assessment	<u>(382,843)</u>	(374,385)

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.

These activities consist of:

Increase in accrued interest	12,547	
Increase in compensated absences	886,344	
Change in OPEB Liability	<u>1,438,485</u>	
Total additional expense (increase) decrease		2,337,376

Change In Net Position On The Statement Of Activities	\$ 8,121,723
--	---------------------

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Svc Funds
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 2,733,714	\$ 8,964,350	\$ 2,117,841	\$ 7,666,684	\$ 21,482,589	\$ 8,367,055
Investments	954,993	2,893,597	-	1,948,069	5,796,660	-
Other Receivables	630,171	912,984	20,044	387,276	1,950,475	244,142
Due from other governmental units	-	-	-	238,521	238,521	48,632
Inventory of materials and supplies	-	-	66,257	-	66,257	170,978
Restricted cash and cash equivalents	20,850	-	139,567	-	160,417	-
Total Current Assets	4,339,729	12,770,931	2,343,709	10,240,550	29,694,919	8,830,806
Noncurrent Assets:						
Notes receivable	-	18,924	-	-	18,924	-
Due from other funds	-	966,375	-	-	966,375	-
Net Pension asset	198,080	262,648	218,326	348,008	1,027,061	95,757
Capital Assets:						
Land	87,347	69,525	1,609,575	584,522	2,350,969	-
Building	1,416,567	4,006,475	6,627,496	3,724,281	15,774,819	-
Other improvements	29,856,287	17,533,725	3,599,021	59,223,056	110,212,089	-
Machinery and equipment	874,032	2,107,818	1,198,198	56,139	4,236,187	11,284,299
Leased Assets	-	-	-	-	-	2,291,750
Less: accumulated depreciation	(14,690,506)	(10,564,233)	(8,633,860)	(22,770,707)	(56,659,306)	(8,441,566)
Construction in progress	221,003	337,894	-	1,111,810	1,670,707	-
Total Capital Assets (Net Of A/D)	17,764,729	13,491,204	4,400,431	41,929,102	77,585,466	5,134,484
Total Noncurrent Assets	17,962,809	14,739,150	4,618,757	42,277,110	79,597,826	5,230,241
Total Assets	22,302,538	27,510,081	6,962,466	52,517,660	109,292,745	14,061,048
Deferred Outflows of Resources						
Deferred pension	157,285	202,031	171,996	272,140	803,452	76,416
Deferred Loss on Refunding	3,218	7,673	-	1,485	12,376	-
Total Deferred Outflows Of Resources	160,503	209,704	171,996	273,625	815,828	76,416
LIABILITIES:						
Current liabilities:						
Accounts payable	(158,730)	83,249	123,871	66,458	114,848	126,976
Accrued wages and benefits	31,220	48,416	37,991	65,171	182,798	17,041
Accrued interest payable	496	2,264	-	877	3,638	11,365
Lease liability due within one year	-	-	-	-	-	410,531
Unearned revenue	16,082	-	-	183	16,265	-
Other current liabilities	33,675	2,000	185,479	39,496	260,650	576,400
Due to other governments	80,626	233,436	-	259,356	573,417	-
Compensated absences	17,247	24,366	2,937	33,844	78,394	-
Revenue bond payable	43,514	103,765	-	20,084	167,363	-
Total Current Liabilities	64,130	497,496	350,277	485,469	1,397,372	1,142,313
Noncurrent liabilities:						
Reserve for unreported claims	-	-	-	-	-	864,600
Lease liability due in more than one year	-	-	-	-	-	1,601,592
Revenue bonds payable	90,423	215,624	-	41,734	347,781	-
Net pension liability	86,920	115,252	95,804	152,709	450,685	42,019
Compensated absences	97,412	205,061	88,844	4,111	395,428	-
Due to other governments	-	329,400	-	-	329,400	-
Total Noncurrent Liabilities	274,754	865,338	184,647	198,554	1,523,294	2,508,211
Total Liabilities	338,885	1,362,834	534,925	684,023	2,920,666	3,650,523
Deferred Inflows of Resources						
Deferred inflow pension earnings	129,098	130,687	141,045	204,429	605,258	71,909
Total Deferred Inflows Of Resources	129,098	130,687	141,045	204,429	605,258	71,909
NET POSITION:						
Investment in capital assets	17,553,384	12,616,652	4,400,431	41,609,414	76,179,881	3,122,362
Restricted for Pension Assets	243,373	322,705	268,248	427,584	1,261,911	117,653
Unrestricted	4,198,302	13,286,908	1,789,813	9,865,835	29,140,857	7,175,017
Total Net Position	\$ 21,995,059	\$ 26,226,265	\$ 6,458,493	\$ 51,902,833	\$ 106,582,649	\$ 10,415,031

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES:						
Charges for services	\$ 7,851,541	\$ 10,049,854	\$ 2,370,028	\$ 7,755,433	\$ 28,026,856	\$ 8,095,508
Other operating revenue	5,599	-	156,188	-	161,787	149,204
Total Operating Revenues	7,857,140	10,049,854	2,526,216	7,755,433	28,188,643	8,244,712
OPERATING EXPENSES:						
Operating & maintenance	4,088,993	5,432,351	1,992,367	965,801	12,479,512	7,440,207
Administrative and general	1,082,954	1,764,654	219,309	1,937,935	5,004,851	552,673
Taxes	1,130,138	1,147,104	5,270	897,280	3,179,792	-
Depreciation and amortization	598,866	468,313	344,474	1,102,521	2,514,173	989,272
Total Operating Expenses	6,900,951	8,812,422	2,561,419	4,903,536	23,178,328	8,982,152
Operating Income (Loss)	956,189	1,237,432	(35,203)	2,851,897	5,010,315	(737,440)
NON-OPERATING REVENUE (EXPENSE):						
Investment earnings	218,990	597,865	72,111	398,360	1,287,325	416,801
Interest expense	(5,715)	(15,567)	-	(4,211)	(25,493)	(104,816)
Gain (loss) on disposal of capital assets	(7,137)	-	22,446	-	15,309	285,823
Other non-operating revenue	-	-	-	1,637	1,637	-
Total Non-Operating Revenue (Expense)	206,137	582,298	94,557	395,786	1,278,778	597,807
Income (Loss) Before Contributions & Transfers	1,162,326	1,819,730	59,354	3,247,683	6,289,093	(139,633)
Capital contributions	32,104	40,800	-	607,717	680,622	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(697,804)	(389,949)	-	(964,612)	(2,052,366)	-
Special Item - Transfer of Fire Operations	-	-	-	-	-	(2,952,366)
Change in Net Position	496,626	1,470,581	359,354	2,890,788	5,217,349	(3,091,998)
Total net position - beginning	21,498,433	24,755,684	6,099,139	49,012,044	101,365,300	13,507,030
Total Net Position - ending	\$ 21,995,059	\$ 26,226,265	\$ 6,458,493	\$ 51,902,833	\$ 106,582,649	\$ 10,415,031

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Page 1 of 2

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 7,645,966	\$ 9,987,624	\$ 2,521,026	\$ 7,683,121	\$ 27,837,737	\$ 7,995,861
Cash paid to supplier	(4,214,730)	(5,234,570)	(824,714)	(1,014,409)	(11,288,423)	(1,622,411)
Cash paid for taxes	(1,130,138)	(1,147,104)	(5,270)	(897,280)	(3,179,792)	-
Cash paid to or on behalf of employees	(932,156)	(1,298,057)	(1,165,907)	(1,669,253)	(5,065,373)	(6,220,929)
Interfund activity - payments to other funds	(755,347)	(649,733)	(219,309)	(666,842)	(2,291,231)	(552,673)
Other cash received	5,599	-	16,998	-	22,597	85
Net Cash Provided (Used)						
By Operating Activities	619,193	1,658,159	322,825	3,435,338	6,035,516	(400,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Interfund loan receivable	-	(28,453)	-	-	(28,453)	-
Operating grant received	-	-	-	1,637	1,637	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(697,804)	(389,949)	-	(964,612)	(2,052,366)	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(697,804)	(418,402)	300,000	(962,975)	(1,779,181)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchase of capital assets	(1,589,160)	(275,813)	(113,896)	(467,611)	(2,446,480)	(1,850,682)
Contributed capital	32,104	40,800	-	-	72,904	-
Capital grants	-	-	-	746,056	746,056	-
Principal payment on debt	(122,891)	(334,223)	-	(278,863)	(735,977)	(251,333)
Proceeds from lease financing	-	-	-	-	-	1,707,785
Interest payment on debt	(6,033)	(16,444)	-	(5,006)	(27,483)	(95,073)
Proceeds from sale of equipment	(7,137)	-	22,446	-	15,309	354,474
Net Cash Provided (used) for Capital And Related Financing Activities	(1,693,116)	(585,680)	(91,450)	(5,424)	(2,375,671)	(134,828)
CASH FLOW FROM INVESTING ACTIVITIES:						
Interest received	195,039	524,763	72,111	361,479	1,153,392	416,801
Net Cash Provided (Used) In Investing Activities	195,039	524,763	72,111	361,479	1,153,392	416,801
Net increase (decrease) in cash and Cash equivalents	(1,576,688)	1,178,839	603,485	2,828,419	3,034,055	(118,095)
Cash and cash equivalents-beginning of year	4,331,252	7,785,511	1,653,923	4,838,266	18,608,951	8,485,150
Cash And Cash Equivalents- end of year	2,754,564	8,964,350	2,257,408	7,666,684	21,643,006	8,367,055
Cash at end of year consists of:						
Cash and cash equivalents	2,733,714	8,964,350	2,117,841	7,666,684	21,482,589	8,367,055
Restricted cash-customer deposits	20,850	-	139,567	-	160,417	-
Total Cash and cash equivalents	\$ 2,754,564	\$ 8,964,350	\$ 2,257,408	\$ 7,666,684	\$ 21,643,006	\$ 8,367,055

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Page 2 of 2

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 956,189	\$ 1,237,432	\$ (35,203)	\$ 2,851,897	\$ 5,010,315	\$ (737,440)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:						
Depreciation	598,866	468,313	344,474	1,102,521	2,514,173	989,272
Asset (increase) decrease:						
Accounts receivable	(196,575)	(64,230)	(18,174)	(72,489)	(351,469)	(248,767)
Inventory and other	-	-	3,168	-	3,168	(111,336)
Deferred outflow of resources (increase) decrease	11,994	22,808	38,751	81,062	154,615	38,715
Liability increases (decreases):						
Accounts payable	(539,284)	18,511	93,886	(208,253)	(635,140)	(246,505)
Other liabilities	(122,045)	2,000	29,983	(68,638)	(158,701)	-
Wages & benefits payable	13,456	114,564	(4,831)	(33,248)	89,942	(14,353)
Deferred inflow of resources increase (decrease)	(103,406)	(141,238)	(129,228)	(217,514)	(591,387)	(69,654)
Total Adjustments	(336,995)	420,727	358,028	583,441	1,025,201	337,372
Net Cash Provided (Used) By Operating Activities	\$ 619,193	\$ 1,658,159	\$ 322,825	\$ 3,435,338	\$ 6,035,516	\$ (400,068)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Capital assets acquired by contributed capital	\$ -	\$ -	\$ -	\$ (138,338)	\$ (138,338)	\$ -
Increase (decrease) in fair value of investment	23,950	73,102	-	36,881	133,934	-
Total Non Cash investing, Capital and Financing Activities	\$ 23,950	\$ 73,102	\$ -	\$ (101,457)	\$ (4,405)	\$ -

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS:		
Cash and cash equivalents	\$ 1,649,466	\$ 173,606
Customer accounts	-	10,001
Total Assets	1,649,466	183,607
LIABILITIES:		
Accounts and other payables	-	176,795
Total Liabilities	-	176,795
NET POSITION:		
Restricted for pensions	1,649,466	-
Restricted for individuals, organizations and other governments	-	6,812
Total Net Position	\$ 1,649,466	\$ 6,812

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS:		
Contributions from nonemployer entities:		
Fire Insurance Premiums Transferred in	\$ 86,708	\$ -
Investment earnings/(loss)	76,006	-
Total Additions	162,714	-
DEDUCTIONS:		
Benefit payments	79,356	-
Total Deductions	79,356	-
Change In Net Position	83,358	-
Net position - beginning	1,566,108	6,812
Net position - ending	\$ 1,649,466	\$ 6,812

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Tukwila conform to generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described in this note.

A. The Reporting Entity

The City of Tukwila was incorporated on June 23, 1908 and operates under the laws of the State of Washington applicable to a non-charter optional code city with a Mayor/Council form of government. Tukwila is served by a Mayor and seven councilmembers, all elected at large to four-year terms. The City provides what are considered general government services including public safety (police and fire), streets, parks, planning and zoning, permits and inspection, general administrative, water services, sanitary sewer collection, and storm drainage.

The City of Tukwila has no component units (either blended or discretely presented) included in these statements.

B. Basis of Presentation

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.

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses.

The statements distinguish between governmental activities and business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program activity of the City. Direct expenses are those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Indirect costs are included in the program expense reported for individual functions and activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

For identifying which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type. While fiduciary funds are excluded from the government-wide statements, they are included in the fund financial statements.

C. Fund Accounting

The accounts of the City are organized on the basis of funds; each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that are comprised of assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance, revenues and expenditures or expenses, as appropriate. The City's resources are allocated to - and accounted for - in individual funds according to the purpose for which they are spent and how they are controlled. There are three categories of funds: *governmental*, *proprietary* and *fiduciary*.

Governmental Funds

All governmental funds are accounted for on a "flow of current financial resources" measurement focus. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements focus on measuring changes in current financial position, rather than net income; they present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. The following are the City's major governmental funds:

- The general fund accounts for all the City's financial resources except those required by statute or generally accepted accounting principles to be accounted for in another fund. As is the case with most municipalities, the general fund is the largest and most important accounting entity of the City. The general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.
- The Arterial Street fund was established in accordance with RCW 82.36.020 for the administration of the State-levied motor vehicle half-cent gasoline tax distributed to Tukwila and is used primarily to account for capital arterial street projects. In addition to the State-levied motor vehicle gasoline tax, other revenue includes state and federal grants, impact fees, and transfers in from the general fund.
- The Local Improvement District (LID) #33 accounts for assessments related to the LID and provides payment to the Fiscal Agent for principal and interest on bonds issued in November 2013.
- The Public Safety Plan fund was established in 2016 after voters approved a \$77.4 million bond measure to construct a justice center, rebuild 3 fire stations, and provide for life-cycle replacement of fire department apparatus and equipment.
- The City Facilities fund was established in 2016 to account for costs of building a new public works shop facility. The public works shop facility is part of the City's public safety plan but is not included in the voter-approved bonds.

The other governmental funds of the City account for the proceeds of specific revenue sources that are segregated to ensure that expenditures are made exclusively for qualified purposes.

Proprietary Funds

The City of Tukwila maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds are accounted for on a “flow of economic resources” measurement focus. This means all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues and gains) and decreases (expenses and losses) in net position. Proprietary funds measurement focus is based upon determination of net income, financial position, and cash flows.

Proprietary funds 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. The principal operating revenues of the City’s enterprise and internal service funds are charges to the City’s internal and external customers for sales and services. Operating expenses for the 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.

Restricted assets shown in the government-wide financial statements and the proprietary funds balance sheet include monies reserved for payment of revenue bond debt, and deposits held for utility and golf course customer accounts. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

The City’s enterprise funds account for utility and golf course operations, which are self-supported through user charges. The enterprise activities are 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. The City’s major enterprise funds are as follows:

- Water Utility Fund accounts for operations and capital improvements to provide water services to the City.
- Sewer Utility Fund accounts for operations and capital improvements to provide sanitary sewer services to the City.
- Foster Golf Course Fund is used to account for the operation, maintenance, and improvements of the municipal golf course facility.
- Surface Water Utility Fund accounts for the operations and capital improvements for the City’s storm drainage and surface water management function.

The City has three internal service funds. The Equipment Rental Fund is used to account for the costs of maintaining and replacing all City vehicles and auxiliary equipment. All equipment costs, including depreciation, are factors in calculating the rates charged to each user department. The Insurance and Insurance – LEOFF I Funds are used to account for the costs of the City’s self-insured medical plan for active employees and retired LEOFF I employees respectively. Medical and dental costs for covered employees are charged to the respective user departments. All premiums, medical and dental costs and ancillary charges are included.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The City has two fiduciary funds, Firemen’s Pension Trust Fund and Custodial Fund. The Firefighters’ Pension Fund accounts for a single-employer defined benefit system established under Washington State law to provide pension benefits for eligible firefighters. Although this pension plan has subsequently been replaced by the Washington State Law Enforcement Officers’ and Fire Fighters’ Pension System, firefighters hired prior to March 1, 1970 continue to be eligible for benefits under the provisions of the earlier law. Revenues received by the fund include proceeds of a state-imposed tax on fire insurance premiums. The

custodial fund functions primarily as a clearing mechanism for cash resources that are collected by the City, held for a period of time, and then disbursed to authorized recipients. Examples include sales tax and leasehold tax collected by the City then remitted to the State of Washington and court remittances due to King County and the State of Washington. Fiduciary funds are excluded from the government-wide financial statements.

D. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflow of resources, liabilities, and deferred inflow of resources associated with the operation of the City are included on the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflow of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the government activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds.

Like the government-wide statements, all proprietary and internal service fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting refers to the recognition of revenues and expenditures or expenses in the accounts and reporting them in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. The modified accrual basis of accounting is followed in all governmental funds of the City. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay current liabilities. For the City, available means expected to be received within sixty (60) days of year-end. The primary accrued revenues that meet these criteria are sales, real estate, and utility taxes.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales and use taxes, admission taxes, gambling taxes, utility taxes, hotel/motel taxes, grants, entitlements, and donations. These revenues are on an accrual basis. On the accrual basis, the revenue is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 3 on receivables).

Other Revenue Sources

Revenue sources which are not considered to meet the measurable and available criteria for revenue recognition include licenses and permits, fines and forfeitures, and other miscellaneous revenues since they are generally not measurable until received.

Under the modified accrual basis, expenditures are recorded when the fund liability is incurred, except for principal and interest on general long-term debt and vacation and sick pay which are recorded when paid.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements via the process of consolidation. Internal service fund and similar internal activity has also been eliminated from the government-wide statement of activities, so expenses are not reported twice. Exceptions to this general rule are payments for interfund services provided and used, such as between the City's water, sewer, and surface water functions and various other functions of the City, which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported on the government-wide statements as program revenues include charges to customers or applicants for goods, operating grants and contributions, and capital grants and contributions. General revenues include all taxes. The accrual basis of accounting is followed in all proprietary funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. All assets and liabilities are recorded in the fund.

F. Budgets and Budgetary Accounting

The City of Tukwila budgets its funds in accordance with the Revised Code of Washington 35A.33. In compliance with the code, biennial budgets are adopted for the general fund and special revenue funds. For governmental funds, there are no substantial differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for biennially budgeted governmental funds only. Budgets established for proprietary and fiduciary funds are "management budgets" and are not legally required to be reported and, as such, are not reported in the Annual Comprehensive Financial Report.

The biennial appropriated budgets are adopted at the fund level and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure records are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Any unexpended appropriation balances lapse at the end of the biennium.

The City of Tukwila's budget procedures are mandated by RCW 35A.33. The steps in the budget process are as follows:

- 1) Prior to November 1 on even numbered years, the Mayor submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by the City departments during the preceding months and balanced with revenue estimates made by the Mayor.
- 2) The City Council conducts public hearings on the proposed budget in November. Public hearings are also held in December, if necessary.
- 3) The Council makes its adjustments to the proposed budget and adopts by ordinance a final balanced budget no later than December 31.
- 4) The final operating budget as adopted is published and distributed within the first month of the following year. Copies of the budget are made available to the public.

The City Council must approve, by ordinance, any amendments that increase the total for the fund. Budget amounts presented in the financial schedules include both the original amounts and the final amended budget as approved by the City Council. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

Expenditure Categories

General Government	Includes administration, finance, municipal court, attorney, and city clerk activities.
Public Safety	Includes all police and fire activities.
Transportation	Includes all residential and arterial street maintenance and construction.
Natural and Economic Environment	Reflects all planning and building inspection as well as environmental and community services.
Culture and Recreation	Includes expenditures related to parks and recreational activities.

G. Assets, Liabilities, and Fund Equity**Cash and Cash Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are held separately by each fund with interest earned directly for the benefit of each fund. Investments are reported in the financial statements at fair value, based on quoted prices in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Washington State statutes provide for the City to hold investments consisting of obligations of the Federal Government, repurchase agreements, prime banker's acceptances, and time certificates of deposit. Additional deposit and investment information is presented in Note 2.

Notes Receivable

Notes receivable in the enterprise funds consists of sewer connection fees due from customers to the utility. In the governmental funds, it consists primarily of the special assessment.

Amounts Due to and From Other Funds and Governments, Interfund Loans and Advances Receivable

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." As of December 31, 2023, there is one interfund loan outstanding from the sewer fund to the general fund for the purchase of a fire engine.

The non-current portion of interfund loans in the general fund and advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. See Note 4 on interfund transactions.

Special Assessments

Special assessments are amounts levied against benefited properties to recover costs associated with the construction of Local Improvement District (LID) projects. A lien is recorded against benefited properties until the assessment has been paid. Special assessments receivable represents all outstanding assessment amounts including current assessments billed but not collected, delinquent assessments unpaid at year-end, and special assessment amounts due in future years, which are recorded in a deferred inflow of resources account in the fund financial statements. Since special assessments are secured by liens against related properties, no allowance for uncollectible amounts is made.

Inventories

Inventory is defined as items purchased for resale to external customers or other City departments or supplies and small tools used in normal operations that are considered material in amount. The inventory amount on this year's financial statements reflect only those items that will be resold. Inventory held for resale is valued at lower of cost or market and there is a physical inventory count taken annually at year-end.

Governmental funds use the purchase method whereby inventory items are considered expenditures when purchased.

Real Property Held for Resale

Governmental funds do not report property, plant, and equipment because such assets normally are used in operations, and therefore will never be available for spending (they are not financial assets). However, specific items of property occasionally are acquired with the intent of sale. Examples include foreclosure properties, redevelopment properties, and donated assets held for resale rather than retained for use in operations. Governments often acquire redevelopment properties to attract private-sector investment in an economically depressed area and are willing to sell the property at a price that may be far less than the government's cost to acquire and improve the property. Since assets held for sale can never be reported at an amount higher than their net realizable value, any cost in excess of net realizable value must be excluded from the property value reported in the financial statements.

As part of a crime-reduction project, the City purchased three crime-ridden motels in 2014 plus an adjacent motel and retail shop in 2015 comprising approximately 2.3 acres. All structures on those properties were demolished in 2016. In 2021 the City sold 0.6 acres to the Tukwila Community Coalition, LLC for private development. In 2023 the City completed the sale of the remaining 1.7 acres of the land to HealthPoint, a federally recognized community health center. HealthPoint plans to build a Health and Wellness Center on the site by 2026.

Leases

Lessee: The City is a lessee for noncancelable leases. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more. This is an increase from \$5,000 that took effect January 1, 2023.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis method over its useful life.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The City is a lessor for noncancelable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis method.

Key estimates and judgments related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources

Deferred outflow of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City reports a deferred outflow related to pension, deferred outflow related to OPEB and a deferred loss on refunding water/sewer bonds.

Deferred inflow of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The City reports a deferred inflow related to pensions as well as unavailable revenues from special assessments, and unavailable receivables including leases.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets acquired in governmental funds are accounted for as expenditures in the fund when the asset is purchased. 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 both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Where historical cost is not known, assets are recorded at estimated historical costs. Donated assets are recorded at acquisition value at time of acquisition. The City maintains two capitalization thresholds based on the type of asset being capitalized. The capitalization threshold for equipment and intangible items is ten thousand (\$10,000) dollars while the threshold for buildings and infrastructure is one hundred thousand (\$100,000) dollars. The City's infrastructure consists of roads, bridges, storm sewers, water and sewer distribution and collection systems. Improvements are capitalized when they extend the useful life of the asset or increase the assets capacity and/or efficiency. Costs incurred for maintenance and repairs that do not add to the value of the asset, or materially extend an asset's life, are not capitalized.

Depreciation is computed using the straight-line method over estimated service lives, as follows:

Asset	Estimated Service Life
Buildings	25 to 50 years
Non-Building Improvements	25 to 50 years
Machinery and Equipment	2 to 50 years
Intangibles	2 to 50 years
Infrastructure	25 to 50 years

See Note 7 for additional information on capital assets.

Other Liabilities and IBNR reserve

Other liabilities include retainage, deposits and the incurred-but-not-reported (IBNR) claims. The IBNR reserve includes the claim reserve for the self-insured healthcare funds. The self-insurance fund for active employees includes an IBNR liability of \$548,700 determined using actuarial methods. This liability is multiplied by a factor of 2.5 to meet the City's financial goal of maintaining reserves at 1 x IBNR for claim fluctuations plus 1.5 x IBNR for a claims reserve yielding a total liability of \$1,371,750. The self-insurance fund for LEOFF 1 retirees includes an IBNR liability of \$27,700 and total liability of \$69,250 utilizing the same calculations as the active employees' self-insurance fund.

Compensated Absences

City policy and labor contracts with City of Tukwila employees call for the accumulation of vacation and sick leave. At termination of employment, employees with the required length of service may receive cash payments for all accumulated vacation leave to a maximum of 624 hours. Sick leave termination benefits are based on a percentage of accumulated sick leave up to a maximum of 180 hours. The payment is based on current wages at termination.

The entire compensated absence liability, which includes salary and wages as well as related taxes, is reported on the government-wide financial statements. In the enterprise funds, the entire amount of compensated absences is reported as a fund liability. This reporting format is in compliance with GASB Statement No. 16.

The current portion reported on the schedule of long-term liabilities is calculated using the last-in-first-out (LIFO) approach. Anticipated subsequent yearly usage is used to determine the current portion of the liability.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of 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. Long-term debt outstanding at year-end is outlined in Note 11.

Fund Balance/Net Position

A fund balance represents the difference between the current assets and current liabilities plus deferred inflows. The City restricts those portions of fund balance which are legally segregated for a specific future use or which do

not represent available, spendable resources and therefore are not available for general appropriation or expenditure.

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The remaining balance is reported as unrestricted.

The City's current Reserve Policy addresses the various types of the City's operating and restricted use funds. The objectives of this Policy are to establish, attain, and restore minimum fund balances, including self-insurance health care reserve funds, and specified review and reporting of fund balances.

At the close of each fiscal year, the General Fund balance shall equal or exceed 18%, and the Contingency Reserve Fund balance shall equal or exceed 10%, of the previous year General Fund revenue, exclusive of significant non-operating, non-recurring revenues such as real estate sales or transfers in from other funds. Additionally, 10% of the previous year one-time revenues shall be set aside in a one-time revenue reserve within the Contingency Reserve fund.

Enterprise funds, at the close of each fiscal year, the unrestricted fund balance shall equal or exceed 20% of the previous year revenue, exclusive of the effects of GASB Statement No. 68, as well as significant non-operating, non-recurring revenues such as real estate sales, transfers in from other funds or debt proceeds.

The City shall maintain a reserve balance in each of its self-insured health care funds an amount equal to 2.5 times or 250%, of the actuarially determined IBNR liability.

Fund Balance Components

The fund balance amounts for governmental funds have been classified in accordance with GASB Statement No. 54 and are reported as nonspendable, restricted, committed, assigned or unassigned.

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action in the form of ordinances and resolutions of Tukwila Councilmembers, the City's highest level of decision-making authority. This formal action is the passage of an ordinance by City Council creating, modifying, or rescinding an appropriation. These committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent of use and authority to assign amounts is determined through the budgetary process, either during adoption or amending, and the Finance Director has final authority.
- Unassigned fund balance is the residual amount not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the City Council and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. The City applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted fund balance is available in the governmental funds. When expenditures are incurred for purposes, for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications can be used, it is the City's policy to spend committed resources first, assigned second, followed by unassigned.

Operating Revenues and Expenses

Operating revenues are generated directly from the primary activity of the proprietary funds. For the City, these revenues are service fees for utilities, charges for services for the use of the golf course and the internal use of vehicles, computers, and facilities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense and the gain or loss on the disposition of capital assets.

Contributions of Capital

Contributions of capital in proprietary fund financial statement arise from outside contributions of capital assets, for example, developers, and grants or outside contributions of resources restricted to capital acquisition and construction. It also includes water and sewer connection charges.

Indirect Cost Allocation

Indirect costs, also referred to as overhead costs, consist of the cost of central services or support functions shared across departments. They include accounting, human resources, payroll, information technology, janitorial services, and others. These services are paid through the general fund and charged back to the proprietary funds that directly benefit from them. The indirect costs allocated to the proprietary and other funds totaled \$2,822,397 for 2023 and are reported as a reduction of general government expenditures on the Statement of Activities.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. On the government-wide statement of activities, the exchange transactions between the internal service funds and the user funds are eliminated. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported separately after general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

Estimates

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

Risk Management

It is the City of Tukwila's policy to self-insure for unemployment benefits because of the insignificant liability. Medical and dental self-insurance coverage is also provided for employees. All buildings, City equipment, and City vehicles are insured by carriers for property coverage at replacement value.

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA) as of January 1, 1984. WCIA is an organization of Washington entities numbering 169 as of December 31, 2023. WCIA provides pooled self-insurance coverage for general liability, vehicle liability, false arrest, and errors and omissions. See Note 14 for additional information on risk management.

H. Pensions

State Sponsored Pension Plans: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to state sponsored 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.

Firemen's Pension: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to firemen's pension and the pension expense, information about the fiduciary net position of the City's Excess of Retirement Benefits Plan (the Plan) and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Other Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense information about the fiduciary net position of the City's LEOFF 1 Retiree Health Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

I. Implementation of new GASB Statements

As of January 1, 2023, the City of Tukwila adopted GASB Statement No. 96, Subscription-Based Information Technology arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about the City's subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, the City is required to recognize a subscription liability and an intangible right-to-use subscription asset. Additional disclosures required by this standard are included in Note 6.

NOTE 2 –DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool available for use by all funds. Interest earned on pooled investments is recorded in the participating funds. Investments are also held separately by several of the funds, with interest earned directly for the benefit of each fund.

Cash and Cash Equivalents

Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the City would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The City minimizes custodial credit risk by following the restrictions set forth in state law.

At year-end, the carrying amount of the City's cash balance held in banks was \$9,635,708. Of the bank balance, \$250,000 was covered by Federal depository insurance and the Washington Public Deposit Protection Commission (WPDP) insured the remainder. The City also maintains imprest funds totaling \$16,100.

The City participates in the Washington State Treasurer's Local Government Investment Pool (LGIP) managed by the Office of the State Treasurer, which is also responsible for establishing the investment policy for the LGIP. The LGIP is an unrated external investment pool. The pool's portfolio is invested in a manner that meets the maturity,

quality, diversification, and liquidity requirements set for by GASB 79 "Certain External Investment Pools and Pool Participants" for external investment pools that elect to measured investments at amortized costs for financial reporting purposes.

Investments in the LGIP are available on demand in the amount of the original investment, plus interest earnings, and are treated as a money-market investment. Accordingly, the fair value of the City's position in the LGIP is the same as the value of the city's LGIP shares. Regulatory oversight for these investments is provided as prescribed by Washington State law. The State Auditor audits the accounts of the State Treasurer to determine the compliance of investment activities with state statutes and the investment policy. Also, an independent audit of the LGIP's financial statements is performed annually. The State Treasurer has created an Advisory Committee consisting of eight members appointed by participant associations and four members appointed by the State Treasurer. The committee meets at least quarterly to provide advice on the operation of the LGIP.

Investments

The City's investment portfolio includes U.S. Government Agency Notes, and Municipal Bonds issued by state and local agencies. These investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Also, the Firemen's Pension Fund is authorized to invest in stocks, bonds, and mutual funds.

At December 31, 2023, the City had the following deposits and investments. Certificates of deposits are measured at amortized cost, agencies and municipal bonds are measured at fair value.

SCHEDULE OF INVESTMENTS BY MATURITY

	Maturity Date	Credit Rating	Fair Value
U.S. Government Agency Notes:			
Federal Farm Credit Bank	9/19/2024	Aaa	\$ 994,155
Federal Home Loan Banks	9/30/2024	Aaa	940,299
Federal Home Loan Banks	12/10/2024	Aaa	965,346
Federal Home Loan Mortgage Corp	3/25/2025	Aaa	968,251
Federal Home Loan Bank	4/14/2025	Aaa	1,899,228
Federal Home Loan Bank	6/30/2025	Aaa	900,939
Federal Home Loan Mortgage Corp	10/15/2025	Aaa	870,815
Federal Home Loan Bank	12/17/2025	Aaa	954,993
Federal Home Loan Bank	2/24/2026	Aaa	921,933
Federal Farm Credit Bank	5/26/2026	Aaa	974,593
Federal Farm Credit Bank	6/15/2026	Aaa	918,807
Federal Farm Credit Bank	11/30/2026	Aaa	1,845,095
Federal Home Loan Bank	5/26/2027	Aaa	980,167
Federal Home Loan Bank	6/29/2027	Aaa	969,625
Federal Home Loan Bank	6/30/2027	Aaa	979,819
Federal Farm Credit Bank	9/20/2027	Aaa	994,369
Federal Home Loan Mortgage Corp	11/8/2027	Aaa	995,584
Total U.S. Agency Notes			18,074,017
Municipal Bonds:			
Metro Oregon GO Taxable Bond	6/1/2026	Aaa	1,018,726
King Cnty Washington GO Taxable	12/1/2026	Aaa	895,551
Bellevue WA GO Taxable Ref	12/1/2026	Aaa	877,964
Total Municipal Bonds			2,792,241
TOTAL INVESTMENTS			\$ 20,866,257

RECONCILIATION OF ALL CASH, DEPOSITS AND INVESTMENTS

SUMMARY BY FUNDS	CASH & CASH EQUIVALENTS	RESTRICTED CASH	INVESTMENTS	TOTAL
Governmental Funds				
General Fund	\$ 8,901,073	\$ -	\$ 15,069,598	\$ 23,970,671
Arterial Street	4,138,685	1,424,543	-	5,563,229
Local Improvement District #33	535,318	-	-	535,318
Public Safety Plan	1,059,722	-	-	1,059,722
City Facilities	1,513,818	-	-	1,513,818
Other Governmental Funds	12,188,079	204,010	-	12,392,090
Internal Service Funds	8,367,055	-	-	8,367,055
Proprietary Funds				
Water	2,733,714	20,850	954,993	3,709,558
Sewer	8,964,350	-	2,893,597	11,857,947
Foster Golf Course	2,117,841	139,567	-	2,257,408
Surface Water	7,666,684	-	1,948,069	9,614,753
Total as Reported on Statement of Net Position	58,186,340	1,788,970	20,866,257	80,841,567
Firemen's Pension Trust Fund	1,649,466	-	-	1,649,466
Custodial Fund	173,606	-	-	173,606
Total Cash, Cash Equivalents and Investments	\$ 60,009,411	\$ 1,788,970	\$ 20,866,257	\$ 82,664,639

SUMMARY BY TYPE:

Cash and Cash Equivalents:

Local Government Investment Pool	\$ 37,182,824
Money market account	16,187,315
Cash on hand	16,100
Cash in bank-book balance	8,412,142

Total cash and cash equivalents

61,798,382

Investments:

U.S. Government Agency Notes	18,074,017
Municipal bonds	2,792,241

Total investments

20,866,257

Total Cash, Cash Equivalents, and Investments

\$ 82,664,639

RESTRICTED CASH SUMMARY

Restricted Assets - Governmental	
Cash & cash equivalents	
Drug Seizure funds - federal portion	\$ 204,010
Impact fees	1,424,543
Restricted Assets-Governmental	\$ 1,628,554
Restricted Assets - Business-Type	
Customer Deposits-Water Utility	\$ 20,850
Customer Deposits-Golf Course	124,567
Lease Deposits-Golf Course	15,000
Restricted Assets-Business-Type	\$ 160,417
Total Restricted Assets	\$ 1,788,970

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or cost advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

- Level 1 inputs are quoted prices in active markets for identical assets. These valuation inputs are considered most reliable.
- Level 2 inputs are quoted prices for similar assets, quoted prices for identical or similar assets in markets that are not active, or other observables. These valuation inputs are considered to be reliable.
- Level 3 inputs are significant unobservable inputs and are considered to be the least reliable.

U.S. Agency Securities and municipal bonds classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 1 or Level 3 security classifications to report.

The fair values noted in the following table have been provided by Time Value Investments, who obtains the information through Interactive Data (IDC). IDC evaluates the various securities and obtains feeds from a number of live data and market sources including active market makers and inter-dealer brokers, relative credit information, observed market movements, and sector news. IDC reviews sources on the basis of their historical accuracy for individual issues and maturity ranges.

The City has the following recurring fair value measurements as of December 31, 2023:

Fair Value Measurements Using				
Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Agencies	\$ 18,074,017	\$ -	\$ 18,074,017	\$ -
Municipal Bonds	2,792,241	-	2,792,241	-
Total Investments by Fair Value Level	\$ 20,866,257	\$ -	\$ 20,866,257	\$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities as follows:

- 1) At the time of investment, a minimum of thirty percent (30%) of the cash and investment portfolio will be comprised of investments maturing or available within one year.
- 2) At the time of investment, eighty percent (80%) of the portfolio will be comprised of investments maturing or available within five (5) years and no instruments shall have a maturity exceeding ten (10) years, except when compatible with a specific fund's investment needs.
- 3) The average maturity of the portfolio shall not exceed three and one half (3 ½) years or forty-two (42) months.

The City uses the weighted average maturity method to manage interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes and the City's investment policy limit the types of securities authorized for investment by the City. The principal governing statutes are RCW 39.59 and RCW 39.60. The Finance Director may further restrict eligible investments by this policy at his/her discretion. Authorized investments include (but are not limited to):

- 1) U.S. Treasury Securities.
- 2) U.S. Agency Securities (i.e., obligations of any government-sponsored corporation eligible for collateral purposes at the Federal Reserve).
- 3) Certificates of Deposit, Money Market Deposit Accounts and savings deposits with qualified depositories within statutory limits as promulgated by the WPDPC at the time of investment.
- 4) Bankers Acceptances (BA's) purchased on the secondary market with a rating of A-1, P-1, its equivalent or better.

- 5) General Obligation Bonds of a state or local government which have at the time of the investment one of the three highest credit ratings of a nationally recognized rating agency.
- 6) The Washington State Local Government Investment Pool (LGIP), an unrated, external investment pool.

As of December 31, 2023, the City's investments in municipal bonds were rated Aaa or AAA by Moody's Investor Service.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City of Tukwila diversifies its investments by security type and institution as described below:

- 1) No more than fifty percent (50%) of the City's portfolio, at the time of purchase, shall be in any single financial institution,
- 2) Investment of 100% of the City's portfolio in U.S. Treasury securities shall be allowed; this is a risk-free investment, and in the event of unforeseen circumstances, the City shall have the ability to invest the entire portfolio in a risk free investment.
- 3) No more than seventy-five percent (75%) of the City's portfolio, at the time of purchase, shall be invested in the Washington State Local Government Investment Pool, and
- 4) No more than seventy-five percent (75%) of the City's portfolio, at the time of purchase, shall be invested in U.S. Treasury or Agency securities.

NOTE 3 – RECEIVABLES

Taxes receivable consists of utility, admission, gambling, parking and other taxes. Receivables due from other governments includes property, sales and use and hotel/motel taxes as well as grants and other state shared revenues. Customer accounts receivable consist of amounts owed by private individuals or organizations for goods and services provided. Uncollectible amounts are considered immaterial and the direct write-off method is used. Customer accounts receivable also includes the current portion of special assessments due from property owners within Local Improvement District No. 33. Other types of accounts receivable include utility taxes due from private organizations and customer accounts receivable for amounts owed which billings have not been prepared.

	Governmental Activities	Business-Type Activities	Total
Taxes Receivable			
Utility Tax	\$ 660,775	\$ -	\$ 660,775
Admission Tax	100,325	-	100,325
Gambling Tax	996,929	-	996,929
Parking Tax	128,586	-	128,586
Other Taxes	68,021	-	68,021
Total Taxes Receivable	1,954,635	-	1,954,635
Receivables due from other governments			
Property	600,152	-	600,152
Sales & Use	3,942,787	-	3,942,787
Grants Receivable	393,480	238,521	632,001
Other	1,475,607	-	1,475,607
Total Due from other governments	6,412,026	238,521	6,650,547
Customer Receivable			
Miscellaneous	956,178	-	956,178
Utility Accounts	-	1,821,830	1,821,830
Interest	49,949	128,645	178,594
Total Customer Receivable	1,006,127	1,950,475	2,956,603
Notes due within one year	10,265	-	10,265
Total Receivables	\$ 9,383,054	\$ 2,188,996	\$ 11,572,050

Property Taxes Receivable

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

Property Tax Calendar

January 1 st	Taxes are levied and become an enforceable lien against properties.
February 14 th	Tax bills are mailed.
April 30 th	First of two equal installment payments is due. If taxes are less than \$50, full payment is due. (RCW 84.56.020)
May 31 st	Assessed value of property established for next year's levy at 100 percent of market value.
October 31 st	Second installment is due. (RCW84.56.020)

Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every two years. On May 31 of each year the assessed value of property is established for the next year's property tax levy.

Property taxes levied by the County Assessor and collected by the County treasurer become a lien on the first day of the levy year and may be paid in two equal installments if the total amount is \$50 or more. The first half of real property taxes is due on April 30 and the balance is due October 31. Delinquent taxes bear interest at the rate of 12% and are subject to additional penalties if not paid as scheduled.

During the year, property tax revenues are recognized when cash is received. At year-end, unpaid property taxes are recorded as a receivable. Property tax receivables at year-end not expected to be collected within 60 days after the current period are reported as other unavailable revenue in the deferred inflow of resources section of the governmental funds financial statements. The tax rate for general City operations is limited to \$3.60 per \$1,000 of

assessed value. An additional levy rate of \$0.225 is available to the City because the City funds a Firemen's Pension Fund.

The payment of principal and interest on limited tax (non-voted) bonds issued by the City is made from the general levy. Accordingly, the issuance of limited tax general obligation bonds has the effect of reducing property taxes available for the general operations of City government. State law also provides that the City's operating levy may not exceed 101% of the largest single levy since 1985. The State Constitution provides that the total of all taxes upon real and personal property by the State and all taxing entities, including the City, shall not in any year exceed 1% (\$10 per \$1,000) of the true and fair monetary value of such property. This limitation may be exceeded upon the approval of 60% of the City voters at an election in which the total vote exceeds 40% of the votes cast at the last general election.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate. The City's regular levy in 2023 was \$1.94728 per \$1,000 of assessed valuation of \$8,970,452,548 for a total regular levy of \$17,535.521.

Special levies approved by the voters are not subject to the limitations listed above. In 2023, the City levied an additional \$0.50506 per \$1,000 for the Public Safety Plan approved by voters in November 2016. The total additional levy in 2023 was \$4,535,959.

Due from Other Governments

All receivables from other governments are recorded at year-end as amounts Due from Other Governmental Units. These amounts represent property tax, sales tax, and other local taxes collected by either the State or County and remitted to the City. Also included in this category are federal, state, and local reimbursement-type grants, and are reported as receivables and intergovernmental revenues in the year when the related expenditures are incurred. Balances due from other governments as of December 31, 2023 is shown in the previous chart.

Notes Receivable

Notes receivable for governmental activities consists of the long-term portion of the special assessments related to Local Improvement District (LID) No. 33. Special assessments are levied against certain property owners benefited by the improvement. The current portion of outstanding assessments is reported in the receivables category on the Statement of Net Position and consists of assessments which are due within one year and delinquent assessments from the prior year. Assessments are charged to property owners within the LID annually with payments due in October of each year. The repayment period for the assessments is 15 years with the first installment due in 2014 and the final installment due in 2028.

Notes receivable for business-type activities consists of the interfund loan to the general fund and the outstanding payment plans for sewer connection fees. The City designed and constructed sewer infrastructure in both the Allentown and Foster Point neighborhoods, which was previously on septic. The project was completed and accepted by City Council in 2007. The connection fees to be paid by property owners were established by ordinance, effective in August of 2007. One option given to property owners was an installment payment plan. This option allowed owners to sign an agreement to have the connection charge added to their monthly water bill and repaid over 5, 10, or 15 years with a 4% annual interest rate. The balance reflects all principal outstanding at year-end.

	Governmental Activities	Business- Type Activities	Total
Notes Receivable			
Special Assessments	\$ 1,867,209	\$ -	\$ 1,867,209
Sewer Payment Plan	-	18,924	18,924
Total Receivables	\$ 1,867,209	\$ 18,924	\$ 1,886,134

NOTE 4 – INTERFUND TRANSACTIONS

Interfund activity is the term used to describe similar financial transactions between funds of the primary government.

Reciprocal interfund activity involves the exchange of equal or almost equal value between funds.

Services Provided/Used – Transactions that would be treated as revenues, expenditures or expenses if they involve external organizations, such as buying goods and services in return for equal or almost equal value, are similarly treated when they involve other funds of the City of Tukwila.

Interfund Loans/Advances – Loans between funds are classified as interfund loans receivable and payable or as advances to and from other funds in the fund statements. Interfund loans are offset by a reservation of fund balance/net position. Interfund loans are subject to elimination upon consolidation. As of December 31, 2023, the City had one outstanding interfund loan. The loan is from the sewer utility fund to the general fund to purchase a fire engine.

Nonreciprocal interfund activity does not involve the exchange of equal or almost equal value between funds.

Transfers – Transactions to support the operations of other funds are recorded as “Transfers” and classified with “Other Financing Sources or Uses” in the fund statements. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Contributions – Contributions to the capital of enterprise or internal service funds, transfers of capital assets between proprietary and governmental funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified non-operating revenue.

Reimbursements – Repayments from funds responsible for expenditures or expenses to the funds that initially paid for them. These transactions are expenditures/expense in the fund responsible and as a reduction of expenditure/expensed in the fund being reimbursed.

Interfund transfers for the year were as follows:

SUMMARY OF INTERFUND TRANSFERS

	Governmental Funds					Proprietary Funds				TOTAL
	General Fund	Public Safety Plan	Facilities	Other Gov't Funds	Total Governmental	Water	Sewer	Golf Course	Surface Water	
Transfers In	\$ 1,323,249	\$ 699,274	\$ 2,000,000	\$ 6,128,049	\$ 10,150,571	\$ -	\$ -	\$300,000	\$ -	\$10,450,571
Transfers Out	(5,375,683)	(1,319,019)	-	(1,703,504)	(8,398,206)	(697,804)	(389,949)	-	(964,612)	(10,450,571)
Net Transfers In (Out)	\$ (4,052,434)	\$ (619,745)	\$ 2,000,000	\$ 4,424,545	\$ 1,752,366	\$(697,804)	\$(389,949)	\$300,000	\$(964,612)	\$ -

The principal purposes for interfund transfers include interfund subsidies and transfers into debt service and capital projects funds.

NOTE 5 – LEASES

Leases Payable

In September 2022, City entered into a 36-month lease as Lessee for the use of 16 separate copiers/printers deployed across City departments, referred to as the Electronic Business Machines – Supplement lease. An initial lease liability was recorded in the amount of \$98,699. As of December 31, 2023, the value of the lease liability is \$57,649. The City is required to make monthly fixed payments of \$2,974. The lease has an interest rate of 3.5841%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$98,699 with accumulated amortization of \$41,399 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,000.

In September 2020, the City entered into a 36-month lease as Lessee with Dell Financial Services for laptops which are assigned to City employees. As of December 31, 2023, the lease had expired, and the City entered into a new lease with Dell Financial Services.

In August 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the finance department. An initial lease liability was recorded in the amount of \$20,596. As of December 31, 2023 the lease had expired and the equipment is now covered by the Electronic Business Machines Supplemental lease.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the fire prevention department. An initial lease liability was recorded in the amount of \$11,653. As of December 31, 2023 the lease had expired and was not renewed.

In August 2021, the City entered into a 60-month lease as Lessee for the use of a copier for the police department, patrol division. An initial lease liability was recorded in the amount of \$7,704. As of December 31, 2023, the value of the lease liability is \$4,006. The City is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$7,704 with accumulated amortization of \$3,658 is included in the table in Note 7.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the police department, front office division. An initial lease liability was recorded in the amount of \$13,778. As of December 31, 2023, the lease had expired and the equipment is now covered by the Electronic Business Machines Supplemental lease.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a plotter for the public works department. An initial lease liability was recorded in the amount of \$16,772. As of December 31, 2023, the lease had expired and a replacement plotter was purchased rather than leased.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the Tukwila Community Center, administration division. An initial lease liability was recorded in the amount of \$13,276. As of December 31, 2023, the lease had expired and the equipment is now covered by the Electronic Business Machines Supplemental lease.

In August 2021, the City entered into a 60-month lease as Lessee for the use of a copier for the technology information services department. An initial lease liability was recorded in the amount of \$7,704. As of December 31, 2023, the value of the lease liability is \$4,006. The City is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$7,704 with accumulated amortization of \$3,658 is included in the table in Note 7.

In May 2018, the City entered into a 60-month lease as Lessee for the use of a postage machine: SendPro P Series. An initial lease liability was recorded in the amount of \$34,692. As of December 31, 2023, the lease had expired, and the City entered into a new lease with Pitney Bowes.

In July 2023, the City entered into a 60-month lease as Lessee for the use of a Pitney Bowes postage meter. An initial lease liability was recorded in the amount of \$29,855. As of December 31, 2023, the value of the lease liability is \$27,472. The City is required to make monthly fixed payments of \$540. The lease has an interest rate of 2.6600%. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$29,855 with accumulated amortization of \$2,985 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,000.

In August 2023, the City entered into a 36 month lease as Lessee with Dell Financial Services for laptops which are assigned to City employees. An initial lease liability was recorded in the amount of \$140,723. As of December 31, 2023, the value of the lease liability is \$90,225. The City is required to make annual fixed payments of \$50,498. The lease has an interest rate of 7.8600%. The estimated useful life was 36 months as of the contract commencement.

The value of the right to use asset as of December 31, 2023 of \$140,723 with accumulated amortization of \$19,545 is included in the table in Note 7.

In August 2023, the City entered into a 36 month lease as Lessee with Dell Financial Services for 10-key laptops which are assigned to City employees. An initial lease liability was recorded in the amount of \$9,346. As of December 31, 2023, the value of the lease liability is \$6,005. The City is required to make annual fixed payments of \$3,341. The lease has an interest rate of 7.4200%. The estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$9,346 with accumulated amortization of \$1,298 is included in the table in Note 7.

In January 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 2576RG. An initial lease liability was recorded in the amount of \$31,726. As of December 31, 2023, the value of the lease liability is \$20,128. The City is required to make monthly fixed payments of \$596. The lease has an interest rate of 4.1920%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$31,726 with accumulated amortization of \$12,232 is included in the table in Note 7. The lease has an unguaranteed residual value of \$6,040.

In January 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 73917D. An initial lease liability was recorded in the amount of \$31,733. As of December 31, 2023, the value of the lease liability is \$20,091. The City is required to make monthly fixed payments of \$593. The lease has an interest rate of 3.9536%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$31,733 with accumulated amortization of \$12,482 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,818.

In March 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Escape - 257XHG. An initial lease liability was recorded in the amount of \$25,862. As of December 31, 2023, the value of the lease liability is \$17,562. The City is required to make monthly fixed payments of \$491. The lease has an interest rate of 5.2130%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$25,862 with accumulated amortization of \$9,454 is included in the table in Note 7. The lease has an unguaranteed residual value of \$4,606.

In February 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 25999W. An initial lease liability was recorded in the amount of \$31,375. As of December 31, 2023, the value of the lease liability is \$20,424. The City is required to make monthly fixed payments of \$589. The lease has an interest rate of 4.1964%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$31,375 with accumulated amortization of \$12,027 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,956.

In December 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Police - 26722H. An initial lease liability was recorded in the amount of \$65,173. As of December 31, 2023, the value of the lease liability is \$54,485. The City required to make monthly fixed payments of \$1,419. The lease has an interest rate of 10.5032%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$65,173 with accumulated amortization of \$13,940 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,818.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford 550 - 269CGP. An initial lease liability was recorded in the amount of \$87,171. As of December 31, 2023, the value of the lease liability is \$68,503. The City is required to make monthly fixed payments of \$1,833. The lease has an interest rate of 8.9823%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$87,171 with accumulated amortization of \$21,986 is included in the table in Note 7. The lease has an unguaranteed residual value of \$16,696.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 269CSM. An initial lease liability was recorded in the amount of \$46,365. As of December 31, 2023, the value of the lease liability is \$36,349. The City is required to make monthly fixed payments of \$965. The lease has an interest rate of 8.5418%.

The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$46,365 with accumulated amortization of \$11,849 is included in the table in Note 7. The lease has an unguaranteed residual value of \$8,826.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford XLT - 73913D - 26FZF8. An initial lease liability was recorded in the amount of \$48,893. As of December 31, 2023, the value of the lease liability is \$40,070. The City is required to make monthly fixed payments of \$1,029. The lease has an interest rate of 8.8190%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$48,893 with accumulated amortization of \$11,245 is included in the table in Note 7. The lease has an unguaranteed residual value of \$9,059.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer XLT - 26FzJ6. An initial lease liability was recorded in the amount of \$48,909. As of December 31, 2023, the value of the lease liability is \$39,736. The City is required to make monthly fixed payments of \$1,008. The lease has an interest rate of 8.1026%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$48,909 with accumulated amortization of \$11,249 is included in the table in Note 7. The lease has an unguaranteed residual value of \$8,872.

In December 2022, the City entered into a 60-month lease as Lessee for the use of a Ram 2500 - 26HM5G. An initial lease liability was recorded in the amount of \$66,626. As of December 31, 2023, the value of the lease liability is \$55,079. The City is required to make monthly fixed payments of \$1,366. The lease has an interest rate of 7.8967%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$66,626 with accumulated amortization of \$13,732 is included in the table in Note 7. The lease has an unguaranteed residual value of \$12,591.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford F-250 - 26FRX3. An initial lease liability was recorded in the amount of \$68,353. As of December 31, 2023, the value of the lease liability is \$55,393. The City is required to make monthly fixed payments of \$1,407. The lease has an interest rate of 8.1934%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$68,353 with accumulated amortization of \$14,956 is included in the table in Note 7. The lease has an unguaranteed residual value of \$12,825.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 25GQ4C. An initial lease liability was recorded in the amount of \$31,779. As of December 31, 2023, the value of the lease liability is \$24,752. The City is required to make monthly fixed payments of \$644. The lease has an interest rate of 7.3561%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023, of \$31,779 with accumulated amortization of \$8,121 is included in the table in Note 7. The lease has an unguaranteed residual value of \$6,029.

In February 2023, the City entered into a 60-month lease as Lessee for the use of Ford F-150 - 26GFDC. An initial lease liability was recorded in the amount of \$53,845. As of December 31, 2023, the value of the lease liability is \$45,281. The City is required to make monthly fixed payments of \$1,056. The lease has an interest rate of 7.4604%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$53,845 with accumulated amortization of \$9,710 is included in the table in Note 7. The lease has an unguaranteed residual value of \$9,954.

In January 2023, the City entered into a 60-month lease as Lessee for the use of a Ford - 26722R. An initial lease liability was recorded in the amount of \$65,340. As of December 31, 2023, the value of the lease liability is \$55,558. The City is required to make monthly fixed payments of \$1,422. The lease has an interest rate of 10.4876%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$65,340 with accumulated amortization of \$12,778 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,958.

In March 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26NLKD. An initial lease liability was recorded in the amount of \$46,284. As of December 31, 2023, the value of the lease liability is

\$40,247. The City is required to make monthly fixed payments of \$928. The lease has an interest rate of 7.6896%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$46,284 with accumulated amortization of \$7,588 is included in the table in Note 7. The lease has an unguaranteed residual value of \$8,670.

In March 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26NLL2. An initial lease liability was recorded in the amount of \$46,284. As of December 31, 2023, the value of the lease liability is \$40,247. The City is required to make monthly fixed payments of \$928. The lease has an interest rate of 7.6896%. The estimated useful life was 600 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$46,284 with accumulated amortization of \$7,588 is included in the table in Note 7. The lease has an unguaranteed residual value of \$8,670.

In April 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Ranger - 26KQHD. An initial lease liability was recorded in the amount of \$31,209. As of December 31, 2023, the value of the lease liability is \$27,321. The City is required to make monthly fixed payments of \$624. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$31,209 with accumulated amortization of \$4,605 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,768.

In April 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Ranger -26KQJJ. An initial lease liability was recorded in the amount of \$31,209. As of December 31, 2023, the value of the lease liability is \$27,321. The City is required to make monthly fixed payments of \$624. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$31,209 with accumulated amortization of \$4,605 is included in the table in Note 7. The lease has an unguaranteed residual value of \$5,768.

In April 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Transit 250 Cargo - 26NPG7. An initial lease liability was recorded in the amount of \$66,539. As of December 31, 2023, the value of the lease liability is \$57,949. The City is required to make monthly fixed payments of \$1,323. The lease has an interest rate of 8.0100%. The estimated useful life was 600 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$66,539 with accumulated amortization of \$9,893 is included in the table in Note 7.

In April 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Transit 250 Cargo - 26NPN6. An initial lease liability was recorded in the amount of \$65,856. As of December 31, 2023, the value of the lease liability is \$57,949. The City is required to make monthly fixed payments of \$1,323. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$65,856 with accumulated amortization of \$9,716 is included in the table in Note 7.

In May 2023, the City entered into a 60-month lease as Lessee for the use of a Ford F-350 - 256GM8. An initial lease liability was recorded in the amount of \$60,052. As of December 31, 2023, the value of the lease liability is \$52,929. The City is required to make monthly fixed payments of \$1,191. The lease has an interest rate of 7.3100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$60,052 with accumulated amortization of \$8,007 is included in the table in Note 7.

In June 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26RZ2P. An initial lease liability was recorded in the amount of \$51,284. As of December 31, 2023, the value of the lease liability is \$45,952. The City is required to make monthly fixed payments of \$1,021. The lease has an interest rate of 7.4800%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$51,284 with accumulated amortization of \$5,983 is included in the table in Note 7.

In June 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer -26S2LG. An initial lease liability was recorded in the amount of \$53,618. As of December 31, 2023, the value of the lease liability is \$48,043. The City is required to make monthly fixed payments of \$1,067. The lease has an interest rate of 7.4800%.

The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$53,618 with accumulated amortization of \$6,255 is included in the table in Note 7.

In June 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26S2N8. An initial lease liability was recorded in the amount of \$53,061. As of December 31, 2023, the value of the lease liability is \$47,544. The City is required to make monthly fixed payments of \$1,056. The lease has an interest rate of 7.4800%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$53,061 with accumulated amortization of \$6,190 is included in the table in Note 7.

In July 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26ZKVK. An initial lease liability was recorded in the amount of \$46,464. As of December 31, 2023, the value of the lease liability is \$42,314. The City is required to make monthly fixed payments of \$932.06. The lease has an interest rate of 7.8200%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$46,464 with accumulated amortization of \$4,646 is included in the table in Note 7.

In August 2023, the City entered into a 60-month lease as Lessee for the use of a Ford F-150 - 26XM2M. An initial lease liability was recorded in the amount of \$86,116. As of December 31, 2023, the value of the lease liability is \$79,647. The City is required to make monthly fixed payments of \$1,735. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$86,116 with accumulated amortization of \$7,176 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Chevrolet Silverado - 272TTP. An initial lease liability was recorded in the amount of \$96,538. As of December 31, 2023, the value of the lease liability is \$90,627. The City is required to make monthly fixed payments of \$1,945. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$96,538 with accumulated amortization of \$6,436 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford F-150 - 273CV3. An initial lease liability was recorded in the amount of \$56,928. As of December 31, 2023, the value of the lease liability is \$53,442. The City is required to make monthly fixed payments of \$1,147. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$56,928 with accumulated amortization of \$3,795 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor Utility - 26722L. An initial lease liability was recorded in the amount of \$97,800. As of December 31, 2023, the value of the lease liability is \$91,811. The City is required to make monthly fixed payments of \$1,970. The lease has an interest rate of 8.0100%. The Vehicles estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$97,800 with accumulated amortization of \$6,520 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor - 26722M. An initial lease liability was recorded in the amount of \$97,824. As of December 31, 2023, the value of the lease liability is \$91,833. The City is required to make monthly fixed payments of \$1,971. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$97,824 with accumulated amortization of \$6,522 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor - 26722N. An initial lease liability was recorded in the amount of \$97,800. As of December 31, 2023, the value of the lease liability is \$91,811. The City is required to make monthly fixed payments of \$1,970. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right

to use asset as of December 31, 2023 of \$97,800 with accumulated amortization of \$6,520 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor - 2725BG. An initial lease liability was recorded in the amount of \$95,829. As of December 31, 2023, the value of the lease liability is \$91,811. The City is required to make monthly fixed payments of \$1,970. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$95,829 with accumulated amortization of \$6,389 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor - 26722Q. An initial lease liability was recorded in the amount of \$96,232. As of December 31, 2023, the value of the lease liability is \$90,339. The City is required to make monthly fixed payments of \$1,9395. The lease has an interest rate of 8.0100%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$96,232 with accumulated amortization of \$6,415 is included in the table in Note 7.

In September 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Police Interceptor - 26722F. An initial lease liability was recorded in the amount of \$97,810. As of December 31, 2023, the value of the lease liability is \$91,827. The City is required to make monthly fixed payments of \$1,976. The lease has an interest rate of 8.1300%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$97,810 with accumulated amortization of \$6,521 is included in the table in Note 7.

In October 2023, the City entered into a 60-month lease as Lessee for the use of a Chevrolet Traverse - 277Q8G. An initial lease liability was recorded in the amount of \$38,678. As of December 31, 2023, the value of the lease liability is \$36,843. The City is required to make monthly fixed payments of \$780. The lease has an interest rate of 8.0400%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$38,678 with accumulated amortization of \$1,934 is included in the table in Note 7.

In December 2023, the City entered into a 60-month lease as Lessee for the use of a Chevrolet Silverado 2500HD - 277LXS. An initial lease liability was recorded in the amount of \$75,619. As of December 31, 2023, the value of the lease liability is \$74,086. The City is required to make monthly fixed payments of \$1,533. The lease has an interest rate of 8.2800%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$75,619 with accumulated amortization of \$1,260 is included in the table in Note 7.

In February 2023, the City entered into a 60-month lease as Lessee for the use of a Ford F-150 - 26GFHQ. An initial lease liability was recorded in the amount of \$53,100. As of December 31, 2023, the value of the lease liability is \$44,506. The City is required to make monthly fixed payments of \$1,056. The lease has an interest rate of 7.4600%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$53,100 with accumulated amortization of \$9,735 is included in the table in Note 7.

In July 2023, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 26ZKHS. An initial lease liability was recorded in the amount of \$46,464. As of December 31, 2023, the value of the lease liability is \$42,314. The City is required to make monthly fixed payments of \$932. The lease has an interest rate of 7.8200%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$46,464 with accumulated amortization of \$4,646 is included in the table in Note 7.

Principal and Interest Requirements to Maturity

Governmental Activities				Business-Type Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments	Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2024	\$ 89,387	\$ 9,744	\$ 99,131	2024	\$ 410,531	\$ 145,757	\$ 556,288
2025	82,490	4,747	87,237	2025	444,248	112,039	556,287
2026	7,962	346	8,308	2026	480,784	75,503	556,287
2027	6,308	177	6,484	2027	471,151	36,532	507,683
2028	3,217	25	3,242	2028	205,408	5,696	211,104
Totals	\$ 189,364	\$ 15,039	\$ 204,403	Totals	\$ 2,012,122	\$ 375,527	\$ 2,387,649

Leases Receivable

In July 2012, the City entered into a 180-month lease as Lessor for the use of a Billboard on city property. An initial lease receivable was recorded in the amount of \$375,000. As of December 31, 2023, the value of the lease receivable is \$113,927. The lessee is required to make annual fixed payments of \$28,891. The lease has an interest rate of 0.5727%. The infrastructure estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$107,905, and the City recognized lease revenue of \$30,113 during the fiscal year.

In January 2023,, the City entered into a 24-month lease as Lessor for the use of 6300 Southcenter Boulevard office space. An initial lease receivable was recorded in the amount of \$43,189. As of December 31, 2023, the value of the lease receivable is \$20,420. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.6500%. The office space estimated useful life was 24 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$21,594, and the City recognized lease revenue of \$21,594 during the fiscal year.

Governmental Activities			
Year Ended	Principal	Interest	Total Payments
2024	\$ 48,658	\$ 947	\$ 49,605
2025	28,400	491	28,891
2026	28,563	328	28,891
2027	28,726	165	28,891
Totals	\$ 134,347	\$ 1,930	\$ 136,277

NOTE 6 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)Subscriptions Payable

In December 2022, the City entered into a 107-month subscription for the use of Microsoft 365 Enterprise software. An initial subscription liability was recorded in the amount of \$897,802. As of December 31, 2023, the value of the subscription liability is \$793,884. The City is required to make annual fixed payments of \$125,777. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of December 31, 2023 of \$897,802 with accumulated amortization of \$100,688 and is included in the table in Note 7. The City has 1 extension option(s), each for 36 months. The Vendor has 1 extension option(s), each for 36 months.

In September 2023, the City entered into a 60-month subscription for the use of Axon Enterprises - Fleet. An initial subscription liability was recorded in the amount of \$260,677. As of December 31, 2023, the value of the subscription liability is \$205,689. The City is required to make annual fixed payments of \$60,541. The subscription has an interest rate of 2.7360%. The value of the right to use asset as of December 31, 2023 of \$260,677 with accumulated amortization of \$17,378 and is included in the table in Note 7.

In June 2022, the City entered into a 54-month subscription for the use of Axon Enterprises - Carte. An initial subscription liability was recorded in the amount of \$409,968. As of December 31, 2023, the value of the

subscription liability is \$307,441. The City is required to make annual fixed payments of \$117,471. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of December 31, 2023 of \$409,968 with accumulated amortization of \$91,104 and is included in the table in Note 7.

In June 2023, the City entered into a 54-month subscription for the use of Axon Enterprises - Fleet 3A. An initial subscription liability was recorded in the amount of \$265,716. As of December 31, 2023, the value of the subscription liability is \$199,267. The City is required to make annual fixed payments of \$77,078. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of December 31, 2023 of \$265,716 with accumulated amortization of \$59,048 and is included in the table in Note 7.

In January 2023, the City entered into a 36-month subscription for the use of Falcon Platform. An initial subscription liability was recorded in the amount of \$80,393. As of December 31, 2023, the value of the subscription liability is \$52,890. The City is required to make annual fixed payments of \$39,874. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of December 31, 2023 of \$80,393 with accumulated amortization of \$24,862 and is included in the table in Note 7.

In August 2023, the City entered into a 15-month subscription for the use of Policy Map Platform. An initial subscription liability was recorded in the amount of \$10,601. As of December 31, 2023, the value of the subscription liability is \$5,225. The City is required to make annual fixed payments of \$5,376. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of December 31, 2023 of \$10,601 with accumulated amortization of \$6,824 and is included in the table in Note 7.

In September 2023, the City entered into a 36-month subscription for the use of Freshservice. An initial subscription liability was recorded in the amount of \$34,015. As of December 31, 2023, the value of the subscription liability is \$22,351. The City is required to make annual fixed payments of \$11,664. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of December 31, 2023 of \$34,015 with accumulated amortization of \$3,2131 and is included in the table in Note 7.

In January 2023, the City entered into a 35-month subscription for the use of Finance Enterprise. An initial subscription liability was recorded in the amount of \$214,406. As of December 31, 2023, the value of the subscription liability is \$108,507. The City is required to make annual fixed payments of \$111,389. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of December 31, 2023 of \$214,406 with accumulated amortization of \$72,339 and is included in the table in Note 7.

In March 2023, the City entered into a 60-month subscription for the use of Server Migration. An initial subscription liability was recorded in the amount of \$29,927. As of December 31, 2023, the value of the subscription liability is \$3,767. The City is required to make annual fixed payments of \$26,160. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of December 31, 2023 of \$29,927 with accumulated amortization of \$4,556 and is included in the table in Note 7.

In January 2022, the City entered into a 48-month subscription for the use of Dynamic Bundle. An initial subscription liability was recorded in the amount of \$47,675. As of December 31, 2023, the value of the subscription liability is \$35,280. The City is required to make annual fixed payments of \$16,584. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of December 31, 2023 of \$47,675 with accumulated amortization of \$11,919 and is included in the table in Note 7. The City had a termination period of 1 month as of the subscription commencement.

In June 2023, the City entered into a 12-month subscription for the use of Debt Book. An initial subscription liability was recorded in the amount of \$13,457. As of December 31, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$13,510. The subscription has an interest rate of 0.7400%. The value of the right to use asset as of December 31, 2023 of \$13,457 with accumulated amortization of \$7,850 and is included in the table in Note 7.

In January 2023, the City entered into a 48-month subscription for the use of Perfect Mind. An initial subscription liability was recorded in the amount of \$116,647. As of December 31, 2023, the value of the subscription liability is

\$69,987. The City is required to make annual fixed payments of \$23,600. The subscription has an interest rate of 0.5800%. The value of the right to use asset as of December 31, 2023 of \$116,647 with accumulated amortization of \$29,162 and is included in the table in Note 7.

Principal and Interest Requirements to Maturity

Governmental Activities			
Fiscal Year Ended December 31,	Principal Payments	Interest Payments	Total Payments
2024	504,907	46,810	551,717
2025	401,185	33,767	434,952
2026	372,294	23,491	395,785
2027	167,759	14,011	181,769
2028	116,264	9,512	125,777
2029 - 2031	241,875	9,678	251,553
Totals	1,804,284	137,269	1,941,554

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

GOVERNMENTAL ACTIVITIES

	BEGINNING BALANCE 1/1/2023	INCREASES	DECREASES	ENDING BALANCE 12/31/2023
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 60,661,130	\$ 919,861	\$ -	\$ 61,580,992
Construction in Progress	20,047,275	3,478,757	(6,457,448)	17,068,585
Total capital assets not being depreciated	80,708,406	4,398,619	(6,457,448)	78,649,577
Capital assets, being depreciated:				
Buildings	121,694,264	1,384,201	-	123,078,465
Other Improvements	24,335,111	-	-	24,335,111
Machinery and Equipment	26,907,041	1,266,914	(10,153,880)	18,020,075
Infrastructure	230,009,898	4,927,823	-	234,937,721
Intangible Assets	1,960,917	-	(368,586)	1,592,331
Leased Assets	1,057,346	1,887,709	(359,274)	2,585,781
Subscription Based IT Assets	-	2,381,285	-	2,381,285
Total capital assets being depreciated	405,964,578	11,847,932	(10,881,740)	406,930,770
Less accumulated depreciation for:				
Buildings	(21,036,581)	(2,719,142)	-	(23,755,723)
Other Improvements	(18,720,021)	(904,356)	-	(19,624,377)
Machinery and Equipment	(18,549,076)	(1,078,194)	6,812,961	(12,814,309)
Infrastructure	(96,471,605)	(6,480,061)	-	(102,951,666)
Intangible Assets	(1,560,683)	(177,258)	368,586	(1,369,355)
Leased Assets	(320,920)	(429,148)	352,817	(397,251)
Subscription Based IT Assets	-	(428,943)	-	(428,943)
Total accumulated depreciation	(156,658,886)	(12,217,102)	7,534,364	(161,341,624)
Total capital assets, being depreciated, net	249,305,692	(369,170)	(3,347,376)	245,589,146
Governmental activity capital assets, net	\$330,014,098	\$ 4,029,449	\$ (9,804,824)	\$324,238,723

BUSINESS-TYPE ACTIVITIES

	BEGINNING BALANCE 1/1/2023	INCREASES	DECREASES	ENDING BALANCE 12/31/2023
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,350,969	\$ -	\$ -	\$ 2,350,969
Construction in Progress	1,522,404	2,339,720	(2,191,417)	1,670,707
Total capital assets, not being depreciated	3,873,373	2,339,720	(2,191,417)	4,021,676
Capital assets, being depreciated:				
Buildings	15,774,819	-	-	15,774,819
Other Improvements	108,048,752	2,191,417	(28,080)	110,212,089
Machinery and Equipment	4,373,582	117,550	(254,945)	4,236,187
Total capital assets being depreciated	128,197,153	2,308,968	(283,025)	130,223,095
Less accumulated depreciation for:				
Buildings	(6,993,065)	(420,775)	-	(7,413,840)
Other Improvements	(44,921,777)	(1,923,878)	20,943	(46,824,712)
Machinery and Equipment	(2,502,525)	(169,520)	251,291	(2,420,754)
Total accumulated depreciation	(54,417,367)	(2,514,173)	272,234	(56,659,306)
Total capital assets, being depreciated, net	73,779,786	(205,206)	(10,791)	73,563,789
Business-Type activity capital assets, net	\$ 77,653,159	\$ 2,134,515	\$ (2,202,208)	\$ 77,585,466

DEPRECIATION

Depreciation and Amortization expense for 2023 was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 3,257,303
Public Safety	477,422
Transportation	6,897,954
Economic Environment	15,773
Culture and Recreation	579,380
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	989,272
Total 2023 depreciation expense - governmental activities	<u>\$ 12,217,102</u>

Business-type activities:

Water Utility	\$ 598,866
Sewer Utility	468,313
Foster Golf Course	344,474
Surface Water Utility	1,102,521
Total 2023 depreciation expense - business-type activities	<u>\$ 2,514,173</u>

NOTE 8 – JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) an on-going financial responsibility. The City participates in two joint ventures. A summary of the City's investment in joint ventures follows.

	Equity in Operations	Equity in Capital Assets financed by Outstanding Debt	TOTAL Investment in Joint Ventures
Valley Com	\$4,615,420	\$ -	\$ 4,615,420
SCORE	2,790,883	4,191,954	6,982,837
TOTAL	\$7,406,303	\$4,191,954	\$ 11,598,257

Valley Communications Center

The "Valley Communications Center" was established August 20, 1976, when an Interlocal Agreement was entered into by the four original participating municipal corporations, including the cities of Renton, Kent, Auburn, and Tukwila. Federal Way was formally admitted during 2000. The agreement is sanctioned by the provisions and terms of the Interlocal Cooperation Act pursuant to RCW 39.34. The initial duration of the agreement was five years, and thereafter is automatically extended for consecutive five-year periods.

The purpose of the joint operation, hereafter referred to as Valley Com, is to provide improved consolidated emergency communications (dispatch) services for police, fire, and medical aid, to the five participating cities and to several subscribing agencies. Separate agreements between Valley Com and the subscribing agencies have been executed, which set forth conditions of services and rates charged. The allocation of prorated financial participation among the five participating cities is the percentage of estimated dispatched calls attributed to each jurisdiction compared to the total estimated dispatched calls for the current 12-month period ending December 31.

The 2023 cost distribution for the five (5) participating cities is as follows:

City	Dispatchable Calls	Percent of Total
Renton	69,831	21.48%
Kent	87,959	27.06%
Auburn	67,644	20.81%
Tukwila	33,328	10.25%
Federal Way	66,332	20.40%
Total	325,093	100.00%

Valley Com is governed by an Administration Board composed of the Mayors from the five participating cities of Renton, Kent, Auburn, Tukwila, and Federal Way. The Board is responsible for the following functions: (1) Adopting an annual budget after review by participating legislative bodies; (2) Appointment and/or discharge of the Director; (3) Approves personnel policy and makes final decisions on all major policy changes; (4) Reviews and approves all contracts.

In addition, an Operating Board was established and consists of two members of each participating City's Public Safety Departments, including the heads of such departments or their designees. The Operating Board performs the following functions: (1) Oversees the operation of Valley Com and advises and makes recommendations to the Administration Board; (2) Makes recommendation on Director selection; (3) Presents proposed policies and budgets to the Administration Board; (4) Approves disbursement of funds by the Director.

The Director presents a proposed budget to the Operating Board on or before August 15 of each year. The proposed budget is then presented to the Administration Board by September 1 of each year. The Administration Board can make changes to the proposed Valley Com budget as it finds necessary, but final approval falls to the legislative body of each participating city, in accordance with the provisions of the Interlocal Agreement.

The share of equity belonging to the five (5) participating cities is as follows:

ITEM	RENTON	KENT	AUBURN	TUKWILA	FEDERAL WAY	TOTAL
Equity December 31, 2022	\$ 8,620,751	\$11,574,131	\$ 8,844,943	\$ 4,119,279	\$ 7,636,612	\$ 40,795,717
GASB 96 Adjusted Equity	(10,014)	(13,445)	(10,274)	(4,785)	(8,871)	(47,389)
Equity January 1, 2023, restated	8,610,737	11,560,686	8,834,669	4,114,494	7,627,741	40,748,328
Current Year Increase/(Decrease)	1,049,574	1,322,034	1,016,695	500,926	996,975	4,886,204
Equity December 31, 2023	\$ 9,660,312	\$12,882,719	\$ 9,851,364	\$ 4,615,420	\$ 8,624,715	\$ 45,634,532
Percent of Equity	21.17%	28.23%	21.59%	10.11%	18.90%	100.00%

Liabilities are the responsibility of the five participating cities in direct proportion to their equity position. In August 1993, Valley Com entered into an interlocal cooperation agreement, pursuant to RCW 39.34 RCW, with the sub-regions of King County, Seattle, and the Eastside Public Safety Communications Agency. This agreement governs the development, acquisition and installation of the 800 MHz emergency radio communications system funded by a \$57 million King County levy approved in November 1992. This agreement provides that upon voluntary termination of any sub-region's participation in the system, it surrenders its radio frequencies, relinquishes its equipment and transfers any unexpended levy proceeds and associated equipment replacement reserves to another sub-region or consortium of sub-regions. Thus, in accordance with this agreement, the participating cities of Valley Com have no equity interest in Valley Com's 800-MHz communications system.

During 2000, the Valley Communications Center Development Authority was created to issue \$12,758,000 in General Obligation Bonds to finance construction, equipment, and land for a new facility completed in 2002. Each of the five participating cities was responsible for one-fifth of the debt obligation, which originally was \$2,551,600 per City. The basic agreement shall not be terminated until all bonds issued by Valley Communications Center Development Authority have been paid and retired. The final payment on the bonds was made in 2015.

A complete set of financial statements are available from Valley Communications Center, 27519 108th Ave SE, Kent, WA 98030, or by telephone 253-372-1300.

South Correctional Entity (SCORE)

On February 25, 2009, the Cities of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, Washington (Member Cities) entered into a SCORE Facility Interlocal Agreement (as amended and restated on October 1, 2009, the "2009 Interlocal Agreement") pursuant to chapter 39.34 RCW (Interlocal Cooperation Act) to jointly construct, equip, maintain and operate a consolidated regional misdemeanor correctional facility located in Des Moines, Washington (SCORE Facility) to serve the parties to the 2009 Interlocal Agreement and state agencies and other local governments (Subscribing Agencies) to provide correctional services essential to the preservation of the public health, safety and welfare. To carry out the purposes of the 2009 Interlocal Agreement and to operate, manage and maintain the SCORE Facility, the Member Cities formed the South Correctional Entity (SCORE), a separate governmental administrative agency pursuant to the 2009 Interlocal Agreement and RCW 39.34.030(3).

The 2009 Interlocal Agreement named the City of Des Moines as the "Host City" and the remaining Member Cities as the "Owner Cities". Pursuant to a separate "Host City Agreement" dated October 1, 2009, the Host City will not enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Host City Agreement. Pursuant to SCORE financial policies, all unexpended funds or reserve funds shall be distributed based on the percentage of the Member City's average daily population at the

SCORE Facility for the last three (3) years regardless of its Owner City or Host City status. SCORE and the SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

SCORE, as a governmental administrative agency formed under the Interlocal Cooperation Act, is not expressly authorized to issue bonds. To finance and refinance the costs of the SCORE Facility, the City of Renton, Washington, chartered the South Correctional Entity Facility Public Development Authority as a public corporation pursuant to RCW 35.21.730 through 35.21.757 (Public Corporation Act) and Ordinance No. 5444, passed on February 2, 2009 (Charter Ordinance).

2009 Bonds. The SCORE PDA issued its Bonds, Series 2009A (2009A Bonds) and Bonds, Series 2009B (Taxable Build America Bonds—Direct Payment) (2009B Bonds, and, together the 2009 Bonds) on November 4, 2009 in the aggregate principal amount of \$86,235,000. Proceeds of the 2009 Bonds were used to finance a portion of the costs of acquiring, constructing, developing, equipping and improving the SCORE Facility, to capitalize interest during construction, and to pay costs of issuance for the 2009 Bonds.

Pursuant to the 2009 Interlocal Agreement and the ordinances of each city, each Owner City (which included the Cities of Auburn, Burien, Federal Way, Renton, SeaTac, and Tukwila) was obligated to budget for and pay its share, and only its share, of the principal of and interest on the 2009 Bonds as the same become due and payable (referred to as each Owner City's 2009 Capital Contribution). Each Owner City's obligation to pay its 2009 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor.

Subsequent Activities: Refunding of 2009 Bonds and Amendment and Restatement of Interlocal Agreement. Pursuant to the 2009 Interlocal Agreement, on September 5, 2018, the City of Federal Way gave its notice of intent to withdraw from SCORE effective December 31, 2019. The remaining Member Cities (including the cities of Auburn, Burien, Des Moines, Renton, SeaTac and Tukwila) entered into an Amended and Restated SCORE Interlocal Agreement (2019 Interlocal Agreement), which amended and restated the 2009 Interlocal Agreement in its entirety, removed Federal Way as a Member City and an Owner City, terminated the Host City Agreement, and made other revisions to provide for the issuance of bonds to refund the 2009 Bonds. On December 11, 2019, the Authority issued its Refunding Bonds, Series 2019 in the aggregate principal amount of \$51,055,000 (2019 Bonds). The 2019 Interlocal Agreement became effective on the date of issuance of the 2019 Bonds. Proceeds of the 2019 Bonds were used to defease and refund all of the outstanding 2009 Bonds.

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each Owner City (including the Cities of Auburn, Burien, Des Moines, Renton, SeaTac, and Tukwila) is obligated to budget for and pay its share, and only its share, of the principal of and interest on the 2019 Bonds as the same become due and payable (referred to as each Owner City's 2019 Capital Contribution). Each Owner City's obligation to pay its 2019 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor.

The following is a summary of the debt service requirements for the 2019 Bonds:

SUMMARY OF DEBT SERVICE REQUIREMENTS

Debt Service Schedule				Debt Service Allocation to Owner Cities					
Year	Principal	Interest	Total	Auburn 34.94%	Burien 4.82%	Des Moines 6.02%	Renton 40.96%	SeaTac 3.62%	Tukwila 9.64%
2024	2,070,000	1,839,900	3,909,900	1,366,120	188,457	235,376	1,601,495	141,538	376,914
2025	2,155,000	1,757,100	3,912,100	1,366,889	188,563	235,508	1,602,396	141,618	377,126
2026	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861
2027	2,375,000	1,536,350	3,911,350	1,366,626	188,527	235,463	1,602,089	141,591	377,054
2028	2,490,000	1,417,600	3,907,600	1,365,315	188,346	235,238	1,600,553	141,455	376,693
2029-2033	14,430,000	5,120,300	19,550,300	6,830,875	942,324	1,176,928	8,007,803	707,721	1,884,649
2034-2038	17,705,000	1,840,250	19,545,250	6,829,111	942,081	1,176,624	8,005,734	707,538	1,884,162
Totals	\$43,485,000	\$15,160,850	\$58,645,850	20,490,863	2,826,729	3,530,480	24,021,340	2,122,979	5,653,459

The City of Tukwila reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following summary of the Capital Contributions for the 2019 Bonds is condensed (unaudited) financial information reported as of December 31, 2023 in relation to SCORE:

Member City	2022 Percent of Equity	2022 Equity Balance	2023 Percent of Equity	2023 Apportionment	2023 Equity Balance
Auburn	41.48%	14,096,126	41.38%	1,218,714	15,314,840
Burien	5.39%	1,831,888	5.68%	268,275	2,100,163
Des Moines	5.02%	1,707,548	5.11%	181,695	1,889,243
Renton	32.11%	10,913,931	32.11%	970,291	11,884,222
SeaTac	8.27%	2,812,314	8.18%	214,728	3,027,042
Tukwila	7.73%	2,627,335	7.54%	163,548	2,790,883
Grand Totals	100.00%	33,989,142	100.00%	3,017,251	37,006,393

The investment in joint venture for SCORE on the Statement of Net Position includes Tukwila's share of debt refinanced in 2019. As of December 31, 2023, the City's share of SCORE debt is \$4,191,954. See Note 11 for additional information on long-term debt.

Completed financial statements for SCORE and SCORE PDA can be obtained from the SCORE, Attn: Finance Manager, 20817 17th Avenue South, Des Moines, WA 98198.

NOTE 9 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2023:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ (2,401,092)
Pension assets	16,727,354
Deferred outflows of resources	14,232,733
Deferred inflows of resources	(6,118,703)
Pension expense/expenditures	(930,267)

State Sponsored Pension Plans

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

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

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2% 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. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – June 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	6.00%
July – August 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.39%	6.00%
September – December 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.53%	6.00%

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

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average

of the member's 60 highest-paid consecutive service months. 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 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. 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. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. 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 rates are adopted by the Pension Funding Council, and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 2/3			
Actual Contribution Rates	Employer 2/3	Employee 2*	Employee 3**
January – June 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%		
Administrative Fee	0.18%		
Total	10.39%	6.36%	
July – August 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%		
Administrative Fee	0.18%		
Total	9.39%	6.36%	
September – December 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
Total	9.53%	6.36%	

* For employees participating in JBM, the contribution rate was 15.90%.

**For employees participating in JBM, the minimum contribution rate was 7.50%

The City of Tukwila's actual PERS plan contributions were \$667,578 to PERS Plan 1 and \$1,231,334 to PERS Plan 2/3 for the year ended December 31, 2023.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006.

PSERS membership includes certain public employees whose jobs contain a high degree of physical risk to their own personal safety. In addition to meeting strict statutory work requirements, membership is further restricted to specific employers including:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the AFC times the member's years of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Retirement before age 60 is considered an early retirement. PSERS members who retire before turning 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other benefits include a COLA, capped at 3% annually. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The Plan 2 employer rates include components to address the PERS Plan 1 UAAL.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2023 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
January – June 2023		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.63%	6.60%
July – August 2023		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.63%	6.60%
September – December 2023		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.90%	6.73%

The City of Tukwila's actual plan contributions were \$20,700 to PSERS Plan 2 for the year ended December 31, 2023.

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

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest-paid consecutive 24 months' within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

tarting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2023. Employers paid only the administrative expense of 0.20% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. . The rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2023.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – August 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	8.71%	8.53%
September – December 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	
Total	5.32%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.20%	
Total	8.73%	8.53%

The City of Tukwila's actual contributions to the plan were \$518,709 for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the state contributed \$87,966,142 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$468,955.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2021 Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 assets, LEOFF Plan 1/2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022 measurement date.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

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

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City of Tukwila's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City of Tukwila's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$ 3,354,506	\$ 2,401,092	\$ 1,568,985
PERS 2/3	5,951,264	(5,471,824)	(14,856,613)
PSERS 2	64,866	(41,833)	(126,043)
LEOFF 1	(2,171,731)	(2,449,213)	(2,689,833)
LEOFF 2	1,292,089	(7,803,743)	(15,247,900)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2023, the City of Tukwila reported a total pension asset of \$16,727,354 and a total pension liability of \$2,401,092 for its proportionate share of the net pension liabilities as follows:

	Liability or (Asset)
PERS 1	2,401,092
PERS 2/3	(5,471,824)
PSERS 2	(41,833)
LEOFF 1	(2,449,213)
LEOFF 2	(7,803,743)
Firemen's Pension	(960,741)

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

	LEOFF 1 (Asset)	LEOFF 2 (Asset)
Employer's proportionate share	\$ (2,449,213)	\$ (7,803,743)
State's proportionate share of the net pension asset associated with the employer	(16,566,419)	(4,983,390)
TOTAL	\$ (19,015,632)	\$ (12,787,132)

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

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.109635%	0.105185%	-0.004450%
PERS 2/3	0.141085%	0.133502%	-0.007583%
PSERS 2	0.035312%	0.039451%	0.004139%
LEOFF 1	0.082276%	0.082520%	0.000244%
LEOFF 2	0.424099%	0.325346%	-0.098753%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2023. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2023, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2023, the City of Tukwila recognized pension expense as follows:

	Pension Expense
PERS 1	(169,835)
PERS 2/3	(760,696)
PSERS 2	9,623
LEOFF 1	(221,329)
LEOFF 2	331,286
Firemen's Pension	(119,316)
Total	(930,267)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the City of Tukwila reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	0	0
Net difference between projected and actual investment earnings on pension plan investments	0	(270,854)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	304,266	
TOTAL	304,266	(270,854)

PERS 2/3	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	1,114,604	(61,137)
Net difference between projected and actual investment earnings on pension plan investments	0	(2,062,114)
Changes of assumptions	2,297,261	(500,712)
Changes in proportion and differences between contributions and proportionate share of contributions	215,770	(393,495)
Contributions subsequent to the measurement date	641,018	
TOTAL	4,268,653	(3,017,458)

PSERS 2	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	13,090	(10,765)
Net difference between projected and actual investment earnings on pension plan investments	0	(11,258)
Changes of assumptions	18,716	(7,280)
Changes in proportion and differences between contributions and proportionate share of contributions	815	(10,706)
Contributions subsequent to the measurement date	10,452	
TOTAL	43,073	(40,008)

LEOFF 1	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	0
Net difference between projected and actual investment earnings on pension plan investments	0	(162,405)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	0	(162,405)

LEOFF 2	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	3,187,608	(64,203)
Net difference between projected and actual investment earnings on pension plan investments	0	(1,651,255)
Changes of assumptions	1,993,437	(641,016)
Changes in proportion and differences between contributions and proportionate share of contributions	3,359,836	(95,065)
Contributions subsequent to the measurement date	268,120	
TOTAL	8,809,002	(2,451,539)

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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For Year Ended December 31	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
2024	(184,277)	(1,072,946)	(7,969)	(111,351)	(238,881)
2025	(231,751)	(1,254,862)	(9,643)	(139,731)	(505,537)
2026	142,894	1,653,920	7,218	86,680	1,844,180
2027	2,281	599,707	149	1,996	929,117
2028	-	626,939	253	-	957,262
Thereafter	-	57,419	2,605	-	3,103,201
Total	(270,854)	610,177	(7,387)	(162,405)	6,089,342

Firemen's Pension System

Plan Description

Plan Administration: The Firefighters' Pension Fund (FPF) is administered by the City of Tukwila. The plan is a single-employer defined-benefit pension plan that provides pensions for firefighters that were hired prior to 1970.

The firefighter's pension board consists of the following five members: the chairperson of the fire commissioners for said district who shall be chairperson of the board, the county auditor, county treasurer, and in addition, two regularly employed or retired firefighters elected by secret ballot of the employed and retired firefighters. Retired members who are subject to the jurisdiction of the pension board have both the right to elect and the right to be elected under this section. The first members to be elected by the firefighters shall be elected annually for a two-year term. The two firefighter-elected members shall, in turn, select a third eligible member who shall serve in the event of an absence of one of the regularly elected members.

Plan membership is limited to active members of the Firefighter's Pension Fund (FPF) as of March 1, 1970. On that date, the Washington Law Enforcement Officers' and Firefighters' System (LEOFF) was established. FPF is responsible for paying the pensions of those members retired prior to March 1, 1970 and for providing the "excess benefit", the excess of FPF formula benefits over the LEOFF benefits. Therefore, the plan is closed to new members. At December 31, 2021 (the census date), FPF membership consisted of the following:

Employees Covered by Benefit Terms

At December 31, 2021 (the census date), the benefit terms covered the following employees:

Type of Membership	Total
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees	0
Total	<u>7</u>

Benefits Provided

All benefit terms are in statutes RCW 41.16, 41.18, and 41.26. The FPF provides retirement, disability, and death benefits. Each firefighter in service on March 1, 1970 receives the greater of the benefit payable under the Washington Law Enforcement Officers' and Firefighters' Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new law for any firefighter, the excess benefits are paid from the FPF of the city employing the member on March 1, 1970.

All members are retired and drawing benefits. Benefit terms provide for cost-of-living adjustments to each member's retirement benefit. There are two types of increases: escalation by salary in proportion to the current salary of the rank from which the firefighter retired, or an increase proportionate to the increase in the Seattle area CPI, with the change computed annually. Regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year. The former applies to firefighters who retired from service after 1969, their survivors, and to firefighters who retired for duty disability (but not their survivors) after 1961. The latter applies to all other types of monthly benefits.

Contributions

The City makes contributions based on an actuarially determined rate. As long as the FPF provides for benefits to covered members, the City will be eligible to receive a share of the State's distribution of the fire insurance premium taxes. The amount the City receives is 25% of all monies received by the State from taxes on fire insurance premiums. Contributions can also come from taxes paid pursuant to the provisions of RCW 41.16.060. This statute requires that each municipality levies up to \$0.45 (only \$0.225 of which can be in excess of the property tax limit

pursuant to RCW 84.52.043) per \$1,000 of assessed valuation, based on reports by a qualified actuary, to maintain the fund. Reporting period contributions were \$74,397.

Net Pension Liability

The City's total pension liability was valued as of December 31, 2021 and was used to calculate the net pension liability. The components of the City's net pension liability at December 31, 2022 are as follows:

Total pension liability	\$ 666,811
Less: Plan fiduciary net position	(1,627,552)
City's net pension liability	<u>\$ (960,741)</u>
Plan fiduciary net position as a percentage of the total pension liability	244.08%

Deferred Outflows of Resources and Deferred Inflows of Resources

For the report year ended December 31, 2023, the City recognized a pension expense credit of \$(119,316). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	0	(7,102)
Contributions subsequent to the measurement date	86,708	0
Total	86,708	(7,102)

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

Year ended December 31:	Amount
2024	\$ 4,646
2025	761
2026	(1,141)
2027	(11,368)
2028	0
Remaining	0
TOTAL	\$ (7,102)

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	December 31, 2021	December 31, 2022
Discount Rate	1.84%	4.05%
Investment Rate of Return	1.84%	4.05%
Inflation	2.75%	2.75%
Salary Increases	3.25%	3.25%
Mortality Rates	Mortality Rates were based on tables from the Society of Actuaries.	

- Experience studies come from the State of Washington 2021 Actuarial Valuation.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net pension liability.

Discount Rate

GASB 68 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total pension liability is 4.05%.

Long-Term Expected Real Rate of Return

The long-term expected real rate of return is the same as the discount rate.

Current Pension Liability	\$ 51,887
Non-Current Pension Liability	614,924
Total Pension Liability	<u>\$ 666,811</u>

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance as of report date December 31, 2022	\$ 829,479	\$ 1,531,223	\$ (701,744)
Changes for the year:			
Service cost	-	-	-
Interest	14,697	-	14,697
Changes of benefit terms	-	-	-
Differences between expected and actual experience	10,729	-	10,729
Changes of assumptions	(126,650)	-	(126,650)
Contributions			
Employer - City's contribution	-	74,397	(74,397)
Employee contributions	-	-	-
Net investment income	-	85,126	(85,126)
Benefit payments	(61,444)	(61,444)	-
Administrative Expenses	-	-	-
Other miscellaneous income / (expense)	-	(1,750)	1,750
Net changes	(162,668)	96,329	(258,997)
Balance as of report date December 31, 2023	\$ 666,811	\$ 1,627,552	\$ (960,741)

Sensitivity of Liabilities to Changes in the Discount Rate

Sensitivity of the total and net pension liability to changes in the discount rate. The total and net pension liability of the City, as well as what the City's total and net pension liability would be if they were calculated using a discount rate that is one percentage point lower (3.05%) or one percentage point higher (5.05%) follows:

	1% Decrease 3.05%	Current Rate 4.05%	1% Increase 5.05%
Total pension liability (Asset)	\$ 719,724	\$ 666,811	\$ 620,012
Increase / (decrease)	52,913		(46,799)
% Change	7.94%		-7.02%
Net pension liability (Asset)	\$ (907,828)	\$ (960,741)	\$ (1,007,540)
Increase / (decrease)	52,913		(46,799)
% Change	-5.51%		4.87%

Basis of Valuation

A general summary of the substantive plan used as the basis of the valuation follows.

Retiree Pension Benefit	
General	
Applicable Statutes	RCW 41.16, 41.18, 41.26
Benefits	Each firefighter in service on March 1, 1970 receives the greater of the benefit payable under LEOFF or FPF. Where benefits under the old law exceed those under the new for any firefighter, the excess benefits are paid from the FPF of the city employing the member on March 1, 1970.
Service Retirement Benefit	
Member	Eligibility: age 50 and 25 years of service (RCW 41.18.040) or age 50 and five years of service (RCW 41.26.090). Amount of benefit: 50% of salary plus an additional 2% for each year of service in excess of 25 years. Maximum benefit of 60% of salary (does not apply for those retiring after July 1, 2006).
Survivor	Eligibility: spouse or child. Amount of benefit: continuation of the firefighter's benefit. (If spouse — same, plus additional 5% of salary per child. If no spouse — 30% of salary for first child, 10% for each additional child. Maximum of 60% of salary).
Duty Disability Retirement Benefit	
Member	Eligibility: disabled after six-month waiting period. Amount of benefit: determined the same as Service Retirement Benefit. Recovery: restoration to service.
Survivor	See Survivor's Benefit section under Service Retirement.
Non Duty Disability Retirement Benefit	
Member	Eligibility: disabled after 90-day waiting period. Amount of benefit: 50% of salary, or service retirement benefit, if greater. Recovery: see Duty Disability Retirement. Limitations: no benefits payable if firefighter employed elsewhere when disabled.
Survivor	Eligibility: spouse or child Amount of benefit: 33.3% to widow or children only. 45.8% to widow and one child. 47.6% to widow and two children. 50.0% to widow and three children.

Retiree Pension Benefit (Continued)	
Death Benefit	
Duty	Eligibility: spouse or child Amount of benefit: If spouse — 50% of salary plus an additional 5% of salary per child; maximum benefit of 60% of salary. If no spouse — 50% of salary to children.
Non-Duty	Eligibility: spouse or child Amount of benefit: provisions the same as Survivor's Benefit under Non-Duty Disability Retirement
Special Provisions	
Under disability or death benefits, a surviving spouse may elect a lump-sum payment of \$5,000 in lieu of future monthly benefits.	
Vesting	
Termination after 20 years of service (RCW 41.18.130) or five years of service (RCW 41.26.090).	
Deferred Benefit	
Commencement	When a firefighter would have had 25 years of service (RCW 41.18.130) or age 50 (RCW 41.26.090).
Amount of Benefit	2% of salary for each year of service. Other provisions apply, see statutes.
Death While Vested Prior to Commencement of Benefits	Payment of firefighter's deferred benefit to spouse or child.
Postretirement Increase	
Benefits Payable	Annual increase proportionate to the increase in the Seattle-area CPI. Minimum increase at least 2% each year.
Benefits Payable Under LEOFF	Type 1: Escalation by salary in proportion to current salary or rank from which the firefighter retired.
	Type 2: Annual increase proportionate to the increase in the Seattle-area CPI. Minimum increase at least 2% each year.
Applicability	Type 1 applies to firefighters who retired from service after 1969, their survivors, and to firefighters who retired for duty disability (but not their survivors) after 1961. Type 2 applies to all other types of monthly benefits
Minimum Benefit	After April 25, 1973, a minimum benefit of \$300 per month to all retired firefighters and their survivors. This minimum is increased by the CPI.
Funeral Benefit	\$500 RCW 41.18.140, no provision under RCW 41.26.

Participant Summary

December 31, 2021 - Age and service determined as of the census date.

LEOFF Plan 1 (Firemen's Pension) Inactive Participants				
Age	Service Retirees	Disabled Retirees	Surviving Spouses	Total
< 70	0	0	0	0
70 - 74	0	0	0	0
75 - 79	1	1	1	3
80 - 84	1	1	0	2
85 - 89	0	1	1	2
90 +	0	0	0	0
Total	2	3	2	7

Average Inactive Participant Age: 80.1

The key actuarial assumptions used for the December 31 valuation were:

Assumption	Rates
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Salary
Asset Valuation Method	Fair Market Value
Valuation Date	December 31, 2021
Measurement Date	December 31, 2022
Report Date	December 31, 2023
Discount Rate	The discount rate selected is 1.84%. Since the assets of the plan are invested entirely in short duration fixed income investments, the City has decided to use the same discount rate that is used for its unfunded OPEB valuation, which is the 20-year tax-exempt municipal bond yield.
Healthy Mortality	RP-2014 mortality table (adjusted to 2006), total dataset, fully generational with mortality improvement scale MP-2021.
Termination Rates	n/a
Disability	n/a
Retirement	n/a
Cost of Living	2.75%, based on State of Washington 2021 actuarial valuation report. Used to increase state paid benefits annually.
Salary Increases	Salary Increases 3.50%, based on State of Washington 2021 actuarial valuation report. Used to increase FPF benefits

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2023:

Aggregate OPEB Amounts	
<i>OPEB Liabilities</i>	\$ 5,058,252
<i>OPEB Assets</i>	-
<i>Deferred outflows of resources</i>	449,737
<i>Deferred inflows of resources</i>	-
<i>OPEB expenses/expenditures</i>	(956,367)

Plan Description

The City of Tukwila's LEOFF Plan 1 (the Plan) is a single-employer defined-benefit post-employment healthcare plan administered by the City. The Plan provides medical, prescription drug, dental, Medicare Part B premiums, long-term care, and vision expenses for LEOFF 1 retirees. The Plan does not cover dependent spouses and children. The Plan does not issue a separate standalone financial report.

Benefits Provided

As mandated by RCW 41.26, RCW 41.18, and RCW 41.20, the City reimburses 100% of allowable healthcare costs for LEOFF 1 retirees. All firefighters and law enforcement officers employed between 3/1/1970 and 10/31/1977 are members of a single employer defined benefit OPEB plan and are provided lifetime insurance coverage for medical, hospital and nursing care costs. These benefits are accounted for in Police and Fire Pension and Relief Funds and

are considered, in substance, a postemployment healthcare plan administered by, but not part of, the Police and Fire Pension Plans. Extraordinary health and dental expenses, as determined by the Pension Board, require prior approval. Insurance policies for this benefit are underwritten as part of the City's overall insurance program. The LEOFF I OPEB plans are closed to new entrants.

The City pays a monthly insurance premium to the Employee Health Care Fund for each retiree. The premium is less for Medicare age retirees, and the City reimburses retirees for the Medicare premiums. Medicare is the primary payer for retirees age 65 and over, and Healthcare Management Administrators (HMA) pays claims for retirees under age 65. The members' necessary hospital, medical, and nursing care expenses not payable by workers' compensation, Medicare, or insurance provided by another employer, are covered.

Employees Covered by Benefit Terms

At December 31, 2021 (the census date), the following employees were covered by the benefit terms:

<i>Inactive employees or beneficiaries currently receiving benefits</i>	30
<i>Inactive employees entitled to but not yet receiving benefits</i>	0
<i>Active employees</i>	0
<i>Total</i>	30

Contributions

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. The authority to establish and amend benefits is determined by the LEOFF board.

Total OPEB Liability

The City's total OPEB liability was valued as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	December 31, 2021	December 31, 2022
Discount Rate	1.84%	4.05%
Inflation	2.75%	2.75%
Healthcare Cost Trend Rates	4.80%	4.80%
Salary Increases	n/a	n/a
Mortality Rates	Based on SOA Tables	

- Projections of the sharing benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington 2021 study.
- Inactive employees (retirees) pay 0% of the cost of benefits.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

The discount rate used to measure the total OPEB liability is 4.05%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as that the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.05%) or one percentage point higher (5.05%) as follows:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB Liability (Asset)	\$ 5,479,086	\$ 5,058,252	\$ 4,689,318
Increase (Decrease)	420,834		(368,934)
% Change	8.3%		-7.3%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 4.80% and decreased to 3.94% over 52 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.80%) or one percentage point higher (5.80%) than current healthcare cost trend rates as follows:

	1% Decrease (3.80%)	Current Healthcare Cost Trend Rate (4.80%)	1% Increase (5.80%)
Total OPEB Liability (Asset)	\$ 4,665,571	\$ 5,058,252	\$ 5,498,317
Increase (Decrease)	(392,681)		440,065
% Change	-7.8%		8.7%

Changes in the Total OPEB Liability – City of Tukwila LEOFF Plan 1

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of December 31, 2022	\$ 6,378,071	\$ -	\$ 6,378,071
Changes:			
Service Cost	-	-	-
Interest	114,013	-	114,013
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(56,710)	-	(56,710)
Changes of Assumptions	(1,013,670)	-	(1,013,670)
Contributions			
Employer - City's Contribution	-	-	-
Employer - Implicit Subsidy	-	-	-
Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(363,452)	-	(363,452)
Implicit Rate Subsidy Fulfilled	-	-	-
Administrative Expenses	-	-	-
Net Changes	(1,319,819)	-	(1,319,819)
Balance as of December 31, 2023	\$ 5,058,252	\$ -	\$ 5,058,252

For the year ended December 31, 2023, the City recognized an OPEB expense of \$(956,367).

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
<i>Differences between expected and actual experience</i>	0	0
<i>Changes of assumptions</i>	0	0
<i>Contributions subsequent to the measurement date</i>	449,737	0
Total	449,737	0

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

Report Year Ending December 31:	Amount
2024	\$ -
2025	-
2026	-
2027	-
2028	-
Remaining	-
	Amount
Current OPEB Liability	\$ 416,612
Non-Current OPEB Liability	4,641,640
Total OPEB Liability	<u>\$ 5,058,252</u>

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, 1.0 is used when calculating amortizations if the EARSL is less than 1 year.

NOTE 11 – LONG-TERM LIABILITIES

Governmental Activities Long-Term Debt

General Obligation Bonds are direct obligations of the City for which its full faith and credit are pledged. Debt service for voter-approved issues, of which the City has one, are funded by special property tax levies. Debt service for City Council authorized bonds, also called councilmanic bonds, is funded from regular property taxes, sales taxes, or other general revenues, and is generally paid from debt service funds. The City currently maintains a rating of Aa3 from Moody's Investor Service and AA+ from Standard & Poor's.

General Obligation Bonds outstanding at year-end are as follows:

- 2015 LTGO bonds were issued to pay for improvements to Interurban Avenue South and reconstruct or retrofit Boeing Access Road Bridge. The City issued \$5.825 million of general obligation bonds with an interest rate of 2.25%-3.0% and a final maturity of December 2035.
- 2016 UTGO bonds in the amount of \$32.99 million were issued after voters approved a \$77.385 million bond measure that will fund a justice center, rebuild 3 fire stations and provide fire apparatus and life-safety

equipment replacement for 20 years. The City issued \$32.99 million of general obligation bonds with an interest rate of 4.5%-5.0% and a final maturity of December 2036.

- 2017 LTGO bonds were issued to fund residential street improvements including adding sidewalks and undergrounding utilities on 42nd and 53rd Avenues. The City issued \$8.18 million of general obligation bonds with an interest rate of 3.0%-3.5% and a final maturity of December 2037.
- 2018 LTGO bonds were issued to fund the purchase of land in order to consolidate the Public Works function at one location. The City issued \$18.365 million of general obligation bonds with an interest rate of 4.0%-5.0% and a final maturity of December 2038.
- 2019 LTGO bonds were issued to fund the purchase of land and improvements in order to consolidate the Public Works function at one location and to provide additional funding for construction of the new Justice Center and fire stations as part of the Public Safety Plan. The City issued \$22.83 million of general obligation bonds with an interest rate of 3.0%-5.0% and a final maturity of December 2039.
- 2019 UTGO bonds were issued to fund construction of the new Justice Center and fire stations as part of the Public Safety Plan. The City issued the remaining \$37.77 million of the 2016 voter approved general obligation bonds with an interest rate of 3.0%-5.0% and a final maturity of December 2038.

Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. The following General Obligation bonds are direct borrowings or direct placements:

- 2020 LTGO bonds were issued to refund a portion of the bonds issued in 2010 for the construction and realignment of Southcenter Parkway in the Tukwila South Annexation area and for the cost of emergency preparedness capital and other equipment. The City issued \$1,995,000 of general obligation refunding bonds with an interest rate of 1.29% and a final maturity date of December 2024.
- 2021A LTGO bonds were issued to fund a portion of the Public Works Shops Phase 1 project. The City issued \$2,867,300 of general obligation bonds with an interest rate of 1.7% and a final maturity of December 2031.
- 2021B LTGO bonds were issued to refund the outstanding 2014 LTGO bonds that were issued to fund the acquisition and capital costs of redevelopment activities within the City's Tukwila International Boulevard (TIB) urban renewal area. The City issued \$2,780,900 of general obligation refunding bonds with an interest rate of 2.7% and a final maturity date of December 2034.

Special assessment bonds are issued to finance construction of local improvement district (LID) projects and are repaid through assessments collected from property owners benefiting from related improvements. Although the bonds are secured by liens against assessed properties, the City is required under state law to establish a guaranty fund to provide a means of paying LID bond debt service obligations in the event there are insufficient resources in the LID debt service fund. The special assessment bonds are not general obligation debt, but the City is obligated in some manner to cover the interest on the bonds. Therefore, the bonds are reported as Special Assessment Debt with Governmental Commitment.

Special assessments outstanding at year-end are as follows:

- 2013 special assessment bonds LID No. 33 were issued to reimburse the City for a portion of the costs of a major reconstruction of Klickitat and Southcenter Parkway to improve access to the urban center. The City issued \$6,687,500 of special assessment bonds with an interest rate of 3.15%-5.375% and a final maturity of January 2031.

Business-Type Activities Long-Term Debt

Revenue bond indebtedness issued to fund proprietary activities is recorded in proprietary funds. Debt service payments are made from operating revenues generated by the proprietary funds. In proprietary funds, bonds are displayed net of unamortized premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt discount. The City currently does not maintain a rating from any of the rating agencies because the outstanding revenue bonds are a direct placement.

Revenue bonds outstanding at year-end are as follows:

- 2015 water/sewer/SWM bonds were issued to refund the remaining debt of the 2006 revenue bonds. The bonds were issued to provide neighborhood revitalization to Allentown and Foster Point Sewer system. These revenue bonds have an interest rate of 2.34% and a final maturity of December 2026.

State of Washington Public Works Trust Fund Loans are low interest rate loans available from the State of Washington Department of Commerce, Local Government & Infrastructure Division for qualifying projects and are a direct responsibility of the City. This debt is repaid by proprietary fund revenues.

Public Works Trust Fund loans outstanding at year-end are as follows:

- 2004 loan to install new water, sewer, and surface water infrastructure in Allentown and Foster Point neighborhoods. Additionally, 2 new sewer lift stations with generators, 33 manholes and catch basins, and 15 new fire hydrants were installed.
- 2004 loan constructed an underground collection system in the Cascade View neighborhood.
- 2014 loan to install sewer liners in the City's commercial business district of Southcenter. Relining the sewer main avoids full excavation for a significant savings and has minimal impact to the roadway.

The City is in compliance with all Washington State debt limitation statutes and bond indenture agreements.

The schedules that follow summarize the long-term debt transactions of the City for the year ended December 31, 2023.

CHANGES IN LONG-TERM LIABILITIES SUMMARY – GOVERNMENTAL ACTIVITIES

	GENERAL OBLIGATION	PRIVATE PLACEMENT	SPECIAL ASSESSMENT	COMPENSATED ABSENCES	DUE TO OTHER GOVERNMENTS	OTHER POST EMPLOY- MENT BENEFITS	LEASE LIABILITY	SBITA LIABILITY	NET PENSION LIABILITY	TOTAL
Outstanding 01/01/2023	\$ 113,895,000	\$ 6,746,000	\$ 2,685,000	\$ 4,129,105	\$ 4,383,790	\$ 6,378,071	\$ 770,653	\$ -	\$ 2,480,271	\$ 141,467,890
Added	-	-	-	3,117,281	-	-	1,887,709	2,381,285	-	7,386,275
Retired / redeemed	(4,300,000)	(1,494,000)	(400,000)	(4,003,625)	(191,836)	(1,319,819)	(456,876)	(577,001)	(529,864)	(13,273,020)
Outstanding 12/31/2023	\$ 109,595,000	\$ 5,252,000	\$ 2,285,000	\$ 3,242,762	\$ 4,191,954	\$ 5,058,252	\$ 2,201,486	\$ 1,804,284	\$ 1,950,407	\$ 135,581,145
Add Premiums, Subtract Discounts										8,925,467
Total Long-Term Liabilities										\$ 144,506,612

Debt Service to Maturity

Following are schedules showing the debt service requirements to maturity for the City's long-term debt, excluding compensated absences, OPEB, lease liabilities and pensions.

Governmental Activities									
Year Ended December 31	General Obligation Bonds		General Obligation Bonds - Private Placement		Due to Other Governments		Special Assessments		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 4,825,000	\$ 4,158,100	\$ 977,000	\$ 111,295	\$ 199,548	\$ 177,366	\$ 390,000	\$ 122,705	\$ 10,961,014
2025	5,175,000	3,929,650	477,700	94,853	207,742	169,384	445,000	101,762	10,601,091
2026	5,540,000	3,684,100	486,800	84,747	217,864	158,997	445,000	77,865	10,695,373
2027	5,930,000	3,422,775	496,900	74,444	228,950	148,104	445,000	53,969	10,800,141
2028	6,340,000	3,140,175	507,100	63,915	240,036	136,657	560,000	30,072	11,017,955
2029-2033	37,655,000	11,800,075	2,059,600	159,006	1,391,052	493,598	-	-	53,558,331
2034-2038	42,490,000	4,392,250	246,900	6,666	1,706,762	177,401	-	-	49,019,979
2039-2043	1,640,000	49,200	-	-	-	-	-	-	1,689,200
Totals	\$ 109,595,000	\$ 34,576,325	\$ 5,252,000	\$ 594,926	\$ 4,191,954	\$ 1,461,507	\$ 2,285,000	\$ 386,372	\$ 158,343,083

CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

ITEM	Interest		OUTSTANDING			OUTSTANDING		Due Within
	Rates	Maturity	Authorized	12/31/2022	ISSUED	REDEEMED	12/31/2023	One Year
GOVERNMENTAL ACTIVITIES:								
<u>Limited General Obligation (LTGO) Bonds Payable:</u>								
2015 LTGO-Interurban, BAR	2.25-3.00	12/01/35	\$ 5,825,000	\$ 4,155,000	\$ -	\$ 270,000	\$ 3,885,000	\$ 275,000
2017 LTGO-42nd & 53rd Streets	3.00-3.50	12/01/37	8,180,000	6,565,000	-	355,000	6,210,000	365,000
2018 LTGO - Public Works Shops	4.00-5.00	12/01/38	18,365,000	17,635,000	-	765,000	16,870,000	805,000
2019 LTGO - Public Safety Plan	3.00-5.00	12/01/39	22,830,000	21,945,000	-	930,000	21,015,000	975,000
Total LTGO Bonds Payable			55,200,000	50,300,000	-	2,320,000	47,980,000	2,420,000
<u>Unlimited General Obligation (UTGO) Bonds Payable:</u>								
2016 UTGO - Public Safety	4.50-5.00	12/01/35	77,385,000	27,550,000	-	1,340,000	26,210,000	1,490,000
2019 UTGO - Public Safety	3.00-5.00	12/01/38	37,770,000	36,045,000	-	640,000	35,405,000	915,000
Total UTGO Bonds Payable			115,155,000	63,595,000	-	1,980,000	61,615,000	2,405,000
<u>Private Placement Bonds:</u>								
2020 Refunding Streets (2010GO)	1.29	12/01/24	1,995,000	1,010,000	-	500,000	510,000	510,000
2021 Refunding (Ref 11/14GO & PWS)	1.15-2.70	12/01/34	6,720,500	5,736,000	-	994,000	4,742,000	467,000
Total Private Placement Bonds Payable			11,991,500	6,746,000	-	1,494,000	5,252,000	977,000
Issuance premiums			-	9,544,638	-	619,171	8,925,467	619,171
Net Bonds Payable			182,346,500	130,185,638	-	6,413,171	123,772,467	6,421,171
<u>Due to Other Governments</u>								
2019 SCORE Refunding	4.00-5.00	01/01/39	4,921,702	4,383,790	-	191,836	4,191,954	199,548
Total Due Other Governments			4,921,702	4,383,790	-	191,836	4,191,954	199,548
<u>Special Assessment Debt</u>								
Klickitat Urban Access Project	3.150-5.375	01/15/29	6,687,500	2,685,000	-	400,000	2,285,000	390,000
Total Special Assessment Debt			6,687,500	2,685,000	-	400,000	2,285,000	390,000
Other Post-Employment Benefits Liability				6,378,071	-	1,319,819	5,058,252	416,612
Net Pension Liability				2,480,271	-	529,864	1,950,407	-
Lease Liability				770,653	1,887,709	456,876	2,201,486	499,918
Subscription Based Information Technology Agreements Liability				-	2,381,285	577,001	1,804,284	504,907
Compensated Absences				4,129,105	3,117,281	4,003,625	3,242,762	385,248
Total Governmental Funds			\$ 193,955,702	\$ 151,012,528	\$ 7,386,275	\$ 13,892,191	\$ 144,506,612	\$ 8,817,404

All governmental activities debt is liquidated by the general fund except for the special assessment debt and the 2019 SCORE intergovernmental debt. The special assessment debt is liquidated from assessments collected annually from property owners within boundaries of Local Improvement District #33. The 2019 SCORE debt was paid by SCORE from user fees.

CHANGES IN LONG-TERM LIABILITIES SUMMARY – BUSINESS-TYPE ACTIVITIES

	DIRECT PLACEMENT		PUBLIC WORKS		COMPENSATED		NET PENSION	TOTAL
	REVENUE		TRUST FUND		ABSENCES		LIABILITY	
	BONDS		LOANS					
Outstanding 01/01/2023	\$	677,704	\$	1,476,234	\$	402,823	\$ 572,370	\$ 3,129,131
Added		-		-		437,435	-	437,435
Retired / redeemed		(162,560)		(573,417)		(366,436)	(121,685)	(1,224,099)
Outstanding 12/31/2023	\$	515,144	\$	902,817	\$	473,821	\$ 450,685	\$ 2,342,467

Debt Service to Maturity

The following schedules show the debt service requirements to maturity for the City's long-term debt, excluding compensated absences and net pension liability.

Business-Type Activities					
Year Ended December 31	Direct Placement Revenue Bonds		Public Works Trust Fund Loans		Total
	Principal	Interest	Principal	Interest	
2024	\$ 167,363	\$ 12,054	\$ 573,417	\$ 4,514	\$ 757,349
2025	171,830	8,138	41,175	1,647	222,790
2026	175,951	4,117	41,175	1,441	222,684
2027	-	-	41,175	1,235	42,410
2028	-	-	41,175	1,029	42,204
2029-2033	-	-	164,700	2,059	166,759
Totals	\$ 515,144	\$ 24,310	\$ 902,817	\$ 11,926	\$ 1,454,196

CHANGES IN LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES

ITEM	Interest		OUTSTANDING				OUTSTANDING		Due Within One Year
	Rates	Maturity	Authorized	12/31/2022	ISSUED	REDEEMED	12/31/2023		
BUSINESS-TYPE ACTIVITIES:									
<u>Direct Placement Revenue Bonds</u>									
2015 Water/Sewer/SWM Refunding	2.34	12/01/26	\$ 1,742,527	\$ 677,704	\$ -	\$ 162,560	\$ 515,144	\$ 167,363	
Total Bonds Payable			1,742,527	677,704	-	162,560	515,144	167,363	
<u>Public Works Trust Fund Loans:</u>									
2003 Loan-Water/Sewer	0.50	06/01/21	273,870	-	-	-	-	-	
2003 Loan-Surface Water	0.50	06/01/21	219,725	-	-	-	-	-	
2004 Loan-Water/Sewer	0.50-2.00	06/01/24	5,016,000	545,773	-	272,886	272,886	272,886	
2004 Loan-Surface Water	0.50-2.00	06/01/24	684,000	74,424	-	37,212	37,212	37,212	
2004 Loan-Surface Water	1.00	06/01/24	4,196,056	444,288	-	222,144	222,144	222,144	
2014 Loan-Sewer	0.5	06/01/32	750,000	411,750	-	41,175	370,575	41,175	
Total Public Works Trust Fund Loans			11,139,651	1,476,234	-	573,417	902,817	573,417	
Net Pension Liability				572,370	-	121,685	450,685	-	
Compensated Absences				402,823	437,435	366,436	473,821	78,394	
Total Business-Type Activities			\$ 12,882,178	\$ 3,129,131	\$ 437,435	\$ 1,224,099	\$ 2,342,467	\$ 819,174	
TOTAL ALL FUNDS			\$ 206,837,880	\$ 154,141,659	\$ 7,823,710	\$ 15,116,290	\$ 146,849,079	\$ 9,636,578	

LONG-TERM LIABILITIES RECONCILIATION

	Governmental Activities	Business-Type Activities	Balance 12/31/2023
General Obligation Bonds	\$ 109,595,000	\$ -	\$109,595,000
General Obligation Bonds			
- Private Placement	5,252,000	-	5,252,000
Special assessment bonds	2,285,000	-	2,285,000
Revenue Bonds - Direct Placement	-	515,144	515,144
Public Works Trust Fund loans	-	902,817	902,817
Due to Other Governments	4,191,954	-	4,191,954
Employee leave benefits	3,242,762	473,821	3,716,583
Net Premiums/Discounts	8,925,467	-	8,925,467
Other Post-Employment Benefits	5,058,252	-	5,058,252
Lease Liability	2,201,486	-	2,201,486
Subscription based IT agreements	1,804,284	-	1,804,284
Net Pension Liability	1,950,407	450,685	2,401,092
Total long-term debt	\$ 144,506,612	\$ 2,342,467	\$146,849,079

Debt Limit Capacities

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City: 1.5% without a vote of the people; 2.5% with a vote of the people; 5.0% with a vote of the people, provided the indebtedness in excess of 2.5% is for utilities; 7.5% with a vote of the people, provided the indebtedness in excess of 5.0% is for parks or open space development.

At December 31, 2023, the debt limits for the City were as follows:

Item	Without a Vote	-----With a Vote of the People-----		
	1.5%	2.5%	5.0%	7.5%
Legal Limit	\$142,448,039	\$237,413,398	\$ 474,826,796	\$712,240,194
Outstanding Net Indebtedness	60,369,244	121,984,244	121,984,244	121,984,244
Margin Available	\$ 82,078,795	\$115,429,154	\$ 352,842,552	\$590,255,950

Prior Year Defeasance of Debt

In 2015, the City defeased water and sewer bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2023, \$660,000 of the defeased bonds were outstanding.

Long-term Liabilities other than debt

Claims are paid from one or more funds based on the nature of the transaction. Employees' compensable leave is the City's liability for all unused vacation, 25% of unused sick leave and unpaid overtime accrued by employees and, payable under specified conditions. This obligation is paid only at the time of termination, usually from the same funding source(s) from which the employee's salary or wage compensation was paid.

The City does not report a liability for termination benefits because it is not reasonably estimable.

Local Improvement District No. 33

Tukwila Urban Access Improvement Project Local Improvement District (LID) No. 33 was formed on November 16, 2009 by Ordinance No. 2260. The project was designed to improve congestion within the City's Urban Center. The project included a partial lid over Southcenter Parkway, removal of conflicting turning movements, and the widening of Southcenter Parkway.

Construction for the project began in March 2011 and was completed in October 2011. The project was closed out and accepted as complete by City Council on February 19, 2013.

A variety of funding sources were used to pay for the project including federal and state grants, impact fees, City funds, a right-of-way donation, and special assessments. The City chose to fund the project internally, rather than obtain external, short-term financing then apply special assessments to property owners after the project was completed. Fund 104 Arterial Streets, where the project was accounted for, loaned the project funds as needed using a draw method at an interest rate of 1.80%. This loan was repaid in 2013 when special assessment bonds were issued.

The City confirmed the assessment roll with a final assessment of \$9,475,894. The prepayment period for the special assessments was open in the fall of 2013 and during that time the City received \$2,788,350 in prepayments. Once the prepayment window closed, the City issued bonds for the remaining outstanding assessments in the amount of \$6,687,500. From these proceeds, the City deposited \$515,266 to the guaranty fund. The tenth of 15 annual installments for the assessments was due by October 16, 2023.

As of December 31, 2023, all LID Special Assessments were current, nothing was delinquent. The City has sufficient funds in the LID No. 33 funds to meet debt service requirements in 2023.

Estimated Arbitrage Rebate

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt of over \$5 million to make payments to the United States Treasury of investment interest received at yields that exceed the issuer's tax-exempt borrowing rates. Payments of arbitrage rebate amounts due under these regulations must be made to the U.S. Treasury every five years. The City's estimated rebatable arbitrage amount as of December 31, 2023 is \$0 for its tax-exempt bond issues subject to the Tax Reform Act.

Unused Lines of Credit

As of December 31, 2023, the City had no open lines of credit.

Terms Specified in Debt Agreements

The City's bonds are not subject to acceleration upon the event of default. The City is liable for principal and interest payments only as they become due. There are no termination events or events of default specified in the debt agreements that would have financial consequences.

NOTE 12 – COMMITMENTS

Construction Commitments. As of December 31, 2023, contractual obligations to contractors for construction projects total \$8,341,606.

Governmental Activities	Spent to Date	Remaining Commitment
S 152nd Safe Routes to School	\$ 316,485	\$ 121,963
Public Works Shops Phase 2	1,527,640	3,896,048
Green River Trail Improvements	113,796	174,591
42nd Ave S Bridge Replacement	1,653,305	876,067
Allentown Truck Reroute	265,740	620,046
TCC HVAC Replacement	-	35,000
Overlay	1,226,670	315,368
S 119th St Bridge Safety Improvements	166,008	60,450
West Valley Highway	4,959,691	135,759
Total Governmental Activities	\$ 10,229,334	\$ 6,235,292

Business-Type Activities Projects	Spent to Date	Remaining Commitment
S 152nd Street Waterline Replacement	\$ 1,479,838	\$ 205,923
Water Reservoir and Pump Station	46,264	135,876
GIS Inventory	163,022	36,948
S 149th St & S 150th St Watermain Replacement	119,760	228,575
Andover Park W and 58th Sewer Repair	351,546	847,556
Sewer Lift Station No. 5 Rebuild	198,333	48,443
Small Drainage	12,365	87,420
Storm Water Quality Retrofit Program	74,479	132,799
Green the Green	59,988	17,427
Gilliam Creek Fish Barrier Removal	295,571	39,500
Surface Water Comprehensive Plan	336,514	66,158
S 131st Place Drainage Improvements	178,346	214,508
Chinook Wind Public Access	119,279	45,181
Total Business-Type Activities	\$ 3,435,306	\$ 2,106,314
Total Construction Commitments	\$ 13,664,641	\$ 8,341,606

NOTE 13 – POTENTIAL POLLUTION REMEDIATION AND OTHER LIABILITIES

There are several lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City to have no material financial impact.

The City of Tukwila is expected to share in potential liability under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) for sediment contamination within the Lower Duwamish Waterway Superfund site. In 2014, the Environmental Protection Agency estimated the total cost for the waterway cleanup to be \$342 million with as many as 120 or more parties sharing in the liability. While it is not possible to provide an estimate of the City’s potential CERCLA liability at this time, the relatively small size of the City’s storm water system within the Lower Duwamish Waterway Superfund site area, as well as the City’s recent ownership of the system, which began in 1989, means the City’s share of liability should be low compared to other liable parties. A multi-year confidential process to allocate Duwamish Waterway cleanup costs by the major liable parties remains on-going. Once that process is completed and communicated to the City, which could occur in mid-2024, the City will be in a better position to estimate its potential liability for cleanup costs within the Lower Duwamish Waterway Superfund site.

NOTE 14 – RISK MANAGEMENT

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) 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 169 members.

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

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

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members’ deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members’ deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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, reinsurance and other

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.

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.

The City insures its buildings, equipment, and vehicle property insurance with WCIA. They self-fund up to \$250,000 with standard property insurance purchased above that amount. Traveler's insures boiler machinery and provides for employee dishonesty coverage.

The City has a Risk Management and a Safety Committee to oversee risk management. In addition, the WCIA provides support for a proactive risk analysis program and a loss control manual.

There were no significant reductions in insurance coverage in the past year. During the year under audit and in the past three years, no settlement has exceeded insurance coverage.

The City self-insures for unemployment benefits. This is a budgeted expenditure each year and the City paid \$34,230 in unemployment in 2023. No reserves are allocated because of the limited liability and historical cost.

The City also self-insures for medical, dental and other health care benefits. A third-party administrator, Healthcare Management Administrators, Inc., provides claims administration. The City has a stop-loss policy with Symetra which provides an individual limit of \$210,000. Each fund contributes an appropriate amount each year to pay premiums and claims. Liabilities include an actuarially determined amount for claims that have been incurred but not reported (IBNR's) and a contingency reserve equal to 2.5 times the IBNR liability.

The IBNR liability is estimated by blending two actuarial methods. The first method is the claim-ladder development method. This method calculates the IBNR by estimating monthly incurred claims based on the historical pattern of claim lag experienced by the City and the claim lag triangles of the City. The second method is the Claims Per Member Per Month (PMPM) Trended Method. This calculates an average PMPM claims cost for claims not yet paid based on patterns of claims costs that have been recently incurred. Knowledge of external forces that may affect future health care trends also impact the result of the calculation, along with general actuarial judgment.

The following table reflects changes in the balances of claims liabilities for 2023 and 2022.

SUMMARY OF HEALTH CARE CLAIM LIABILITIES

	Active Employees		Retired Employees LEOFF I	
	2023	2022	2023	2022
Claim Liabilities at Beginning of Year	\$ 1,505,500	\$ 1,500,000	\$ 69,500	\$ 82,500
Claim expenses:				
Current year and changes in estimates	5,694,850	6,027,132	474,653	398,016
Claim payments and expenses	(5,828,600)	(6,021,632)	(474,903)	(411,016)
Claim Liabilities at End of Year	<u>\$ 1,371,750</u>	<u>\$ 1,505,500</u>	<u>\$ 69,250</u>	<u>\$ 69,500</u>

NOTE 15 – SUBSEQUENT EVENTS

On January 1, 2023, the City entered into a contract for services with the Puget Sound Regional Fire Authority (RFA) to provide fire, emergency medical services, and prevention & education services for the City of Tukwila. On January 1, 2023, employees of the fire department were terminated from employment with the City and were hired by the RFA. Additionally, all equipment and apparatus was transferred to the RFA as part of the contract. This resulted in a disposal of \$3.2 million, which is reported as a special item in the financial statements. In August 2023 the residents of the City of Tukwila voted to fully annex Tukwila's fire department into the Puget Sound Regional Fire Authority.

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 51,415,680	\$ 52,415,680	\$ 52,387,938	\$ (27,742)
Licenses and permits	5,518,660	5,518,660	6,321,147	802,487
Intergovernmental	6,314,758	7,759,973	7,620,041	(139,932)
Charges for services	3,113,058	3,323,058	3,806,905	483,847
Fines and Forfeitures	765,475	765,475	311,630	(453,845)
Investment earnings	131,104	381,104	1,077,390	696,286
Miscellaneous	104,000	221,396	486,216	264,820
Total Revenues	67,362,735	70,385,346	72,011,266	1,625,920
EXPENDITURES:				
Current:				
General Government	10,537,155	10,724,674	10,280,988	443,687
Public safety	39,146,106	39,896,106	37,773,695	2,122,411
Transportation	5,652,943	5,652,943	4,987,790	665,153
Natural and economic environment	6,272,518	6,377,383	5,783,354	594,028
Culture and recreation	5,199,071	5,414,467	5,184,824	229,643
Debt service:				
Principal	-	-	776,163	(776,163)
Interest	-	-	78,855	(78,855)
Capital outlay	420,000	1,227,831	3,654,499	(2,426,668)
Total Expenditures	67,227,793	69,293,404	68,520,169	773,235
Excess of Revenues And Expenditures	134,943	1,091,943	3,491,098	2,399,155
OTHER FINANCING SOURCES (USES):				
Lease and subscription financing proceeds	-	-	2,561,209	2,561,209
Transfers in	1,624,147	1,354,147	1,323,249	(30,898)
Transfers out	(5,706,078)	(5,657,759)	(5,375,683)	282,076
Total Other Financing Sources And Uses	(4,081,932)	(4,303,613)	(1,491,225)	2,812,388
Net change in fund balances	(3,946,989)	(3,211,670)	1,999,873	5,211,543
Fund balances - beginning	26,127,290	22,991,356	22,991,356	-
Fund Balances - Ending	\$ 22,180,301	\$ 19,779,685	\$ 24,991,228	\$ 5,211,543

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The City of Tukwila budgets its funds in accordance with the Revised Code of Washington 35A.33. In compliance with the code, biennial budgets are adopted for the general fund and special revenue funds. For governmental funds, there are no substantial differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for biennially budgeted governmental funds only. Budgets established for proprietary and fiduciary funds are “management budgets” and are not legally required to be reported and, as such, are not reported in the ACFR.

The biennial appropriated budgets are adopted at the fund level and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure records are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Any unexpended appropriation balances lapse at the end of the biennium.

The City of Tukwila’s budget procedures are mandated by RCW 35A.33. The steps in the budget process are as follows:

- 1) Prior to November 1 on even numbered years, the Mayor submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by the City departments during the preceding months, and balanced with revenue estimates made by the Mayor.
- 2) The City Council conducts public hearings on the proposed budget in November and December.
- 3) The Council makes its adjustments to the proposed budget and adopts by ordinance a final balanced budget no later than December 31.
- 4) The final operating budget as adopted is published and distributed within the first month of the following year. Copies of the budget are made available to the public.

The City Council must approve by ordinance any amendments that increase the total for the fund. Budget amounts presented in the basic financial statements include both the original amounts and the final amended budget as approved by the City Council.

Expenditure Categories

<i>General Government</i>	Includes administration, finance, municipal court, attorney, and city clerk activities.
<i>Public Safety</i>	Includes all police and fire activities.
<i>Transportation</i>	Includes all residential and arterial street maintenance and construction.
<i>Natural and Economic Environment</i>	Reflects all planning and building inspection as well as environmental and community services.
<i>Culture and Recreation</i>	Includes expenditures related to parks and recreational activities.

The information presented in the following required schedules was determined as part of the actuarial valuations at the dates indicated.

COST SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS 1

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.135736%	\$ 7,100,255	\$ -	\$ 7,100,255	\$ 15,561,015	45.63%	59.10%
June 30, 2016	0.131354%	7,054,328	-	7,054,328	15,736,921	44.83%	57.03%
June 30, 2017	0.127058%	6,029,001	-	6,029,001	16,022,842	37.63%	61.24%
June 30, 2018	0.122630%	5,476,697	-	5,476,697	16,327,082	33.54%	63.22%
June 30, 2019	0.121291%	4,664,070	-	4,664,070	16,858,481	27.67%	67.12%
June 30, 2020	0.113704%	4,014,365	-	4,014,365	17,063,647	23.53%	68.64%
June 30, 2021	0.104195%	1,272,465	-	1,272,465	15,827,030	8.04%	88.74%
June 30, 2022	0.109635%	3,052,641	-	3,052,641	17,683,212	17.26%	76.56%
June 30, 2023	0.105185%	2,401,092	-	2,401,092	18,458,622	13.01%	80.16%

PERS 2/3

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.173592%	\$ 6,202,541	\$ -	\$ 6,202,541	\$ 15,406,589	40.26%	89.20%
June 30, 2016	0.166622%	8,389,286	-	8,389,286	15,579,718	53.85%	85.82%
June 30, 2017	0.161787%	5,621,325	-	5,621,325	15,861,514	35.44%	90.97%
June 30, 2018	0.156335%	2,669,281	-	2,669,281	16,228,608	16.45%	95.77%
June 30, 2019	0.154903%	1,504,635	-	1,504,635	16,843,895	8.93%	97.77%
June 30, 2020	0.146296%	1,871,042	-	1,871,042	17,053,352	10.97%	97.22%
June 30, 2021	0.132317%	(13,180,902)	-	(13,180,902)	15,827,030	-83.28%	120.29%
June 30, 2022	0.141085%	(5,232,534)	-	(5,232,534)	17,683,212	-29.59%	106.73%
June 30, 2023	0.133502%	(5,471,824)	-	(5,471,824)	18,458,622	-29.64%	107.02%

PSERS

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.052748%	\$ 9,628	\$ -	\$ 9,628	\$ 154,426	6.23%	95.08%
June 30, 2016	0.048428%	20,581	-	20,581	157,203	13.09%	90.41%
June 30, 2017	0.455650%	8,928	-	8,928	161,328	5.53%	96.26%
June 30, 2018	0.025080%	311	-	311	98,474	0.32%	99.79%
June 30, 2019	0.032158%	(4,182)	-	(4,182)	147,556	-2.83%	101.85%
June 30, 2020	0.028557%	(3,929)	-	(3,929)	175,312	-2.24%	101.68%
June 30, 2021	0.026736%	(61,423)	-	(61,423)	181,231	-33.89%	123.67%
June 30, 2022	0.035312%	(25,248)	-	(25,248)	240,700	-10.49%	103.17%
June 30, 2023	0.039451%	(41,833)	-	(41,833)	302,683	-13.82%	107.90%

LEOFF 1

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.077944%	\$ (939,397)	\$ -	\$ (939,397)	\$ 76,144	-1233.71%	127.36%
June 30, 2016	0.077890%	(802,490)	(5,428,021)	(6,230,511)	-	n/a	123.74%
June 30, 2017	0.082086%	(1,245,425)	(8,424,025)	(9,669,450)	-	n/a	135.96%
June 30, 2018	0.083934%	(1,523,823)	(10,307,102)	(11,830,925)	-	n/a	144.42%
June 30, 2019	0.082668%	(1,634,025)	(11,052,506)	(12,686,531)	-	n/a	148.78%
June 30, 2020	0.081701%	(1,542,931)	(10,436,345)	(11,979,276)	-	n/a	146.88%
June 30, 2021	0.083135%	(2,847,841)	(19,262,726)	(22,110,567)	-	n/a	187.45%
June 30, 2022	0.082276%	(2,360,180)	(15,964,199)	(18,324,379)	-	n/a	169.62%
June 30, 2023	0.082520%	(2,449,213)	(16,566,419)	(19,015,632)	-	n/a	175.99%

LEOFF 2

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.519159%	\$ (5,335,916)	\$ (2,123,832)	\$ (7,459,748)	\$ 15,113,237	-49.36%	111.67%
June 30, 2016	0.510663%	(2,970,169)	(1,936,334)	(4,906,503)	15,480,062	-31.70%	106.04%
June 30, 2017	0.503269%	(6,983,743)	(4,530,224)	(11,513,967)	15,743,133	-73.14%	113.36%
June 30, 2018	0.480347%	(9,752,091)	(6,314,295)	(16,066,386)	15,759,700	-101.95%	118.50%
June 30, 2019	0.473755%	(10,975,449)	(7,106,396)	(18,081,845)	16,581,465	-109.05%	119.43%
June 30, 2020	0.438096%	(8,936,519)	(5,714,227)	(14,650,746)	16,552,520	-88.51%	115.83%
June 30, 2021	0.420145%	(24,403,761)	(15,743,090)	(40,146,851)	16,037,465	-250.33%	142.00%
June 30, 2022	0.424099%	(11,525,730)	(7,466,117)	(18,991,847)	16,902,693	-112.36%	116.09%
June 30, 2023	0.325346%	(7,803,743)	(4,983,390)	(12,787,133)	13,688,491	-93.42%	113.17%

*Until a full 10-year trend is compiled, governments should present information only for those years of which information is available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS 1

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 686,881	\$ (686,881)	\$ -	\$ 15,654,255	4.39%
December 31, 2016	752,418	(752,418)	-	15,777,881	4.77%
December 31, 2017	789,712	(789,712)	-	16,153,755	4.89%
December 31, 2018	846,714	(846,714)	-	16,742,206	5.06%
December 31, 2019	854,217	(854,217)	-	17,030,131	5.02%
December 31, 2020	740,837	(740,837)	-	16,004,087	4.63%
December 31, 2021	705,904	(705,904)	-	16,849,796	4.19%
December 31, 2022	668,862	(668,862)	-	18,311,585	3.65%
December 31, 2023	667,578	(667,578)	-	18,524,206	3.60%

PERS 2/3

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 873,248	\$ (873,248)	\$ -	\$ 15,498,171	5.63%
December 31, 2016	972,612	(972,612)	-	15,616,400	6.23%
December 31, 2017	1,090,715	(1,090,715)	-	16,024,008	6.81%
December 31, 2018	1,245,790	(1,245,790)	-	16,629,084	7.49%
December 31, 2019	1,310,892	(1,310,892)	-	17,014,243	7.70%
December 31, 2020	1,267,208	(1,267,208)	-	16,000,110	7.92%
December 31, 2021	1,160,770	(1,160,770)	-	16,849,796	6.89%
December 31, 2022	1,115,620	(1,115,620)	-	18,311,585	6.09%
December 31, 2023	1,231,334	(1,231,334)	-	18,524,206	6.65%

PSERS

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 10,105	\$ (10,105)	\$ -	\$ 156,084	6.47%
December 31, 2016	10,642	(10,642)	-	161,481	6.59%
December 31, 2017	8,612	(8,612)	-	129,747	6.64%
December 31, 2018	7,768	(7,768)	-	113,122	6.87%
December 31, 2019	12,191	(12,191)	-	170,971	7.13%
December 31, 2020	12,039	(12,039)	-	174,773	6.89%
December 31, 2021	12,464	(12,464)	-	189,293	6.58%
December 31, 2022	18,354	(18,354)	-	293,269	6.26%
December 31, 2023	20,700	(20,700)	-	298,562	6.93%

LEOFF 2

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 776,719	\$ (776,719)	\$ -	\$ 15,380,541	5.05%
December 31, 2016	787,110	(787,110)	-	15,586,296	5.05%
December 31, 2017	815,548	(815,548)	-	15,860,571	5.14%
December 31, 2018	855,040	(855,040)	-	16,132,860	5.30%
December 31, 2019	868,767	(868,767)	-	16,611,112	5.23%
December 31, 2020	831,485	(831,485)	-	16,054,647	5.18%
December 31, 2021	813,295	(813,295)	-	16,265,695	5.00%
December 31, 2022	872,391	(872,391)	-	17,624,561	4.95%
December 31, 2023	518,709	(518,709)	-	9,373,415	5.53%

*Until a full 10-year trend is compiled, governments should present information only for those years of which information is available.

FIREMEN'S PENSION TRUST FUND

Schedule of Changes in the City's Net Pension Liability and Related Ratios

Total Pension Liability	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Service cost	-	-	-	-	-	-	-	-	-	-
Interest	50,098	49,716	49,332	38,796	-	39,385	42,542	29,959	22,655	14,697
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected & actual experience	-	(2,442)	(311,190)	-	(2,810)	17,256	(31,990)	1,774	(220,445)	10,729
Changes of assumptions	-	-	(62,728)	-	(177,772)	(51,490)	(3,148)	75,346	(76,289)	(126,650)
Benefits payments, including refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)	(61,444)
Net change in total pension liability	(11,765)	(11,003)	(384,574)	(30,390)	(162,882)	(75,317)	(52,768)	37,893	(332,409)	(162,668)
Total pension liability - beginning	1,852,693	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079	1,176,762	1,123,995	1,161,888	829,479
Total pension liability - ending (a)	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079	1,176,762	1,123,994	1,161,888	829,479	666,811
Plan Fiduciary Net Position										
Contributions - employer	64,114	63,590	66,360	68,848	(139)	71,286	68,569	72,088	71,112	74,397
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	1,805	2,667	7,988	39,157	(39,477)	27,770	34,948	31,875	(20,255)	85,126
Benefit payments, including refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)	(61,444)
Administrative expense	-	(4,500)	(4,500)	(4,624)	1,124	-	-	-	-	(1,750)
Other	-	-	-	-	2,716	-	-	-	(500)	-
Net change in plan fiduciary net position	4,056	3,480	9,860	34,195	(18,076)	18,588	43,345	34,777	(7,973)	96,329
Plan fiduciary net position - beginning	1,408,970	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485	1,461,073	1,504,419	1,539,196	1,531,223
Plan fiduciary net position - ending (b)	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485	1,461,073	1,504,418	1,539,196	1,531,223	1,627,552
City's net pension liability - ending (a) - (b)	427,902	413,419	18,985	(45,600)	(190,406)	(284,311)	(380,424)	(377,308)	(701,744)	(960,741)
Plan fiduciary net position as a percent of total pension liability	76.76%	77.41%	98.69%	103.22%	115.21%	124.16%	133.85%	132.47%	184.60%	244.08%
Covered payroll	-	-	-	-	-	-	-	-	-	-
City net pension liability as a percent of covered employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Schedule of Employer Contributions

Fiscal Year Ending	Statutorily Determined Contribution	Less: Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
December 31, 2014	64,114	64,114	-	-	n/a
December 31, 2015	63,590	63,690	(100)	-	n/a
December 31, 2016	66,360	66,360	-	-	n/a
December 31, 2017	64,223	68,848	(4,625)	-	n/a
December 31, 2018	-	(139)	139	-	n/a
December 31, 2019	-	71,286	(71,286)	-	n/a
December 31, 2020	-	68,569	(68,569)	-	n/a
December 31, 2021	-	72,088	(72,088)	-	n/a
December 31, 2022	-	71,112	(71,112)	-	n/a
December 31, 2023	-	74,397	(74,397)	-	n/a

Contributions are a portion of State Fire Insurance Premiums.

Schedule of Investment Returns

Schedule of Investment Returns	Annual money-weighted rate of return, net of investment expense
2014	0.13%
2015	0.19%
2016	0.56%
2017	2.75%
2018	-2.68%
2019	1.93%
2020	2.39%
2021	2.12%
2022	-1.31%
2023	5.54%

City of Tukwila
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF Plan 1
For the year ended December 31, 2023
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB liability - beginning	\$ 26,383,115	\$ 14,694,242	\$ 12,700,180	\$ 7,622,718	\$ 7,898,399	\$ 6,378,071
Service cost	-	-	-	-	-	-
Interest	469,303	471,554	462,935	204,469	154,176	114,013
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(3,780,437)	(199,491)	(5,203,755)	(92,607)	(1,163,334)	(56,710)
Changes of assumptions	(7,947,448)	(1,896,319)	107,644	538,778	(131,930)	(1,013,670)
Benefit Payments	(430,291)	(369,806)	(444,286)	(374,959)	(379,240)	(363,452)
Other changes	-	-	-	-	-	-
Total OPEB liability - ending	<u>14,694,242</u>	<u>12,700,180</u>	<u>7,622,718</u>	<u>7,898,399</u>	<u>6,378,071</u>	<u>5,058,252</u>
Covered-employee payroll	-	-	-	-	-	-
Total OPEB liability as a % of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

- * Until a full 10-year trend is compiled, only information for those years available is presented.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Non-major Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for proceeds of specific taxes or other specific revenue sources that are legally restricted to or committed for expenditures for specific purposes.

- Hotel/Motel Tax Fund – Established to account for the proceeds of a 1% special excise tax on overnight lodging in Tukwila. This tax provides resources to support tourism development and promotion activities in Tukwila.
- Drug Seizure Fund – Accounts for monies and proceeds from the sale of property seized during drug and felony investigations. These funds are legally required to be expended on drug and felony related police activities.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on general obligation and special assessment bonds.

- Special Assessment Bonds Guaranty Fund – Holds reserve funds required under state law to provide a means of paying local improvement district (LID) bond debt service obligations in the event there are insufficient resources in the LID debt service fund.
- Unlimited Tax General Obligation Debt Service Fund – Accounts for principal and interest on voter approved bonds issued to pay for the construction of public safety facilities including a justice center and fire stations and fire equipment and apparatus for 20 years.
- Limited Tax General Obligation Debt Service Fund – Accounts for principal and interest payments on bonds for all debt issues except for voter approved bonds.

Capital Project Funds

Capital Project Funds account for the acquisition or development of major capital facilities, except those projects financed by proprietary funds. Sources of revenue to these funds include general obligation bond proceeds, federal and state grants, real estate excise taxes, and transfers from the General Fund.

- Residential Street – Established in accordance with RCW 35A.37.010 to account for maintenance and improvement of the City's residential streets. Major sources of support are the State-levied tax on motor vehicle fuels distributed to Tukwila to be used for City street purposes, state and federal grants, and transfers in from the General Fund.
- Land Acquisition, Recreation, and Park Development – Accounts for the acquisition of land, development of land, and construction of park facilities.
- Urban Renewal – Established in 1988, this fund accounts for costs associated with property owned by the City that will be utilized for redevelopment or renewal purposes.

- General Government Improvements – This fund was established in 1992 to provide funding for minor capital improvements not related to parks, land acquisition, or major building replacements.
- Fire Improvements – This fund is to be used for the acquisition of land, development of land and construction of fire facilities. Revenue for this fund comes primarily from fire impact fees.

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 3,039,682	\$ 1,252,905	\$ 7,895,492	\$ 12,188,079
Due from other governmental units	204,507	123,085	87,554	415,146
Restricted Assets:				
Cash and cash equivalents	204,010	-	-	204,010
Capital assets held for resale	-	-	370,410	370,410
Total Assets	3,448,200	1,375,990	8,353,455	13,177,645
LIABILITIES AND FUND BALANCES:				
Current liabilities				
Accounts payable	19,807	-	116,765	136,573
Accrued wages and benefits	3,449	-	231	3,680
Customer deposit	14,618	-	7,277	21,895
Total Liabilities	37,874	-	124,273	162,148
Deferred inflows of resources				
Unavailable revenue-property tax	-	106,065	-	106,065
Total Deferred Inflows of Resources	-	106,065	-	106,065
Fund balances:				
Restricted	3,410,325	1,269,926	3,823,452	8,503,703
Assigned	-	-	4,188,008	4,188,008
Assigned - 1% arts	-	-	217,722	217,722
Total Fund balances	3,410,325	1,269,926	8,229,182	12,909,433
Total Liabilities and Fund Balances	\$ 3,448,200	\$ 1,375,990	\$ 8,353,455	\$ 13,177,645

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 971,162	\$ 4,507,076	\$ 833,848	\$ 6,312,086
Charges for services	-	-	1,731,121	1,731,121
Intergovernmental	278,243	-	459,616	737,859
Investment earnings	122,651	95,848	325,561	544,060
Miscellaneous	-	-	(296,496)	(296,496)
Total Revenues	1,372,056	4,602,924	3,053,650	9,028,630
EXPENDITURES:				
Current:				
General government	-	-	150,716	150,716
Public safety	188,493	-	-	188,493
Transportation	-	-	445,616	445,616
Natural and economic environment	410,877	-	3,927	414,803
Culture and recreation	-	-	345,535	345,535
Debt service				
Principal	-	5,794,000	-	5,794,000
Interest	-	4,494,116	-	4,494,116
Capital Outlay	-	-	270,327	270,327
Total Expenditures	599,370	10,288,116	1,216,120	12,103,605
Excess (deficiency) of revenues Over (Under) Expenditures	772,686	(5,685,191)	1,837,530	(3,074,975)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	5,802,141	325,908	6,128,049
Transfers out	-	-	(1,703,504)	(1,703,504)
Total Other Financing Sources And Uses	-	5,802,141	(1,377,596)	4,424,545
Net change in fund balances	772,686	116,949	459,934	1,349,570
Fund balances - beginning	2,637,639	1,152,976	7,769,248	11,559,864
Fund Balances - Ending	\$ 3,410,325	\$ 1,269,926	\$ 8,229,182	\$ 12,909,433

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
ASSETS:			
Cash and cash equivalents	\$ 2,917,004	\$ 122,678	\$ 3,039,682
Due from other governmental units	158,607	45,900	204,507
Restricted Assets:			
Cash and cash equivalents	-	204,010	204,010
Total Assets	3,075,611	372,588	3,448,200
LIABILITIES AND FUND BALANCES:			
Current liabilities			
Accounts payable	2,807	17,000	19,807
Accrued wages and benefits	3,449	-	3,449
Customer deposit	-	14,618	14,618
Total Liabilities	6,256	31,618	37,874
Fund balances:			
Restricted	3,069,355	340,970	3,410,325
Total Fund balances	3,069,355	340,970	3,410,325
Total Liabilities and Fund Balances	\$ 3,075,611	\$ 372,588	\$ 3,448,200

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
REVENUES:			
Taxes	\$ 971,162	\$ -	\$ 971,162
Intergovernmental	44,000	234,243	278,243
Investment earnings	122,651	-	122,651
Total Revenues	1,137,813	234,243	1,372,056
EXPENDITURES:			
Current:			
Public safety	-	188,493	188,493
Natural and economic environment	410,877	-	410,877
Total Expenditures	410,877	188,493	599,370
Excess (deficiency) of revenues Over (Under) Expenditures	726,937	45,750	772,686
Net change in fund balances	726,937	45,750	772,686
Fund balances - beginning	2,342,419	295,220	2,637,639
Fund Balances - Ending	\$ 3,069,355	\$ 340,970	\$ 3,410,325

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2023

	Special Assessment Bonds Guaranty Fund	Unlimited Tax General Obligation Debt Service Fund	Limited Tax General Obligation Debt Service Fund	Total Nonmajor Debt Service Funds
ASSETS:				
Cash and cash equivalents	\$ 788,243	\$ 464,663	\$ -	\$ 1,252,905
Due from other governmental units	-	123,085	-	123,085
Total Assets	788,243	587,748	-	1,375,990
LIABILITIES AND FUND BALANCES:				
Total Liabilities	-	-	-	-
Deferred inflows of resources				
Unavailable revenue-property tax	-	106,065	-	106,065
Total Deferred Inflows of Resources	-	106,065	-	106,065
Fund balances:				
Restricted	788,243	481,683	-	1,269,926
Total Fund balances	788,243	481,683	-	1,269,926
Total Liabilities and Fund Balances	\$ 788,243	\$ 587,748	\$ -	\$ 1,375,990

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Assessment Bonds Guaranty Fund	Unlimited Tax General Obligation Debt Service Fund	Limited Tax General Obligation Debt Service Fund	Total Nonmajor Debt Service Funds
REVENUES:				
Taxes	\$ -	\$ 4,507,076	\$ -	\$ 4,507,076
Investment earnings	37,896	57,952	-	95,848
Total Revenues	37,896	4,565,028	-	4,602,924
EXPENDITURES:				
Debt service				
Principal	-	1,980,000	3,814,000	5,794,000
Interest	-	2,505,975	1,988,141	4,494,116
Total Expenditures	-	4,485,975	5,802,141	10,288,116
Excess (deficiency) of revenues Over (Under) Expenditures	37,896	79,053	(5,802,141)	(5,685,191)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	5,802,141	5,802,141
Total Other Financing Sources And Uses	-	-	5,802,141	5,802,141
Net change in fund balances	37,896	79,053	-	116,949
Fund balances - beginning	750,347	402,630	-	1,152,976
Fund Balances - Ending	\$ 788,243	\$ 481,683	\$ -	\$ 1,269,926

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2023

	Residential Street	Land Acq. Rec & Park Development	Urban Renewal	General Government Improvements	Fire Improvements	Total Nonmajor Capital Project Funds
ASSETS:						
Cash and cash equivalents	\$ 1,393,578	\$ 4,244,199	\$ 1,824,726	\$ 432,989	\$ -	\$ 7,895,492
Due from other governmental units	87,554	-	-	-	-	87,554
Restricted Assets:						
Capital assets held for resale	-	-	370,410	-	-	370,410
Total Assets	1,481,131	4,244,199	2,195,136	432,989	-	8,353,455
LIABILITIES AND FUND BALANCES:						
Current liabilities						
Accounts payable	57,972	58,794	-	-	-	116,765
Accrued wages and benefits	231	-	-	-	-	231
Customer deposit	-	-	-	7,277	-	7,277
Total Liabilities	58,202	58,794	-	7,277	-	124,273
Fund balances:						
Restricted	-	3,823,452	-	-	-	3,823,452
Assigned	1,422,929	144,231	2,195,136	425,712	-	4,188,008
Assigned - 1% arts	-	217,722	-	-	-	217,722
Total Fund balances	1,422,929	4,185,405	2,195,136	425,712	-	8,229,182
Total Liabilities and Fund Balances	\$ 1,481,131	\$ 4,244,199	\$ 2,195,136	\$ 432,989	\$ -	\$ 8,353,455

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Residential Street	Land Acq. Rec & Park Development	Urban Renewal	General Government Improvements	Fire Improvements	Total Nonmajor Capital Project Funds
REVENUES:						
Taxes	\$ 650,000	\$ 183,848	\$ -	\$ -	\$ -	\$ 833,848
Charges for services	-	1,031,847	-	-	699,274	1,731,121
Intergovernmental	459,616	-	-	-	-	459,616
Investment earnings	36,871	177,512	88,137	23,042	-	325,561
Miscellaneous	-	-	(296,496)	-	-	(296,496)
Total Revenues	1,146,488	1,393,206	(208,359)	23,042	699,274	3,053,650
EXPENDITURES:						
Current:						
General government	-	-	-	150,716	-	150,716
Transportation	445,616	-	-	-	-	445,616
Culture and recreation	-	345,535	-	-	-	345,535
Natural and economic environment	-	-	3,927	-	-	3,927
Capital Outlay	270,327	-	-	-	-	270,327
Total Expenditures	715,942	345,535	3,927	150,716	-	1,216,120
Excess (deficiency) of revenues Over (Under) Expenditures	430,545	1,047,671	(212,286)	(127,674)	699,274	1,837,530
OTHER FINANCING SOURCES (USES):						
Transfers in	257,977	67,931	-	-	-	325,908
Transfers out	-	-	(1,004,230)	-	(699,274)	(1,703,504)
Total Other Financing Sources And Uses	257,977	67,931	(1,004,230)	-	(699,274)	(1,377,596)
Net change in fund balances	688,522	1,115,602	(1,216,516)	(127,674)	-	459,934
Fund balances - beginning	734,407	3,069,803	3,411,652	553,386	-	7,769,248
Fund Balances - Ending	\$ 1,422,929	\$ 4,185,405	\$ 2,195,136	\$ 425,712	\$ -	\$ 8,229,182

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ARTERIAL STREET CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,590,000	\$ 1,590,000	\$ 1,940,464	\$ 350,464
Licenses and permits	75,000	75,000	46,173	(28,827)
Intergovernmental	2,923,800	2,923,800	1,710,530	(1,213,270)
Fire Impact Fees	200,000	200,000	810,328	610,328
Fines and Forfeitures	-	-	11,081	11,081
Investment earnings	5,000	5,000	266,657	261,657
Miscellaneous	80,000	80,000	453,234	373,234
Total Revenues	4,873,800	4,873,800	5,238,466	364,666
EXPENDITURES:				
Current:				
Transportation	3,252,662	2,202,662	2,578,819	(376,157)
Capital outlay	2,897,000	1,647,000	2,031,923	(384,923)
Total Expenditures	6,149,662	3,849,662	4,610,742	(761,080)
Excess of Revenues And Expenditures	(1,275,862)	1,024,138	627,725	(396,414)
Net change in fund balances	(1,275,862)	1,024,138	627,725	(396,414)
Fund balances - beginning	6,570,879	5,534,493	5,534,493	-
Fund Balances - Ending	\$ 5,295,017	\$ 6,558,631	\$ 6,162,217	\$ (396,414)

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LOCAL IMPROVEMENT DISTRICT #33 DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Special Assessment	\$ 400,000	\$ 400,000	\$ 382,843	\$ (17,157)
Investment earnings	125,000	125,000	113,883	(11,117)
Miscellaneous	-	-	327	327
Total Revenues	525,000	525,000	497,053	(27,947)
EXPENDITURES:				
Debt service:				
Principal	400,000	400,000	400,000	-
Interest	125,000	144,188	144,188	-
Total Expenditures	525,000	544,188	544,188	-
Excess of Revenues And Expenditures	-	(19,188)	(47,135)	(27,947)
Net change in fund balances	-	(19,188)	(47,135)	(27,947)
Fund balances - beginning	586,678	582,452	582,452	-
Fund Balances - Ending	\$ 586,678	\$ 563,265	\$ 535,318	\$ (27,947)

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC SAFETY PLAN CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 500,000	\$ 500,000	\$ 500,390	\$ 390
Fire Impact Fees	300,000	300,000	300,000	-
Investment earnings	-	-	50,212	50,212
Total Revenues	800,000	800,000	850,602	50,602
EXPENDITURES:				
Current:				
Public safety	-	-	(1,700)	1,700
Total Expenditures	-	-	(1,700)	1,700
Excess of Revenues And Expenditures	800,000	800,000	852,302	52,302
OTHER FINANCING SOURCES (USES):				
Transfers in	300,000	750,000	699,274	(50,726)
Transfers out	(1,319,019)	(1,319,019)	(1,319,019)	-
Total Other Financing Sources And Uses	(1,019,019)	(569,019)	(619,745)	(50,726)
Net change in fund balances	(219,019)	230,981	232,556	1,575
Fund balances - beginning	538,557	991,865	991,865	-
Fund Balances - Ending	\$ 319,538	\$ 1,222,846	\$ 1,224,422	\$ 1,575

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CITY FACILITIES CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	\$ 1,000	\$ 1,000	\$ 26,709	\$ 25,709
Total Revenues	1,000	1,000	26,709	25,709
EXPENDITURES:				
Current:				
General Government	-	-	26,997	(26,997)
Capital outlay	2,700,000	2,700,000	2,757,444	(57,444)
Total Expenditures	2,700,000	2,700,000	2,784,441	(84,441)
Excess of Revenues And Expenditures	(2,699,000)	(2,699,000)	(2,757,732)	(58,732)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,140,000	3,140,000	2,000,000	(1,140,000)
Total Other Financing Sources And Uses	2,140,000	3,140,000	2,000,000	(1,140,000)
Net change in fund balances	(559,000)	441,000	(757,732)	(1,198,732)
Fund balances - beginning	2,274,324	1,959,366	1,959,366	-
Fund Balances - Ending	\$ 1,715,324	\$ 2,400,366	\$ 1,201,634	\$ (1,198,732)

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 720,000	\$ 720,000	\$ 971,162	\$ 251,162
Intergovernmental	-	-	44,000	44,000
Investment earnings	6,000	6,000	122,651	116,651
Total Revenues	726,000	726,000	1,137,813	411,813
EXPENDITURES:				
Current:				
Natural and economic environment	938,890	938,890	410,877	528,013
Total Expenditures	938,890	938,890	410,877	528,013
Excess of Revenues And Expenditures	(212,890)	(212,890)	726,937	939,826
Net change in fund balances	(212,890)	(212,890)	726,937	939,826
Fund balances - beginning	2,048,201	2,342,419	2,342,419	-
Fund Balances - Ending	\$ 1,835,311	\$ 2,129,529	\$ 3,069,355	\$ 939,826

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG SEIZURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 35,000	\$ 95,000	\$ 234,243	\$ 139,243
Investment earnings	500	500	-	(500)
Miscellaneous	80,000	80,000	-	(80,000)
Total Revenues	115,500	175,500	234,243	58,743
EXPENDITURES:				
Current:				
Public safety	231,008	231,008	188,493	42,514
Capital outlay	35,000	35,000	-	35,000
Total Expenditures	266,008	266,008	188,493	77,514
Excess of Revenues And Expenditures	(150,508)	(90,508)	45,750	136,257
Net change in fund balances	(150,508)	(90,508)	45,750	136,257
Fund balances - beginning	435,515	295,220	295,220	-
Fund Balances - Ending	\$ 285,008	\$ 204,713	\$ 340,970	\$ 136,257

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RESIDENTIAL STREET CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 650,000	\$ 650,000	\$ 650,000	\$ -
Intergovernmental	4,301,800	301,800	459,616	157,816
Investment earnings	1,000	1,000	36,871	35,871
Total Revenues	4,952,800	952,800	1,146,488	193,688
EXPENDITURES:				
Current:				
Transportation	575,000	65,000	445,616	(380,616)
Capital outlay	5,337,000	1,072,000	270,327	801,673
Total Expenditures	5,912,000	1,137,000	715,942	421,058
Excess of Revenues And Expenditures	(959,200)	(184,200)	430,545	614,745
OTHER FINANCING SOURCES (USES):				
Transfers in	400,000	400,000	257,977	(142,023)
Total Other Financing Sources And Uses	400,000	400,000	257,977	(142,023)
Net change in fund balances	(559,200)	215,800	688,522	472,722
Fund balances - beginning	847,903	734,407	734,407	-
Fund Balances - Ending	\$ 288,703	\$ 950,207	\$ 1,422,929	\$ 472,722

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAND & PARK ACQUISITION CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 315,000	\$ 315,000	\$ 183,848	\$ (131,152)
Charges for services	148,000	148,000	1,031,847	883,847
Investment earnings	8,000	8,000	177,512	169,512
Total Revenues	471,000	471,000	1,393,206	922,206
EXPENDITURES:				
Current:				
Culture and recreation	931,250	931,250	345,535	585,715
Total Expenditures	931,250	931,250	345,535	585,715
Excess of Revenues And Expenditures	(460,250)	(460,250)	1,047,671	1,507,921
OTHER FINANCING SOURCES (USES):				
Transfers in	16,250	67,931	67,931	-
Total Other Financing Sources And Uses	16,250	67,931	67,931	-
Net change in fund balances	(444,000)	(392,319)	1,115,602	1,507,921
Fund balances - beginning	3,751,186	3,069,803	3,069,803	-
Fund Balances - Ending	\$ 3,307,186	\$ 2,677,484	\$ 4,185,405	\$ 1,507,921

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
URBAN RENEWAL CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 88,137	\$ 88,137
Gain/(loss) on sale of assets held for resale	1,350,000	1,350,000	(296,496)	(1,646,496)
Total Revenues	1,350,000	1,350,000	(208,359)	(1,558,359)
EXPENDITURES:				
Current:				
Natural and economic environment	-	-	3,927	(3,927)
Total Expenditures	-	-	3,927	(3,927)
Excess of Revenues And Expenditures	1,350,000	1,350,000	(212,286)	(1,562,286)
OTHER FINANCING SOURCES (USES):				
Transfers out	(300,000)	(1,030,000)	(1,004,230)	25,770
Total Other Financing Sources And Uses	(300,000)	(1,030,000)	(1,004,230)	25,770
Net change in fund balances	1,050,000	320,000	(1,216,516)	(1,536,516)
Fund balances - beginning	1,183,800	1,404,242	3,411,652	2,007,410
Fund Balances - Ending	\$ 2,233,800	\$ 1,724,242	\$ 2,195,136	\$ 470,894

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL GOVERNMENT IMPROVEMENTS CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,800,000	\$ -	\$ -	\$ -
Investment earnings	1,000	1,000	23,042	22,042
Total Revenues	1,801,000	1,000	23,042	22,042
EXPENDITURES:				
Current:				
General Government	340,000	149,200	150,716	(1,516)
Capital outlay	2,000,000	135,000	-	135,000
Total Expenditures	2,340,000	284,200	150,716	133,484
Excess of Revenues And Expenditures	(539,000)	(283,200)	(127,674)	155,526
Transfers in	100,000	-	-	-
Transfers out	(5,128)	(5,128)	-	5,128
Total Other Financing Sources And Uses	94,872	(5,128)	-	5,128
Net change in fund balances	(444,128)	(288,328)	(127,674)	160,654
Fund balances - beginning	444,128	553,386	553,386	-
Fund Balances - Ending	\$ -	\$ 265,058	\$ 425,712	\$ 160,654

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE IMPROVEMENTS CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 300,000	\$ 750,000	\$ 699,274	\$ (50,726)
Total Revenues	300,000	750,000	699,274	(50,726)
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	300,000	750,000	699,274	(50,726)
OTHER FINANCING SOURCES (USES):				
Transfers out	(300,000)	(750,000)	(699,274)	50,726
Total Other Financing Sources And Uses	(300,000)	(750,000)	(699,274)	50,726
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL ASSESSMENT BONDS GUARANTY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	\$ 3,000	\$ 3,000	\$ 37,896	\$ 34,896
Total Revenues	3,000	3,000	37,896	34,896
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	3,000	3,000	37,896	34,896
Net change in fund balances	3,000	3,000	37,896	34,896
Fund balances - beginning	758,958	750,347	750,347	-
Fund Balances - Ending	\$ 761,958	\$ 753,347	\$ 788,243	\$ 34,896

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
UNLIMITED TAX GENERAL OBLIGATION DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 4,485,975	\$ 4,485,975	\$ 4,507,076	\$ 21,101
Investment earnings	1,200	1,200	57,952	56,752
Total Revenues	4,487,175	4,487,175	4,565,028	77,853
EXPENDITURES:				
Debt service:				
Principal	1,980,000	1,980,000	1,980,000	-
Interest	2,505,975	2,505,975	2,505,975	-
Total Expenditures	4,485,975	4,485,975	4,485,975	-
Excess of Revenues And Expenditures	1,200	1,200	79,053	77,853
Net change in fund balances	1,200	1,200	79,053	77,853
Fund balances - beginning	314,818	402,630	402,630	-
Fund Balances - Ending	\$ 316,018	\$ 403,830	\$ 481,683	\$ 77,853

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIMITED TAX GENERAL OBLIGATION DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Miscellaneous	\$ 376,876	\$ 376,876	\$ -	\$ (376,876)
Total Revenues	376,876	376,876	-	(376,876)
EXPENDITURES:				
Debt service:				
Principal	4,005,836	4,005,836	3,814,000	191,836
Interest	2,173,234	2,173,234	1,988,141	185,093
Total Expenditures	6,179,070	6,179,070	5,802,141	376,929
Excess of Revenues And Expenditures	(5,802,194)	(5,802,194)	(5,802,141)	53
OTHER FINANCING SOURCES (USES):				
Transfers in	5,802,194	5,802,194	5,802,141	(53)
Total Other Financing Sources And Uses	5,802,194	5,802,194	5,802,141	(53)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

NON-MAJOR INTERNAL SERVICE FUNDS

Internal Service Funds

The City's internal service funds are used to account for the financing of special services performed by designated departments within the City of Tukwila for the benefit of other departments within the City. The funds provide services then generate revenue by billing the department for which the service was provided.

- Equipment Rental Fund – Accounts for the costs of maintaining and replacing all City vehicles and auxiliary equipment. All equipment costs, including depreciation, are factors in calculating the rates which are charged to each user department.
- Insurance Fund Active Employees – Accounts for the costs of the City's self-insured medical plan. Medical and dental costs for covered employees are charged to the respective departments. All premiums, medical and dental costs and ancillary charges are included.
- Insurance Fund LEOFF 1 Retirees – Accounts for the costs of the City's self-insured medical plan for LEOFF 1 retirees. Medical and dental costs for covered employees are charged to the respective departments, either the Police Department or the Fire Department. All premiums, medical and dental costs and ancillary charges are included.

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023

	Equipment Rental	Insurance - Active Employees	Insurance - LEOFF I Retirees	Total Internal Service Funds
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 4,199,583	\$ 4,006,776	\$ 160,696	\$ 8,367,055
Other Receivables	49,632	243,142	-	292,774
Due from other governmental units	48,632	-	-	48,632
Inventory of materials and supplies	170,978	-	-	170,978
Total Current Assets	4,420,193	4,249,917	160,696	8,830,806
Noncurrent Assets:				
Net Pension asset	95,757	-	-	95,757
Capital Assets:				
Machinery and equipment	11,284,299	-	-	11,284,299
Leased Assets	2,291,750	-	-	2,291,750
Less: accumulated depreciation	(8,441,566)	-	-	(8,441,566)
Total Capital Assets (Net Of A/D)	5,134,484	-	-	5,134,484
Total Noncurrent Assets	5,230,241	-	-	5,230,241
Total Assets	9,650,434	4,249,917	160,696	14,061,048
Deferred Outflows of Resources				
Deferred outflow pension earnings	76,416	-	-	76,416
Total Deferred Outflows Of Resources	76,416	-	-	76,416
LIABILITIES:				
Current liabilities:				
Accounts payable	81,403	25,096	20,477	126,976
Accrued wages and benefits	17,041	-	-	17,041
Accrued interest payable	11,365	-	-	11,365
Lease liability due within one year	410,531	-	-	410,531
Claims incurred but not reported	-	548,700	27,700	576,400
Total Current Liabilities	520,340	573,796	48,177	1,142,313
Noncurrent liabilities:				
Reserve for unreported claims	-	823,050	41,550	864,600
Lease liability due in more than one year	1,601,592	-	-	1,601,592
Net pension liability	42,019	-	-	42,019
Total Noncurrent Liabilities	1,643,611	823,050	41,550	2,508,211
Total Liabilities	2,163,951	1,396,846	89,727	3,650,523
Deferred Inflows of Resources				
Deferred inflow pension earnings	71,909	-	-	71,909
Total Deferred Inflows Of Resources	71,909	-	-	71,909
NET POSITION:				
Investment in capital assets	3,122,362	-	-	3,122,362
Restricted for Pension Assets	117,653	-	-	117,653
Unrestricted	4,250,976	2,853,072	70,969	7,175,017
Total Net Position	\$ 7,490,991	\$ 2,853,072	\$ 70,969	\$ 10,415,031

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Equipment Rental	Insurance - Active Employees	Insurance- LEOFF I Retirees	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 2,121,715	\$ 5,604,142	\$ 369,650	\$ 8,095,508
Other operating revenue	85	149,120	-	149,204
Total Operating Revenue	2,121,800	5,753,262	369,650	8,244,712
OPERATING EXPENSES:				
Operations & maintenance	1,686,257	5,286,159	467,791	7,440,207
Administrative & general	350,392	189,639	12,642	552,673
Depreciation	989,272	-	-	989,272
Total Operating Expenses	3,025,921	5,475,798	480,433	8,982,152
Operating Income (Loss)	(904,121)	277,464	(110,783)	(737,440)
NON-OPERATING REVENUE (EXPENSE):				
Investment earnings	205,692	203,911	7,198	416,801
Gain (loss) on disposal of capital assets	285,823	-	-	285,823
Interest Expense	(104,816)	-	-	(104,816)
Total Non-Operating Revenue (Expense)	386,699	203,911	7,198	597,807
Income (Loss)	(517,422)	481,374	(103,585)	(139,633)
Special Item - Transfer of Fire Operations	(2,952,366)	-	-	(2,952,366)
Change In Net Position	(3,469,788)	481,374	(103,585)	(3,091,998)
Net position beginning of year	10,960,778	2,371,697	174,554	13,507,030
Net Position end of year	\$ 7,490,991	\$ 2,853,072	\$ 70,969	\$ 10,415,031

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Page 1 of 2

	Equipment Rental	Insurance - Active Employees	Insurance- LEOFF I Retirees	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 2,092,001	\$ 5,534,210	\$ 369,650	\$ 7,995,861
Cash paid to suppliers	(1,414,813)	(217,403)	9,805	(1,622,411)
Cash paid to, or on behalf of, employees	(533,415)	(5,219,722)	(467,791)	(6,220,929)
Interfund activity - payments to other funds	(350,392)	(189,639)	(12,642)	(552,673)
Other cash received (paid)	85	-	-	85
Net Cash Provided (Used)				
By Operating Activities	(206,535)	(92,554)	(100,978)	(400,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net Cash Provided (Used) By Non-Capital Financing Activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceed from sale of equipment	354,474	-	-	354,474
Purchase of capital asset	(1,850,682)	-	-	(1,850,682)
Proceeds from lease financing	1,707,785	-	-	1,707,785
Principal payment on debt	(251,333)	-	-	(251,333)
Interest payment on debt	(95,073)	-	-	(95,073)
Net Cash Provided (Used) For Capital And Related Financing Activities	(134,828)	-	-	(134,828)
CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	205,692	203,911	7,198	416,801
Net Cash Provided (Used) In Investing Activities	205,692	203,911	7,198	416,801
Net Increase (Decrease) In Cash And Cash Equivalents	(135,672)	111,357	(93,780)	(118,095)
Cash and cash equivalents-beginning of year	4,335,255	3,895,419	254,476	8,485,150
Cash And Cash Equivalents-End Of Year	\$ 4,199,583	\$ 4,006,776	\$ 160,696	\$ 8,367,055
Cash at end of year consists of:				
Cash and cash equivalents	\$ 4,199,583	\$ 4,006,776	\$ 160,696	8,367,055
Total Cash	\$ 4,199,583	\$ 4,006,776	\$ 160,696	\$ 8,367,055

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS (continued)
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Page 2 of 2

	Equipment Rental	Insurance - Active Employees	Insurance- LEOFF I Retirees	Total Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (904,121)	\$ 277,464	\$ (110,783)	\$ (737,440)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:				
Depreciation	989,272	-	-	989,272
Asset (increases) decreases:				
Accounts receivable	(29,714)	(219,052)	-	(248,767)
Inventory	(111,336)	-	-	(111,336)
Deferred outflow of resources (increase) decrease	38,715	-	-	38,715
Liability increases (decreases):				
Accounts payable	(105,344)	(150,966)	9,805	(246,505)
Wages and benefits payable	(14,353)	-	-	(14,353)
Deferred inflow of resources increase (decrease)	(69,654)	-	-	(69,654)
Total Adjustments	697,585	(370,018)	9,805	337,372
Net Cash Provided (Used) By Operating Activities	\$ (206,535)	\$ (92,554)	\$ (100,978)	\$ (400,068)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Total Non Cash Investing, Capital And Financing Activities	\$ -	\$ -	\$ -	\$ -

City of Tukwila
STATISTICAL SECTION
 December 31, 2023

Financial Trends Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City's financial position has changed over time.

Schedule 1	Net Position by Component	140
Schedule 2	Changes in Net Position.....	142
Schedule 3	Fund Balances, Governmental Funds.....	144
Schedule 4	Changes in Fund Balances of Governmental Funds	146
Schedule 5	General Governmental Tax Revenues by Source	148

Revenue Capacity Information

The objective of providing revenue capacity information is to help users understand and assess the factors affecting the City's ability to generate its most significant local source revenues.

Schedule 6	Property Tax Levies and Collections.....	149
Schedule 7	Assessed and Estimated Actual Value of Taxable Property.....	150
Schedule 8	Property Tax Rates-Direct and Overlapping Governments	151
Schedule 9	Principal Property Taxpayers	152
Schedule 10	Retail Sales Tax Collections by Sector	154
Schedule 11	Sales Tax Rate Direct and Overlapping Governments	156

Debt Capacity Information

Debt capacity information is intended to assist users to understand and assess the City's current levels of outstanding debt and ability to issue additional debt in the future.

Schedule 12	Ratios of Outstanding Debt by Type	158
Schedule 13	Ratios of General Bonded Debt Outstanding.....	160
Schedule 14	Computation of Direct and Overlapping Debt	161
Schedule 15	Legal Debt Margin Information	162

Demographic and Economic Information

These Schedules offer demographic and economic information to assist users in understanding certain aspects of the environment within which the City operates and to provide information that facilitates comparisons of financial statement information over time and across governmental units.

Schedule 16	Demographic Statistics.....	164
Schedule 17	Principal Employers.....	165

Operating Information

These Schedules contain service and infrastructure data to help users understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 18	Full-time Equivalent Employee by Department.....	166
Schedule 19	Operating Indicators by Function	167
Schedule 20	Capital Assets by Function.....	168

CITY OF TUKWILA
SCHEDULE 1
NET POSITION BY COMPONENT^(a)
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

Page 1 of 2

	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 191,081,461	\$ 191,331,156	\$ 193,113,026	\$ 199,328,694
Restricted	3,973,727	5,446,074	8,996,185	13,480,068
Unrestricted	25,009,212	16,125,592	15,809,945	11,366,545
Total governmental activities net position	\$ 220,064,400	\$ 212,902,822	\$ 217,919,156	\$ 224,175,307
Business-type activities:				
Net investment in capital assets	\$ 57,677,764	\$ 59,483,424	\$ 60,807,030	\$ 65,355,778
Restricted	430,444	-	-	-
Unrestricted	13,839,529	14,658,912	17,240,620	17,425,401
Total business-type activities net position	\$ 71,947,737	\$ 74,142,336	\$ 78,047,650	\$ 82,781,179
Primary government:				
Net investment in capital assets	\$ 248,759,226	\$ 250,814,581	\$ 253,920,057	\$ 264,684,472
Restricted	4,404,171	5,446,074	8,996,185	13,480,068
Unrestricted	38,848,741	30,784,504	33,050,565	28,791,946
Total primary government net position	\$ 292,012,138	\$ 287,045,158	\$ 295,966,806	\$ 306,956,486

Notes:

(a) All amounts are reported on the accrual basis

Source:

Tukwila Finance Department

CITY OF TUKWILA
SCHEDULE 1
NET POSITION BY COMPONENT (continued)
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

Page 2 of 2

2018	2019	2020	2021	2022	2023
\$ 201,997,812	\$ 201,649,103	\$ 201,887,136	\$ 197,839,607	\$ 199,057,806	\$ 196,460,485
16,962,378	18,692,944	17,784,194	25,280,715	28,835,065	33,388,116
12,407,297	17,772,776	22,003,200	32,169,525	35,098,137	41,264,130
<u>\$ 231,367,488</u>	<u>\$ 238,114,823</u>	<u>\$ 241,674,530</u>	<u>\$ 255,289,848</u>	<u>\$ 262,991,008</u>	<u>\$ 271,112,731</u>
\$ 68,680,695	\$ 68,362,159	\$ 69,238,961	\$ 72,559,196	\$ 75,308,549	\$ 76,179,881
-	-	-	-	-	1,261,911
18,988,782	22,104,664	25,231,660	27,093,876	26,056,751	29,140,857
<u>\$ 87,669,477</u>	<u>\$ 90,466,823</u>	<u>\$ 94,470,621</u>	<u>\$ 99,653,072</u>	<u>\$ 101,365,300</u>	<u>\$ 106,582,649</u>
\$ 270,678,507	\$ 270,011,262	\$ 271,126,097	\$ 270,398,803	\$ 274,366,355	\$ 272,640,366
16,962,378	18,692,944	17,784,194	25,280,715	28,835,065	34,650,027
31,396,080	39,877,441	47,234,860	59,263,401	61,154,888	70,404,987
<u>\$ 319,036,965</u>	<u>\$ 328,581,646</u>	<u>\$ 336,145,151</u>	<u>\$ 354,942,919</u>	<u>\$ 364,356,308</u>	<u>\$ 377,695,380</u>

CITY OF TUKWILA, WASHINGTON
SCHEDULE 2
CHANGES IN NET POSITION ^(a)
(accrual basis of accounting)

Page 1 of 2

	2014	2015	2016	2017
Expenses				
Governmental Activities ^(b)				
General government	\$ 10,289,399	\$ 8,042,254	\$ 9,662,207	\$ 9,835,290
Public safety	29,292,587	29,403,206	31,418,713	31,190,347
Physical environment	11,668,098	2,611,297	2,554,259	2,545,144
Transportation	2,479,533	11,069,605	11,188,189	12,236,551
Culture and recreation	5,336,659	5,125,227	5,431,324	5,582,038
Natural and economic environment	5,716,091	5,782,907	4,410,841	4,523,596
Interest on Long Term Debt	1,204,771	1,033,440	1,075,729	2,481,559
Total Governmental Activities	65,987,138	63,067,935	65,741,262	68,394,526
Business Type Activities				
Water/Sewer Utility	12,752,125	13,186,236	13,984,368	14,305,425
Foster Golf Course	1,945,789	2,086,586	2,077,536	1,989,972
Surface Water Utility	3,310,716	4,147,974	4,088,360	4,209,325
Total Business Type Activities	18,008,630	19,420,796	20,150,264	20,504,722
Total Primary Government Expenses	\$ 83,995,768	\$ 82,488,731	\$ 85,891,525	\$ 88,899,247
Program Revenues				
Governmental Activities ^(b)				
Charges for Services				
General government	\$ 3,858,862	\$ 3,794,134	\$ 3,742,937	\$ 4,144,986
Public safety	970,594	1,754,856	4,130,701	1,540,863
Physical environment	196,506	-	464	-
Transportation	8,425	206,065	454,525	2,206,908
Culture and recreation	2,793,185	644,283	1,140,558	1,315,740
Natural and economic environment	726,869	3,348,802	2,434,546	2,270,759
Operating Grants and Contributions	2,563,002	893,470	1,079,020	2,445,998
Capital Grants and Contributions	8,053,435	6,431,537	5,000,942	6,126,880
Total Governmental Activities Program Revenues	19,170,878	17,073,146	17,983,694	20,052,136
Business Type Activities				
Charges for Services				
Water/Sewer Utility	14,308,945	15,572,709	15,661,118	16,580,965
Foster Golf Course	1,406,440	1,482,288	1,426,385	1,313,871
Surface Water Utility	4,168,313	5,286,233	5,875,343	6,200,589
Operating Grants and Contributions	-	-	25,000	8,435
Capital Grants and Contributions	1,548,280	2,039,890	767,732	834,392
Total Business Type Activities Program Revenues	21,431,978	24,381,122	23,755,578	24,938,251
Total Primary Government Program Revenues	40,602,856	41,454,268	41,739,272	44,990,386
Net (Expense)/Revenue				
Governmental Activities	(46,816,260)	(45,994,789)	(47,757,567)	(48,342,390)
Business Type Activities	3,423,348	4,960,326	3,605,314	4,433,529
Total Primary Government Net Expense	\$ (43,392,912)	\$ (41,034,463)	\$ (44,152,253)	\$ (43,908,861)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Tax	\$ 14,870,621	\$ 14,320,085	\$ 14,562,501	\$ 17,667,590
Retail Sales and Use Tax	17,105,322	19,334,152	18,908,190	18,807,201
Hotel/Motel Tax	596,781	677,971	710,267	736,784
Utility Tax	3,855,544	4,019,288	4,045,916	4,175,013
Interfund Utility Taxes	1,851,013	2,061,098	2,146,515	2,265,747
Business Tax	2,555,999	2,749,140	2,716,257	2,698,352
Excise Tax	3,512,894	5,321,281	6,508,665	5,380,662
Unrestricted Investment Earnings	444,282	475,345	559,733	838,630
Miscellaneous	1,915,032	2,124,185	2,915,859	2,328,565
Transfers	(600,000)	(300,000)	(300,000)	(300,000)
Total Governmental Activities	46,107,488	50,782,545	52,773,904	54,598,542
Business Type Activities				
Unrestricted Investment Interest	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	600,000	300,000	300,000	300,000
Total Business Type Activities	600,000	300,000	300,000	300,000
Total Primary Government	\$ 46,707,488	\$ 51,082,545	\$ 53,073,904	\$ 54,898,542
Change in Net Position Before Special Item	3,314,576	10,048,082	8,921,651	10,989,681
Special item	(1,995,000)	(956,798)	-	-
Change in Net Position	1,319,576	9,091,284	8,921,651	10,989,681
Governmental Activities	(2,703,773)	3,830,958	5,016,337	6,256,152
Business Type Activities	4,023,348	5,260,326	3,905,314	4,733,529
Total Primary Government	\$ 1,319,576	\$ 9,091,284	\$ 8,921,651	\$ 10,989,681

Notes:

(a) All amounts are reported on the accrual basis

(b) Governmental activity classifications changed beginning with the 2019 Annual report

Source: Tukwila Finance Department

CITY OF TUKWILA, WASHINGTON
SCHEDULE 2
CHANGES IN NET POSITION (continued)
(accrual basis of accounting)

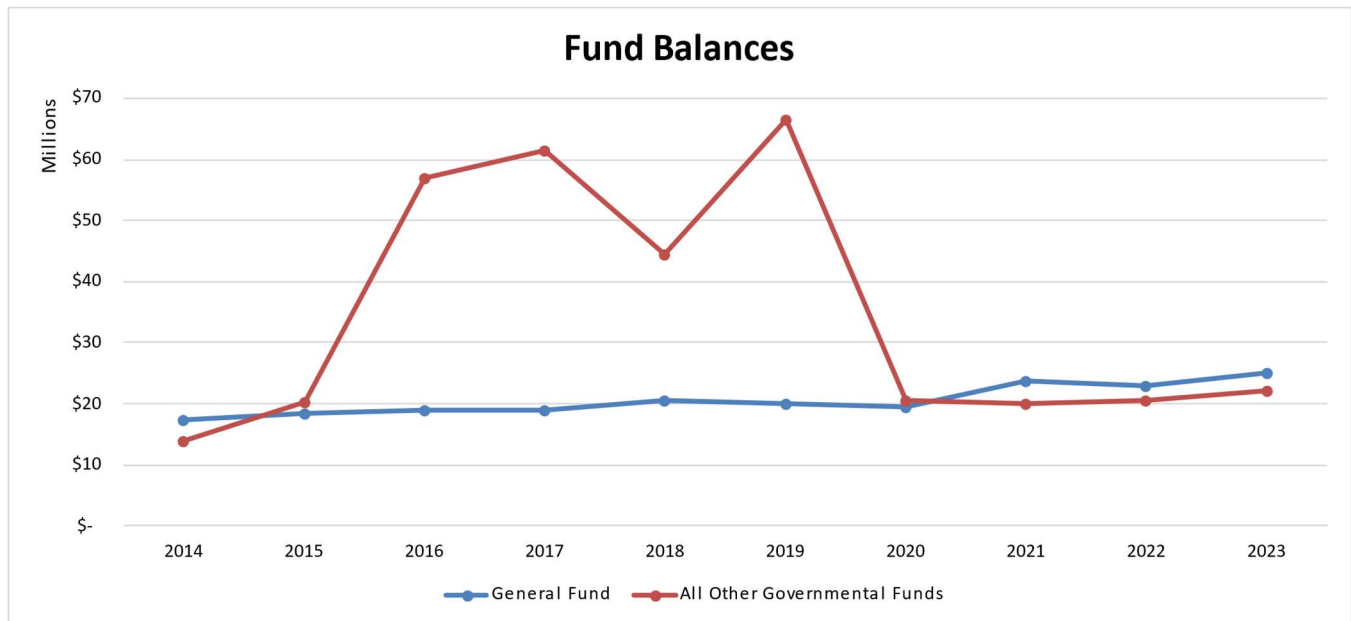
Page 2 of 2

2018	2019	2020	2021	2022	2023
\$ 10,763,025	\$ 11,105,119	\$ 10,792,736	\$ 12,227,100	\$ 14,314,373	\$ 15,092,500
17,097,372	27,402,906	25,090,275	24,840,036	35,503,893	33,190,709
2,645,577	-	-	-	-	-
15,871,018	18,442,230	12,757,271	12,760,187	13,805,883	15,428,634
5,591,213	6,076,219	5,522,907	4,814,194	6,147,791	6,200,186
4,411,719	4,515,516	4,426,553	5,062,727	5,598,778	7,013,570
2,748,854	3,009,268	4,927,364	4,443,170	4,303,091	4,190,257
59,128,779	70,551,259	63,517,106	64,147,415	79,673,810	81,115,855
14,861,448	15,756,347	14,111,179	14,227,351	15,457,196	15,734,655
2,091,981	2,128,042	1,908,023	2,175,885	2,415,066	2,561,419
4,464,319	5,965,217	4,991,110	4,327,427	5,945,272	4,907,747
21,417,748	23,849,607	21,010,311	20,730,662	23,817,535	23,203,822
\$ 80,546,527	\$ 94,400,866	\$ 84,527,417	\$ 84,878,077	\$ 103,491,345	\$ 104,319,677
\$ 5,989,077	\$ 6,565,339	\$ 7,481,748	\$ 6,342,118	\$ 9,058,384	\$ 9,368,454
1,970,331	2,543,188	2,037,444	1,972,485	2,334,165	3,396,090
-	-	-	-	-	-
2,261,577	106,958	890,982	371,646	1,257,366	1,459,071
1,415,827	1,914,795	654,085	456,787	968,738	1,471,954
3,099,692	3,533,733	2,671,049	2,416,865	2,349,959	3,497,508
1,733,308	794,371	1,567,067	1,796,702	2,771,490	3,801,728
9,942,224	2,578,046	1,415,931	1,289,853	3,469,016	1,873,518
26,412,036	18,036,429	16,718,306	14,646,454	22,209,119	24,868,323
17,203,158	17,831,892	14,857,183	16,227,339	16,627,591	17,894,258
1,563,320	1,610,152	1,906,355	2,268,908	2,205,500	2,497,754
6,417,368	6,797,683	6,956,702	7,029,502	7,411,371	7,755,433
54,697	228,755	121,754	61,630	363,540	1,637
767,504	280,570	1,405,464	1,709,678	174,795	680,622
26,006,046	26,749,053	25,247,459	27,297,057	26,782,796	28,829,704
52,418,082	44,785,482	41,965,764	41,943,511	48,991,915	53,698,027
(32,716,743)	(52,514,830)	(46,798,800)	(49,500,960)	(57,464,691)	(56,247,532)
4,588,299	2,899,445	4,237,148	6,566,394	2,965,262	5,625,882
\$ (28,128,445)	\$ (49,615,384)	\$ (42,561,653)	\$ (42,934,566)	\$ (54,499,429)	\$ (50,621,650)
\$ 18,008,738	\$ 18,390,051	\$ 19,839,475	\$ 21,275,135	\$ 21,852,111	\$ 22,156,679
20,603,617	20,687,748	17,102,061	20,148,103	21,977,177	22,851,709
833,990	819,095	292,358	540,329	897,202	971,162
3,866,859	3,644,470	4,286,358	3,605,314	3,949,799	5,432,796
2,334,522	2,358,608	2,153,573	2,322,420	2,404,685	2,567,243
1,246,798	1,299,085	407,877	2,074,857	2,683,592	1,625,073
5,091,447	5,336,066	3,323,814	7,400,723	6,609,500	5,465,302
1,508,334	1,247,003	680,094	297,953	(107,223)	2,495,712
2,240,045	5,377,939	2,039,548	4,067,501	3,645,976	2,285,888
(300,000)	102,100	233,350	1,383,944	1,253,033	1,752,366
55,434,351	59,262,164	50,358,508	63,116,277	65,165,852	67,603,930
-	-	-	-	-	1,287,325
-	-	-	-	-	56,507
300,000	(102,100)	(233,500)	(1,383,944)	(1,253,033)	(1,752,366)
300,000	(102,100)	(233,500)	(1,383,944)	(1,253,033)	(408,533)
\$ 55,734,351	\$ 59,160,064	\$ 50,125,008	\$ 61,732,334	\$ 63,912,819	\$ 67,195,396
27,605,906	9,544,680	7,563,355	18,797,768	9,413,389	16,573,746
-	-	-	-	-	(3,234,674)
27,605,906	9,544,680	7,563,355	18,797,768	9,413,389	13,339,072
22,717,608	6,747,335	3,559,708	13,615,317	7,701,161	8,121,723
4,888,299	2,797,345	4,003,648	5,182,451	1,712,229	5,217,349
\$ 27,605,906	\$ 9,544,680	\$ 7,563,355	\$ 18,797,768	\$ 9,413,389	\$ 13,339,072

CITY OF TUKWILA, WASHINGTON
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Page 1 of 2

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 1,544,022	\$ 1,340,914	\$ 1,141,484	\$ 927,373
Assigned	5,771,471	6,078,648	6,277,929	105,000
Unassigned	10,181,057	10,911,244	11,612,330	18,040,352
Total general fund	\$ 17,496,550	\$ 18,330,806	\$ 19,031,744	\$ 19,072,725
All other governmental funds				
Nonspendable	\$ 7,370,000	\$ 7,645,000	\$ 7,645,000	\$ -
Restricted	3,973,726	5,446,074	45,986,463	51,236,443
Assigned	4,076,803	7,221,870	3,389,139	10,282,709
Unassigned	(1,360,218)	-	-	-
Total all other governmental funds	\$ 14,060,311	\$ 20,312,943	\$ 57,020,602	\$ 61,519,152



CITY OF TUKWILA, WASHINGTON
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS (continued)
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Page 2 of 2

2018	2019	2020	2021	2022	2023
\$ 718,190	\$ 508,447	\$ 292,498	\$ 70,139	\$ -	\$ -
181,078	397,736	660,425	491,143	527,347	631,622
19,718,745	19,233,980	18,469,248	23,180,241	22,464,009	24,359,607
<u>\$ 20,618,013</u>	<u>\$ 20,140,163</u>	<u>\$ 19,422,170</u>	<u>\$ 23,741,523</u>	<u>\$ 22,991,356</u>	<u>\$ 24,991,228</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,531,984	48,694,929	5,483,785	7,231,746	8,448,840	10,463,564
11,819,299	17,705,991	15,110,785	12,742,716	12,179,200	11,569,460
-	-	-	-	-	-
<u>\$ 44,351,283</u>	<u>\$ 66,400,920</u>	<u>\$ 20,594,569</u>	<u>\$ 19,974,462</u>	<u>\$ 20,628,040</u>	<u>\$ 22,033,024</u>

CITY OF TUKWILA, WASHINGTON
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ^(a)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

page 1 of 2

	2014	2015	2016	2017
Revenues				
Taxes	\$ 44,441,783	\$ 48,548,116	\$ 49,588,492	\$ 51,655,075
Licenses and Permits	2,114,638	2,242,256	2,129,221	2,749,137
Intergovernmental	14,298,126	11,839,883	10,067,413	12,739,774
Charges for Services	3,838,531	3,935,248	3,911,473	5,767,228
Fines and Forfeitures	264,934	261,457	318,459	325,216
Investment Income	479,219	475,345	541,299	826,864
Special Assessments	701,723	650,415	542,180	478,838
Miscellaneous	354,395	332,268	957,158	942,784
Total Revenues	66,493,348	68,284,989	68,055,695	75,484,915
Expenditures				
General Government	7,505,173	7,708,394	9,405,989	9,585,551
Public Safety	27,254,312	29,035,165	29,366,198	30,899,412
Physical Environment	1,807,993	1,935,228	1,955,031	1,733,400
Transportation	5,820,601	5,792,668	5,238,468	6,532,195
Natural and Economic Environment	5,226,832	5,832,384	4,493,210	4,614,027
Culture and Recreation	4,680,651	4,350,052	4,543,339	4,664,129
Debt Service				
Principal	2,288,988	2,480,507	2,602,782	3,713,928
Interest	961,457	1,125,609	1,093,584	2,603,869
Capital Outlay	10,150,912	11,426,274	8,358,450	14,761,715
Total Expenditures	65,696,921	69,686,279	67,057,051	79,108,226
Excess (Deficiency) of Revenues	796,428	(1,401,291)	998,643	(3,623,311)
Over (Under) Expenditures				
Other Financing Sources (Uses)				
Transfers In	7,300,080	5,633,846	4,025,831	6,354,496
Transfers In - Assessment	-	-	-	-
Transfers Out	(7,900,080)	(5,933,846)	(4,325,831)	(6,654,496)
Lease financing	-	-	-	-
Sale of Capital Assets	-	-	-	(99,999)
General Obligation Bonds Issued	3,850,000	8,075,000	32,990,000	10,456,000
Refunding of General Obligation Bonds	-	-	-	(2,250,000)
LID Bonds Assessment	-	-	-	-
Premium on General Obligation Debt	-	309,758	3,719,954	356,839
Total Other Financing Sources (Uses)	3,250,000	8,084,758	36,409,954	8,162,839
Change in Fund Balance Before Special Item	4,046,428	6,683,467	37,408,597	4,539,528
Special Item	(1,995,000)	(956,798)	-	-
Net Change in Fund Balances	\$ 2,051,428	\$ 5,726,669	\$ 37,408,597	\$ 4,539,528
Ratio of Debt Service Expenditures to Total Non-Capital Expenditures	5.85%	6.19%	6.30%	9.82%

(a) All amounts are reported on the modified - accrual basis

Source:

Tukwila Finance Department

CITY OF TUKWILA, WASHINGTON
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

page 2 of 2

2018	2019	2020	2021	2022	2023
\$ 51,988,591	\$ 52,686,247	\$ 47,560,434	\$ 57,281,494	\$ 60,381,870	\$ 61,140,878
4,875,454	5,554,899	6,738,212	5,341,662	5,376,555	6,367,320
15,919,377	7,495,781	6,647,587	7,603,637	10,391,018	10,068,430
6,801,719	7,442,843	3,540,211	3,213,504	4,295,828	6,648,353
291,604	245,748	209,551	302,358	495,511	322,710
1,538,534	1,258,493	680,094	297,953	(247,462)	2,078,911
415,660	515,266	377,132	375,889	381,172	382,843
407,151	515,923	560,804	632,087	483,127	643,281
82,238,092	75,715,199	66,314,025	75,048,583	81,557,620	87,652,727
10,491,432	8,777,726	8,620,827	8,455,383	9,311,851	10,458,700
34,331,520	32,586,415	31,792,303	32,513,800	36,170,093	37,960,489
1,805,457	-	-	-	-	-
10,015,938	9,717,429	6,346,303	6,612,101	7,421,513	8,012,225
4,686,528	4,752,115	4,659,575	5,917,214	5,977,731	6,198,158
4,852,138	5,328,994	4,551,092	4,614,034	5,172,376	5,530,360
4,092,196	4,238,521	2,486,461	3,000,560	8,375,416	6,970,163
2,977,523	4,060,086	5,445,543	5,097,555	4,951,500	4,717,159
47,601,490	51,397,863	48,834,614	10,381,479	7,125,461	8,714,193
120,854,221	120,859,149	112,736,719	76,592,127	84,505,941	88,561,445
(38,616,129)	(45,143,950)	(46,422,694)	(1,543,543)	(2,948,321)	(908,718)
7,742,669	7,233,686	8,867,680	9,904,409	14,544,789	10,150,571
3,119,513	-	-	-	-	-
(8,042,669)	(7,131,586)	(8,634,330)	(8,520,466)	(13,291,756)	(8,398,206)
-	-	-	-	98,699	2,561,209
-	-	-	1,129,345	1,500,000	-
18,365,000	60,600,000	1,995,000	6,720,500	-	-
-	-	(2,330,000)	(3,991,000)	-	-
-	-	-	-	-	-
1,809,036	6,013,637	-	-	-	-
22,993,549	66,715,737	(101,650)	5,242,789	2,851,732	4,313,575
(15,622,580)	21,571,787	(46,524,344)	3,699,245	(96,589)	3,404,857
-	-	-	-	-	-
\$ (15,622,580)	\$ 21,571,787	\$ (46,524,344)	\$ 3,699,245	\$ (96,589)	\$ 3,404,857
9.65%	11.95%	12.41%	12.23%	17.22%	14.64%

CITY OF TUKWILA, WASHINGTON
SCHEDULE 5
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

Fiscal Year	Property ^(a)	Sales & Use	Utility ^(b)	Excise	Business	Other	Total Taxes
2014	14,870,621	17,105,322	3,855,544	3,512,894	2,555,999	2,447,794	44,348,175
2015	14,320,085	19,334,152	4,019,288	5,321,280	2,749,140	2,739,070	48,483,015
2016	14,562,501	18,908,190	4,045,916	6,508,665	2,716,257	2,856,782	49,598,312
2017	17,667,590	18,807,201	4,175,013	5,380,662	2,698,352	3,002,531	51,731,348
2018	18,008,738	20,603,617	3,866,859	5,091,447	1,246,798	2,334,522	51,151,981
2019	18,390,051	20,687,748	3,644,470	5,336,066	1,299,085	3,177,703	52,535,122
2020	19,839,475	17,102,061	4,286,358	3,323,814	407,877	2,445,931	47,405,516
2021	21,275,135	20,148,103	3,605,314	7,400,723	2,074,857	2,862,749	57,366,880
2022	21,852,111	21,977,177	3,949,799	6,609,500	2,683,592	3,301,887	60,374,066
2023	22,156,679	22,851,709	5,432,447	5,465,302	1,625,073	3,538,406	61,069,616
Change 2014-2023	49.0%	33.6%	40.9%	55.6%	-36.4%	44.6%	37.7%

Notes:

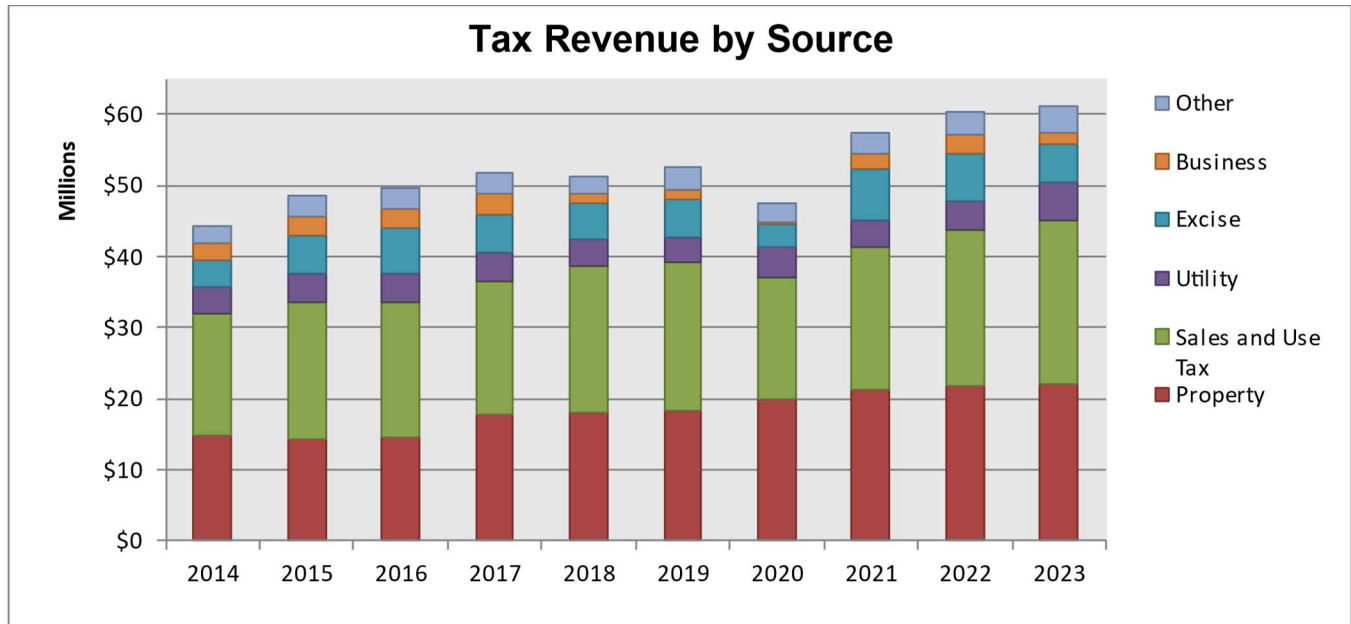
(a) Beginning in 2017, property tax includes a voter approved excess levy for public safety facilities.

(b) Utility taxes enacted beginning in 2003 for electric, natural gas, cable and telephone utilities are assessed at rates of 6.0%.

A utility tax was added in 2009 for solid waste and recycling and is currently assessed at a 16.0% rate.

Source:

Tukwila Finance Department



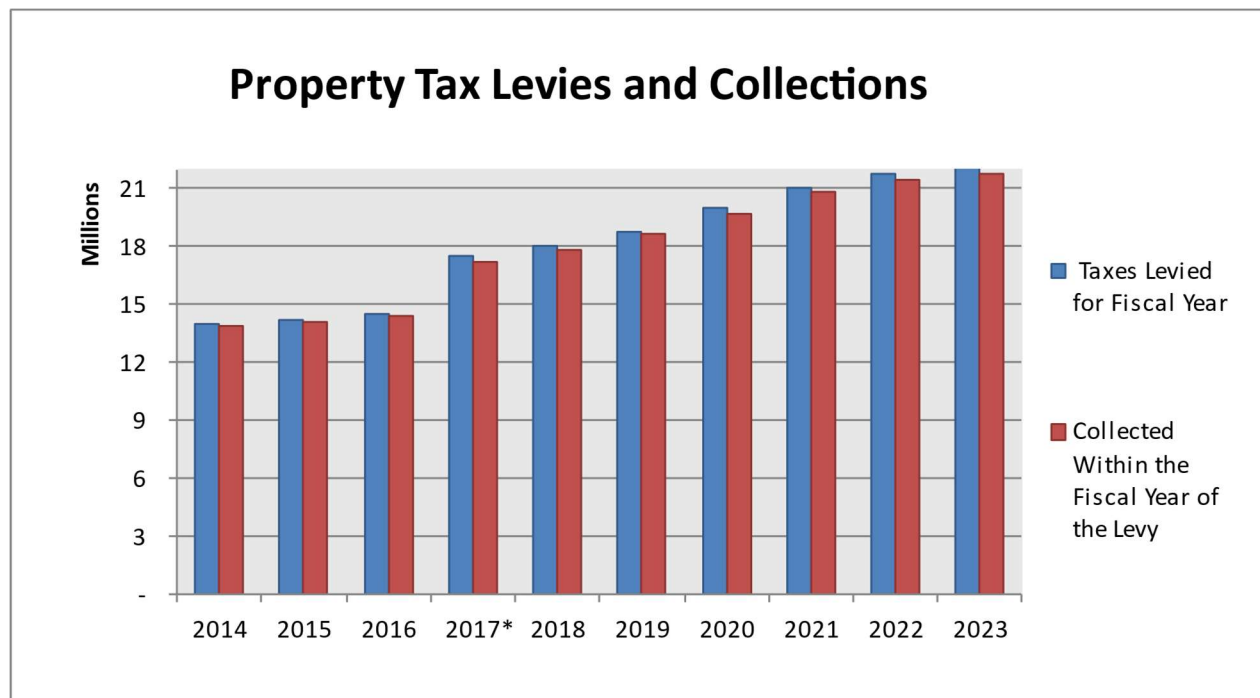
CITY OF TUKWILA, WASHINGTON
SCHEDULE 6
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2014	14,047,317	13,916,718	99.07%	123,482	14,040,200	99.95%
2015	14,245,846	14,113,739	99.07%	132,108	14,245,846	100.00%
2016	14,516,623	14,375,358	99.03%	130,732	14,506,090	99.93%
2017*	17,551,561	17,262,965	98.36%	231,545	17,494,510	99.67%
2018	18,006,677	17,844,087	99.10%	152,758	17,996,846	99.95%
2019	18,796,071	18,648,149	99.21%	134,977	18,783,126	99.93%
2020	20,044,161	19,705,761	98.31%	314,401	20,020,161	99.88%
2021	21,049,466	20,796,453	98.80%	200,040	20,996,493	99.75%
2022	21,727,448	21,466,630	98.80%	125,151	21,591,781	99.38%
2023	22,070,488	21,738,755	98.50%	-	21,738,755	98.50%

*First year of collection on 2016 voter-approved levy for Public Safety Plan

Source:

King County Office of Finance



CITY OF TUKWILA, WASHINGTON
SCHEDULE 7
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2014	4,146,952,417	744,616,273	162,510,057	5,054,078,747	2.84188
2015	4,409,931,075	810,422,092	174,971,951	5,395,325,118	2.71073
2016	4,763,568,175	849,695,435	150,386,219	5,763,649,829	3.05735
2017	5,242,264,743	780,938,084	161,740,436	6,184,943,263	2.91864
2018	5,823,887,746	678,435,063	171,517,113	6,673,839,922	2.81805
2019	6,430,058,373	760,313,756	214,068,301	7,404,440,430	2.73416
2020	6,809,349,200	826,589,881	247,118,481	7,883,057,562	2.67733
2021	6,890,134,092	882,202,099	238,555,841	8,010,892,032	2.72071
2022	7,806,820,227	954,687,537	208,944,784	8,970,452,548	2.45234
2023	8,470,361,340	833,559,342	225,204,285	9,529,124,967	2.40193

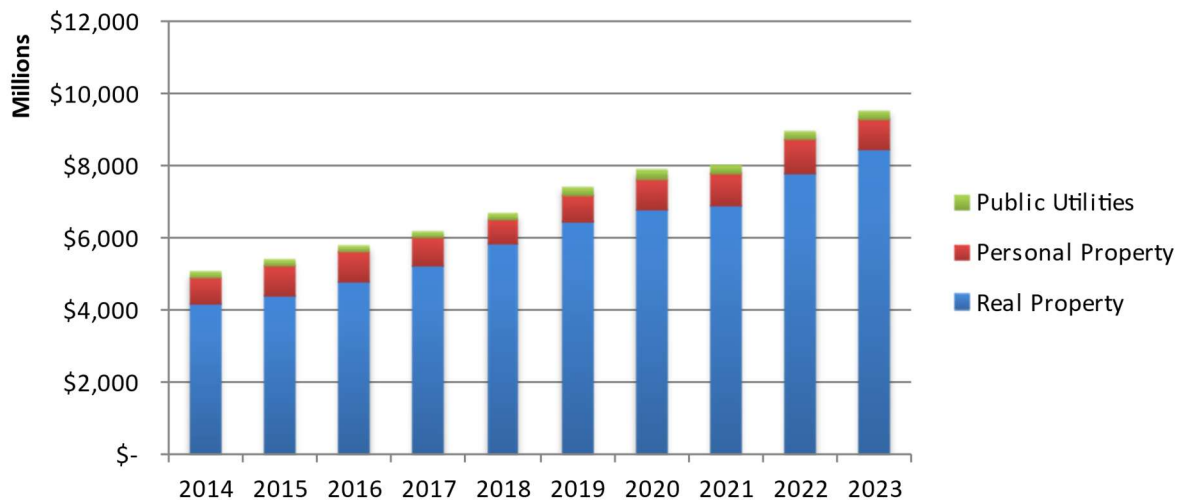
Note:

*Real, personal, and state public service property have been assessed at 100% of the estimated value.

Source:

King County Department of Assessments

Assessed Value By Type



CITY OF TUKWILA, WASHINGTON
SCHEDULE 8
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUATION)
 LAST TEN FISCAL YEARS

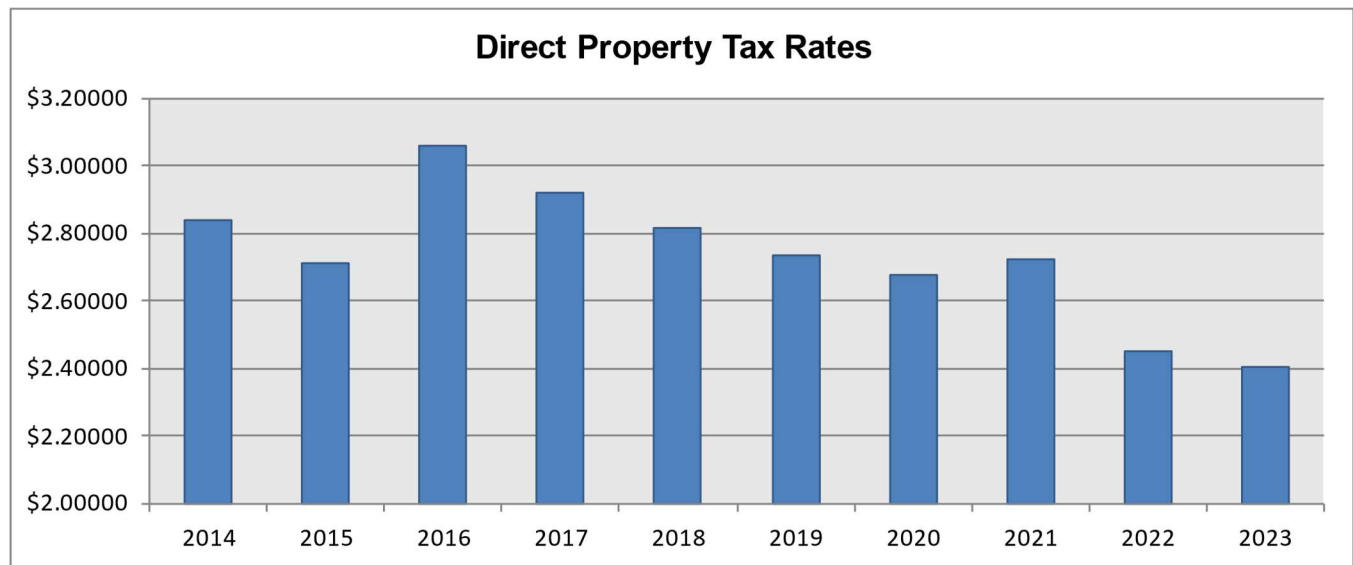
-----CITY OF TUKWILA-----													
Fiscal Year	General Levy	Special Levy	Total	WA State	King County ^(a)	Port of Seattle	Emergency Medical Service	Tukwila School Dist #406	Flood Control	Tukwila Pool Metropolitan Park District	Hospital District #1	Central Puget Sound Regional Transit Authority (RST3)	Total
2014	2.84188	-	2.84188	2.28514	1.84798	0.18885	0.30217	5.50160	0.13860	0.14962	0.50000	-	13.75584
2015	2.71073	-	2.71073	2.16898	1.95741	0.16954	0.28235	5.22858	0.12980	0.14853	0.50000	-	13.29592
2016	2.58592	0.47143	3.05735	2.03205	1.83412	0.15334	0.26305	5.36954	0.11740	0.15653	0.50089	0.25000	13.48427
2017	2.46285	0.45579	2.91864	2.91820	1.73925	0.13518	0.23940	5.17356	0.10708	0.15513	0.45689	0.22745	14.07078
2018	2.39148	0.42657	2.81805	2.62922	1.60359	0.12266	0.21762	3.39103	0.09660	0.15767	0.41673	0.20700	11.66017
2019	2.26293	0.47123	2.73416	3.02799	1.59993	0.11944	0.26500	3.42786	0.09199	0.15341	0.40069	0.19937	12.01984
2020	2.17985	0.49748	2.67733	3.08823	1.60421	0.11984	0.26499	3.78886	0.08909	0.15102	0.38511	0.19709	12.36577
2021	2.14677	0.57394	2.72071	2.81695	1.56491	0.11258	0.24841	4.21764	0.08146	0.15223	0.35434	0.18409	12.45332
2022	1.94728	0.50506	2.45234	2.31104	1.36024	0.09429	0.20922	3.69839	0.06717	0.15033	0.29817	0.15576	10.79695
2023	1.89534	0.50659	2.40193	2.51751	1.65891	0.10470	0.22678	3.51003	0.07067	0.15248	0.31254	0.16483	11.12038

Note:

(a) Includes King County Library District tax and Ferry

Source:

King County Department of Assessments



CITY OF TUKWILA, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Name	Type of Business	2023 Assessed Valuation	Percent of 2023 Total Assessed Value ^(a)	2014 Assessed Valuation	Percent of 2014 Total Assessed Value ^(b)
Boeing	Airplane company	\$ 530,356,127	5.57%	\$ 563,211,498	10.44%
Property Tax Resources LLC	Commercial Properties	227,179,900	2.38%	66,917,200	1.24%
Segale Properties	Commercial Properties	199,472,348	2.09%	186,552,266	3.46%
International Gateway East	Data Center	195,396,154	2.05%		
LIT Industrial LTD Partemership	Commercial Properties	176,641,600	1.85%		
Prologis	Real Estate Development	160,318,900	1.68%		
BKM Management Company	Commercial Properties	159,147,600	1.67%		
Westfield Property	Department Stores	134,350,700	1.41%	291,267,487	5.40%
LIT Kent Valley	Commercial Properties	78,461,000	0.82%		
Macy's Logistics and Distribution		76,063,100	0.80%		
KIR Tukwila 050 LLC	Commercial Properties			85,051,300	1.58%
Qwest Corporation (US West Communications)	Telephone Utility			80,999,544	1.50%
Anne Arundel Apartments LLC	Apartments			52,802,552	0.98%
Boeing Employees Credit Union	Credit Union			50,651,154	0.94%
CWWA Tukwila 1 LLC	Investment Property			42,974,000	0.80%
Wig Properties LLC (JC Penny)	Department Stores			37,147,522	0.69%
TOTALS		\$ 1,937,387,429	20.33%	\$ 1,457,574,523	27.02%

Notes:

(a) In 2023 the total assessed property value in the City of Tukwila was \$ 9,529,124,967

(b) In 2014 the total assessed property value in the City of Tukwila was \$ 5,394,325,118

Source:

King County Department of Assessments



CITY OF TUKWILA, WASHINGTON
SCHEDULE 10
RETAIL SALES TAX COLLECTIONS BY SECTOR
 LAST TEN FISCAL YEARS

page 1 of 2

Major Industry Sector	2014	2015	2016	2017
Construction and Contracting	\$ 829,073	\$ 1,255,650	\$ 1,383,624	\$ 1,413,773
Finance, Insurance & Real Estate	141,010	163,161	175,060	125,978
Manufacturing	322,189	281,501	269,117	177,788
Transportation, Communications & Utilities	549,126	743,746	746,115	721,413
Wholesale - Durable/Non-durable Goods	1,592,613	2,016,722	1,295,141	1,176,868
Retail Trade - General Merchandise	2,137,256	2,205,778	2,202,158	2,131,267
Retail Trade - Home Furnishings/Electronics	1,431,965	1,527,377	1,623,926	1,613,643
Retail Trade - Miscellaneous	1,973,478	1,954,150	2,032,967	2,077,239
Retail Trade - Clothing & Accessories	2,013,796	2,159,647	2,089,128	2,066,858
Retail Trade - Restaurants	1,611,860	1,703,187	1,751,724	1,886,139
Retail Trade - Automotive/Gas	765,765	825,143	743,468	800,580
Retail Trade - Building Materials	600,610	683,485	733,928	805,324
Service Industries - Business	1,073,511	1,265,789	1,467,620	1,436,825
Service Industries - Hotels	562,130	626,822	650,270	650,332
Service Industries - Other	274,497	273,514	253,089	267,544
All Other Categories	468,547	978,142	845,209	812,656
Total Retail Sales Tax Collections	\$ 16,347,426	\$ 18,663,814	\$ 18,262,544	\$ 18,164,227

Notes:

By State law, the City of Tukwila is prohibited from reporting individual sales tax payers.

Sources:

Tukwila Finance Department and Washington State Department of Revenue.

CITY OF TUKWILA, WASHINGTON
SCHEDULE 10
RETAIL SALES TAX COLLECTIONS BY SECTOR (continued)
 LAST TEN FISCAL YEARS

page 2 of 2

	2018	2019	2020	2021	2022	2023
\$	1,623,112	\$ 2,218,910	\$ 2,389,360	\$ 1,664,634	\$ 1,704,697	\$ 2,239,350
	143,696	65,075	112,453	126,652	130,194	131,804
	262,700	238,694	221,232	222,561	223,090	228,453
	1,016,226	1,055,296	789,886	905,716	1,057,456	1,220,872
	1,309,170	1,153,607	1,101,801	1,292,657	1,355,512	1,404,809
	2,187,854	2,167,481	1,836,829	1,886,826	1,739,575	1,926,985
	1,649,843	1,715,419	1,419,767	1,866,419	1,875,690	1,902,006
	2,131,804	2,089,854	1,994,491	2,897,074	2,856,649	3,018,848
	2,084,482	1,996,280	1,186,857	1,920,971	1,837,386	1,958,083
	2,009,051	2,080,421	1,273,300	1,815,023	2,160,843	2,353,747
	1,385,284	1,063,607	560,743	743,240	837,554	694,189
	813,656	835,211	996,994	1,080,480	1,080,097	904,309
	2,051,035	2,039,153	1,684,693	1,767,313	1,980,165	2,254,266
	717,341	744,823	251,581	473,028	775,911	841,250
	394,128	346,020	340,104	373,547	391,768	417,434
	115,128	106,610	150,053	143,845	843,726	197,103
\$	19,894,510	\$ 19,916,461	\$ 16,310,144	\$ 19,179,986	\$ 20,850,313	\$ 21,693,508

CITY OF TUKWILA, WASHINGTON
SCHEDULE 11
SALES TAX RATE DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	2014	2015	2016	2017 ^(b)	2018	2019	2020	2021 ^(c)	2022	2023
<u>BASIC SALES TAX RATES ^(a)</u>										
City of Tukwila	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Washington State	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
King County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.35%	0.35%	0.35%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Metro	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Department of Revenue Administration Fee	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Total Basic Combined Sales Tax Rate	9.50%	9.50%	9.50%	9.50%	10.00%	10.00%	10.00%	10.10%	10.10%	10.10%

Notes:

^(a) Effective July 1, 2003, all retail sales, leases and transfers of motor vehicles are subject to the additional sales tax of three-tenths of one percent (.003). The funds are used to finance transportation improvements.

^(b) Effective April 1, 2017, the Regional Transit Authority Tax increased five-tenths of one percent (.005), to one and four-tenths of one percent (.014). The tax will be used to expand and coordinate light-rail, commuter-rail, and express bus service, and improve access to transit facilities in King, Pierce, and Snohomish Counties.

^(c) Effective January 1, 2021, sales and use tax within all of King County, except for Seattle, increased one-tenth of one percent (.001), to three and five tenths of one percent (.0035). The tax will be used for affordable housing and related services.

Source:

Washington State Department of Revenue Local Sales and Use Tax Rates.



CITY OF TUKWILA, WASHINGTON
SCHEDULE 12
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Page 1 of 2

	2014	2015	2016	2017
<u>GOVERNMENTAL ACTIVITIES</u>				
General Obligation Bonds ^(c)	\$ 23,851,376	\$ 30,084,437	\$ 64,589,264	\$ 69,576,786
Special Assessment ^(d)	6,687,500	6,082,500	5,412,500	4,805,000
Leases	-	-	-	-
Total Governmental Activities	30,538,876	36,166,937	70,001,764	74,381,786
<u>BUSINESS-TYPE ACTIVITIES</u>				
General Obligation Bonds	-	-	-	-
Revenue Bonds	2,580,000	1,742,527	1,597,704	1,454,422
Public Works Trust Fund Loans	5,742,866	5,646,458	5,046,900	4,447,522
Leases	-	-	-	-
Total Business-Type Activities	8,322,866	7,388,985	6,644,604	5,901,944
TOTAL PRIMARY GOVERNMENT^(a)	\$ 38,861,742	\$ 43,555,922	\$ 76,646,368	\$ 80,283,729
Population ^(b)	19,920	19,300	19,540	19,660
Per Capita Personal Income ^(b)	\$ 72,696	\$ 76,226	\$ 79,323	\$ 84,598
Percentage of Personal Income	2.68%	2.96%	4.95%	4.83%
Debt Per Capita	\$ 1,951	\$ 2,257	\$ 3,923	\$ 4,084

Notes:

(a) Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements section.

(b) Reference SCHEDULE 16, Demographic Statistics, for population and personal income data.

(c) Includes amounts Due to Other Governments.

(d) Special assessment debt was issued in 2013 for the Klickitat Urban Access Project.

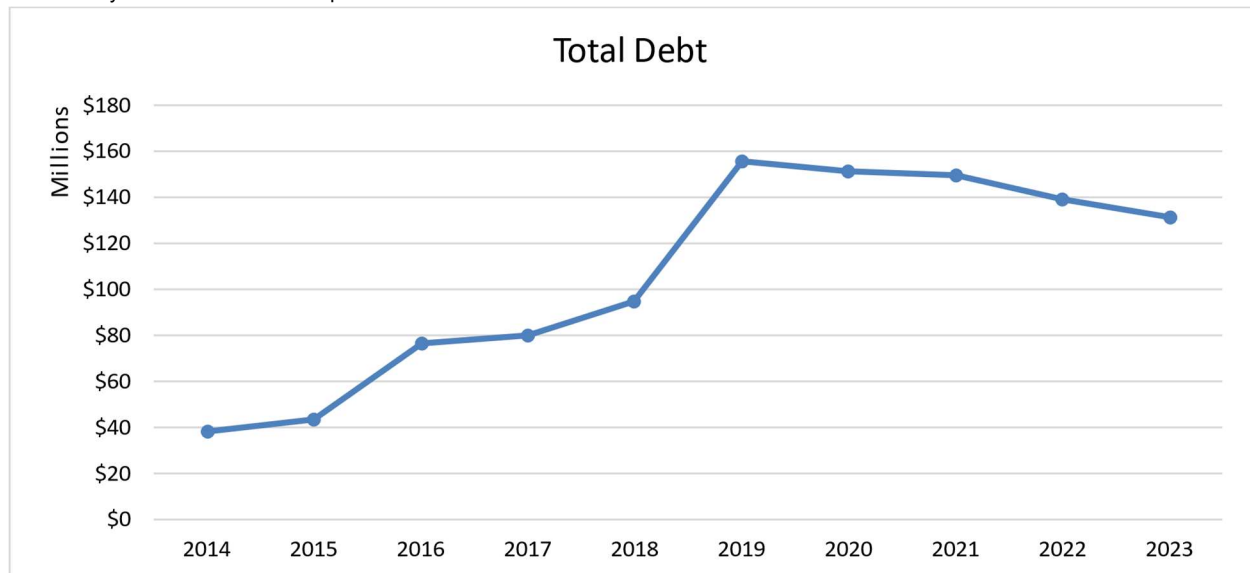
*** Data not available at time of publication.

Sources:

U.S. Census Bureau

WA State Office of Financial Management

City of Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON
SCHEDULE 12
RATIOS OF OUTSTANDING DEBT BY TYPE (continued)
 LAST TEN FISCAL YEARS

Page 2 of 2

	2018	2019	2020	2021	2022	2023
\$	85,625,504	\$ 147,210,840	\$ 144,037,716	\$ 143,233,473	\$ 134,569,428	\$ 127,964,421
	4,320,000	3,910,000	3,430,000	3,060,000	2,685,000	2,285,000
	-	-	-	-	-	-
	89,945,504	151,120,840	147,467,716	146,293,473	137,254,428	130,249,421
	-	-	-	-	-	-
	1,304,763	1,154,027	997,413	840,235	677,704	515,144
	3,848,055	3,248,587	2,649,119	2,075,702	1,476,234	902,817
	-	-	-	-	-	-
	5,152,818	4,402,614	3,646,532	2,915,937	2,153,938	1,417,961
\$	95,098,322	\$ 155,523,454	\$ 151,114,248	\$ 149,209,410	\$ 139,408,366	\$ 131,667,382
	19,800	20,930	21,360	21,798	22,620	22,780
\$	88,308	\$ 92,026	\$ 96,647	\$ 108,212	\$ 113,819	***
	5.44%	8.07%	7.32%	6.33%	5.41%	***
\$	4,803	\$ 7,431	\$ 7,075	\$ 6,845	\$ 6,163	\$ 5,780

CITY OF TUKWILA, WASHINGTON
SCHEDULE 13
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Special Assessment Debt ^(a)	Less Debt Service Funds ^(b)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2014	19,920	5,054,078,747	23,851,376	6,687,500	1,687,497	28,851,379	0.57%	1,448
2015	19,300	5,395,325,118	30,084,437	6,082,500	1,910,940	34,255,997	0.63%	1,775
2016	19,540	5,763,649,829	64,589,264	5,412,500	1,962,497	68,039,267	1.18%	3,482
2017	19,660	6,155,826,776	69,576,786	4,805,000	1,855,519	72,526,267	1.18%	3,689
2018	19,800	6,685,919,176	85,625,504	4,320,000	1,903,729	88,041,775	1.32%	4,447
2019	20,930	6,673,839,922	147,210,840	3,910,000	1,995,748	149,125,092	2.23%	7,125
2020	21,360	7,883,057,562	144,037,716	3,430,000	1,353,344	146,114,372	1.85%	6,841
2021	21,798	8,010,892,032	143,233,473	3,060,000	1,653,564	144,639,909	1.81%	6,635
2022	22,620	8,970,452,548	134,569,428	2,685,000	1,653,564	135,600,864	1.51%	5,995
2023	22,780	9,529,124,967	127,964,421	2,285,000	1,735,429	128,513,992	1.35%	5,642

Note:

(a) Special assessment debt was issued in 2013 for the Klickitat Urban Access Project.

(b) Includes externally restricted fund balance available for debt service payment.

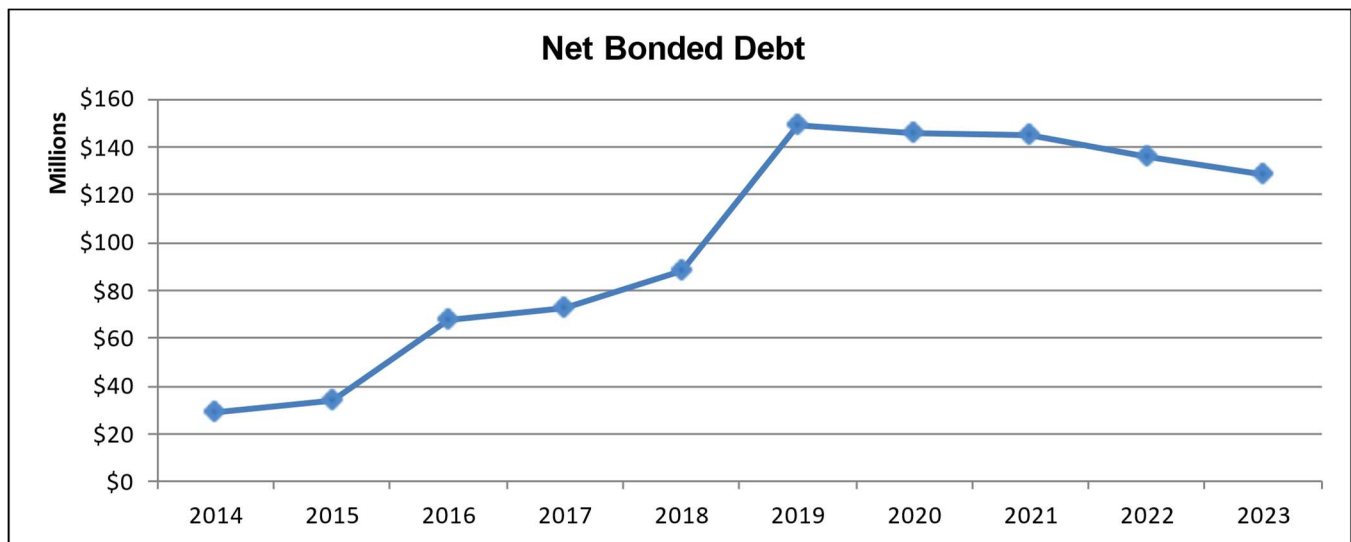
Sources:

U.S. Census Bureau

State of Washington Office of Financial Management

King County Department of Assessments

Tukwila Finance Department



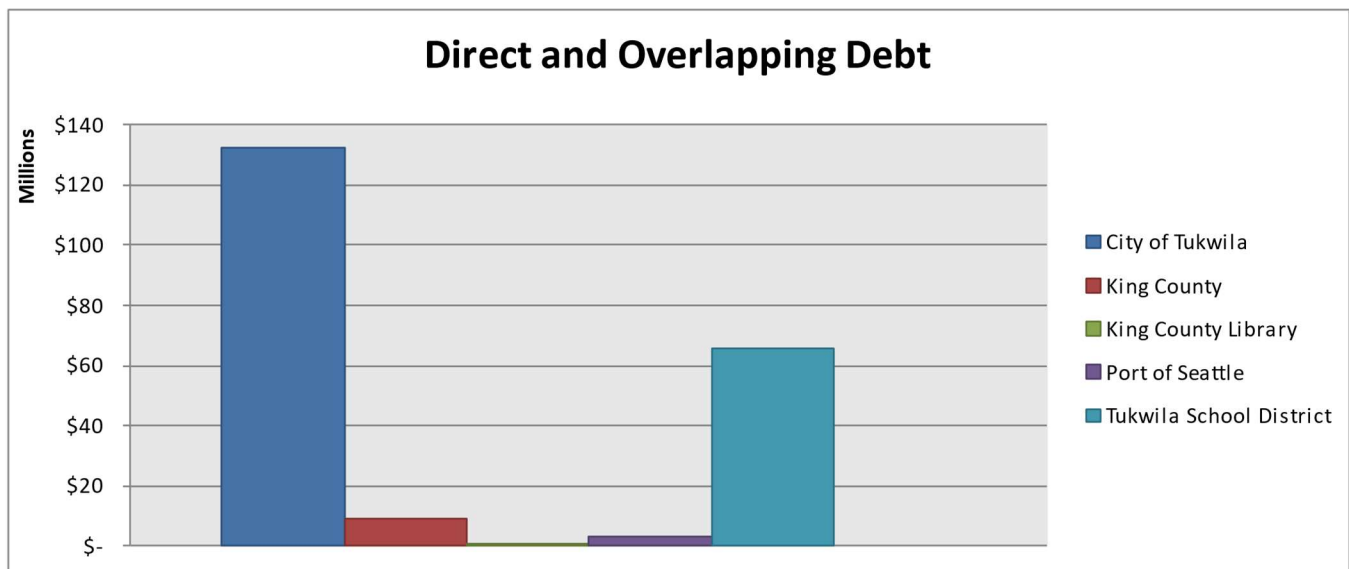
CITY OF TUKWILA, WASHINGTON
SCHEDULE 14
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2023

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to Tukwila ⁽¹⁾	Estimated Applicable to Tukwila
Direct:			
City of Tukwila	\$ 132,450,907	100.00%	\$ 132,450,907
Overlapping:			
King County	886,503,000	1.03%	9,130,981
King County Library	13,937,971	1.59%	221,614
Port of Seattle	315,360,000	1.03%	3,248,208
Tukwila School District #406	66,070,159	99.80%	65,938,019
Total Overlapping Debt:	<u>1,281,871,130</u>		<u>78,538,821</u>
Total Direct and Overlapping Debt:	<u>\$ 1,414,322,037</u>		<u>\$ 210,989,728</u>

Sources:

King County Office of Finance
King County Office of Assessments

(1) The percentage of overlapping debt applicable is estimated using taxable county assessed property values.



CITY OF TUKWILA, WASHINGTON
SCHEDULE 15
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Page 1 of 2

	2014	2015	2016	2017
Debt Limit	\$ 356,728,027	\$ 379,055,906	\$ 432,273,737	\$ 404,649,384
Total net debt applicable to limit	21,727,609	23,288,621	60,208,532	63,662,386
Legal debt margin	\$ 335,000,418	\$ 355,767,285	\$ 372,065,205	\$ 340,986,998
Total net debt applicable to the limit as a percentage of debt limit	6.09%	6.14%	13.93%	15.73%
Assessed Value as of December 31, 2023	\$ 9,529,124,967			
Debt Limit (7.5% of assessed value)	714,684,373			
Debt applicable to limit:				
General obligation bonds	136,889,888			
Other long-term debt	-			
	577,794,485			
Less: Amount set aside for repayment of general obligation debt and contracts payable				
Total net debt applicable to limit	1,735,429			
Legal debt margin	\$ 712,948,944			

Source:

Tukwila Finance Department

CITY OF TUKWILA, WASHINGTON
SCHEDULE 15
LEGAL DEBT MARGIN INFORMATION (continued)
 LAST TEN FISCAL YEARS

Page 2 of 2

2018	2019	2020	2021	2022	2023
\$ 461,687,008	\$ 500,537,994	\$ 591,229,317	\$ 600,816,902	\$ 672,783,941	\$ 714,684,373
79,701,909	135,668,490	136,578,098	136,149,662	141,383,534	136,889,888
\$ 381,985,099	\$ 364,869,504	\$ 454,651,219	\$ 464,667,240	\$ 531,400,407	\$ 577,794,485
17.26%	27.10%	23.10%	22.66%	21.01%	19.15%

CITY OF TUKWILA, WASHINGTON
SCHEDULE 16
DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population	Per Capita Personal Income ^(a)	Personal Income ^(b) (in thousands)	Number of Single-Family Homes	Number of Multi-Family Units	Tukwila School District Enrollment	Unemployment Rate ^(c)
2014	19,920	72,696	1,448,104	3,920	4,103	2,978	4.1%
2015	19,300	76,226	1,471,162	3,940	4,103	2,910	4.5%
2016	19,540	79,323	1,549,971	3,969	4,103	2,873	4.2%
2017	19,660	84,598	1,663,197	3,995	4,103	2,961	3.5%
2018	19,800	88,308	1,748,498	4,025	4,667	3,059	3.1%
2019	20,930	92,026	1,926,104	4,235	4,732	2,862	2.3%
2020	21,360	96,647	2,064,380	4,245	4,816	2,763	7.7%
2021	21,798	108,212	2,358,805	4,250	4,912	2,594	4.5%
2022	22,620	113,819	2,574,586	4,269	4,912	2,595	2.8%
2023	22,780	***	***	4,281	5,251	2,715	3.5%

Notes:

(a) *Per Capita Personal Income* data shown is for King County. Specific data for City of Tukwila is not available.

(b) *Personal Income* estimates are calculated by multiplying Tukwila population by the *Per Capita Personal Income* estimates for Tukwila and are based on a revised methodology that provides for more accuracy. See also Footnote (a).

(c) *Unemployment rates* are listed and estimated using the census-share method, reported as of December 31 each year.

*** Data not available at time of publication.

Sources:

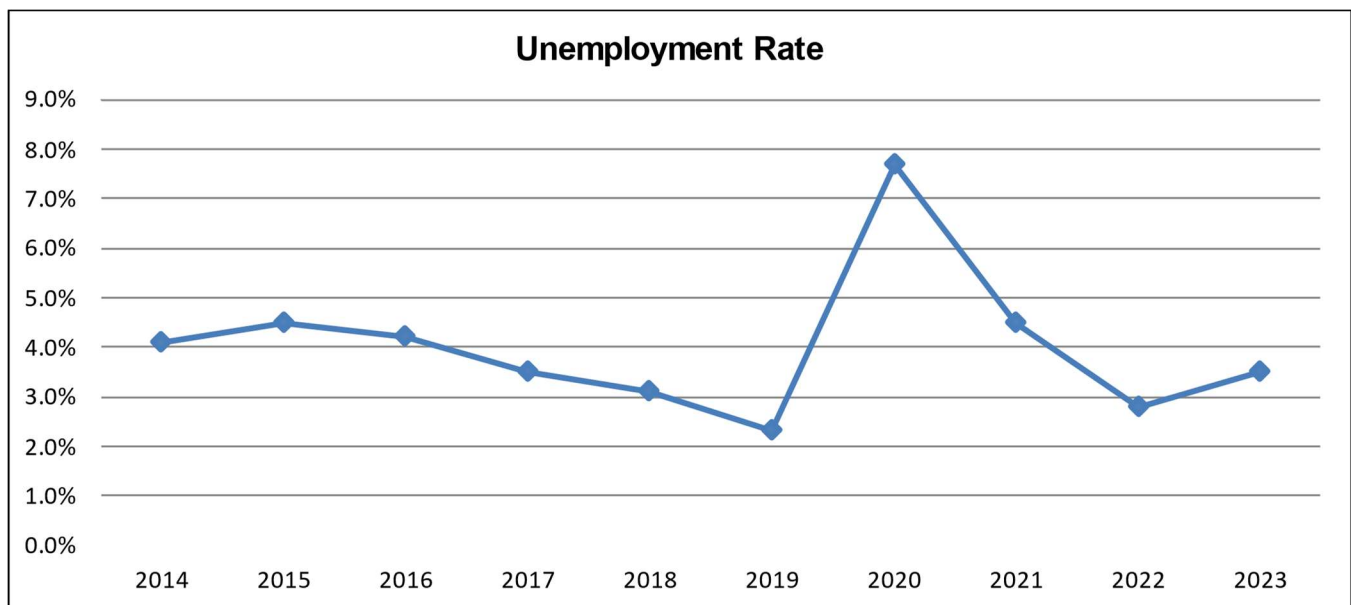
Tukwila Planning Division, Department of Community Development

State of Washington Office of Financial Management

Work Force Development Council of Seattle - King County (Unemployment Data)

Tukwila School District #406

US Bureau of Economic Analysis



CITY OF TUKWILA, WASHINGTON
SCHEDULE 17
PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Name of Company/Employer	Product or Business	2023 Full & Part-Time Employment ^(a)		Percentage of Total City Employees		2014 Full & Part-Time Employment ^(b)		Percentage of Total City Employees	
			Rank				Rank		
Boeing Employee's Credit Union	Credit Union	749	1	2.66%		576		1.43%	
Boeing Company	Aircraft Manufacturing	617	2	2.19%		7,516		18.69%	
WA State Dept. of Social & Health Svcs	Government	600	3	2.13%					
King County Housing Authority	Housing Assistance	555	4	1.97%					
United Parcel Service	Shipping	408	5	1.45%					
Amazon.Com Services LLC	E Commerce	393	6	1.39%					
Macy's	Department Stores	385	7	1.37%		376		0.93%	
Costco	Cash/Carry Warehouse	297	8	1.05%		823		2.05%	
Hartun Glass Industries Inc	Manufacturing	288	9	1.02%					
Cascade Behavioral Hospital LLC	Healthcare	282	10	1.00%					
Group Health Cooperative	Data Ctr/Lab/Pharmacy/Mfg.					1,880		4.67%	
King County Metro	Transit					914		2.27%	
Nordstrom	Department Stores					514		1.28%	
Real Time Staffing Services Inc.	Employment Agency					338		0.84%	
Red Dot Corporation	Heater/air Conditioning Equipment					308		0.77%	
Triumph Expo & Events Inc	Trade Show Services					300		0.75%	
Sub-total - Major Employers		4,574				13,545			
All Other Employment		23,620				26,673			
TOTAL EMPLOYMENT		28,194				40,218			

Source:

^(a) Washington State Department of Revenue - Business Licenses^(b) Tukwila Finance Department - Business Licenses

CITY OF TUKWILA, WASHINGTON
SCHEDULE 18
FULL TIME EQUIVALENT EMPLOYEE BY DEPARTMENT
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
DEPARTMENT										
Administrative Services ^{(a), (b)}	-	-	-	-	-	10.00	10.00	24.00	24.00	24.00
Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Mayor ^{(a), (b)}	20.00	19.00	16.00	16.00	13.00	10.00	10.00	5.00	5.00	5.00
Human Resources ^(a)	4.00	4.00	4.00	4.00	4.00	-	-	-	-	-
Finance ^(c)	12.00	12.00	12.00	11.00	11.00	12.00	12.00	12.00	13.00	14.00
Recreation	16.00	16.75	17.25	16.25	16.00	16.25	16.50	14.25	15.00	15.75
Community Development	21.63	21.00	23.75	23.00	25.00	24.00	22.00	29.00	28.75	28.75
Court	9.10	8.10	11.00	11.00	11.00	11.00	10.25	10.65	10.65	12.00
Police	89.00	93.00	93.75	92.75	97.00	98.00	84.00	86.00	81.00	93.00
Fire	67.00	70.00	71.00	72.00	73.00	66.00	64.00	61.00	64.00	64.00
Information Technology ^(b)	6.00	6.00	7.00	9.00	9.00	9.00	7.00	-	-	-
Public Works	31.00	32.00	32.00	27.00	27.00	27.20	22.00	27.00	24.00	29.00
Parks	7.00	7.00	8.00	8.00	9.00	9.00	7.00	9.75	9.75	8.50
Street	11.50	10.00	12.00	11.50	11.50	11.50	7.50	12.00	10.00	11.50
Water	7.00	6.00	7.00	7.50	7.50	7.40	7.50	6.00	6.00	6.00
Sewer	2.00	2.00	2.00	4.50	4.50	4.40	3.50	3.00	4.00	4.00
Golf	8.25	8.25	7.75	8.75	9.00	8.75	8.00	9.75	10.50	10.50
Surface Water	8.00	9.00	9.00	11.50	11.50	12.50	12.50	7.00	8.00	7.50
Equipment Rental	5.00	5.00	5.00	5.00	5.00	5.00	3.00	5.00	5.00	4.00
Metropolitan Park District Pool ^(d)	2.00	-	-	-	-	-	-	-	-	-
TOTAL	334.48	337.10	346.50	346.75	352.00	350.00	314.75	329.40	326.65	345.50

Notes:

Based on filled positions not budgeted positions.

(a) Administrative Services includes Human Resources, Community Services and Engagement (previously reported in the Mayor's Office), and Admin Services Administration as of 2019.

(b) Administrative Services includes City Clerk (previously reported in the Mayor's Office) and Information Technology (previously reported as a separate department).

(c) Finance added a temporary full-time position specific to ARPA compliance. Position expires when funds are fully spent.

(d) On September 12, 2011, the Board of Commissioners approved the formation of the Tukwila Metropolitan Park District (MPD) Pool. For the comprehensive annual financial report years of 2011 and 2012, the MPD Pool was treated as a discretely presented component unit. In 2013 and 2014, the MPD presented as a blended component unit. Effective in 2015, the MPD is no longer a component unit.

Sources:

Tukwila Finance Department

CITY OF TUKWILA, WASHINGTON
SCHEDULE 19
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION										
Police										
Number of Calls for Service	29,840	32,946	34,229	33,123	33,288	32,465	30,079	31,338	34,345	34,805
Fire										
Number of Responses	5,156	5,549	5,754	5,840	5,734	5,724	5,284	6,869	7,527	6,227
Total Fire Loss	\$2,738,080	\$1,926,944	\$2,821,016	\$1,142,486	\$527,687	\$742,362	\$3,187,074	\$12,317,319	\$1,482,921	\$3,022,500
Total Inspections	3,850	2,331	1,860	1,951	2	7	5	927	611	1,421
Parks and Recreation										
Class Participants	45,514	68,970	64,782	83,030	73,906	78,435	27,741	26,000	38,407	50,936
Community Ctr Admissions	132,397	136,984	141,218	143,872	143,160	175,311	24,804	20,726	38,507	46,073
Rounds of Golf Played	47,267	51,017	47,595	43,568	49,357	50,561	58,028	64,203	58,856	60,011
Pool Attendance	79,537	-	-	-	-	-	-	-	-	-
Street										
Miles	79	79	79	79	79	79	79	79	79	79
Hours Maintaining Streets/Sidewalks	8,627	4,716	4,836	4,936	5,120	5,028	3,764	2,866	3,548	5,566
Signalized Intersections	62	62	64	66	68	68	74	74	74	74
Hours Maintaining Signals/Lights	3,012	2,408	2,135	2,986	2,415	2,701	1,810	2,113	2,393	2,714
Water Utility Services										
Total Customers	2,126	2,145	2,160	2,176	2,185	2,195	2,205	2,215	2,208	2,289
Total Gallons; Water (in thousands)	668,740	697,147	655,472	697,210	672,700	618,194	543,468	597,831	605,637	642,289
Sanitary Sewer										
Total Customers	1,752	1,775	1,789	1,808	1,836	1,845	1,860	1,872	1,876	1,876
Surface Water										
Total Customers	5,239	5,242	5,249	5,282	5,286	5,289	5,261	5,278	5,282	5,282
Licenses										
Business Licenses	2,208	2,220	1,909	2,120	2,078	1,976	2,132	2,218	2,322	2,338
Outside Contractors	1,216	1,215	945	1,437	1,319	1,688	2,081	2,532	2,719	3,004
Permits										
Building Permits	347	277	311	348	381	371	262	266	262	256
Mechanical Permits	216	154	192	198	169	193	165	166	173	217
Electrical Permits	1,223	1,119	1,175	1,047	1,046	1,059	875	928	933	1,202
Plumbing Permits	184	140	185	165	161	176	133	138	121	141
Public Works Permits	152	163	175	136	152	153	249	242	257	267
Libraries										
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Total Circulation	284,667	214,520	184,492	157,168	180,155	151,578	125,609	132,695	157,962	171,922

Sources:

Tukwila Departments, King County Library System

CITY OF TUKWILA, WASHINGTON
SCHEDULE 20
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION										
General Government										
Total City Area (Square Miles)	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63
Public Safety										
Police:										
Number of Vehicle Units	89	89	93	93	80	88	88	88	89	90
Fire:										
Number of Fire Stations	4	4	4	4	4	4	4	4	4	4
Number of Engines/Rescue Trucks/Ladders	9	9	9	8	8	11	8	8	8	8
Number of Medical Aid Vehicles	1	1	1	1	1	1	1	1	2	2
Number of Hazardous Materials Trailer Units	2	2	2	2	1	1	1	1	1	1
Transportation										
Paved Streets (lane miles)	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2
Sidewalks (miles)	64.8	64.8	64.8	64.8	65.0	65.0	66.0	66.0	66.0	66.0
Number of Traffic Signals	63	63	74	76	74	74	74	74	74	74
Number of Streetlights Owned by Seattle City Light	902	902	902	902	908	910	910	910	910	910
Number of Streetlights Owned by Puget Sound Energy	187	187	187	187	187	187	187	187	187	187
Number of Streetlights Owned by City of Tukwila	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Culture and Recreation										
Parks Acreage	176	190	190	191	191	191	193	193	193	193
Number of Parks	19	19	19	20	20	20	21	21	21	21
Golf Course Acreage	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26
Maintained Trails (miles)	15	15	15	15	15	15	13	13	13	13
Number of Playgrounds	11	11	11	11	11	11	11	11	11	11
Visitor Center	1	1	1	1	1	1	1	1	1	1
Community Center/Recreation Facilities	1	1	1	1	1	1	1	1	1	1
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Water										
Water Distribution Mains (miles)	49	49	49	49	49	49	49	49	50	50
Maximum Daily Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Number of Fire Hydrants (Owned by City of Tukwila)	576	577	577	579	579	589	601	601	603	603
Vehicles	9	9	9	9	8	8	8	8	8	8
Sewer										
Sanitary Sewers (miles)	37	37	37	39	39	39	39	40	40	40
Average Daily Dry Weather Flow (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Vehicles	4	4	5	5	3	3	3	3	3	3
Surface Water										
Storm Drains (miles)	70.0	70.5	70.5	97.4	97.4	97.4	97.4	111.0	111.0	111.0
Vehicles	8	8	8	8	9	9	8	8	8	8
Sources:										
Various City of Tukwila departments										