



City of Tukwila, Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended December 31, 2019



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.*

COVER PHOTO

*New Fire Station #51, at intersection of
Southcenter Parkway and South 180th Street*



The City of Tukwila, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2019

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

Allan Ekberg, MAYOR

TUKWILA CITY COUNCIL

De'Sean Quinn , Council President

Cynthia Delostrinos Johnson	Verna Seal
Kathy Hougardy	Kate Kruller
Thomas McLeod	Zak Idan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2018

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.....	29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	31
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position.....	32
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Governmental Funds.....	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities.....	34
Statement of Net Position – Proprietary Funds.....	35
Statement of Revenues, Expenses, and Changes in	
Net Position – Proprietary Funds.....	36
Statement of Cash Flows – Proprietary Funds.....	37
Statement of Fiduciary Net Position – Fiduciary Fund.....	39
Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	40
Notes to the Financial Statements.....	41
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
Firemen's Pension Trust Fund.....	107
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds.....	113
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Non-Major Governmental Funds.....	114
Combining Balance Sheet – Non-Major Special Revenue Funds.....	115
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Non-Major Special Revenue Funds.....	116

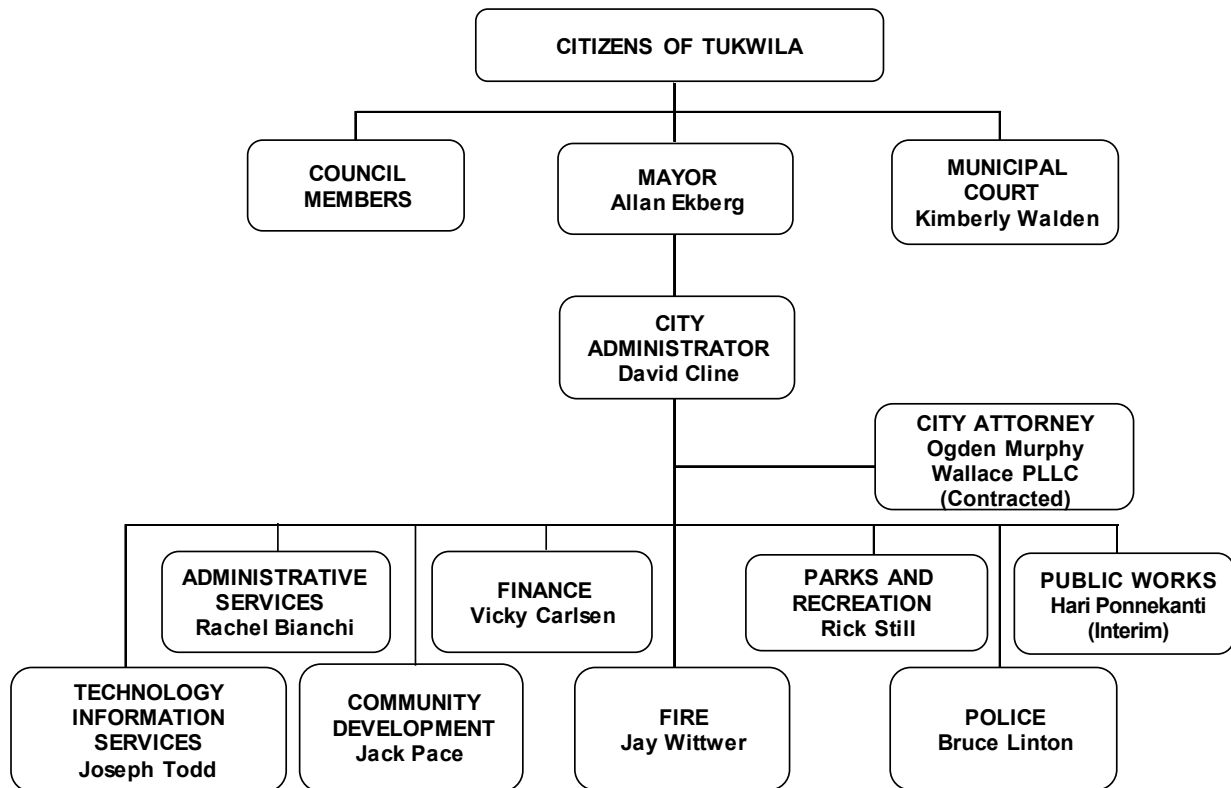
TABLE OF CONTENTS - continued

	Page
Combining Balance Sheet – Non-Major Debt Service Funds.....	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Debt Service Funds.....	118
Combining Balance Sheet – Non-Major Capital Project Funds.....	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Project Funds.....	120
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Hotel/Motel Special Revenue Fund.....	121
Drug Seizure Special Revenue Fund.....	122
Residential Street Capital Project Fund.....	123
Land & Park Acquisition Capital Project Fund.....	124
Urban Renewal Capital Project Fund.....	125
General Government Improvements Capital Project Fund.....	126
Fire Improvements Capital Project Fund.....	127
Special Assessment Bonds Guaranty Fund.....	128
Unlimited Tax General Obligation Debt Service Fund.....	129
Debt Service Fund.....	130
Combining Statements of Net Position – Internal Service Funds.....	132
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	133
Combining Statement of Cash Flows – Internal Service Funds.....	134
Statement of Changes in Assets and Liabilities – Custodial Fund.....	136

III. STATISTICAL SECTION

	Schedule	
Net Position by Component.....	1	138
Changes in Net Position	2	140
Fund Balances, Governmental Funds	3	142
Changes in Fund Balances of Governmental Funds.....	4	144
General Government Tax Revenues by Source	5	146
Property Tax Levies and Collections	6	147
Assessed and Estimated Actual Value of Taxable Property	7	148
Property Tax Rates – Direct and Overlapping Governments	8	149
Principal Property Taxpayers	9	150
Retail Sales Tax Collections by Sector.....	10	152
Sales Tax Rate Direct and Overlapping Governments	11	154
Ratios of Outstanding Debt by Type.....	12	156
Ratios of General Bonded Debt Outstanding	13	158
Computation of Direct and Overlapping Debt.....	14	159
Legal Debt Margin Information	15	160
Demographic Statistics	16	162
Principal Employers	17	163
Full-Time Equivalent City Government Employees by Department	18	164
Operating Indicators by Function.....	19	165
Capital Assets by Function	20	166

ADMINISTRATIVE ORGANIZATIONAL STRUCTURE AND PRINCIPAL OFFICIALS



COUNCIL COMMITTEES

COUNCIL PRESIDENT
De'Sean Quinn

FINANCE COMMITTEE

Verna Seal, Chairperson
Kathy Hougardy, Member
Zak Idan, Member

TRANSPORTATION & INFRASTRUCTURE

Cynthia Delostrinos Johnson, Chairperson
Kate Kruller, Member
Verna Seal, Member

PLANNING & ECONOMIC DEVELOPMENT COMMITTEE

Thomas McLeod, Chairperson
Kathy Hougardy, Member
Zak Idan, Member

COMMUNITY SERVICES & SAFETY

Kate Kruller, Chairperson
Thomas McLeod, Member
Cynthia Delostrinos Johnson, Member



July 14, 2020

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

Subject: TRANSMITTAL OF 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

I am pleased to transmit the City of Tukwila's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019. 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 CAFR 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 CAFR 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 prepared 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, 2019 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 20,347, making it the 72nd largest of 500 cities in the State of Washington. However, including shoppers, visitors, and workers, the daytime population averages over 150,000.

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 and fire protection, emergency medical services, construction and maintenance of streets and traditional municipal infrastructure, planning and zoning, park and 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.

Since the 2009-2010 biennium, the City has adopted 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, two special revenue funds, one debt service fund, and eight capital project funds are included in the biennially appropriated operating budget and have budget to actual statements presented for 2019.

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 is a great place for business. With nearly 40,000 jobs, more people are employed in the City of Tukwila than in 27 of the 39 counties in the State of Washington. Approximately one third of the jobs are retail, one third are in manufacturing, and the remainder span everything from entertainment to real estate with a heavy emphasis in aerospace.

The Boeing Company employs thousands of people in Tukwila. Further, Tukwila is home to the global headquarters of BECU (the fourth largest credit union in the United States), Continental Mills, LeoStella Satellites, Odin Brewing Company, 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. The strong local economy is evident in the low unemployment rate of 3.1%, down significantly from a 10-year high of 11.7% in 2010.

Tukwila enjoys a strong position in the Puget Sound region as well as the state of Washington. Tukwila's location is at the crossroads of the State's most significant freeway network (the I-5 and I-405 interchange) and includes all modes of public transportation. Tukwila's transit stations include the Sounder commuter train, Sound Transit's light rail, and the Tukwila Transit Center that all reinforce the well-established advantages of Tukwila as an employment and retail hub. These major transportation systems, the strategic access to Seattle, Tacoma, Sea-Tac Airport, and the population base of the south Puget Sound region provide a natural setting for commercial and industrial activity.

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 \$2.4 billion dollars in taxable retail sales in 2019. The total retail sales tax revenue amounted to \$20.7 million in 2019, representing an increase of 0.4% from the \$20.6 million collected in the prior year.

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 \$7.35 billion, which is an increase of 10.0 from 2018, allowing the City to pursue a long-term capital investment program. The City's 2019-2024 Capital Improvement Program anticipates approximately \$224 million in general government capital projects, with only \$16.9 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 2019. 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 completed the first phases of construction of 42nd Avenue South, which includes new street improvements, drainage, curbs, gutters, and driveway adjustments. It also includes new sidewalks and bike facilities to this important residential corridor, as well as undergrounding various utility wires along 42nd Avenue South. The project included building a new culvert at Gilliam Creek that makes the stream crossing fish passable and improves roadway safety. The City issued bonds to cover the General Fund portion of the project, the bulk of the financing. Surface Water fees collected by the City paid for the culvert replacement portion, and Seattle City Light and other communication utilities will cover a portion of the costs associated with undergrounding the utilities.

Construction was also substantially completed on 53rd Avenue South, from South 137th Street to South 144th Street, to improve pedestrian and vehicle safety, drainage, and neighborhood revitalization. The project includes residential street improvements such as curb, gutter, sidewalk, utility undergrounding, and illumination. This project funded by bonds, a state Transportation Improvement Board grant, and support from city utility funds.

The City started design of the Boeing Access Road over Airport Way Bridge Seismic Retrofit Project with funding from the federal Bridge Replacement Advisory Committee (BRAC) with 86.5% design funding. Construction is anticipated in 2020 with 100% BRAC construction funding.

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 \$1 million for 3 years to reline the asbestos concrete pipes in the Southcenter area. The relining of the sewer pipes will extend the life span approximately 50 years and reinforce the strength with little impact to the roadway and minimal excavation.

The City continued its partnership with Tukwila Village Development Associates (TVDA) to develop six acres of City-owned land on Tukwila International Boulevard at South 144th Street, known as Tukwila Village. In 2018 TVDA completed construction on the third mixed-use apartment buildings and continued construction on the fourth building, which is scheduled to open in 2021. When fully open, the development will include 398 senior apartments and 4 live/work units, plus 13,000 square feet of office and 16,000 square feet of retail in addition to the plaza and library. When completed, the entire Tukwila Village project costs will be over \$120 million.

The Public Safety Plan continues to be a primary focus for the City, with voters approving \$77 million in bonds in 2016 to finance a new Justice Center, fire stations, and replacement fire equipment and apparatus. The Plan also includes a new consolidated Public Works facility. Two of the projects – the Justice Center and Fire Station 51 – began construction.

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 comprehensive annual financial report for the fiscal year that ended December 31, 2018. This was the 32nd consecutive year that Tukwila has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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 2018 Comprehensive Annual Financial Report take great pride in their work, and the entire team who worked on this project is to be commended.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Vicky Carlsen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Vicky Carlsen, CPA
Finance Director





Government Finance Officers Association

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

Presented to

**City of Tukwila
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO





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

October 28, 2020

Mayor and City Council
City of Tukwila
Tukwila, Washington

Report on Financial Statements

Please find attached our report on the City of Tukwila's financial statements.

We are issuing this report for inclusion in the City's comprehensive annual financial report package, which will be issued by the City under the City's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the City's basic financial statements.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

October 28, 2020

Mayor and City Council
City of Tukwila
Tukwila, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 14 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information


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

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated October 28, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy

State Auditor

Olympia, WA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2019

The management discussion and analysis section of the City of Tukwila's Comprehensive Annual Financial Report provides an overview of the City's financial activities for the year ended December 31, 2019. 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, 2019, the City of Tukwila's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$328.6 million. Of this amount, \$39.9 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Tukwila's total net position increased \$9.5 million, or 3.0%. Governmental activities increased \$6.7 million partially due to continued growth in property taxes to cover voted debt principal and interest. Business-type activities increased \$2.8 million due in part to rate increases in two utility funds.
- At the close of the current fiscal year, the City of Tukwila's governmental funds reported combined fund balances of \$86.5 million, an increase of \$26.5 million (33.1%). Approximately 22.2% (\$19.2 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 Tukwila'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 a 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 thirteen individual governmental funds. Of these, five are considered major (the general fund, the arterial street fund, the local improvement district #33 fund, city facilities and the public safety plan 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 citizens, 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 agency 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 over \$328 million at the close of the most recent fiscal year. Total net position increased by \$9.5 million (3.0%) when compared to 2018.

CITY OF TUKWILA'S NET POSITION

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$135,142	\$106,501	\$24,318	\$22,148	\$159,461	\$128,649
Capital assets, net of accumulated depreciation	295,345	255,589	72,735	73,800	368,080	329,389
Total assets	430,487	362,090	97,054	95,948	527,541	458,038
Deferred Outflows of Resources	3,628	3,114	278	260	3,905,237	3,375
Long-term liabilities	154,504	93,408	4,703	5,466	159,207	98,874
Net pension liability	5,181	6,849	987	1,297	6,169	8,146
Net OPEB obligation	12,700	14,694	-	-	12,700	14,694
Other liabilities	15,248	11,445	570	1,214	15,818	12,659
Total liabilities	187,633	126,396	6,261	7,977	193,894	134,373
Deferred Inflows of Resources	8,366	7,440	604	562	8,970	8,003
Net position						
Net investment in capital assets	201,649	201,998	68,362	68,681	270,011	270,679
Restricted	18,693	16,962	-	-	18,693	16,962
Unrestricted	17,773	12,407	22,105	18,989	39,877	31,396
Total net position	\$238,115	\$231,367	\$90,467	\$87,670	\$328,582	\$319,037

By far, the largest portion of the City's net position (\$270.0 million or 81.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. 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 (\$5.8 million or 1.8%) represents resources that are subject to external restrictions on how they may be used. The business-type activities do not report any restrictions, so the entire \$5.8 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 (\$54.0 million, or 16.3%) 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 \$10.7 million (3.4%) 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)

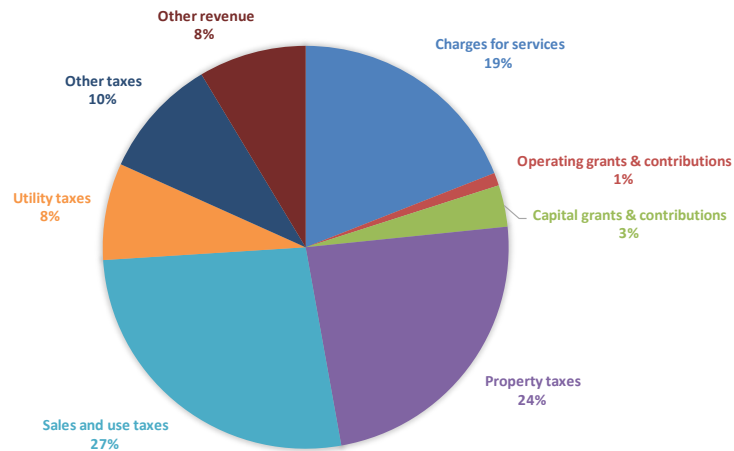
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$14,664	\$14,737	\$26,240	\$25,184	\$40,904	\$39,921
Operating grants and contributions	794	1,733	229	55	1,023	1,788
Capital grants and contributions	2,578	9,942	281	768	2,859	10,710
General revenues						
Property taxes	18,390	18,009	-	-	18,390	18,009
Sales and use taxes	20,688	20,604	-	-	20,688	20,604
Hotel/Motel taxes	819	834	-	-	819	834
Utility taxes	3,644	3,867	-	-	3,644	3,867
Interfund utility taxes	2,359	2,335	-	-	2,359	2,335
Business taxes	1,299	1,247	-	-	1,299	1,247
Excise taxes	5,336	5,091	-	-	5,336	5,091
Investment earnings	1,247	1,508	-	-	1,247	1,508
Miscellaneous	5,378	2,240	-	-	5,378	2,240
Total revenues	77,196	82,146	26,749	26,007	103,946	108,152
Expenses:						
General government	10,018	10,763	-	-	10,018	10,763
Public safety	28,274	17,097	-	-	28,274	17,097
Transportation	16,378	15,871	-	-	16,378	15,871
Physical environment	2,903	2,646	-	-	2,903	2,646
Culture and recreation	6,076	5,591	-	-	6,076	5,591
Economic environment	3,893	4,412	-	-	3,893	4,412
Interest on long-term debt	3,009	2,749	-	-	3,009	2,749
Water/sewer	-	-	15,957	14,861	15,957	14,861
Foster golf course	-	-	6,166	2,092	6,166	2,092
Surface water	-	-	2,128	4,464	2,128	4,464
Total expenses	70,551	59,129	24,252	21,417	94,803	80,547
Increase (decrease) in net position before transfers	6,645	23,018	2,497	4,590	9,143	27,606
Transfers	102	(300)	300	300	402	-
Change in net position	6,747	22,718	2,797	4,890	9,545	27,606
Net position-beginning of period	231,367	224,175	87,669	82,781	319,037	306,956
Change in accounting principle - OPEB	-	(15,525)	-	-	-	(15,525)
Net position-end of period	\$238,115	\$231,368	\$90,467	\$87,671	\$328,582	\$319,037

Governmental Activities

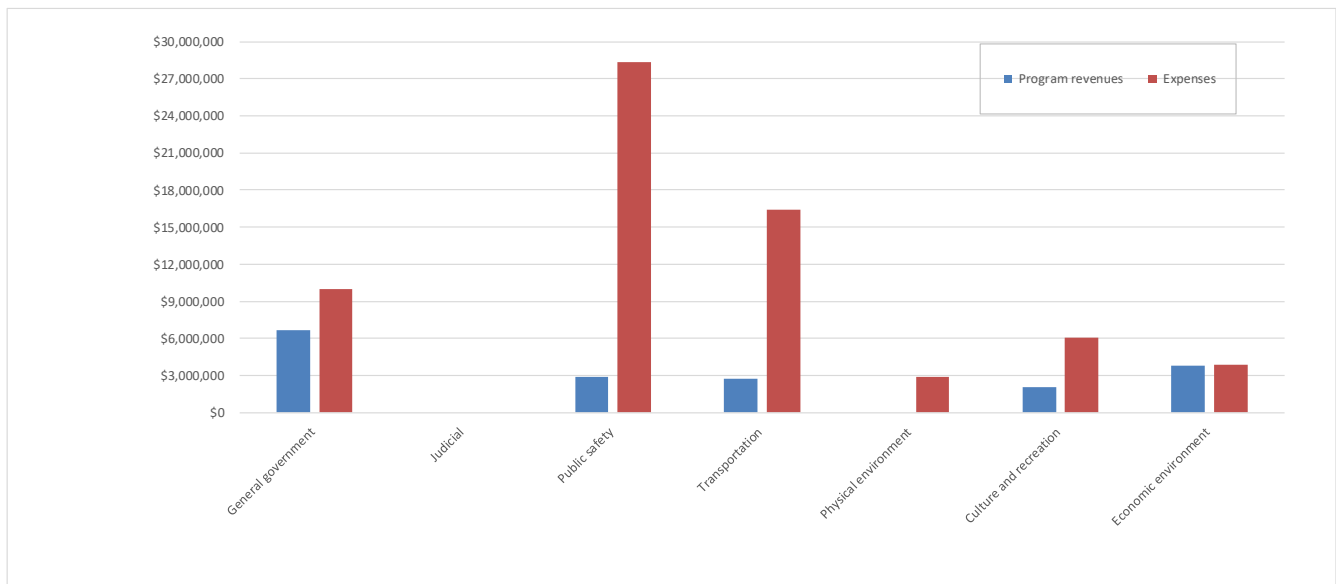
During the current fiscal year, net position for governmental activities increased \$6.7 million (2.9%) from the prior fiscal year for an ending balance of \$238.1 million. The primary reasons for this increase are:

- Property taxes increased about \$381 thousand (2.1%) from the prior year. In 2016, voters approved an excess property tax levy to be used for public safety purposes. This was the second year the City received the proceeds from that levy.
- Retail sales and use taxes were stable at \$20.6 million increasing 0.4% while revenue from excise taxes increased \$245 thousand dollars (4.8%).
- Miscellaneous general revenues increased \$3 million primarily due to the elimination of a lease payable due to the Proprietary Funds.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



Business-Type Activities

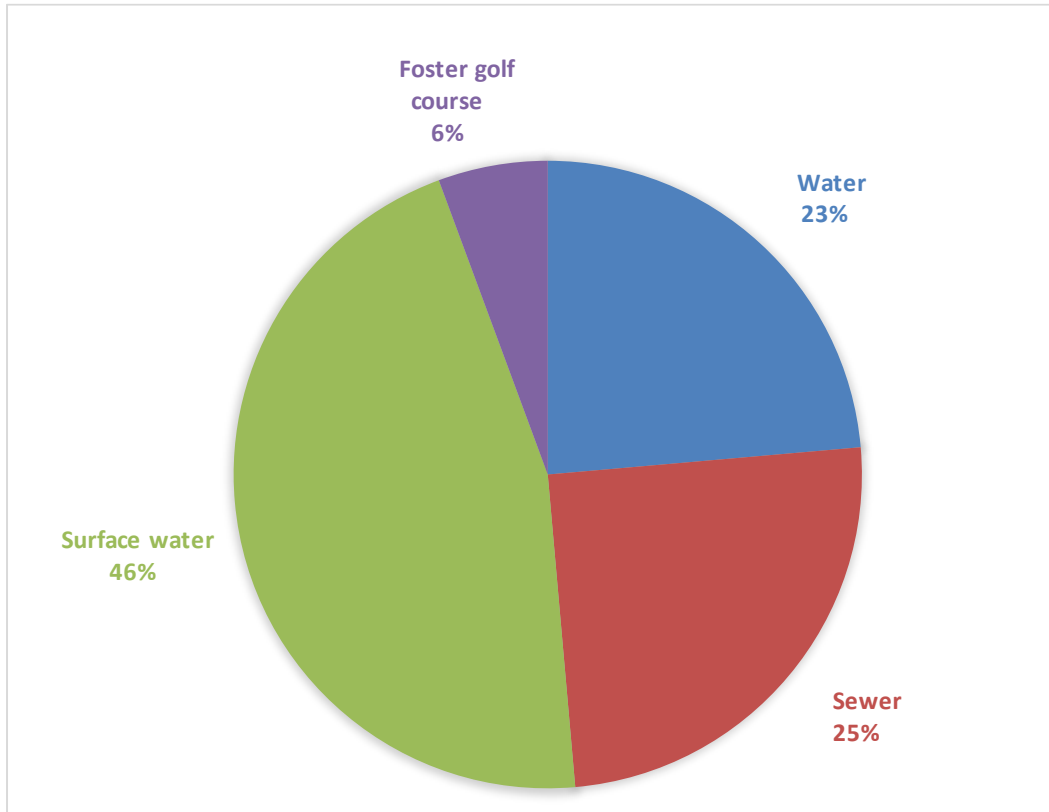
For the City of Tukwila's business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$2.8 million (3.2%) to reach an ending balance of \$90.5 million. The overall growth is attributable to the following factors:

- In the Sewer Utility, total net position increased \$2.2 million (10.6%) primarily due to a 2.5% rate increase for commercial sewer services.
- In the Surface Water Utility, operating revenues increased \$400 thousand (6.3%) due to a 5.0% rate increase.

- Operating income in the enterprise funds was \$4.7 million, an increase of \$1.2 million (3.3%) from 2018. Increase in operating revenue in 2019 was \$888,556 thousand accompanied by a decrease in overall operating expenses of \$279,053 thousand which was primarily attributable to the Sewer Utility.
- Of the \$90.5 million total net position, \$22.1 million (24.4%) is unrestricted and each utility can utilize their portion for any purpose. This operating balance is necessary for future planned infrastructure replacements and repairs.

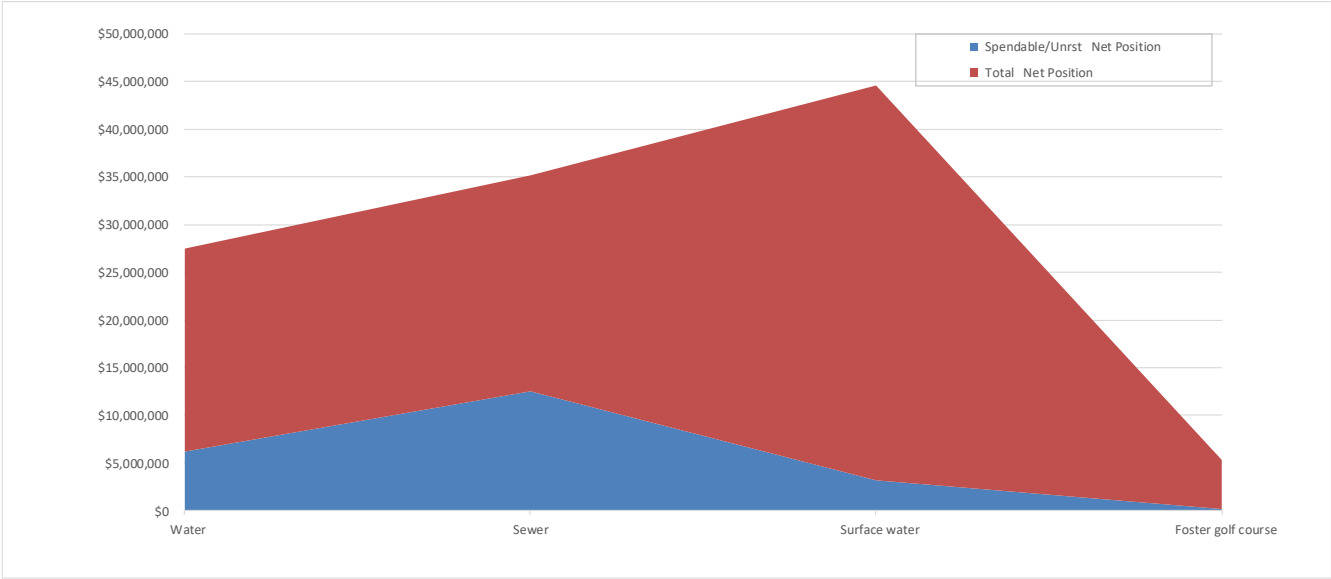
The following chart shows the relative net position balances for each business-type fund:

BUSINESS-TYPE NET POSITION - BY FUND



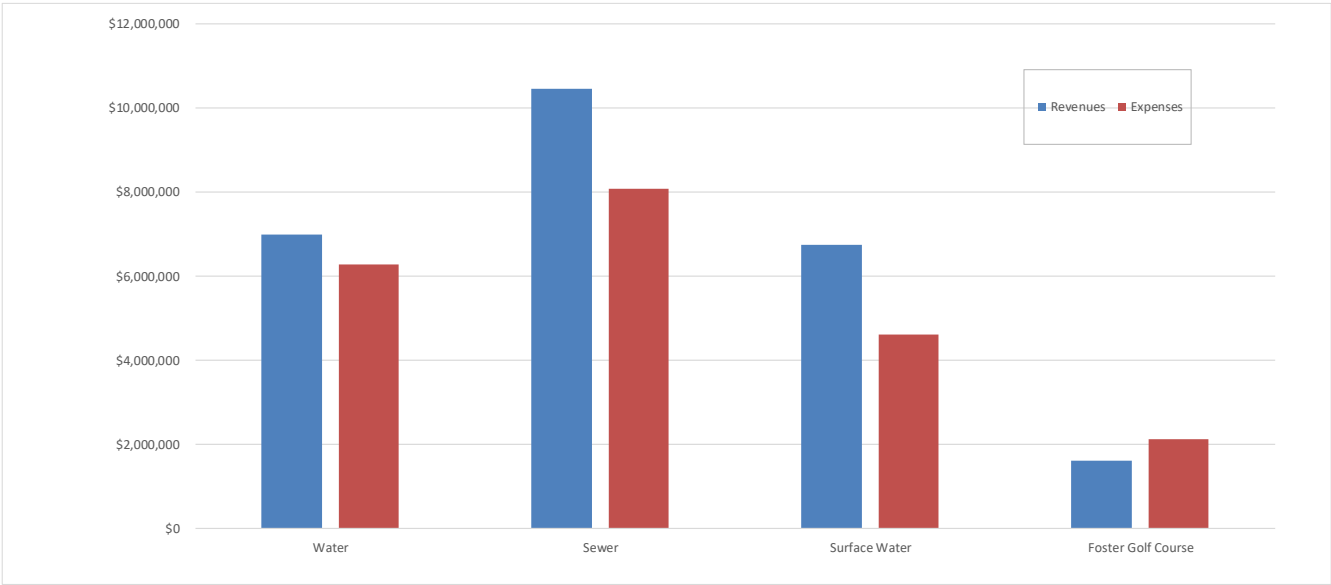
The majority of net position in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, and the golf course land. As such, most of the net position is not available to support the ongoing expenses of the funds. The following chart contrasts the total net position 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, 2019, the City's governmental funds had combined fund balances of \$86.5 million, an increase of \$21.6 million (33.2%). The increase is primarily due to a \$26 million increase in restricted cash resulting from \$60.6 million of bond proceeds related to the Public Safety Plan and Public Works Shops. This increase is partially offset by a \$5.9 million increase in accounts payable mostly related to the Public Safety Plan.

The change in fund balance for governmental funds compared to 2018 is as follows:

- General Fund \$(477,850)
- Arterial Street Fund (789,571)
- Local Improvement District #33 87,147
- Public Safety Plan 29,071,775
- City Facilities (7,118,446)
- Other Governmental Funds 798,732

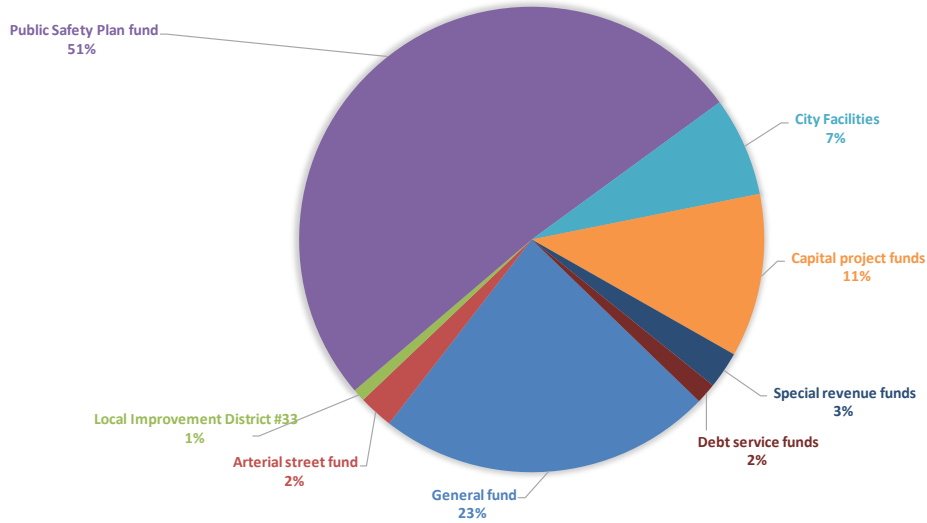
The general fund is the primary operating fund of the City. All receipts and payments of ordinary City operations are processed through this fund unless they are required to be accounted for in another. At the end of 2019, the general fund had a fund balance of \$20.1 million, with \$19.2 million (95.5%) of the balance classified as unassigned and available to meet the City's general obligations. Unassigned fund balance decreased from \$19.7 million in 2018 to \$19.2 million in 2019 due to a \$2 million increase in transfers from the General Fund to other funds.

The arterial street fund decrease in fund balance is related to the cancellation of the Strander project. Due to the cancellation, the City must repay \$622 thousand in both 2019 and 2020 for a total repayment of approximately \$1.2 million.

The city facilities fund balance decreased due to \$12.6 million of capital outlays partially offset by \$5.0 million of general obligation bond proceeds.

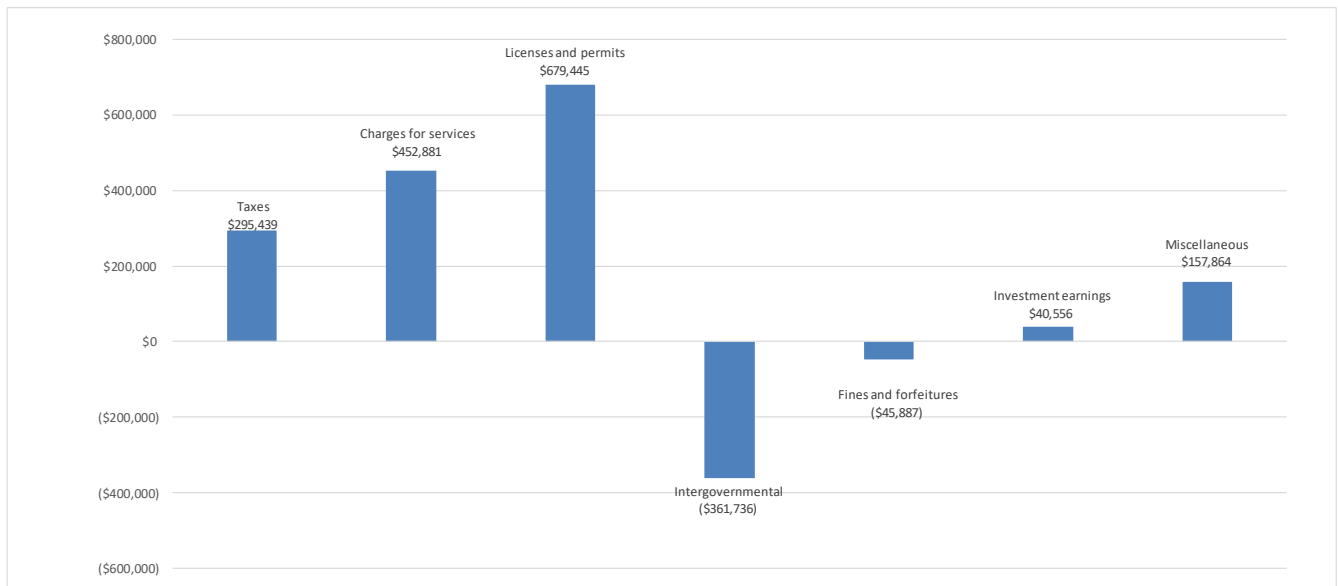
The following chart shows the relative fund balances for governmental funds:

GOVERNMENTAL FUNDS – FUND BALANCES



The general fund revenue increase of \$1.2 million is combined from 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 2019 at \$22.1 million, an increase of almost \$3.2 million (16.4%) from 2018.

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. Following is a summary of significant budget amendments that occurred in 2019:

- Increased funding for the Fire Department to cover:
 - Overtime costs - \$213,000
 - Academy recruits - \$160,000
 - Retirements and separation pay - \$100,000
 - February 2019 snowstorm costs - \$38,400
 - Andover Park East propane leak costs - \$11,500
- Adjusted budgeted beginning fund balances of various funds to match actual beginning fund balances.
- Additional grant revenue and expenditures of approximately \$108,000 were appropriated for various grant-funded recreation activities.
- Additional revenue and expenditures of approximately \$270,000 for the Community Development department as development activity was greater than anticipated.
- Additional revenue and expenditures for the Streets Maintenance department to reflect approximately \$317,000 of expenditures and reimbursements related to the East Marginal Way Power Pole incident and Andover Park East propane leak.
- Removal of grants and expenditures for Strander project that was cancelled,
- Providing budget for the unanticipated events that are not revenue-backed (snow event), and

Reasons for the significant variances in the general fund between the final budget and actual results include:

Tax Revenue was \$1.3 million under budget as telephone tax revenue continues a downward trend, while gambling tax and property tax revenue was less than anticipated.

- Expenditures were below budget by \$1.8 million, or 3%. Specific examples include:
 - \$1.2 million in salary and benefits savings, with Police accounting for almost half of the budget savings
 - \$391 thousand in professional services
 - \$216 thousand in rentals and leases

CAPITAL ASSETS

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2019 totaled \$368.1 million (net of accumulated depreciation), an increase of \$38.7 million (11.7%) from 2018. 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 36,219,323	36,172,319	\$ 2,346,230	2,346,230	\$ 38,565,553	38,518,549
Buildings	9,538,590	10,322,648	7,191,850	7,563,645	16,730,441	17,886,293
Other Improvements	8,415,170	9,103,496	61,730,348	56,162,493	70,145,518	65,265,989
Machinery and Equipment	9,485,747	6,791,675	346,338	338,911	9,832,084	7,130,586
Infrastructure	150,572,613	135,294,018	-	-	150,572,613	135,294,018
Construction in Progress	81,113,060	57,904,804	1,120,657	7,388,641	82,233,717	65,293,444
Total	\$295,344,503	255,588,960	\$ 72,735,424	73,799,921	\$368,079,926	329,388,881

More detailed information on capital assets is provided in Note 6 to the financial statements.

General capital outlay purchases added \$226,129 in machinery and equipment which included various technology purchases in the amount of \$43,547, Police and Fire equipment totaling \$137,354 and new City Hall cashing software in the amount of \$45,228.

The Arterial Streets Fund added over \$2.2 million of capital expenses during the year, of which \$315 thousand was related to projects completed in the previous year. The Boeing Access Road bridge over BNRR major rehab added \$1.2 million during the year and was substantially completed, for a total capitalized cost of \$10.4 million. Several projects are in the design phase and added nearly \$500 thousand to construction in process. These projects include the Boeing Access Road over Airport Way, the replacement of the 42nd Ave Bridge and the West Valley Highway improvements from I-405 to Strander Blvd.

Both the 42nd Ave S and 53rd Ave S projects (Residential Street Fund) were substantially completed during 2019, adding \$2.7 million in new costs and \$8.1 million of prior year construction in progress to capital assets.

The Public Safety Plan Fund for the Fire Stations and Justice Center added \$33.6 million to construction in progress for 2019, primarily for construction of buildings and design and engineering work.

The Public Works Shop Fund added \$12.6 million of construction in progress during 2019, this consisted primarily of land acquisition costs and design work.

Business-type activities added \$1.1 million to construction in progress and placed in service assets totaling \$7.4 million. Major projects placed in service in the utility funds included the following:

- 53rd Ave S, \$2.5 million
- 40 – 42nd Ave S, \$4.1 million
- Small Drainage, \$745 thousand

LONG-TERM DEBT

The City had total long-term obligations outstanding of \$155.5 million at the end of the current fiscal year. Of this amount, \$128.2 million is general obligation bonds which is backed by the full faith and credit of the City, \$2.6 million of general obligation direct placement/borrowings, \$1.2 million is revenue bonds for the water/sewer and surface water utilities, \$3.2 million in public works trust fund loans, \$4.9 million due to other governments, \$11.5 million premium on bonds, and the remaining \$3.9 million is special assessment bonds which were issued to improve access to the City's urban center.

The City issued \$60.6 million (including premium) in general obligation debt in 2019 to fund the Public Safety Plan and the consolidation of the Public Works function. This new debt issuance, combined with redeemed debt, resulted in an overall general obligation bond increase of \$56.8 million.

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	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 128,151,000	\$ 71,282,000	\$ -	\$ -	\$ 128,151,000	\$ 71,282,000
General obligation - direct placement/borrowings	2,592,788	2,690,309	-	-	2,592,788	2,690,309
Revenue bonds	-	-	1,154,027	1,304,763	1,154,027	1,304,763
Premium on bonds issued	11,545,350	5,923,595	-	-	11,545,350	5,923,595
Special assessment bonds	3,910,000	4,320,000	-	-	3,910,000	4,320,000
Public Works Trust Fund Loans	-	-	3,248,587	3,848,055	3,248,587	3,848,055
Due to other governments	4,921,702	5,729,600	-	-	4,921,702	5,729,600
	\$ 151,120,840	\$ 89,945,504	\$ 4,402,614	\$ 5,152,818	\$ 155,523,454	\$ 95,098,322

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's economy has been significantly impacted by the COVID-19 pandemic which has impacted nearly every other community in the nation. Many businesses are currently closed under the State's Stay Home, Stay Healthy order. It is anticipated that businesses will be allowed to reopen by Fall of 2020. As the State allows businesses to reopen, they will need to follow the guidance for hygiene and physical distancing which could limit their sales revenue. Even once businesses reopen, a key question is how quickly customers will feel comfortable returning. At this time, we do not know with certainty how quickly businesses will recover from the pandemic. Normally, Tukwila's economy moves with the economic cycles of the surrounding region. Prior to the pandemic, the region's economy was very strong. Compared to most communities in the Puget Sound region, Tukwila's tax revenue is more dependent on business based on social gatherings such as restaurants, attractions, retail, and gambling which means the City's economy may slightly lag the rest of the region.

Preparation of the 2021-2022 biennial budget will occur during the current COVID-19 pandemic. The City is projecting a \$12 million revenue gap in 2020 resulting from the pandemic and projects a \$6 million revenue gap in 2021. Key financial decisions regarding cost reductions to address the revenue gaps will be a primary focus of the budget process. The City is committed to monitor and control its expenses in order to live 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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 49,716,092	\$ 16,135,212	\$ 65,851,304
Investments	1,741,680	6,046,120	7,787,800
Taxes receivable	6,427,806	-	6,427,806
Other receivables	1,059,968	1,700,380	2,760,348
Due from other governmental units	788,718	119,453	908,170
Inventory of materials and supplies	33,131	55,000	88,131
Restricted cash and cash equivalents	44,273,054	134,458	44,407,513
Notes receivable - Current	555,337	-	555,337
Notes receivable - Noncurrent	4,535,925	127,784	4,663,709
Real property held for resale	2,539,910	-	2,539,910
Investment in joint ventures	10,572,627	-	10,572,627
Non-depreciable capital assets	117,332,383	3,466,888	120,799,270
Depreciable capital assets (net of accumulated depreciation)	178,012,120	69,268,536	247,280,656
Net Pension asset	12,897,966	-	12,897,966
Total Assets	430,486,717	97,053,830	527,540,547
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on refunding	127,265	29,349	156,614
Deferred outflows related to OPEB	444,286	-	444,286
Deferred outflows related to pensions	3,056,022	248,315	3,304,337
Total Deferred Outflows Of Resources	3,627,573	277,664	3,905,237
LIABILITIES:			
Accounts payable	9,744,555	240,838	9,985,393
Accrued wages and benefits payable	1,707,697	144,726	1,852,422
Interfund loan payable	336,932	-	336,932
Accrued interest payable	486,724	12,094	498,819
Unearned revenue	699,974	13,724	713,697
Total other post employment obligation - current	582,931	-	582,931
Other liabilities	1,186,266	159,064	1,345,330
IBNR reserve	1,085,700	-	1,085,700
Bonds and other debt payable			
Due within one year	3,718,124	756,082	4,474,206
Due in more than one year	150,785,565	3,947,068	154,732,633
Net pension liability	5,181,398	987,306	6,168,704
Total other post employment obligation - noncurrent	12,117,249	-	12,117,249
Total Liabilities	187,633,114	6,260,902	193,894,016
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	7,068,150	603,770	7,671,920
Business taxes received in advance	560,132	-	560,132
Unavailable revenue-other	726,580	-	726,580
Unavailable revenue-developer agreements	11,490	-	11,490
Total Deferred Inflows Of Resources	8,366,353	603,770	8,970,123
NET POSITION:			
Net investment in capital assets	201,649,103	68,362,159	270,011,262
Restricted for:			
Debt service	1,545,865	-	1,545,865
Tourism promotion	1,965,197.62	-	1,965,198
Arterial street improvements	1,023,219	-	1,023,219
Drug investigation and enforcement	256,718.31	-	256,718
Land and park acquisition, development	690,819	-	690,819
Pension Asset	12,897,966	-	12,897,966
Public safety facilities	313,159	-	313,159
Unrestricted net position	17,772,776	22,104,664	39,877,441
Total Net Position	\$ 238,114,823	\$ 90,466,823	\$ 328,581,646

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, 2019

FOR THE YEAR ENDED DECEMBER 31, 2019									
		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	\$	10,244,442	\$ 6,565,339	\$ 86,925	\$ -	\$ (3,592,178)	\$ -	\$	(3,592,178)
Public safety		27,402,906	2,543,188	313,277	-	(24,546,441)	-		(24,546,441)
Transportation		18,442,230	106,958	24,293	2,560,277	(15,750,702)	-		(15,750,702)
Utilities		860,677	-	-	-	(860,677)	-		(860,677)
Culture and recreation		6,076,219	1,914,795	107,129	17,769	(4,036,526)	-		(4,036,526)
Natural and economic environment		4,515,516	3,533,733	262,747	-	(719,036)	-		(719,036)
Interest on long-term debt		3,009,268	-	-	-	(3,009,268)	-		(3,009,268)
Total Governmental Activities		70,551,259	14,664,012	794,371	2,578,046	(52,514,829)	-		(52,514,829)
BUSINESS-TYPE ACTIVITIES:									
Water		7,112,522	7,089,442	-	37,117	-	14,038		14,038
Sewer		8,643,825	10,742,450	-	150,084	-	2,248,709		2,248,709
Surface water		5,965,217	6,797,683	228,755	93,369	-	1,154,590		1,154,590
Foster golf course		2,128,042	1,610,152	-	-	-	(517,890)		(517,890)
Total Business-Type Activities		23,849,607	26,239,727	228,755	280,570	-	2,899,446		2,899,446
Total Primary Government	\$	94,400,866	\$ 40,903,739	\$ 1,023,126	\$ 2,858,616	\$ (52,514,829)	\$ 2,899,446	\$	(49,615,383)

General Revenues:

Taxes

Property taxes	\$ 18,390,051	\$ -	\$ 18,390,051
Retail sales and use taxes	20,687,748	-	20,687,748
Hotel/motel taxes	819,095	-	819,095
Utility taxes	3,644,470	-	3,644,470
Interfund utility taxes	2,358,608	-	2,358,608
Business taxes	1,299,085	-	1,299,085
Excise Taxes	5,336,066	-	5,336,066
Unrestricted investment earning	1,247,003	-	1,247,003
Miscellaneous	5,377,939	-	5,377,939
Total General Revenues	59,160,064	-	59,160,064

Excess of revenues over expenses before transfers	6,645,235	2,899,446	9,544,681
Transfers	102,100	(102,100)	-
Special item			
Change in net position	6,747,335	2,797,346	9,544,681
Net position - beginning	231,367,488	87,669,477	319,036,965
Change in accounting principle - OPEB		-	-
Prior Period Adjustment	-	-	-
Divestment of Component Unit		-	-
Net position-beginning restated	231,367,488	87,669,477	319,036,965
Net position-ending	\$ 238,114,823	\$ 90,466,823	\$ 328,581,647

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

CITY OF TUKWILA, WASHINGTON

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and cash equivalents	\$ 16,016,260	\$ 1,083,210	\$ 751,486	\$ 9,644,252	\$ 5,983,543	\$ 9,874,605	\$ 43,353,356
Investments	411,664	-	-	-	-	512,286	923,950
Taxes receivable	6,031,671	116,002	-	64,551	-	215,582	6,427,806
Other receivables	197,698	54,162	-	-	-	784,778	1,036,638
Due from other governmental units	96,799	73,925	-	-	-	617,994	788,718
Restricted assets:							
Cash and cash equivalents	8,406	1,023,219	-	42,899,951	-	341,478	44,273,054
Special assessment receivable	-	-	3,384,245	-	-	-	3,384,245
Notes receivable - Current	555,337	-	-	-	-	-	555,337
Notes receivable - Noncurrent	501,680	-	-	650,000	-	-	1,151,680
Real property held for resale	-	-	-	-	-	2,539,910	2,539,910
Total Assets	\$ 23,819,515	\$ 2,350,518	\$ 4,135,732	\$ 53,258,754	\$ 5,983,543	\$ 14,886,633	\$ 104,434,695
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:							
Liabilities:							
Accounts payable	824,293	132,442	-	8,303,717	22,399	325,596	9,608,446
Accrued wages & benefits	1,667,860	15,434	-	-	-	3,636	1,686,929
Unearned revenue	160,645	6,533	-	-	-	532,796	699,974
Interfund loan payable	-	-	-	-	-	336,932	336,932
Other liabilities	198,902	112,257	-	300	-	349,727	661,186
Total Liabilities	2,851,700	266,664	-	8,304,017	22,399	1,548,687	12,993,468
Deferred inflow of resources							
Unavailable revenue-special assessment	-	-	3,384,245	-	-	-	3,384,245
Business taxes received in advance	560,132	-	-	-	-	-	560,132
Unavailable revenue-property tax, other	267,519	-	-	-	-	38,247	305,766
Unavailable revenue-developer agreement	-	-	-	650,000	-	-	650,000
Total Deferred Inflow Of Resources	827,652	-	3,384,245	650,000	-	38,247	4,900,144
Fund balance:							
Nonspendable	508,447	-	-	-	-	-	508,447
Spendable:							
Restricted:							
Hotel/motel tax	-	-	-	-	-	1,965,198	1,965,198
Arterial street capital improvements	-	1,023,219	-	-	-	-	1,023,219
Drug investigation and enforcement	-	-	-	-	-	256,718	256,718
Park and land acquisition/development	-	-	-	-	-	690,819	690,819
Public safety facilities	-	-	-	42,899,951	-	-	42,899,951
Fire improvements	-	-	-	-	-	313,159	313,159
Debt service guaranty fund	-	-	-	-	-	705,553	705,553
Debt service public safety plan	-	-	-	-	-	88,825	88,825
Local Improvement District	-	-	751,486	-	-	-	751,486
Assigned:							
Hotel/motel tax	-	-	-	-	-	-	-
Residential street improvements	-	-	-	-	-	141,586	141,586
Arterial street improvements	-	1,060,634	-	-	-	-	1,060,634
Land & park acquisition	-	-	-	-	-	165,213	165,213
Facilities & urban renewal	-	-	-	-	-	7,544,298	7,544,298
General government improvements	-	-	-	-	-	656,306	656,306
Public safety facilities	-	-	-	1,404,786	-	-	1,404,786
City facilities	-	-	-	-	5,961,144	-	5,961,144
1% Arts	-	-	-	-	-	322,141	322,141
Technology	303,887	-	-	-	-	-	303,887
Shoreline Restoration	93,849	-	-	-	-	-	93,849
Debt service	-	-	-	-	-	449,883	449,883
Unassigned	19,233,980	-	-	-	-	-	19,233,980
Total Fund Balance	20,140,163	2,083,854	751,486	44,304,737	5,961,144	13,299,699	86,541,083
Total Liabilities, Deferred Inflow s And Fund Balances	\$ 23,819,515	\$ 2,350,518	\$ 4,135,732	\$ 53,258,754	\$ 5,983,543	\$ 14,886,633	\$ 104,434,695

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, 2019

		Total Governmental Funds
Total governmental fund balances as reported on this statement		\$ 86,541,083
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		
Non-depreciable assets	117,332,383	
Depreciable assets (net)	170,067,708	
Internal service fund assets	<u>7,944,411</u>	295,344,503
The net pension asset is not an available resource and, therefore, is not reported in the funds.		12,897,966
Deferred outflow of pension costs	3,056,022	
Deferred outflow of OPEB	444,286	
Deferred inflow of pension contributions	<u>(7,068,150)</u>	(3,567,842)
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.		10,572,627
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	(420,814)	
Unavailable revenue reported for developer agreement	638,510	
Unavailable revenue reported for special assessment	<u>3,384,245</u>	3,601,941
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	(3,718,124)	
Long term liabilities due in more than one year	(155,840,910)	
Due to other governmental units	-	
Unfunded other post employment benefits	(12,700,180)	
Accrued interest payable	(486,724)	
Deferred outflow on refunding	<u>127,265</u>	(172,618,673)
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.		5,343,218
Net Position Of Government Activities As Reported On The Statement Of Net Position		\$ 238,114,823

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, 2019

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 47,192,051	\$ 1,031,877	\$ -	\$ 539,318	\$ -	\$ 3,923,001	\$ 52,686,247
Licenses and permits	5,554,899	-	-	-	-	-	5,554,899
Intergovernmental	4,275,282	1,532,090	-	226,273	-	1,462,136	7,495,781
Charges for services	3,743,841	1,907,422	-	325,070	-	1,466,510	7,442,843
Fines and forfeitures	245,717	31	-	-	-	-	245,748
Investment earnings	459,648	54,890	196,451	366,046	13,722	167,737	1,258,493
Special assessments	-	-	515,266	-	-	-	515,266
Miscellaneous	351,431	7,400	3,193	-	-	153,898	515,923
Total Revenues	61,822,870	4,533,709	714,910	1,456,707	13,722	7,173,282	75,715,199
EXPENDITURES:							
Current:							
General government	8,763,487	-	-	-	-	14,239	8,777,726
Natural and economic environment	4,203,979	-	-	439	-	547,697	4,752,115
Public safety	32,319,971	-	-	234,492	-	31,952	32,586,415
Culture and recreation	5,056,310	-	-	-	-	272,685	5,328,994
Transportation	5,816,337	3,070,516	-	22,221	-	808,354	9,717,429
Debt service:							
Principal	-	-	410,000	-	-	3,828,521	4,238,521
Interest	-	-	217,763	644,974	70,303	3,127,047	4,060,086
Capital outlay	109,051	2,252,765	-	33,624,598	12,633,709	2,777,740	51,397,863
Total Expenditures	56,269,134	5,323,281	627,763	34,526,724	12,704,012	11,408,235	120,859,149
Excess (deficiency) of revenues over (under) expenditures	5,553,736	(789,571)	87,147	(33,070,018)	(12,690,290)	(4,234,954)	(45,143,950)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	1,100,000	-	6,133,686	7,233,686
Transfers out	(6,031,586)	-	-	-	-	(1,100,000)	(7,131,586)
General obligation bonds issued	-	-	-	55,577,400	5,022,600	-	60,600,000
Bond premium	-	-	-	5,464,392	549,244	-	6,013,637
Total Other Financing Sources And Uses	(6,031,586)	-	-	62,141,792	5,571,844	5,033,686	66,715,737
Net change in fund balances	(477,850)	(789,571)	87,147	29,071,775	(7,118,446)	798,732	21,571,787
Fund balances - Beginning	20,618,013	2,873,425	664,339	15,232,963	13,079,590	12,500,966	64,969,296
Fund Balances - Ending	\$ 20,140,163	\$ 2,083,854	\$ 751,486	\$ 44,304,737	\$ 5,961,144	\$ 13,299,699	\$ 86,541,083

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 GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances per the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 21,571,787

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	51,397,863	
Capital asset disposal	(2,858,578)	
Depreciation Expense (excludes internal service fund depreciation which is reflected in internal service fund change in net position listed below)	<u>(8,378,885)</u>	
Excess of Capital Outlay Over Depreciation Expense		40,160,399

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

Reduction in pension liability and expense	2,218,250	
Increase in pension contribution revenue	572,007	
Reduction in the Fireman's Pension liability and expense	<u>152,616</u>	2,942,873

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. 1,668,847

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	4,238,521	
Amortization expense	<u>391,881</u>	4,630,402

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		(6,013,636)
General Obligation Bonds issued		<u>(60,600,000)</u>

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. (614,009)

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	(682,880)	
Developer agreements	(938,559)	
Property taxes	(73,520)	
Special assessment	<u>(515,266)</u>	(2,210,225)

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	7,430	
Amortization of deferred outflow on bond refunding	(63,770)	
Increase in compensated absences	79,183	
Long-term leases	3,119,513	
Change in OPEB Liability	<u>2,068,542</u>	
Total additional expense (increase) decrease		5,210,898

Change In Net Position On The Statement Of Activities		\$ 6,747,336
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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, 2019

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Funds
ASSETS:						
Current assets						
Cash and cash equivalents	\$ 4,122,542	\$ 7,828,538	\$ 666,541	\$ 3,517,591	\$ 16,135,212	\$ 6,362,736
Investments	2,045,201	4,000,918	-	-	6,046,120	817,730
Other Receivables	492,647	845,564	2,403	359,767	1,700,380	23,330
Due from other governmental units	-	-	-	119,453	119,453	-
Inventory of materials and supplies	-	-	55,000	-	55,000	33,131
Cash and cash equivalents	39,840	-	94,618	-	134,458	-
Total Current Assets	6,700,230	12,675,020	818,562	3,996,811	24,190,623	7,236,927
NONCURRENT ASSETS:						
Notes receivable	-	127,784	-	-	127,784	-
Capital Assets:						
Land	87,347	69,525	1,609,575	579,783	2,346,230	-
Building	1,416,567	3,364,962	6,627,496	1,875,395	13,284,419	-
Other improvements	25,867,418	16,782,751	3,559,992	54,865,200	101,075,362	-
Machinery and equipment	841,431	1,252,261	110,829	59,269	2,263,790	20,350,591
Less: accumulated depreciation	(12,451,023)	(9,386,215)	(7,005,201)	(18,512,595)	(47,355,035)	(12,406,180)
Construction in progress	153,955	188,876	-	777,827	1,120,657	-
Total Capital Assets (Net Of A/D)	15,915,695	12,272,159	4,902,691	39,644,880	72,735,424	7,944,411
Total Noncurrent Assets	15,915,695	12,399,942	4,902,691	39,644,880	72,863,207	7,944,411
Total Assets	22,615,924	25,074,962	5,721,253	43,641,691	97,053,830	15,181,339
Deferred Outflow s of Resources						
Deferred pension	54,369	37,021	64,236	92,689	248,315	33,399
Deferred Loss on Refunding	7,631	18,197	-	3,522	29,349	-
Total Deferred Outflow s Of Resources	62,000	55,218	64,236	96,211	277,664	33,399
LIABILITIES:						
Current liabilities:						
Accounts payable	60,819	36,358	10,479	130,153	237,809	136,108
Accrued wages and benefits	32,983	29,182	32,650	49,910	144,726	20,768
Accrued interest payable	2,050	5,760	-	4,284	12,094	-
Unearned revenue	16,361	-	-	392	16,753	-
Other current liabilities	35,890	4,373	89,688	29,113	159,064	525,080
Due to other governments	95,080	233,436	-	270,953	599,468	-
Revenue bond payable	40,720	97,101	-	18,794	156,614	-
Total Current Liabilities	283,902	406,209	132,818	503,598	1,326,528	681,956
Noncurrent liabilities:						
Reserve for unreported claims	-	-	-	-	-	1,085,700
Revenue bonds payable	259,327	618,396	-	119,690	997,413	-
Net pension liability	217,059	146,618	261,398	362,231	987,306	126,053
Compensated absences	86,104	(1,731)	134,978	81,184	300,536	-
Due to other governments	336,956	1,263,143	-	1,049,020	2,649,119	-
Total Noncurrent Liabilities	899,447	2,026,426	396,376	1,612,125	4,934,374	1,211,753
Total Liabilities	1,183,349	2,432,635	529,194	2,115,723	6,260,902	1,893,709
Deferred Inflow s of Resources						
Deferred inflow pension earnings	132,469	89,678	156,116	225,507	603,770	82,308
Total Deferred Inflow s Of Resources	132,469	89,678	156,116	225,507	603,770	82,308
NET POSITION:						
Investment in capital assets	15,191,242	10,078,280	4,902,691	38,189,946	68,362,159	7,944,411
Unrestricted	6,170,864	12,529,586	197,488	3,206,726	22,104,664	5,294,309
Total Net Position	\$ 21,362,106	\$ 22,607,866	\$ 5,100,179	\$ 41,396,671	\$ 90,466,823	\$ 13,238,721

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, 2019

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES:						
Charges for services	\$ 6,972,946	\$ 10,436,763	\$ 1,475,110	\$ 6,744,495	\$ 25,629,314	\$ 9,095,384
Other operating revenue	555	-	124,834	1,737	127,126	199,967
Total Operating Revenues	6,973,501	10,436,763	1,599,944	6,746,232	25,756,440	9,295,350
OPERATING EXPENSES:						
Operating & maintenance	3,952,730	5,798,489	1,641,737	1,531,638	12,924,595	8,244,100
Administrative and general	730,463	616,158	190,183	1,095,437	2,632,241	511,117
Taxes	951,499	1,187,196	4,572	759,928	2,903,195	-
Depreciation and amortization	525,866	389,927	291,550	1,010,736	2,218,080	1,480,739
Total Operating Expenses	6,160,559	7,991,770	2,128,042	4,397,739	20,678,110	10,235,957
Operating Income (Loss)	812,943	2,444,993	(528,098)	2,348,493	5,078,330	(940,606)
NON-OPERATING REVENUE (EXPENSE):						
Investment earnings	115,941	305,687	10,208	52,535	484,371	169,221
Interest expense	(11,329)	(29,347)	-	(11,307)	(51,984)	-
Gain (loss) on disposal of capital assets	-	-	-	(1,084)	(1,084)	157,376
Other non-operating expense	(940,634)	(622,707)	-	(1,556,171)	(3,119,513)	-
Other non-operating revenue	-	-	-	228,755	228,755	-
Total Non-Operating Revenue (Expense)	(836,023)	(346,368)	10,208	(1,287,272)	(2,459,455)	326,597
Income (Loss) Before Contributions & Transfers	(23,080)	2,098,625	(517,890)	1,061,221	2,618,876	(614,009)
Capital contributions	37,117	150,084	-	93,369	280,570	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(120,630)	(80,420)	-	(201,050)	(402,100)	-
Change in Net Position	(106,592)	2,168,289	(217,890)	953,540	2,797,346	(614,009)
Total net position - beginning	21,468,699	20,439,578	5,318,069	40,443,131	87,669,477	13,852,730
Total Net Position - ending	\$ 21,362,106	\$ 22,607,866	\$ 5,100,179	\$ 41,396,671	\$ 90,466,823	\$ 13,238,721

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, 2019

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	\$ 6,946,515	\$ 10,431,358	\$ 1,599,064	\$ 6,726,663	\$ 25,703,600	\$ 9,325,036
Cash paid to supplier	(3,319,138)	(5,475,341)	(642,063)	(1,272,177)	(10,708,720)	(918,934)
Cash paid for taxes	(951,499)	(1,187,196)	(4,572)	(759,928)	(2,903,195)	(1)
Cash paid to or on behalf of employees	(846,436)	(582,276)	(1,006,331)	(1,339,573)	(3,774,616)	(7,508,300)
Interfund activity - payments to other funds	(667,005)	(525,462)	(190,183)	(666,856)	(2,049,506)	(368,158)
Other cash received (paid)	555	-	21,610	1,671	23,836	-
Net Cash Provided (Used)					-	
By Operating Activities	1,162,992	2,661,082	(222,475)	2,689,800	6,291,399	529,643
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating grant received	-	-	-	228,755	228,755	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(120,630)	(80,420)	-	(201,050)	(402,100)	-
Net Cash Provided (Used) By Non- Capital Financing Activities	(120,630)	(80,420)	300,000	27,705	126,655	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchase of capital assets	(173,013)	(38,427)	-	(1,065,206)	(1,276,646)	(1,075,883)
Contributed capital	37,117	150,084	-	93,369	280,570	-
Capital grants	-	-	-	226,249	226,249	-
Principal payment on debt	(134,271)	(326,892)	-	(289,041)	(750,204)	-
Interest payment on debt	(11,460)	(30,210)	-	(11,954)	(53,624)	-
Proceeds from sale of equipment	-	-	-	-	-	157,376
Lease deposit paid	-	-	-	-	-	(1,075,883)
Other	(0)	121,980	-	0	121,980	-
Net Cash Provided (used) for Capital And Related Financing Activities	(281,627)	(123,467)	-	(1,046,583)	(1,451,676)	(1,994,389)
CASH FLOW FROM INVESTING ACTIVITIES:						
Proceeds from sale of investments	-	-	-	-	-	1,465,143
Purchase of investments	-	900,000	-	-	900,000	-
Interest received	273,908	193,324	10,208	52,535	529,975	161,308
Net Cash Provided (Used) In Investing Activities	273,908	1,093,324	10,208	52,535	1,429,975	1,626,450
Net increase (decrease) in cash and Cash equivalents	1,034,644	3,550,519	87,733	1,723,457	6,396,354	161,705
Cash and cash equivalents-beginning of year	3,127,737	4,278,019	673,427	1,794,134	9,873,317	5,125,149
Cash And Cash Equivalents- end of year	<u>\$ 4,162,382</u>	<u>\$ 7,828,538</u>	<u>\$ 761,160</u>	<u>\$ 3,517,591</u>	<u>\$ 16,269,671</u>	<u>\$ 5,286,854</u>
Cash at end of year consists of:						
Cash and cash equivalents	4,122,542	7,828,538	666,541	3,517,591	16,135,212	\$ 6,362,736
Restricted cash-customer deposits	39,840	-	94,618	-	134,458	-
Total Cash and cash equivalents	<u>\$ 4,162,382</u>	<u>\$ 7,828,538</u>	<u>\$ 761,160</u>	<u>\$ 3,517,591</u>	<u>\$ 16,269,671</u>	<u>\$ 6,362,736</u>

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, 2019

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)	\$ 812,943	\$ 2,444,993	\$ (528,098)	\$ 2,348,493	\$ 5,078,330	\$ (940,606)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:						
Depreciation	525,866	389,927	291,550	1,010,736	2,218,080	1,480,739
Asset (increase) decrease:						
Accounts receivable	(41,471)	(5,405)	1,529	(17,898)	(63,245)	29,685
Inventory and other	-	-	(7,639)	-	(7,639)	(7,301)
Deferred outflow of resources (increase) decrease	(4,822)	(3,344)	(5,446)	(8,619)	(22,231)	(3,333)
Liability increases (decreases):						
Accounts payable	(90,736)	(71,058)	9,466	(517,129)	(669,458)	6,175
Other liabilities	15,040	(18,490)	19,201	7,282	23,032	-
Wages & benefits payable	4,205	(35,306)	62,492	(29,352)	2,039	4,395
Deferred inflow of resources increase (decrease)	(58,031)	(40,235)	(65,530)	(103,713)	(267,509)	(40,111)
Total Adjustments	350,051	216,088	305,623	341,307	1,213,069	1,470,249
Net Cash Provided (Used) By Operating Activities	\$ 1,162,992	\$ 2,661,082	\$ (222,475)	\$ 2,689,800	\$ 6,291,399	\$ 529,643
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Increase (decrease) in fair value of investment	-	-	-	-	-	3,572
Total Non Cash investing, Capital and Financing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,572

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

CITY OF TUKWILA, WASHINGTON
STATEMENT OF FIDUCIARY NET POSITON
FIDUCIARY FUND
DECEMBER 31, 2019

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS:		
Cash and cash equivalents	\$ 985,506	\$ 141,312
Investments	517,851	-
Customer accounts	-	800
Interest receivable	1,063	-
Other Current Assets	-	431,000
Total Assets	1,504,419	573,112
LIABILITIES:		
Accounts and other payables	-	132,423
Total Liabilities	-	132,423
NET POSITION:		
Restricted for:		
Pensions	1,504,419	-
Individuals, organizations, and other governments	-	440,690
Total Net Position	\$ 1,504,419	\$ 440,690

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 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS:		
Contributions from nonemployer entities:		
Fire Insurance Premiums Transferred in	\$ 68,569	\$ -
Investment earnings	34,948	-
Seized Property	-	431,000
Custodial Funds Received	-	1,166
Total Additions	103,517	432,166
DEDUCTIONS:		
Benefit payments	\$ 60,172	\$ -
Custodial Funds Disbursed	-	3
Total Deductions	60,172	3
Change In Net Position	43,345	432,163
Net position - beginning	1,461,074	-
Change in accounting principals - fiduciary activities	-	8,526
Net position - ending	\$ 1,504,419	\$ 440,690

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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, 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 equity, 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 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, 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 a custodian for individuals, private organizations, other governments, and other funds. The City has two fiduciary funds, Firemen's Pension Trust Fund and a 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 is used to account for assets that the City holds on behalf of others in a custodial capacity. Fiduciary funds are excluded from the government-wide financial statements.

The Statement of Changes in Fiduciary Net Position reports a change in accounting principle, an increase to Beginning Net Position of \$8,526, in order to restate the beginning accounts payable balance as part of the implementation of GASB Statement 84 *Fiduciary Activities*. Custodial Funds now report fiduciary activity under GASB 84 where as prior guidance did not require a Statement of Changes in Fiduciary Net Position. The change in principle increases the transparency in regard to a government's fiduciary activity. GASB 84 was developed to provide consistency and comparability across governmental units as prior guidance did not sufficiently outline the criteria for determining whether an activity is a fiduciary activity. The change affects only the custodial funds and has no affect on the government-wide 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 CAFR.

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.
Physical Environment	Includes expenditures for the public works activities not chargeable to the enterprise funds.
Transportation	Includes all street and arterial street maintenance and construction.
Economic Development	Reflects the planning and building inspection activities.
Culture and Recreation	Includes the parks and recreation 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 of the special assessment as well as developer agreements, of which the City currently has two current developer agreements.

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, 2019, there are no residual balances outstanding between the governmental activities and business-type activities.

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.

Between 1999 and 2004 the City acquired a number of properties comprising approximately 5.76 acres in its urban renewal area along Tukwila International Boulevard for a redevelopment project called Tukwila Village. In 2012 the City executed an agreement to sell the property to a developer. In 2017 the City and developer closed escrow on the sale of the first phase which was then completed in 2018. The City and developer signed a purchase and sale agreement for the second, and final, phase in 2018. Escrow closed in 2019 and construction is to be completed by 2020.

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. All structures on those properties were demolished in 2016. The City is negotiating to sell most of the now vacant land to HealthPoint, a federally recognized community health center. The City is also negotiating to sell one of the parcels to an association of business owners displaced by the City's Justice Center project. All redevelopment properties are reported at net realizable value in the financial statements.

Deferred Outflows /Inflows of Resources

Deferred outflow of resources represents a consumption of net position by the government that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The City reports a deferred outflow related to pension and a deferred loss on refunding water/sewer bonds.

Deferred inflow of resources represents an acquisition of net position by the government that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City reports business taxes that are received in advance and a deferred inflow related to pensions.

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 a capitalization threshold of five thousand (\$5,000) dollars. The City's infrastructure consists of roads, bridges, storm sewers, water and sewer distribution and collection systems. Improvements are capitalized while the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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 6 for additional information on capital assets.

Other Liabilities

Other liabilities include retainage, deposits and the incurred-but-not-reported (IBNR) claims and claim reserve for the self-insured healthcare funds. The self-insurance fund for active employees includes an IBNR liability of \$662,400 determined using actuarial methods. This liability is multiplied by a factor of 2.2 to meet the City's financial goal of maintaining reserves at 1 x IBNR for claim fluctuations plus 1.2 x IBNR for a claims reserve yielding a total liability of \$ 1,457,280. The self-insurance fund for LEOFF 1 retirees includes an IBNR liability of \$61,400 and total liability of \$153,500 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. There is no current portion to report when the anticipated leave usage is less than the anticipated leave to be accrued during the next year.

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 10.

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 position invested in capital assets, net of related debt, 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.

As revised in 2017, the City's 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 each 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 2.2 times or 220%, 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. The general fund's nonspendable fund balance of \$509 thousand is the outstanding balance of a loan from the general fund to the Tukwila Metropolitan Park District.
- 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. Assigned also includes a contingency balance authorized via the City's Reserve Fund Balance policy. 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, the 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 \$2,545,644 for 2019 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 163 as of December 31, 2019. WCIA provides pooled self-insurance coverage for general liability, vehicle liability, false arrest, and errors and omissions. See Note 13 for additional information on risk management.

H. Pensions

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

I. Changes in Accounting Standards

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. .

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 \$13,863,174. Of the bank balance, \$250,000 was covered by Federal depository insurance and the Washington Public Deposit Protection Commission (WPDPC) insured the remainder. The City also maintains imprest funds totaling \$16,250.

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 certificate of deposits insured by the Washington State Public Depository Commission, 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, 2019, 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
<i>Certificates of Deposit:</i>			
Sound Community Bank	3/4/2021	*	\$ 2,045,201
Total Certificate of Deposits			2,045,201
<i>U.S. Government Agency Notes:</i>			
Federal Home Loan Bank	6/29/2020	AA+ / Aaa	1,700,774
Federal Home Loan Bank	8/28/2020	AA+ / Aaa	2,300,145
Total U.S. Agency Notes			4,000,918
<i>Municipal Bonds:</i>			
Port of Anacortes, Washington: Limited General Obligation	9/1/2020	Aa3	344,511
Douglas County School District, Washington: Unlimited General Obligation	12/1/2020	Aa2	411,664
Port of Tacoma, Washington: Limited General Obligation, Taxable Refunding	12/1/2020	Aa2 / AA	517,851
Multnomah County, Oregon: Limited General Obligation	6/1/2021	Aaa	473,219
Burien, Washington: Limited General Obligation, Build America	12/1/2025	Aa2	512,286
Total Municipal Bonds			2,259,531
TOTAL INVESTMENTS			\$ 8,305,650

* No credit rating with certificate of deposit accounts; accounts are insured by the Public Depository Protection Commission.

RECONCILIATION OF ALL CASH, DEPOSITS AND INVESTMENTS

SUMMARY BY FUNDS	CASH & CASH EQUIVALENTS	RESTRICTED CASH	INVESTMENTS	RESTRICTED INVESTMENTS	TOTAL
Governmental Funds					
General Fund	\$ 16,016,260	\$ 8,406	\$ 411,664	\$ -	\$ 16,436,330
Arterial Street	1,083,210	1,023,219	-	-	2,106,429
Local Improvement District #33	751,486	-	-	-	751,486
Public Safety Plan	9,644,252	42,899,951	-	-	52,544,203
Facilities Urban Renewal	5,983,543	-	-	-	5,983,543
Other Governmental Funds	9,874,605	341,478	512,286	-	10,728,370
Internal Service Funds	6,362,736	-	817,730	-	7,180,466
Proprietary Funds					-
Water	4,122,542	39,840	2,045,201	-	6,207,583
Sewer	7,828,538	-	4,000,918	-	11,829,456
Foster Golf Course	666,541	94,618	-	-	761,160
Surface Water	3,517,591	-	-	-	3,517,591
Total as Reported on Statement of Net Position	65,851,304	44,407,513	7,787,800	-	118,046,617
Firemen's Pension Trust Fund	-	985,506	517,851	-	1,503,356
Agency Fund	-	141,312	-	-	141,312
Total Cash, Cash Equivalents and Investments	\$ 65,851,304	\$ 45,534,331	\$ 8,305,650	\$ -	\$ 119,691,286

SUMMARY BY TYPE:

Cash and Cash Equivalents:

Local Government Investment Pool	\$ 83,231,470
Money market account	14,999,032
Cash on hand	16,250
Cash in bank-book balance	13,138,883

Total cash and cash equivalents	<u>111,385,635</u>
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Investments:

Certificates of deposit	2,045,201
U.S. Government Agency Notes	4,000,918
Municipal bonds	2,259,531

Total investments	<u>8,305,650</u>
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Total Cash, Cash Equivalents, and Investments	<u>\$119,691,286</u>
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Restricted Assets - Governmental	
Cash & cash equivalents	\$ 42,899,951
Deposits	8,406
Drug Seizure funds - federal portion	28,320
Debt Service	238,277
Impact fees	1,098,101
Investments	-
Restricted Assets-Governmental	\$ 44,273,054
Restricted Assets - Business-Type	
Customer Deposits-Water Utility	\$ 39,840
Customer Deposits-Golf Course	79,618
Lease Deposits-Golf Course	15,000
Revenue Bond Reserve Account-Water/Sewer/Surface Water	-
Restricted Assets-Business-Type	\$ 134,458
Total Restricted Assets	\$ 44,407,513

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, 2019:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Total			
US Government Agencies	\$ 4,000,918	\$ -	\$ 4,000,918	\$ -
Municipal Bonds	2,259,531	-	2,259,531	-
Total Investments by Fair Value Level	\$ 6,260,449	\$ -	\$ 6,260,449	\$ -

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, 2019, the City's investments in municipal bonds were rated Aaa to Aa3 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 cash and investment portfolio, at the time of purchase, shall be in any single financial institution.
- 2) Except, that 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
- 3) 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 property, sales and use, gambling, leasehold, and hotel/motel taxes.

Customer accounts receivable consists 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			
Property	\$ 252,129	\$ -	\$ 252,129
Sales & Use	4,090,980	-	4,090,980
Real Estate Excise Tax	144,609	-	144,609
Utility Tax	732,508	-	732,508
Admission/Gambling/Parking/Other	1,207,581	-	1,207,581
Total Taxes Receivable	6,427,806	-	6,427,806
Customer Receivable			
Miscellaneous	1,049,627	2,403	1,052,029
Utility Accounts	-	1,684,852	1,684,852
Total Customer Receivable	1,049,627	1,687,254	2,736,881
Interest	8,307	15,160	23,467
Notes due within one year	555,337	-	555,337
Total Receivables	\$ 8,041,078	\$ 1,702,414	\$ 9,743,492

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 2019 was \$2.39084 per \$1,000 of assessed valuation of \$ 6,673,839,922 for a total regular levy of \$15,956,101.

Special levies approved by the voters are not subject to the limitations listed above. In 2019, the City levied an additional \$0.42551 per \$1,000 for the Public Safety Plan approved by voters in November 2016. The total additional levy in 2019 was \$2,839,788.

Due from Other Governments

All receivables from other governments are recorded at year-end as amounts Due from Other Governmental Units. These amounts represent federal, state, and local reimbursement-type grants, and are reported as receivables and intergovernmental revenues in the year when the related expenditures are incurred. As of December 31, 2019, the majority represents grants.

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.

The other note receivable category is related to developer agreements. There is one agreement with a local developer to defer fire, parks and traffic impact fees as part of a new, large construction project. The agreement is for the Tukwila South project which defers \$1.75 million in fire impact fees, with annual payments due each December from 2017 through 2022.

Notes receivable for business-type activities consists of 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	\$ 3,384,245	\$ -	\$ 3,384,245
Developer Agreements	1,151,680	-	1,151,680
Sewer Payment Plan	-	127,784	127,784
Total Receivables	\$ 4,535,925	\$ 127,784	\$ 4,663,709

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 equity. Interfund loans are subject to elimination upon consolidation. As of December 31, 2019, the City has one Interfund loan from the General Fund to the Residential Streets fund for \$336,932 that was made to provide a cash balance to the Residential Streets fund due to a delayed third-party capital contribution. The loan is expected to be repaid within one year.

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	Other Govt Funds	Total Governmental	Water	Sewer	Golf Course	Surface Water	
Transfers In	\$ -	\$ 1,100,000	\$ 6,133,686	\$ 7,233,686	\$ -	\$ -	\$ 300,000	\$ -	\$ 7,533,686
Transfers Out	(6,031,586)	-	(1,100,000)	(7,131,586)	(120,630)	(80,420)	-	(201,050)	(7,533,686)
Net Transfers In (Out)	\$ (6,031,586)	\$ 1,100,000	\$ 5,033,686	\$ 102,100	\$ (120,630)	\$ (80,420)	\$ 300,000	\$ (201,050)	\$ -

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

NOTE 5 – LEASES

Operating Leases

City Records Center

Effective June 1, 2009, the City entered into a 60-month non-cancelable lease with International Gateway East, LLC to rent a warehouse at 3411 South 120th Place, Tukwila in order to store the City’s record archives. In 2014, the City opted to extend the lease. Currently, the lease automatically extends for successive twelve-month periods on the same terms and conditions within the lease. Ninety-day notice is required if either party desires to prevent the automatic renewal. The total lease payments for 2019 were \$75,880. Future lease payments beyond the current twelve-month period are estimated to increase at 2% on an annual basis. Future lease payments to International Gateway East, LLC are estimated to total \$77,396 for 2019.

Police Archives/Vehicle Storage

Effective September 1, 2015, the City entered into a 63-month non-cancelable lease with IIT Andover DC, LLC to rent facilities at 571 Strander Boulevard in Tukwila for Police archives including vehicle storage. The City has the option to extend the lease 60 months commencing when the current term ends December 31, 2020. Amounts of base rent payments would be renegotiated within four months prior to the original expiration date. The total lease payments for 2019 was \$60,916. Future lease payments to IIT Andover DC, LLC total \$62,744 for 2020.

Police Department Gym

Effective September 1, 2015, the City and the Tukwila Police Officer’s Guild entered into a 60-month non-cancelable lease with NCWP-Andover Executive Park, LLC to rent space for a gym located at 611 Industry Drive. The City may have options to extend the lease near the expiration date. The City and the Guild each pay half of the monthly base rent. The total lease payments made by the City for 2019 were \$15,918.

Laptop Computers

Effective April 3, 2017, the City entered into a 36-month non-cancelable lease with Dell Financial Services, LLC to lease laptop computers for use by the City's employees. At conclusion of the lease term, the City has the option to purchase the products, return the products, or renew the lease on a month-to-month basis. The total lease payments made by the City for 2019 were \$130,379. In 2020, the City renewed the lease for an additional three-year term.

Postage Machine

Effective May 4, 2018, the City entered into a 60-month non-cancelable lease with Pitney Bowes, Inc. to lease postage equipment. The total lease payments made by the City for 2019 was \$6,936. Future lease payments to Pitney Bowes, Inc. total \$6,936 for 2020.

During 2019, the City also maintained operating lease agreements for copiers and other various office equipment.

Minimum future rental payments are summarized as follows:

Year Ending December 31	City Records Center	Police Archives/Vehicle Storage	Police Department Gym	Postage Machine	Office Equipment	Amount
2020	\$ 77,396	\$ 62,744	\$ 10,805	\$ 6,939	\$ 71,670	\$ 229,553
2021	78,944	-	-	6,939	24,124	110,007
2022	80,524	-	-	6,939	-	87,463
2023	82,129	-	-	2,313	-	84,441
2024	83,771	-	-	-	-	83,771
Thereafter	-	-	-	-	-	-
TOTAL	\$ 402,763	\$ 62,744	\$ 10,805	\$ 23,129	\$ 95,794	\$ 595,236

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

GOVERNMENTAL ACTIVITIES

	BEGINNING BALANCE 1/1/2019	INCREASES	DECREASES	ENDING BALANCE 12/31/2019
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 36,172,319	\$ 47,004	\$ -	\$ 36,219,323
Construction in Progress	57,904,804	50,583,586	(27,375,330)	81,113,060
Total capital assets, not being depreciated	94,077,123	50,630,590	(27,375,330)	117,332,383
Capital assets, being depreciated:				
Buildings	24,521,606	7,629	-	24,529,235
Other Improvements	23,981,462	283,557	-	24,265,019
Machinery and Equipment	23,049,468	4,614,386	(190,816)	27,473,038
Infrastructure	205,540,004	21,454,334	-	226,994,338
Total capital assets being depreciated	277,092,540	26,359,907	(190,816)	303,261,631
Less accumulated depreciation for:				
Buildings	(14,198,958)	(791,686)	-	(14,990,644)
Other Improvements	(14,877,966)	(971,883)	-	(15,849,849)
Machinery and Equipment	(16,257,793)	(1,920,315)	190,816	(17,987,291)
Infrastructure	(70,245,986)	(6,175,740)	-	(76,421,726)
Total accumulated depreciation	(115,580,703)	(9,859,624)	190,816	(125,249,511)
Total capital assets, being depreciated, net	161,511,837	16,500,283	0	178,012,120
Governmental activity capital assets, net	\$ 255,588,960	\$ 67,130,872	\$ (27,375,330)	\$ 295,344,503

BUSINESS-TYPE ACTIVITIES

	BEGINNING BALANCE 1/1/2019	INCREASES	DECREASES	ENDING BALANCE 12/31/2019
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,346,230	\$ -	\$ -	\$ 2,346,230
Construction in Progress	7,388,641	1,229,986	(7,497,970)	1,120,657
Total capital assets, not being depreciated	9,734,872	1,229,986	(7,497,970)	3,466,888
Capital assets, being depreciated:				
Buildings	13,284,419	-	-	13,284,419
Other Improvements	93,816,377	7,375,991	(117,006)	101,075,362
Machinery and Equipment	2,217,130	46,660	-	2,263,790
Total capital assets being depreciated	109,317,926	7,422,651	(117,006)	116,623,571
Less accumulated depreciation for:				
Buildings	(5,720,774)	(371,795)		(6,092,569)
Other Improvements	(37,653,884)	(1,807,052)	115,922	(39,345,013)
Machinery and Equipment	(1,878,219)	(39,233)	-	(1,917,452)
Total accumulated depreciation	(45,252,877)	(2,218,080)	115,922	(47,355,035)
Total capital assets, being depreciated, net	64,065,049	5,204,571	(1,084)	69,268,536
Business-Type activity capital assets, net	\$ 73,799,921	\$ 6,434,557	\$(7,499,054)	\$ 72,735,424

DEPRECIATION

Depreciation expense for 2019 was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 210,724
Public Safety	140,871
Physical Environment	834,414
Transportation	6,202,029
Economic Environment	2,906
Culture and Recreation	987,941
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,480,739
Total 2019 depreciation expense - governmental activities	\$ 9,859,624

Business-type activities:

Water Utility	\$ 525,866
Sewer Utility	389,927
Foster Golf Course	291,550
Surface Water Utility	1,010,736
Total 2019 depreciation expense - business-type activities	\$ 2,218,080

NOTE 7 – 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.

SUMMARY OF INVESTMENT IN JOINT VENTURES

	Equity in Operations	Equity in Capital Assets financed by Outstanding Debt	TOTAL Investment in Joint Ventures
Valley Com	\$ 3,169,345	\$ -	\$ 3,169,345
SCORE	2,481,579	4,921,702	7,403,281
TOTAL	\$ 5,650,924	\$ 4,921,702	\$ 10,572,626

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 2019 cost distribution for the five (5) participating cities is as follows:

City	Dispatchable Calls	Percent of Total
Renton	90,760	20.96%
Kent	117,225	27.08%
Auburn	98,169	22.68%
Tukwila	36,163	8.35%
Federal Way	90,616	20.93%
Total	432,933	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 January 1, 2019	\$ 5,882,811	\$ 8,090,075	\$ 6,040,861	\$ 2,950,969	\$ 4,904,391	\$ 27,869,107
Current Year Increase/(Decrease)	548,074	707,890	592,819	218,376	547,205	2,614,364
Equity December 31, 2019	\$ 6,430,884	\$ 8,797,965	\$ 6,633,680	\$ 3,169,345	\$ 5,451,596	\$ 30,483,471
Percent of Equity	21.10%	28.86%	21.76%	10.40%	17.88%	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)

The South Correctional Entity (SCORE) consolidated correctional facility was established February 25, 2009, when an Interlocal Agreement (the "Original Interlocal Agreement") was entered into by seven participating municipal governments, the "Member Cities" of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, under the authority of the "Interlocal Cooperation Act" (RCW 39.34). This "Original Interlocal Agreement" was amended and restated October 1, 2009 and named the City of Des Moines as the "Host City" and the remaining Member Cities as "Owner Cities". This interlocal agreement is known as the "Formation Interlocal Agreement". 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 unexpected 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, a governmental administrative agency pursuant to RCW 39.34.030(3), has the power to acquire, construct, own, operate, maintain, equip, and improve a correctional facility known as the "SCORE Facility" and to provide correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. 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.

Financing for the acquisition, construction, equipping, and improvement of the SCORE Facility was provided by bonds issued by the South Correctional Entity Facility Public Development Authority (the "SCORE PDA"), a public development authority chartered by the City of Renton pursuant to RCW 35.21.730 through 35.21.755. The SCORE PDA issued \$86 million in special obligation bonds in 2009 (the "Bonds") to construct, develop, acquire and equip the SCORE Facility. Pursuant to the Formation Interlocal Agreement and the ordinances of each city, each Owner City (which includes the Cities of Auburn, Burien, Federal Way, 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 Bonds as the same become due and payable. Each Owner City's obligation to pay its portion is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from 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.

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 (effective December 31, 2019) and an Owner City (effective immediately), added the City of Des Moines as 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, together with a contribution from Federal Way to fully pay its 2009 Capital Contribution, to defease and refund all of the outstanding 2009 Bonds.

As a result, Federal Way has satisfied its 2009 Capital Contribution and as of December 31, 2019, will no longer be considered a Member City of SCORE.

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each remaining 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 City of Federal Way is not obligated, under the 2019 Interlocal Agreement or otherwise, to pay debt service on the 2019 Bonds or other debt of the Authority.

The following is a summary of the debt service requirements for the 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%
2020	1,825,000	2,083,180	3,908,180	1,365,518	188,374	235,272	1,600,791	141,476	376,749
2021	1,840,000	2,069,700	3,909,700	1,366,049	188,448	235,364	1,601,413	141,531	376,895
2022	1,915,000	1,996,100	3,911,100	1,366,538	188,515	235,448	1,601,987	141,582	377,030
2023	1,990,000	1,919,500	3,909,500	1,365,979	188,438	235,352	1,601,331	141,524	376,876
2024	2,070,000	1,839,900	3,909,900	1,366,119	188,457	235,376	1,601,495	141,538	376,914
2025-2029	11,895,000	7,653,500	19,548,500	6,830,246	942,238	1,176,820	8,007,066	707,656	1,884,475
2030-2034	15,090,000	4,460,600	19,550,600	6,830,980	942,339	1,176,946	8,007,926	707,732	1,884,678
2035-2038	14,430,000	1,206,850	15,636,850	5,463,515	753,696	941,338	6,404,854	566,054	1,507,392
Totals	\$51,055,000	\$23,229,330	\$74,284,330	25,954,945	3,580,505	4,471,917	30,426,862	2,689,093	7,161,009

The City of Tukwila reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under assets. The following is condensed (unaudited) financial information as of December 31, 2019 related to SCORE. The share of equity belonging to the seven participating cities are as follows:

Member City	2018 Percent of Equity	2018 Equity Balance	2019 Percent of Equity	2019 Apportionment	2019 Equity Balance
Auburn	29.00%	4,097,405	42.75%	9,388,551	13,485,956
Burien	4.00%	526,262	5.21%	1,116,489	1,642,751
Des Moines	2.00%	341,845	4.65%	1,123,593	1,465,438
Federal Way	24.00%	3,485,570	0.00%	(3,485,570)	-
Renton	29.00%	4,157,539	31.93%	5,913,244	10,070,783
Seatac	5.00%	719,440	7.59%	1,675,971	2,395,411
Tukwila	7.00%	1,031,108	7.87%	1,450,471	2,481,579
Grand Totals	100.00%	14,359,169	100.00%	17,182,749	31,541,918

The investment in joint venture for SCORE on the Statement of Net Position includes Tukwila's share of debt refinanced in 2019. The City's share of SCORE debt is \$4,921,702. See Note 10 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 8 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(6,168,704)
Pension assets	12,897,967
Deferred outflows of resources	3,304,340
Deferred inflows of resources	(7,671,922)
Pension expense/expenditures	517,262

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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

Public Employees' Retirement System (PERS)

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

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

Contributions

The PERS Plan 1-member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – June 2019		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.70%	6.00%
September – December 2018		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	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 two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

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

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2
January – June 2019		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.83%	7.41%
September – December 2018		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%

The City of Tukwila's actual PERS plan contributions were \$845,742 to PERS Plan 1 and \$1,310,892 to PERS Plan 2/3 for the year ended December 31, 2019.

Public Safety Employees' Retirement System (PSERS)

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

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

PSERS membership includes:

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

PSERS covered employers include:

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

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

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2019 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
January – June 2019		
PSERS Plan 2	7.07%	7.07%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.38%	7.07%
September – December 2018		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.14%	7.20%

The City of Tukwila's actual plan contributions were \$12,191 to PSERS Plan 2 for the year ended December 31, 2019.

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

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

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2019. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

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 employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
Total	8.93%	8.75%

The City's actual contributions to the plan were \$868,767 for the year ended December 31, 2019.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the City of Tukwila as its proportionate share of this amount is \$539,330.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated modeling to reflect providing benefit payments to the date of the initial eligibility for terminated vested members who delay application for retirement benefits
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PER ad TERS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	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 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	5,840,900	4,664,070	3,643,014
PERS 2/3	11,539,951	1,504,635	(6,730,006)
PSERS 2	43,173	(4,182)	(41,383)
LEOFF 1	(1,336,719)	(1,634,025)	(1,890,720)
LEOFF 2	(2,040,799)	(10,975,449)	(18,268,168)

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, 2019, the City of Tukwila reported a pension asset of \$12,897,966 and a pension liability of \$6,168,704 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	4,664,070
PERS 2/3	1,504,635
PSERS 2	(4,182)
FIREMEN'S PENSION	(284,311)
LEOFF 1	(1,634,025)
LEOFF 2	(10,975,449)

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	(1,634,025)	(10,975,449)
State's proportionate share of the net pension asset associated with the employer	(11,052,505)	(7,106,396)
TOTAL	(12,686,530)	(18,081,845)

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

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
PERS 1	0.122630%	0.121291%	-0.001339%
PERS 2/3	0.156335%	0.154903%	-0.001432%
PSERS 2	0.025080%	0.032158%	0.007078%
LEOFF 1	0.083934%	0.082668%	-0.001266%
LEOFF 2	0.480347%	0.473755%	-0.006592%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Non-employer 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 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2019, the City of Tukwila recognized pension expense as follows:

	Pension Expense
PERS 1	\$150,464
PERS 2/3	163,654
PSERS 2	6,438
LEOFF 1	(64,514)
LEOFF 2	238,595
FIREMEN'S PENSION	22,625
TOTAL	\$517,262

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, 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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (311,599)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 415,993	\$ -
TOTAL	\$ 415,993	\$ (311,599)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 431,081	\$ (323,488)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (2,190,135)
Changes of assumptions	\$38,529	\$ (631,295)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ (338,407)
Contributions subsequent to the measurement date	\$ 676,569	\$ -
TOTAL	\$ 1,146,179	\$ (3,483,325)

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,531	\$ (370)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (7,262)
Changes of assumptions	\$ 34	\$ (2,247)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 1,140	\$ (4,584)
Contributions subsequent to the measurement date	\$ 6,277	\$ -
TOTAL	\$ 10,982	\$ (14,463)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (169,399)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ -	\$ -
TOTAL	\$ -	\$ (169,399)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 789,782	\$ (197,368)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (2,250,310)
Changes of assumptions	\$ 18,081	\$ (1,235,089)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 356,891	\$ (10,368)
Contributions subsequent to the measurement date	\$ 440,213	\$ -
TOTAL	\$ 1,604,967	\$ (3,693,135)

Deferred outflows of resources related to pensions resulting from the City of Tukwila's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1
2020	(68,787)
2021	(162,937)
2022	(58,145)
2023	(21,729)
2024	
Thereafter	
TOTAL	(311,599)

Year ended December 31:	PERS 2/3
2020	(751,749)
2021	(1,190,333)
2022	(564,784)
2023	(333,075)
2024	(170,323)
Thereafter	(3,450)
TOTAL	(3,013,715)

Year ended December 31:	PSERS 2
2020	(1,619)
2021	(2,760)
2022	(1,835)
2023	(1,100)
2024	(429)
Thereafter	(2,015)
TOTAL	(9,758)

Year ended December 31:	LEOFF 1
2020	(39,347)
2021	(86,724)
2022	(31,470)
2023	(11,859)
2024	
Thereafter	
TOTAL	(169,399)

Year ended December 31:	LEOFF 2
2019	(550,887)
2020	(1,083,742)
2021	(474,344)
2022	(235,698)
2023	(55,389)
Thereafter	(128,321)
TOTAL	(2,528,381)

Firemen's Pension System

Summary of Significant Accounting Policies

Investments are valued and reported at fair value.

Plan Description

Plan Administration: The Firefighters' Pension Fund 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 firefighters' 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 Firefighters' 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, 2017 (the census date), FPF membership consisted of the following:

Type of Membership	Total
Inactive plan members retired prior to March 1, 1970	0
Inactive plan members retired March 1, 1970 or after	10
Active Plan Members	0
Total	<u>10</u>

Benefits Provided

All benefit terms are in statutes RCW 41.16, 41.18, and 41.26. 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

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 require that each municipality levy 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.

The actuarial assumptions were provided by an independent actuary.

Investments

It is the policy of the City of Tukwila to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City, while conforming to all state and local statutes governing the investment of public funds.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Concentrations: Approximately 70% of investments are in a long-term government bond.

City's Net Pension Liability

The components of the City's net pension liability at December 31, 2019 are as follows:

Total pension liability	\$	1,176,763
Less: Plan fiduciary net position		(1,461,074)
City's net pension liability	\$	<u>(284,311)</u>
Plan fiduciary net position as a percentage of the total pension liability		124.16%

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

<u>Total Pension Liability</u>	2014	2015	2016	2017	2018	2019
Service cost	-	-	-	-	-	-
Interest	50,098	49,716	49,332	38,796	-	39,385
Changes of benefit terms	-	-	-	-	-	-
Difference between expected & actual experience	-	(2,442)	(311,190)	-	(2,810)	17,256
Changes of assumptions	-	-	(62,728)	-	(177,772)	(51,490)
Benefits payments, included refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)
Net change in total pension liability	(11,765)	(11,003)	(384,574)	(30,390)	(162,882)	(75,317)
Total pension liability - beginning	1,852,693	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079
Total pension liability - ending (a)	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079	1,176,762
<u>Plan Fiduciary Net Position</u>						
Contributions - employer	64,114	63,590	66,360	68,848	(139)	71,286
Contributions - employee	-	-	-	-	-	-
Net investment income	1,805	2,667	7,988	39,157	(39,477)	27,770
Benefit payments, including refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)
Administrative expense	-	(4,500)	(4,500)	(4,624)	1,124	-
Other	-	-	-	-	2,716	-
Net change in plan fiduciary net position	4,056	3,480	9,860	34,195	(18,076)	18,588
Plan fiduciary net position - beginning	1,408,970	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485
Plan fiduciary net position - ending (b)	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485	1,461,073
City's net pension liability - ending (a) - (b)	427,902	413,419	18,985	(45,600)	(190,406)	(284,311)
Plan fiduciary net position as a percent of total pension liability	76.76%	77.41%	98.69%	103.22%	115.21%	124.16%
Covered employee payroll	-	-	-	-	-	-
City net pension liability as a percent of covered employee payroll	n/a	n/a	n/a	n/a	n/a	n/a

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City of Tukwila 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	57,623	-
Net difference between projected and actual investment earnings on pension plan investments	68,596	-
Totals	\$126,219	-

Deferred outflows of resources related to pensions resulting from the City of Tukwila contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ 25,151
2021	16,997
2022	11,686
2023	3,789
2024	-
TOTAL	\$ 57,623

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.71%
Investment rate of return	3.71%

Healthy life mortality rates were based on the RP-2014 mortality table, total dataset, fully generational projected with Scale MP-2014, set back one year for males and set forward one year for females. Disabled life mortality rates were based on the RP-2014 mortality table, total dataset, fully generational projected with Scale MP-2014, set back two years for males and females.

The long-term expected rate of return on pension plan investments assumption was based on the nature and mix of current and expected pension plan assets over a period of time representative of the expected length of time between the first day of service and date of the last benefit payment.

The discount rate used to measure the total pension liability was 3.71%. The projection of cash flows used to determine the discount rate assumed City contributions were equal to the actuarially calculated contribution of a 10-year closed amortization of the unfunded actuarial liability as of January 1, 2014 plus assumed administrative expenses. This amount includes revenue received from Fire Insurance premiums. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Firemen's net pension liability of the City, calculated using the discount rate of 3.71%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 2.71%, or 1-percentage point higher, 4.71%, than the current rate:

Firemen's net pension liability	1% Decrease	Current Discount Rate	1% Increase
	\$ (167,717)	\$ (284,311)	\$ (385,099)

Basis of Valuation

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

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.
Duty Death Benefit	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 Death Benefit	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	Commences: 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 firefighters deferred benefit to spouse or child.
Postretirement Increase	
Benefits Payable Under LEOFF	Annual increase proportionate to the increase in the Seattle-area CPI. Minimum increase at least 2% each year.
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, 2019 - 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	1	1	1	3
75 – 79	1	1	2	4
80 – 84	0	1	1	2
85 - 89	1	0	0	1
90 +	0	0	0	0
Total	3	3	4	10

Monthly pension amounts as of January 1, 2019:

Paid by City	Paid by LEOFF
\$5,696	\$38,526

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

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, 2017
Measurement Date	December 31, 2018
Report Date	December 31, 2019
Inflation Rate	2.75%
Discount Rate (or Investment Return)	Based on the long-term expected rate of return on pension plan investments assumption on the nature and mix of current and expected pension plan assets over a period of time representative of the expected length of time between the first day of service and date of the last benefit payment. The rate of 3.71% was selected.
Cost of Living	2.75%, based on 2014 SSA OASDI report and City input.
Salary Increases (for calculated benefit increases based on rank)	3.75%, based on City input.
Healthy Mortality	RP-2014 mortality table (adjusted to 2006), total dataset, fully generational with mortality improvement scale MP-2018 setback one year for males and set forward one year for females.

Disabled Mortality	RP-2014 mortality table (adjusted to 2006), total dataset, fully generational with mortality improvement scale MP-2018 set forward two years for males and females.
Termination Rates	n/a
Disability	n/a
Retirement	n/a
Spouse Age	Assumed females are three years younger than males.

NOTE 9 – 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 2019:

Aggregate OPEB Amounts	
<i>OPEB Liabilities</i>	\$ 12,700,180
<i>OPEB Assets</i>	\$ -
<i>Deferred outflows of resources</i>	\$ 444,286
<i>Deferred inflows of resources</i>	\$ -
<i>OPEB expenses/expenditures</i>	\$ (1,624,256)

Plan Description

The City of Tukwila's LEOFF Plan 1 (the Plan) is a single-employer defined-benefit 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 Cigna Administrators 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, 2017 (the census date), the following employees were covered by the benefit terms:

<i>Inactive employees or beneficiaries currently receiving benefits</i>	34
<i>Inactive employees entitled to but not yet receiving benefits</i>	0
<i>Active employees</i>	0
<i>Total</i>	34

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.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017.

Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	December 31, 2017	December 31, 2018
Discount Rate	3.25%	3.71%
Inflation	2.50%	2.50%
Healthcare Cost Trend Rates	6.50%	6.00%
Salary Increases	n/a	n/a

Healthcare cost trend rates were 6.50% in the first year, trending down to 3.84% over 57 years. Mortality rates were based on tables from the Society of Actuaries.

- Projections of the sharing benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington.
- Inactive employees (retirees) pay 0% of the cost of benefits.
- There were no adhoc postemployment benefit changes (including as hoc COLAs) to the plan.

The discount rate used to measure the total OPEB liability is 3.71%. 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.

The measurement date of the total OPEB liability and the date of the actuarial valuation is December 31, 2017.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.0%) or one percentage point higher (7.0%) than current healthcare cost trend rates follows:

	<i>1% Decrease (5.0%)</i>	<i>Current Healthcare Cost Trend Rate (6.0%)</i>	<i>1% Increase (7.0%)</i>
	<i>5.0% Decreasing to 2.84%</i>	<i>6.0% Decreasing to 3.84%</i>	<i>7.0% Decreasing to 4.84%</i>
Total OPEB Liability	\$11,320,957	\$12,700,180	\$14,309,905

Sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.71%) or one percentage point higher (4.71%) follows:

	<i>1% Decrease (2.71%)</i>	<i>Current Discount Rate (3.71%)</i>	<i>1% Increase (4.71%)</i>
Total OPEB Liability	\$14,281,199	\$12,700,180	\$11,370,467

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, 2018	\$ 14,694,242	\$ -	\$ 14,694,242
Changes:			
Service Cost	-	-	-
Interest	471,554	-	471,554
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(199,491)	-	(199,491)
Changes of Assumptions	(1,896,319)	-	(1,896,319)
Contributions			
Employer - City's Contribution	-	-	-
Employer - Implicit Subsidy	-	-	-
Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(369,806)	-	(369,806)
Implicit Rate Subsidy Fulfilled	-	-	-
Administrative Expenses	-	-	-
Net Changes	(1,994,062)	-	(1,994,062)
Balance as of December 31, 2019	\$ 12,700,180	\$ -	\$ 12,700,180

For the year ended December 31, 2018, the City recognized an OPEB expense of \$ -1,624,256.

At December 31, 2019, 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>	\$ -	\$ -
<i>Changes of assumptions</i>	\$ -	\$ -
<i>Payments subsequent to the measurement date</i>	\$ 444,286	\$ -
Total	\$ 444,286	\$ -

Deferred outflows of resources of \$444,286 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020.

NOTE 10 – 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:

- 2008 LTGO bonds were issued to refund the remaining debt of the 1999 LTGO bonds. The 1999 LTGO bonds were issued to purchase an additional City Hall Annex (6300 building) and economic revitalization projects.
- 2010 LTGO bonds were issued 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.
- 2011 LTGO refunding bonds were issued to refund a portion of the bonds issued in 2003 for the City's Arterial Street program.
- 2014 LTGO bonds were issued to fund the purchase of land acquisition and capital costs of redevelopment activities within the City's Tukwila International Boulevard (TIB) urban renewal area.
- 2015 LTGO bonds were issued to pay for improvements to Interurban Avenue South and reconstruct or retrofit Boeing Access Road Bridge.
- 2016 LTGO 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.
- 2017 LTGO bonds were issued to fund residential street improvements including adding sidewalks and undergrounding utilities on 42nd and 53rd Avenues.

- 2018 LTGO bonds were issued to fund the purchase of land in order to consolidate the Public Works function at one location.
- 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 also fund construction of the new Justice Center and fire stations as part of the Public Safety Plan.
- 2019 UTGO bonds were issued to fund construction of the new Justice Center and fire stations as part of the Public Safety Plan.

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:

- 2013 LTGO bonds were issued and the proceeds loaned to the Tukwila Metropolitan Park District to pay for improvements to the pool.
- 2017 refunding bond was issued to pay off the 2014 general obligation bond in the form of a line-of-credit that was utilized to purchase property and pay for capital costs of redevelopment activities within the City's Urban Renewal area.

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.

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.

State of Washington Public Works Trust Fund Loans are a 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:

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

- 2003 loan to install new sewers in the Duwamish neighborhood. The project upgraded water and surface water infrastructure.
- 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, 2018.

CHANGES IN LONG-TERM LIABILITIES SUMMARY – GOVERNMENTAL ACTIVITIES

	GENERAL OBLIGATION	DIRECT PLACEMENT/ BORROWINGS	SPECIAL ASSESSMENT	COMPENSATED ABSENCES	DUE TO OTHER GOVERNMENTS	OTHER POST EMPLOY- MENT BENEFITS	NET PENSION LIABILITY	TOTAL
Outstanding 01/01/2019	\$ 71,282,000	\$ 2,690,309	\$ 4,320,000	\$ 3,462,032	\$ 5,729,600	\$ 14,694,242	\$ 6,849,477	\$ 109,027,660
Added	60,600,000	-	-	3,382,849	4,921,702	-	-	68,904,551
Retired / redeemed	(3,731,000)	(97,521)	(410,000)	(3,462,032)	(5,729,600)	(1,994,062)	(680,773)	(16,104,988)
Outstanding 12/31/2019	\$ 128,151,000	\$ 2,592,788	\$ 3,910,000	\$ 3,382,849	\$ 4,921,702	\$ 12,700,180	\$ 6,168,704	\$ 161,827,223
Add Premiums, Subtract Discounts								11,545,350
Total Long-Term Liabilities								<u>\$ 173,372,573</u>

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, and pensions.

Governmental Activities							
Year Ended December 31	General Obligation Bonds		Due to Other Governments		Special Assessments		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	2,340,000	5,179,158	175,930	200,819	445,000	223,613	8,564,519
2021	2,650,000	4,862,643	177,376	199,519	445,000	203,588	8,538,126
2022	5,152,000	4,746,614	184,606	192,424	445,000	183,563	10,904,206
2023	5,489,000	4,510,677	191,836	185,040	445,000	163,574	10,985,126
2024	5,512,000	4,258,021	199,548	177,366	445,000	143,513	10,735,448
2025-2029	30,741,000	17,332,206	1,146,678	737,797	1,685,000	334,863	51,977,544
2030-2034	40,957,000	10,521,503	1,454,676	430,003	-	-	53,363,182
2035-2039	35,310,000	2,930,000	1,391,052	116,341	-	-	39,747,393
Totals	\$ 128,151,000	\$ 54,340,821	\$ 4,921,702	\$ 2,239,309	\$ 3,910,000	\$ 1,252,711	\$ 194,815,543

Governmental Activities - Direct Placement/Borrowings							
Year Ended December 31	General Obligation Bonds		Due to Other Governments		Special Assessments		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	101,461	70,845	-	-	-	-	172,306
2021	105,560	71,298	-	-	-	-	176,858
2022	2,385,766	71,585	-	-	-	-	2,457,351
Totals	\$ 2,592,788	\$ 213,726	\$ -	\$ -	\$ -	\$ -	\$ 2,806,514

CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

ITEM	Interest		OUTSTANDING				OUTSTANDING		Due Within
	Rates	Maturity	Authorized	12/31/2018	ISSUED	REDEEMED	12/31/2019	One Year	
GOVERNMENTAL ACTIVITIES:									
<u>Limited General Obligation (LTGO) Bonds Payable:</u>									
2008 Refunding-Streets/Facilities	4.00-6.00	12/01/19	6,180,000	765,000	-	765,000	-	-	
2010 Streets / Equipment	2.00-5.41	12/01/24	5,870,000	2,755,000	-	425,000	2,330,000	435,000	
2011 Refunding Streets (2003 GO)	1.25-4.00	12/01/23	4,620,000	2,480,000	-	460,000	2,020,000	475,000	
2014 LTGO-Urban Renewal	0.85-4.86	12/01/34	3,850,000	3,257,000	-	156,000	3,101,000	160,000	
2015 LTGO-Interurban, BAR	2.25-3.00	12/01/35	5,825,000	5,150,000	-	240,000	4,910,000	245,000	
2017 LTGO-42nd & 53rd Streets	3.00-3.50	12/01/37	8,180,000	7,875,000	-	315,000	7,560,000	325,000	
2018 LTGO - Public Works Shops	4.00-5.00	12/01/38	18,365,000	18,365,000	-	-	18,365,000	-	
2019 LTGO - Public Safety Plan	3.00-5.00	12/1/2039	22,830,000	-	22,830,000	-	22,830,000	-	
Total LTGO Bonds Payable			75,720,000	40,647,000	22,830,000	2,361,000	61,116,000	1,640,000	
<u>Unlimited General Obligation (UTGO) Bonds Payable:</u>									
2016 UTGO - Public Safety	4.50-5.00	12/01/35	77,385,000	30,635,000	-	1,370,000	29,265,000	310,000	
2019 UTGO - Public Safety	3.00-5.00	12/1/2039	37,770,000	-	37,770,000	-	37,770,000	390,000	
Total UTGO Bonds Payable			115,155,000	30,635,000	37,770,000	1,370,000	67,035,000	700,000	
<u>Direct Placement/Borrowings</u>									
2013 LTGO-MPD Pool Improve	2.00-4.00	12/01/22	1,000,000	414,309	-	97,521	316,788	101,461	
2017 Refunding Line of Credit	2.60-3.00	12/01/22	2,276,000	2,276,000	-	-	2,276,000	-	
Total Direct Placements/Borrowings			3,276,000	2,690,309	-	97,521	2,592,788	101,461	
Issuance premiums			-	5,923,595	6,013,636	391,881	11,545,350	655,732	
Net Bonds Payable			194,151,000	79,895,904	66,613,636	4,220,402	142,289,138	3,097,194	
<u>Due to Other Governments</u>									
2009 Facility SCORE	3.00-6.62	01/01/39	6,898,800	5,729,600	-	5,729,600	-	-	
2019 SCORE Refunding	3.00-5.00	01/01/39	4,921,702	-	4,921,702	-	4,921,702	175,930	
Total Due Other Governments			11,820,502	5,729,600	4,921,702	5,729,600	4,921,702	175,930	
<u>Special Assessment Debt</u>									
Klickitat Urban Access Project	3.150-5.375	01/15/29	6,687,500	4,320,000	-	410,000	3,910,000	445,000	
Total Special Assessment Debt			6,687,500	4,320,000	-	410,000	3,910,000	445,000	
Other Post-Employment Benefits Payable				14,694,242	-	1,994,062	12,700,180	-	
Net Pension Liability				6,849,477	-	680,773	6,168,704	-	
Compensated Absences:				3,462,032	3,382,849	3,462,032	3,382,849	-	
Total Governmental Funds			\$ 212,659,002	\$ 114,951,255	\$ 74,918,187	\$ 16,496,869	\$ 173,372,573	\$ 3,718,124	

All governmental funds debt is liquidated by the general fund except for the special assessment debt and the 2009 SCORE intergovernmental debt. The special assessment debt is liquidated from assessments collected annually from property owners within boundaries of Local Improvement District #33. The 2009 SCORE debt was paid by SCORE from user fees.

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

	DIRECT PLACEMENT REVENUE BONDS	PUBLIC WORKS TRUST FUND LOANS	COMPENSATED ABSENCES	NET PENSION LIABILITY	TOTAL
Outstanding 01/01/2019	\$ 1,304,763	\$ 3,848,055	\$ 312,822	\$ 1,296,814	\$ 6,762,454
Added	-	-	-	-	-
Retired / redeemed	(150,736)	(599,468)	(12,286)	(309,508)	(1,071,998)
Outstanding 12/31/2019	\$ 1,154,027	\$ 3,248,587	\$ 300,536	\$ 987,306	\$ 5,690,456

Debt Service to Maturity

Following are schedules showing 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	
2020	156,614	27,004	599,468	16,243	799,329
2021	157,178	23,339	599,468	9,246	789,231
2022	162,531	19,662	573,417	10,248	765,858
2023	162,560	15,858	573,417	7,381	759,217
2024	167,363	12,054	573,417	4,514	757,349
2025-2029	347,781	12,255	205,875	6,176	572,087
2030-2034	-	-	123,525	1,235	124,760
Totals	\$ 1,154,027	\$ 110,173	\$ 3,248,587	\$ 55,045	\$ 4,567,831

CHANGES IN LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES

ITEM	Interest		OUTSTANDING				OUTSTANDING	Due Within
	Rates	Maturity	Authorized	12/31/2018	ISSUED	REDEEMED	12/31/2019	One Year
BUSINESS-TYPE ACTIVITIES:								
<u>Direct Placement Revenue Bonds</u>								
2015 Water/Sewer/SWM Refunding	2.34	12/01/26	1,742,527	1,304,763	-	150,736	1,154,027	156,614
Total Bonds Payable			1,742,527	1,304,763	-	150,736	1,154,027	156,614
<u>Public Works Trust Fund Loans:</u>								
2003 Loan-Water/Sewer	0.50	06/01/21	273,870	43,359	-	14,453	28,906	14,453
2003 Loan-Surface Water	0.50	06/01/21	219,725	34,794	-	11,598	23,196	11,598
2004 Loan-Water/Sewer	0.50-2.00	06/01/24	5,016,000	1,637,318	-	272,887	1,364,431	272,886
2004 Loan-Surface Water	0.50-2.00	06/01/24	684,000	223,271	-	37,212	186,059	37,212
2004 Loan-Surface Water	1.00	06/01/24	4,196,056	1,332,865	-	222,144	1,110,721	222,144
2014 Loan-Sewer	0.5	06/01/32	750,000	576,450	-	41,175	535,275	41,175
Total Public Works Trust Fund Loans			11,139,651	3,848,057	-	599,470	3,248,587	599,468
Net Pension Liability				1,296,814	-	309,508	987,306	-
Compensated Absences				312,822	-	12,286	300,536	18,224
Total Business-Type Activities			\$ 12,882,178	\$ 6,762,456	\$ -	\$ 1,072,000	\$ 5,690,456	\$ 774,306
TOTAL ALL FUNDS			\$ 225,541,180	\$ 121,713,711	\$ 74,918,187	\$ 17,568,869	\$ 179,063,029	\$ 4,492,430

LONG-TERM LIABILITIES RECONCILIATION

	Governmental Activities	Business-Type Activities	Balance 12/31/2019
General Obligation Bonds	\$ 128,151,000	\$ -	\$ 128,151,000
General Obligation Bonds			
- Direct Placement/Borrowings	2,592,788	-	2,592,788
Special assessment bonds	3,910,000	-	3,910,000
Revenue Bonds - Direct Placement	-	1,154,027	1,154,027
Public Works Trust Fund loans	-	3,248,587	3,248,587
Due to Other Governments	4,921,702	-	4,921,702
Employee leave benefits	3,382,849	300,536	3,683,385
Net Premiums/Discounts	11,545,350	-	11,545,350
Other Post-Employment Benefits	12,700,180	-	12,700,180
Net Pension Liability	6,168,704	987,306	7,156,010
Total long-term debt	\$ 173,372,573	\$ 5,690,456	\$ 179,063,029

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, 2019, 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	\$ 111,066,606	\$ 185,111,011	\$370,222,022	\$555,333,032
Outstanding Net Indebtedness	75,117,711	142,152,711	142,152,711	142,152,711
Margin Available	\$ 35,948,895	\$ 42,958,300	\$228,069,310	\$413,180,321

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, 2019, \$1,569,600 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 sixth of 15 annual installments for the assessments was due by October 16, 2019.

As of December 31, 2019, the amount of LID Special Assessments that were delinquent was \$1,243. During 2019, five property owners chose to pay the assessment in full. Because of the additional principal payments received, the City has enough funds in the LID No. 33 funds to meet debt service requirements in 2020.

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, 2019 is \$0 for its tax-exempt bond issues subject to the Tax Reform Act.

Unused Lines of Credit

2017 refunding bond was issued to pay off the 2014 general obligation bond in the form of a line-of-credit that was utilized to purchase property and pay for capital costs of redevelopment activities within the City's Urban Renewal area. This is the City's only line of credit and there is no portion of this line of credit that is unused.

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 11 – COMMITMENTS

Construction Commitments. As of December 31, 2019, contractual obligations to contractors for construction projects total \$48,873,482.

	Remaining Commitment
Governmental Activities	
42nd Ave S Phase III	\$ 114,385
Strander Blvd Extension Grant Refund	622,363
Public Safety Plan	45,620,392
Boeing Access Road Bridge Overpass	40,340
West Valley Highway	428,489
53rd Avenue South	729,644
Other governmental projects	44,323
Total Governmental Activities	\$ 47,599,935
Business-Type Activities Projects	
Small Drainage	\$ 523,548
Tukwila 205 Levee Certification Phase I & II	77,823
Riverton Creek Flapgate	27,381
East Marginal Way Stormwater Outfalls	219,572
Green the Green	111,742
Storm Water Quality Retrofit	256,381
Other Utility related projects	57,100
Total Business-Type Activities	\$ 1,273,546
Total Construction Commitments	\$ 48,873,482

NOTE 12 – 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 is being undertaken by the major liable parties. Once that process is completed and communicated to the City, which could occur in 2020, the City will be in a better position to estimate its potential liability for cleanup costs within the Lower Duwamish Waterway Superfund site.

NOTE 13 – 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 163 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 and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members’ deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 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 \$18,272 in unemployment in 2019. This expense is budgeted in the Finance Department within the general fund and Foster Golf Course, and enterprise fund. 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 \$175,000. 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 judgement.

The following table reflects changes in the balances of claims liabilities for 2019 and 2018.

SUMMARY OF HEALTH CARE CLAIM LIABILITIES

ITEM	Active Employees		Retired Employees LEOFF I	
	2019	2018	2019	2018
Claim Liabilities at Beginning of Year	\$ 1,320,159	\$ 1,932,248	\$ 146,147	\$ 196,659
Claim expenses:				
Current year and changes in estimates	6,613,385	6,223,659	444,286	339,056
Claim payments and expenses	(6,858,334)	(6,835,748)	(426,392)	(389,568)
Claim Liabilities at End of Year	\$ 1,075,210	\$ 1,320,159	\$ 164,041	\$ 146,147

NOTE 14 – SUBSEQUENT EVENTS

In early 2020, the spread of the Coronavirus disease (COVID-19) caused a global pandemic. Along from the dire public health aspects, there were also serious economic consequences. The response to the pandemic included stay-at-home orders from the governor of the State of Washington and a declaration of emergency by the mayor of the City of Tukwila.

Mandatory business closures will have a severe impact on the City's revenue stream in 2020 as sales tax revenue is the City's largest revenue stream. As a result, the City's administration is endeavoring to reduce costs in order to soften the economic impact of lost revenue to the City.

On June 24, 2020, the City issued its Limited Tax General Obligation Refunding Bond, 2020 in the aggregate principal amount of \$1,995,000. The bond was issued under the Ordinance No. 2630 to defease and refund the City's outstanding Limited Tax General Obligation Bonds, 2010B.



CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 48,354,642	\$ 48,454,642	\$ 47,192,051	\$ (1,262,591)
Licenses and permits	5,714,894	5,823,894	5,554,899	(268,995)
Intergovernmental	4,604,600	4,749,601	4,275,282	(474,319)
Charges for services	3,562,046	3,997,085	3,743,841	(253,244)
Fines and Foreitures	330,218	330,218	245,717	(84,501)
Investment earnings	353,040	353,040	459,648	106,608
Miscellaneous	196,263	239,663	351,431	111,768
Total Revenues	63,115,703	63,948,143	61,822,870	(2,125,273)
EXPENDITURES:				
Current:				
General Government	10,634,391	10,634,391	9,748,979	885,412
Economic environment	3,564,308	3,854,689	3,622,547	232,142
Physical environment	2,058,257	2,058,257	2,041,927	16,330
Public Safety	32,176,003	32,702,363	31,915,911	786,452
Culture and recreation	4,930,512	5,044,562	5,056,310	(11,748)
Transportation	3,354,733	3,770,882	3,774,410	(3,528)
Capital outlay	240,000	261,945	109,051	152,894
Total Expenditures	56,958,204	58,327,089	56,269,134	2,057,955
Excess of Revenues And Expenditures	6,157,499	5,621,054	5,553,736	(67,318)
OTHER FINANCING SOURCES (USES):				
Transfers in	200,000	200,000	-	(200,000)
Transfers out	(6,303,461)	(6,081,393)	(6,031,586)	49,807
Total Other Finar Total Other Financing Sources And Uses	(6,103,461)	(5,881,393)	(6,031,586)	(150,193)
Net change in fund balances	54,038	(260,339)	(477,850)	(217,511)
Fund balances - beginning	19,037,905	20,618,013	20,618,013	(0)
Fund Balances - Ending	\$ 19,091,943	\$ 20,357,674	\$ 20,140,163	\$ (217,511)

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 CAFR.

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>Physical Environment</i>	Includes expenditures for the public works activities not chargeable to the enterprise funds.
<i>Transportation</i>	Includes all street and arterial street maintenance and construction.
<i>Economic Environment</i>	Reflects the planning and building inspection activities.
<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%

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%

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%

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%

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)	(7,187,449)	(18,162,898)	16,581,465	-109.54%	119.43%

*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	Less: Contributions in relation to the				
	Statutorily or contractually required contributions	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%

PERS 2/3

Fiscal Year Ending	Less: Contributions in relation to the				
	Statutorily or contractually required contributions	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%

PSERS

Fiscal Year Ending	Less: Contributions in relation to the				
	Statutorily or contractually required contributions	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%

LEOFF 2

Fiscal Year Ending	Less: Contributions in relation to the				
	Statutorily or contractually required contributions	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%

**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

<u>Total Pension Liability</u>	2014	2015	2016	2017	2018	2019
Service cost	-	-	-	-	-	-
Interest	50,098	49,716	49,332	38,796	-	39,385
Changes of benefit terms	-	-	-	-	-	-
Difference between expected & actual experience	-	(2,442)	(311,190)	-	(2,810)	17,256
Changes of assumptions	-	-	(62,728)	-	(177,772)	(51,490)
Benefits payments, included refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)
Net change in total pension liability	(11,765)	(11,003)	(384,574)	(30,390)	(162,882)	(75,317)
Total pension liability - beginning	1,852,693	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079
Total pension liability - ending (a)	1,840,928	1,829,925	1,445,351	1,414,961	1,252,079	1,176,762
<u>Plan Fiduciary Net Position</u>						
Contributions - employer	64,114	63,590	66,360	68,848	(139)	71,286
Contributions - employee	-	-	-	-	-	-
Net investment income	1,805	2,667	7,988	39,157	(39,477)	27,770
Benefit payments, including refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)
Administrative expense	-	(4,500)	(4,500)	(4,624)	1,124	-
Other	-	-	-	-	2,716	-
Net change in plan fiduciary net position	4,056	3,480	9,860	34,195	(18,076)	18,588
Plan fiduciary net position - beginning	1,408,970	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485
Plan fiduciary net position - ending (b)	1,413,026	1,416,506	1,426,366	1,460,561	1,442,485	1,461,073
City's net pension liability - ending (a) - (b)	427,902	413,419	18,985	(45,600)	(190,406)	(284,311)
Plan fiduciary net position as a percent of total pension liability	76.76%	77.41%	98.69%	103.22%	115.21%	124.16%
Covered employee payroll	-	-	-	-	-	-
City net pension liability as a percent of covered employee payroll	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, 2009	48,537	48,537	-	-	n/a
December 31, 2010	49,989	49,989	-	-	n/a
December 31, 2011	54,865	54,865	-	-	n/a
December 31, 2012	52,249	52,249	-	-	n/a
December 31, 2013	56,962	56,962	-	-	n/a
December 31, 2014	64,114	64,114	-	-	n/a
December 31, 2015	63,590	63,590	-	-	n/a
December 31, 2016	66,360	66,360	-	-	n/a
December 31, 2017	68,848	68,848	-	-	n/a
December 31, 2018	(139)	(139)	-	-	n/a
December 31, 2019	71,286	71,286	-	-	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
2011	0.12%
2012	0.20%
2013	0.17%
2014	0.13%
2015	0.19%
2016	0.56%
2017	2.75%
2018	-2.68%
2019	1.93%

Ten-year schedule required. However, until a full 10-year trend is compiled, information is presented for those years where information is available.

City of Tukwila
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF Plan 1
For the year ended December 31, 2019
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 14,694,242	\$ 26,383,115
Service cost	-	-
Interest	471,554	469,303
Changes in benefit terms	-	-
Differences between expected and actual experience	(199,491)	(3,780,437)
Changes of assumptions	(1,896,319)	(7,947,448)
Benefit payments	(369,806)	(430,291)
Other changes		
Total OPEB liability - ending	<u>12,700,180</u>	<u>14,694,242</u>
Covered-employee payroll	-	-
Total OPEB liability as a % of covered payroll	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.



Nonmajor 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.

- Local Improvement 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 G.O. 2016 – 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 G.O 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.
- 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, 2019

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 2,241,081	\$ 729,840	\$ 6,903,684	\$ 9,874,605
Investments	-	512,286	-	512,286
Taxes receivable	91,301	38,247	86,034	215,582
Other receivables	-	2,135	-	2,135
Customer receivables	-	-	782,642	782,642
Due from other governmental units	-	-	617,994	617,994
Restricted Assets:				
Cash and cash equivalents	28,320	-	313,159	341,478
Notes receivable	-	-	-	-
Capital assets held for resale	-	-	2,539,910	2,539,910
Total Assets	\$ 2,360,702	1,282,509	11,243,423	14,886,633
LIABILITIES AND FUND BALANCES:				
Current liabilities				
Accounts payable	135,845	-	189,751	325,596
Accrued wages and benefits	2,941	-	696	3,636
Interfund loans payable	-	-	336,932	336,932
Customer deposit	-	-	349,727	349,727
Revenue received in advance	-	-	532,796	532,796
Total Liabilities	138,786	-	1,409,902	1,548,687
Deferred inflows of resources				
Unavailable revenue-property tax	-	38,247	-	38,247
Total Deferred Inflows of Resources	-	38,247	-	38,247
Fund balances:				
Restricted	2,221,916	794,379	1,003,978	4,020,272
Assigned	-	449,883	8,507,402	8,957,285
Assigned - 1% arts	-	-	322,141	322,141
Total Fund balances	2,221,916	1,244,262	9,833,521	13,299,699
Total Liabilities and Fund Balances	\$ 2,360,702	\$ 1,282,509	\$ 11,243,423	\$ 14,886,633

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Governmental Funds
REVENUES:				
TAXES:				
Taxes	\$ 819,095	\$ 2,835,199	\$ 268,707	\$ 3,923,001
Charges for services	-	-	1,466,510	1,466,510
Intergovernmental	-	46,794	1,415,342	1,462,136
Investment earnings	40,659	12,225	114,852	167,737
Miscellaneous	83,361	-	70,538	153,898
Total Revenues	943,115	2,894,218	3,335,949	7,173,282
EXPENDITURES:				
Current:				
General government	-	-	54,505	54,505
Economic environment	507,431.73	-	-	507,432
Public safety	31,951.85	-	-	31,952
Cultural and Recreation	-	-	272,685	272,685
Transportation	-	-	808,354	808,354
Debt service				
Principal	-	3,828,521	-	3,828,521
Interest	-	3,127,047	-	3,127,047
Capital Outlay	33,129	-	2,744,612	2,777,740
Transfers in	-	4,064,086	2,069,600	6,133,686
Transfers out	-	-	(1,100,000)	(1,100,000)
Total Other Financing Sources And Uses	-	4,064,086	969,600	5,033,686
Net change in fund balances	370,602	2,736	425,394	798,732
Fund balances - beginning	1,851,313	1,241,525	9,408,128	12,500,966
Fund Balances - Ending	\$ 2,221,916	\$ 1,244,262	\$ 9,833,521	\$ 13,299,699

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
ASSETS:			
Cash and cash equivalents	\$ 2,007,644	\$ 233,437	\$ 2,241,081
Taxes receivable	91,301	-	91,301
Cash and cash equivalents	-	28,320	28,320
Total Assets	\$ 2,098,945	261,757	2,360,702
LIABILITIES AND FUND BALANCES:			
Current liabilities			
Accounts payable	130,807	5,038	135,845
Total Liabilities	133,748	5,038	138,786
Fund balances:			
Restricted	1,965,198	256,718	2,221,916
Total Fund balances	1,965,198	256,718	2,221,916
Total Liabilities and Fund Balances	\$ 2,098,945	\$ 261,757	\$ 2,360,702

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2019

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
REVENUES:			
TAXES:			
Taxes	\$ 819,095	\$ -	\$ 819,095
Investment earnings	35,909	4,750	40,659
Miscellaneous	-	83,361	83,361
Total Revenues	855,004	88,111	943,115
EXPENDITURES:			
Current:			
Economic environment	507,432	-	507,432
Public safety	-	31,952	31,952
Total Expenditures	507,432	65,080	572,512
Excess (deficiency) of revenues			
Over (Under) Expenditures	347,572	23,030	370,602
Net change in fund balances	347,572	23,030	370,602
Fund balances - beginning	1,617,625	233,688	1,851,313
Fund Balances - Ending	\$ 1,965,198	\$ 256,718	\$ 2,221,916

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2019

	Special Assesment Bonds Guaranty Fund 2013	UTGO Bonds 2016 (Public Safety Plan)	LTGO Bond Fund	Nonmajor Debt Service Funds
ASSETS:				
Cash and cash equivalents	\$ 191,322	\$ 88,825	\$ 449,693	\$ 729,840
Investments	512,286	-	-	512,286
Taxes receivable	-	38,247	-	38,247
Other receivables	2,135	-	-	2,135
Total Assets	<u>\$ 705,744</u>	<u>\$ 127,072</u>	<u>\$ 449,693</u>	<u>1,282,509</u>
LIABILITIES AND FUND BALANCES:				
Total Liabilities	-	-	-	-
Fund balances:				
Restricted	705,553	88,825	-	794,379
Assigned	190	-	449,693	449,883
Total Fund balances	<u>705,744</u>	<u>88,825</u>	<u>449,693</u>	<u>1,244,262</u>
Total Liabilities and Fund Balances	<u>\$ 705,744</u>	<u>\$ 127,072</u>	<u>\$ 449,693</u>	<u>\$ 1,282,509</u>

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, 2019

	Special Assessment Bonds Guaranty Fund 2013	UTGO Bonds 2016 (Public Safety Plan)	LTGO Bond Fund	Total Nonmajor Debt Service Funds
REVENUES:				
TAXES:				
OTHER TAXES	-	2,835,199	-	2,835,199
Intergovernmental	-	-	46,794	46,794
Investment earnings	4,985	188	7,053	12,225
Total Revenues	4,985	2,835,386	53,847	2,894,218
EXPENDITURES:				
Current:				
Total Expenditures	-	2,841,675	4,113,893	6,955,568
Excess (deficiency) of revenues				
Over (Under) Expenditures	4,985	(6,289)	(4,060,046)	(4,061,350)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,064,086	4,064,086
Total Other Financing Sources And Uses	-	-	4,064,086	4,064,086
Net change in fund balances	4,985	(6,289)	4,040	2,736
Fund balances - beginning	700,759	95,114	445,652	1,241,525
Fund Balances - Ending	\$ 705,744	\$ 88,825	\$ 449,693	\$ 1,244,262

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	Residential Street	Land Acq. Rec & Park Development	Urban Renewal	General Government Improvements	Fire Improvements	Total Nonmajor Capital Project Funds
ASSETS:						
Cash and cash equivalents	\$ 0.00	\$ 1,226,443	\$ 5,004,388	\$ 672,853	\$ (0)	\$ 6,903,684
Taxes receivable	86,034	-	-	-	-	86,034
Customer receivables	782,642	-	-	-	-	782,642
Due from other governmental units	617,994	-	-	-	-	617,994
Restricted Assets:						
Cash and cash equivalents	-	-	-	-	313,159	313,159
Capital assets held for resale	-	-	2,539,910	-	-	2,539,910
Total Assets	\$ 1,486,670	\$ 1,226,443	\$ 7,544,298	\$ 672,853	313,159	11,243,423
LIABILITIES AND FUND BALANCES:						
Current liabilities						
Accounts payable	146,857	28,745	-	14,149	-	189,751
Accrued wages and benefits	608	-	-	87	-	696
Total Liabilities	1,345,085	48,270	-	16,547	-	1,409,902
Deferred inflows of resources						
Unavailable revenue-impact fee	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund balances:						
Restricted	-	690,819	-	-	313,159	1,003,978
Assigned	141,586	165,213	7,544,298	656,306	-	8,507,402
Assigned - 1% arts	-	322,141	-	-	-	322,141
Total Fund balances	141,586	1,178,173	7,544,298	656,306	313,159	9,833,521
Total Liabilities and Fund Balances	\$ 1,486,670	\$ 1,226,443	\$ 7,544,298	\$ 672,853	\$ 313,159	\$ 11,243,423

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Residential Street	Land Acq. Rec & Park Development	Urban Renew al	General Government Improvements	Fire Improvements	Total Nonmajor Capital Projects Funds
REVENUES:						
TAXES:						
Taxes	\$ 77,604	\$ 191,103	\$ -	\$ -	\$ -	\$ 268,707
Charges for services	160,630	67,703	-	-	1,238,177	1,466,510
Intergovernmental	1,397,573	17,769	-	-	-	1,415,342
Investment earnings	1,860	24,415	70,146	10,586	7,845	114,852
Miscellaneous	70,538	-	-	-	-	70,538
Total Revenues	1,708,205	300,990	70,146	10,586	1,246,022	3,335,949
EXPENDITURES:						
Current:						
General government	-	-	40,266	14,238	-	54,505
Cultural and Recreation	-	272,685	-	-	-	272,685
Transportation	808,354	-	-	-	-	808,354
Capital Outlay	2,723,809	3,000	(0)	17,803	-	2,744,612
Total Expenditures	3,532,163	275,685	40,266	32,041	-	3,880,155
Excess (deficiency) of revenues						
Over (Under) Expenditures	(1,823,958)	25,305	29,879	(21,455)	1,246,022	(544,206)
OTHER FINANCING SOURCES (USES):						
PROCEEDS FROM CAPITAL LEASE						
Transfers in	1,850,000	19,600	-	200,000	-	2,069,600
Transfers out	-	-	-	-	(1,100,000)	(1,100,000)
Total Other Financing Sources And Uses	1,850,000	19,600	-	200,000	(1,100,000)	969,600
Net change in fund balances	26,042	44,905	29,879	178,545	146,022	425,394
Fund balances - beginning	115,544	1,133,268	7,514,419	477,761	167,136	9,408,128
Fund Balances - Ending	\$ 141,586	\$ 1,178,173	\$ 7,544,298	\$ 656,306	\$ 313,159	\$ 9,833,521

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 775,000	\$ 775,000	\$ 819,095	\$ 44,095
Investment earnings	3,000	3,000	35,909	32,909
Total Revenues	778,000	778,000	855,004	77,004
EXPENDITURES:				
Current:				
Economic environment	693,130	693,130	507,432	185,698
Total Expenditures	693,130	693,130	507,432	185,698
Excess of Revenues And Expenditures	84,870	84,870	347,572	262,702
Net change in fund balances	84,870	84,870	347,572	262,702
Fund balances - beginning	1,370,302	1,617,625	1,617,625	0
Fund Balances - Ending	\$ 1,455,172	\$ 1,702,495	\$ 1,965,198	\$ 262,703

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	-	-	4,750	4,750
Miscellaneous	55,000	55,000	83,361	28,361
Total Revenues	55,000	55,000	88,111	33,111
EXPENDITURES:				
Current:				
Public Safety	60,000	60,000	31,952	28,048
Total Expenditures	60,000	60,000	65,080	(5,080)
Excess of Revenues And Expenditures	(5,000)	(5,000)	23,030	28,030
Net change in fund balances	(5,000)	(5,000)	23,030	28,030
Fund balances - beginning	226,507	226,507	233,688	7,181
Fund Balances - Ending	\$ 221,507	\$ 221,507	\$ 256,718	\$ 35,211

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RESIDENTIAL STREET CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	1,000,000	1,000,000	1,397,573	397,573
Charges for services	-	-	-	-
Investment earnings	20,000	20,000	1,860	(18,140)
Miscellaneous	-	-	70,538	70,538
Total Revenues	2,702,000	2,702,000	1,708,205	(993,795)
EXPENDITURES:				
Current:				
Transportation	400,000.00	400,000.00	808,354	(408,354)
Capital outlay	6,216,000	4,216,000	2,723,809	1,492,192
Total Expenditures	6,616,000	4,616,000	3,532,163	1,083,837
Excess of Revenues And Expenditures	(3,914,000)	(1,914,000)	(1,823,958)	90,042
OTHER FINANCING SOURCES (USES):				
Transfers in	1,300,000	1,850,000	1,850,000	-
Total Other Finar Total Other Financing Sources And Uses	1,300,000	1,850,000	1,850,000	-
Net change in fund balances	(2,614,000)	(64,000)	26,042	90,042
Fund balances - beginning	2,826,621	115,544	115,544	(0)
Fund Balances - Ending	\$ 212,621	\$ 51,544	\$ 141,586	\$ 90,042

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 60,000	\$ 60,000	\$ 191,103	\$ 131,103
Intergovernmental	-	695,000	17,769	(677,231)
Charges for services	33,720	33,720	67,703	33,983
Investment earnings	15,000	15,000	24,415	9,415
Total Revenues	108,720	803,720	300,990	(502,730)
EXPENDITURES:				
Current:				
Culture and recreation	-	-	272,685	(272,685)
Capital outlay	605,000	1,275,000	3,000	1,272,000
Total Expenditures	605,000	1,275,000	275,685	999,315
Excess of Revenues And Expenditures	(496,280)	(471,280)	25,305	496,585
OTHER FINANCING SOURCES (USES):				
Transfers in	19,600	19,600	19,600	-
Total Other Finar Total Other Financing Sources And Uses	19,600	19,600	19,600	-
Net change in fund balances	(476,680)	(451,680)	44,905	496,585
Fund balances - beginning	1,019,562	1,019,562	1,133,268	113,706
Fund Balances - Ending	\$ 542,882	\$ 567,882	\$ 1,178,173	\$ 610,291

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	\$ 10,000	\$ 10,000	\$ 70,146	\$ 60,146
Total Revenues	10,000	10,000	70,146	60,146
EXPENDITURES:				
Current:				
General Government	-	-	40,266	(40,266)
Capital outlay	35,000	35,000	(0)	35,000
Total Expenditures	35,000	35,000	40,266	(5,266)
Excess of Revenues And Expenditures	(25,000)	(25,000)	29,879	54,879
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	-	200,000
Total Other Finar Total Other Financing Sources And Uses	(200,000)	(200,000)	-	200,000
Net change in fund balances	(225,000)	(225,000)	29,879	254,879
Fund balances - beginning	2,213,064	7,575,693	7,514,419	(61,274)
Fund Balances - Ending	\$ 1,988,064	\$ 7,350,693	\$ 7,544,298	\$ 193,605

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Investment earnings	500	500	10,586	10,086
Total Revenues	500	500	10,586	10,086
EXPENDITURES:				
Current:				
General Government	-	-	14,238	(14,238)
Capital outlay	353,095	153,095	17,803	135,292
Total Expenditures	353,095	153,095	32,041	121,054
Excess of Revenues And Expenditures	(352,595)	(152,595)	(21,455)	131,140
OTHER FINANCING SOURCES (USES):				
Transfers in	200,000	200,000	200,000	-
Total Other Finar Total Other Financing Sources And Uses	200,000	200,000	200,000	-
Net change in fund balances	(152,595)	47,405	178,545	131,140
Fund balances - beginning	337,761	477,761	477,761	(0)
Fund Balances - Ending	\$ 185,166	\$ 525,166	\$ 656,306	\$ 131,140

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment earnings	100	100	7,845	7,745
Total Revenues	500,100	950,100	1,246,022	295,922
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	500,100	950,100	1,246,022	295,922
OTHER FINANCING SOURCES (USES):				
Total Other Finar Total Other Financing Sources And Uses	(500,000)	(1,100,000)	(1,100,000)	-
Net change in fund balances	100	(149,900)	146,022	295,922
Fund balances - beginning	7,412	167,135	167,136	1
Fund Balances - Ending	\$ 7,512	\$ 17,235	\$ 313,159	\$ 295,924

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment earnings	300	300	4,985	4,685
Total Revenues	300	300	4,985	4,685
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	300	300	4,985	4,685
OTHER FINANCING SOURCES (USES):				
Total Other Finar Total Other Financing Sources And Uses	-	-	-	-
Net change in fund balances	300	300	4,985	4,685
Fund balances - beginning	685,037	685,037	700,759	15,722
Fund Balances - Ending	\$ 685,337	\$ 685,337	\$ 705,744	\$ 20,407

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, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 2,841,675	\$ 2,841,675	\$ 2,835,199	\$ (6,476)
Investment earnings	-	-	188	188
Total Revenues	2,841,675	2,841,675	2,835,386	(6,289)
EXPENDITURES:				
Principal	1,370,000	1,370,000	1,370,000	-
Interest	1,471,675	1,471,675	1,471,675	-
Total Expenditures	2,841,675	2,841,675	2,841,675	-
Excess of Revenues And Expenditures	-	-	(6,289)	(6,289)
OTHER FINANCING SOURCES (USES):				
Total Other Finar Total Other Financing Sources And Uses	-	-	-	-
Net change in fund balances	-	-	(6,289)	(6,289)
Fund balances - beginning	40,117.00	40,117	95,114	54,997
Fund Balances - Ending	\$ 40,117	\$ 40,117	\$ 88,825	\$ 48,708

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 49,807	\$ 49,807	\$ 46,794	\$ (3,013)
Investment earnings	-	-	7,053	7,053
Miscellaneous	427,869	427,869	-	(427,869)
Total Revenues	477,676	477,676	53,847	(423,829)
EXPENDITURES:				
Principal	2,578,697	2,578,697	2,458,521	120,176
Interest	2,400,566	2,012,873	1,655,372	357,501
Total Expenditures	4,979,263	4,591,570	4,113,893	477,677
Excess of Revenues And Expenditures	(4,501,587)	(4,113,894)	(4,060,046)	53,848
OTHER FINANCING SOURCES (USES):				
Transfers in	4,501,586	4,179,518	4,064,086	(115,432)
Total Other Finar Total Other Financing Sources And Uses	4,501,586	4,179,518	4,064,086	(115,432)
Net change in fund balances	(1)	65,624	4,040	(61,584)
Fund balances - beginning	387,865	445,848	445,652	(196)
Fund Balances - Ending	\$ 387,864	\$ 511,472	\$ 449,693	\$ (61,779)

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, 2019

	Equipment Rental	Insurance - Active Employees	Insurance - Leoff I Retirees	Total Internal Service Funds
ASSETS:				
Current assets				
Cash and cash equivalents	\$ 5,123,611	\$ 1,121,954	\$ 117,171	\$ 6,362,736
Investments	-	344,511	473,219	817,730
Receivables	-	23,330	-	23,330
Inventory of materials and supplies	33,131	-	-	33,131
Total Current Assets	5,156,742	1,489,795	590,390	7,236,927
Deferred charges	-	-	-	-
Capital Assets:				
Machinery and equipment	20,350,591	-	-	20,350,591
Less: accumulated depreciation	(12,406,180)	-	-	(12,406,180)
Construction in progress	-	-	-	-
Total Capital Assets (Net Of A/D)	7,944,411	-	-	7,944,411
Total Noncurrent Assets	7,944,411	-	-	7,944,411
Total Assets	13,101,154	1,489,795	590,390	15,181,339
Deferred Outflow s of Resources				
Deferred outflow pension earnings	33,399	-	-	33,399
Total Deferred Outflow s Of Resources	33,399	-	-	33,399
LIABILITIES:				
Accounts payable	118,972	15,300	1,836	136,108
Accrued w ages and benefits	20,768	-	-	20,768
Claims incurred but not reported	-	463,680	61,400	525,080
Total Current Liabilities	139,740	478,980	63,236	681,956
Noncurrent liabilities:				
Reserve for unreported claims	-	993,600	92,100	1,085,700
Net pension liability	126,053	-	-	126,053
Total Noncurrent Liabilities	126,053	993,600	92,100	1,211,753
Total Liabilities	265,793	1,472,580	155,336	1,893,709
Deferred Inflow s of Resources				
Deferred inflow pension earnings	82,308	-	-	82,308
Total Deferred Inflow s Of Resources	82,308	-	-	82,308
NET POSITION:				
Investment in capital assets	7,944,411	-	-	7,944,411
Unrestricted	4,842,041	17,215	435,054	5,294,309
Total Net Position	\$ 12,786,452	\$ 17,215	\$ 435,054	\$ 13,238,721

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Equipment Rental	Insurance - Active Employees	Insurance- Leoff I Retirees	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 2,986,659	\$ 5,862,210	\$ 246,514	\$ 9,095,384
Interest				-
Other operating revenue	310	199,657	-	199,967
Total Operating Revenue	2,986,969	6,061,867	246,514	9,295,350
OPERATING EXPENSES:				
Operations & maintenance	1,252,195	6,546,259	445,647	8,244,100
Administrative & general	368,158	142,959	-	511,117
Depreciation	1,480,739	-	-	1,480,739
Total Operating Expenses	3,101,092	6,689,218	445,647	10,235,957
Operating Income (Loss)	(114,123)	(627,351)	(199,132)	(940,606)
NON-OPERATING REVENUE (EXPENSE):				
Investment earnings	99,027	33,990	36,204	169,221
Gain (loss) on disposal of capital assets	157,376	-	-	157,376
Total Non-Operating Revenue (Expense)	256,404	33,990	36,204	326,597
Income (Loss)	142,281	(593,361)	(162,929)	(614,009)
Change In Net Position	142,281	(593,361)	(162,929)	(614,009)
Net position beginning of year	12,644,171	610,576	597,983	13,852,730
Net Position end of year	\$ 12,786,452	\$ 17,215	\$ 435,054	\$ 13,238,721

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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	\$ 2,986,969	\$ 6,091,552	\$ 246,514	\$ 9,325,036
Cash paid to suppliers	(632,338)	(285,407)	(1,189)	(918,934)
Cash paid for taxes	(1)	-	-	(1)
Cash paid to, or on behalf of, employees	(593,367)	(6,469,481)	(445,452)	(7,508,300)
Interfund activity - payments to other funds	(368,158)	-	-	(368,158)
Net Cash Provided (Used)				
By Operating Activities	1,393,105	(663,335)	(200,126)	529,643
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceed from sale of equipment	157,376	-	-	157,376
Purchase of capital asset	(1,075,883)	-	-	(1,075,883)
Net Cash Provided (Used) For Capital And Related Financing Activities	(918,506)	-	-	(918,506)
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from sale of investments	380,000	1,085,143	-	1,465,143
Interest received	113,039	45,150	3,119	161,308
Net Cash Provided (Used) In Investing Activities	493,039	1,130,292	3,119	1,626,450
Net Increase (Decrease) In Cash And Cash Equivalents	967,638	466,957	(197,008)	1,237,587
Cash and cash equivalents-beginning of year	4,155,973	654,997	314,179	5,125,149
Cash And Cash Equivalents-End Of Year	\$ 5,123,611	\$ 1,121,954	\$ 117,171	\$ 6,362,736
Cash at end of year consists of:				
Cash and cash equivalents	\$ 5,123,611	\$ 1,121,954	\$ 117,171	6,362,736
Total Cash	\$ 5,123,611	\$ 1,121,954	\$ 117,171	\$ 6,362,736

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Page 2 of 2

	Equipment Rental	Insurance - Active Employees	Insurance- Leoff I Retirees	Total Internal Service Funds
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**RECONCILIATION OF NET OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (114,123)	\$ (627,351)	\$ (199,132)	\$ (940,606)
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Adjustments to reconcile operating income to net cash
Provided (used) by operating activities:

Depreciation	1,480,739	-	-	1,480,739
Asset (increases) decreases:				
Accounts receivable	-	29,685	-	29,685
Inventory	(7,301)	-	-	(7,301)
Deferred outflow of resources (increase) decrease	(3,333)	-	-	(3,333)
Liability increases (decreases):				
Accounts payable	72,839	(65,670)	(994)	6,175
Wages and benefits payable	4,395	-	-	4,395
Deferred inflow of resources increase (decrease)	(40,111)	-	-	(40,111)
Total Adjustments	1,507,228	(35,984)	(994)	1,470,249

Net Cash Provided (Used) By Operating Activities	\$ 1,393,105	\$ (663,335)	\$ (200,126)	\$ 529,643
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**SCHEDULE OF NONCASH INVESTING, CAPITAL AND
FINANCING ACTIVITIES**

Increase (decrease) in fair value of investment	3,572	-	-	3,572
Total Non Cash Investing, Capital And Financing Activities	\$ 3,572	\$ -	\$ -	\$ 3,572

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance				Balance
	January 1, 2019	Additions	Deductions		December 31, 2019
ASSETS					
Cash and cash equivalents	\$ 249,099	\$ -	\$ (107,787)	\$	141,312
Receivables	4,534	-	(3,734)		800
Other Current Assets	-	431,000	-		431,000
Total Assets	253,633	431,000	(111,521)		573,112
LIABILITIES					
Accounts and other payables	253,633	49,189	(170,399)		132,423
Total Liabilities	253,633	49,189	(170,399)		132,423
Net Postion					
Restrcited	-	381,811	58,878		440,690
Total Net Position	\$ -	\$ 381,811	\$ 58,878	\$	440,690

City of Tukwila
STATISTICAL SECTION
 December 31, 2019

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	138
Schedule 2	Changes in Net Position.....	140
Schedule 3	Fund Balances, Governmental Funds.....	142
Schedule 4	Changes in Fund Balances, Governmental Funds	144
Schedule 5	General Governmental Tax Revenues by Source	146

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.....	147
Schedule 7	Assessed and Estimated Actual Value of Taxable Property.....	148
Schedule 8	Property Tax Rates-Direct and Overlapping Governments	149
Schedule 9	Principal Property Taxpayers	150
Schedule 10	Retail Sales Tax Collections by Sector	152
Schedule 11	Sales Tax Rate Direct and Overlapping Governments	154

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	156
Schedule 13	Ratios of General Bonded Debt Outstanding.....	158
Schedule 14	Computation of Direct and Overlapping Debt	159
Schedule 15	Legal Debt Margin Information	160

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.....	162
Schedule 17	Principal Employers.....	163

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.....	164
Schedule 19	Operating Indicators by Function	165
Schedule 20	Capital Assets by Function.....	166

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

Page 1 of 2

	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 177,078,793	\$ 199,511,779	\$ 203,206,940	\$ 207,660,389
Restricted	23,005,792	5,019,817	2,749,680	3,480,002
Unrestricted	12,119,923	21,479,064	20,194,333	26,981,105
Total governmental activities net position	\$ 212,204,508	\$ 226,010,660	\$ 226,150,953	\$ 238,121,496
Business-type activities:				
Net investment in capital assets	\$ 44,759,489	\$ 52,134,799	\$ 52,911,741	\$ 55,955,595
Restricted	430,444	430,444	430,444	430,444
Unrestricted	11,158,081	10,225,558	11,011,319	12,964,539
Total business-type activities net position	\$ 56,348,014	\$ 62,790,801	\$ 64,353,504	\$ 69,350,577
Primary government:				
Net investment in capital assets	\$ 221,838,282	\$ 248,636,920	\$ 253,253,170	\$ 263,615,984
Restricted	23,436,236	5,450,261	3,180,123	3,910,445
Unrestricted	23,278,004	34,714,280	34,071,164	39,945,644
Total primary government net position	\$ 268,552,522	\$ 288,801,461	\$ 290,504,457	\$ 307,472,073

Notes:*(a) All amounts are reported on the accrual basis***Source:**

Tukwila Finance Department

Page 2 of 2

2014	2015	2016	2017	2018	2019
\$ 191,081,461	\$ 191,331,156	\$ 193,113,026	\$ 199,328,694	\$ 201,997,812	\$201,649,103
3,973,726	5,446,074	8,996,183	13,480,068	16,962,377	18,692,944
25,009,212	16,125,592	15,809,945	11,366,545	12,407,297	17,772,776
<u>\$ 220,064,399</u>	<u>\$ 212,902,822</u>	<u>\$ 217,919,155</u>	<u>\$ 224,175,306</u>	<u>\$ 231,367,487</u>	<u>\$238,114,823</u>
\$ 57,677,764	\$ 59,483,424	\$ 60,807,030	\$ 65,355,778	\$ 68,680,695	\$ 68,362,159
430,444	-	-	-	-	-
13,839,529	14,658,912	17,240,620	17,425,401	18,988,782	22,104,664
<u>\$ 71,947,736</u>	<u>\$ 74,142,335</u>	<u>\$ 78,047,650</u>	<u>\$ 82,781,179</u>	<u>\$ 87,669,477</u>	<u>\$ 90,466,823</u>
\$ 248,759,225	\$ 250,814,581	\$ 253,920,056	\$ 264,684,471	\$ 270,678,507	\$270,011,262
4,404,170	5,446,074	8,996,183	13,480,068	16,962,377	18,692,944
38,848,741	30,784,504	33,050,565	28,791,946	31,396,080	39,877,441
<u>\$ 292,012,136</u>	<u>\$ 287,045,158</u>	<u>\$ 295,966,804</u>	<u>\$ 306,956,485</u>	<u>\$ 319,036,964</u>	<u>\$328,581,646</u>

CITY OF TUKWILA, WASHINGTON
SCHEDULE 2
CHANGES IN NET POSITION ^(a)

Page 1 of 2

	2010	2011	2012	2013
Expenses				
Governmental Activities				
General Government	\$ 7,052,717	\$ 9,150,573	\$ 8,343,107	\$ 10,195,049
Public Safety	26,088,644	25,348,318	26,598,432	25,938,946
Physical Environment	2,533,394	2,885,175	3,625,696	2,610,591
Transportation	6,015,197	6,872,708	7,314,707	7,658,280
Economic Environment	4,579,338	4,712,832	4,801,342	5,209,954
Mental and Physical Health	4,539	4,591	-	-
Culture and Recreation	4,756,676	4,203,824	4,242,725	5,635,347
Interest on Long Term Debt	1,061,419	472,438	1,152,063	1,038,851
Total Governmental Activities	52,091,924	53,650,459	56,078,072	58,287,017
Business Type Activities				
Water/Sewer Utility	9,343,368	10,092,903	10,149,557	10,421,064
Foster Golf Course	1,935,014	1,986,747	1,701,131	1,707,993
Surface Water Utility	2,476,170	2,588,098	2,699,767	2,563,132
Total Business Type Activities	13,754,552	14,667,748	14,550,455	14,692,189
Total Primary Government Expenses	\$ 65,846,476	\$ 68,318,207	\$ 70,628,527	\$ 72,979,205
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 1,080,801	\$ 2,462,671	\$ 1,332,418	\$ 1,495,438
Public Safety	819,043	809,806	684,744	871,919
Physical Environment	6,200	7,572	4,939	27,407
Transportation	571,110	345,373	1,004,911	287,956
Economic Environment	1,787,274	1,722,285	2,323,528	2,786,178
Cultural and Recreation	811,679	1,001,117	481,404	744,014
Operating Grants and Contributions	2,139,029	2,250,601	4,411,618	3,289,818
Capital Grants and Contributions	23,992,563	18,495,127	1,581,882	16,947,529
Total Governmental Activities Program Revenues	31,207,699	27,094,552	11,825,444	26,450,258
Business Type Activities				
Charges for Services				
Water/Sewer Utility	9,665,095	11,711,242	11,758,658	13,146,131
Foster Golf Course	1,425,327	1,304,016	1,448,729	1,404,264
Surface Water Utility	3,029,630	3,355,956	3,827,010	3,913,184
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	7,390,545	1,993,537	135,603	338,943
Total Business Type Activities Program Revenues	21,510,597	18,364,751	17,170,000	18,802,521
Total Primary Government Program Revenues	52,718,296	45,459,303	28,995,444	45,252,779
Net (Expense)/Revenue				
Governmental Activities	(20,884,225)	(26,555,907)	(44,252,628)	(31,836,759)
Business Type Activities	7,756,045	3,697,003	2,619,546	4,110,332
Total Primary Government Net Expense	\$ (13,128,180)	\$ (22,858,904)	\$ (41,633,082)	\$ (27,726,426)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Tax	\$ 13,363,096	\$ 13,443,137	\$ 14,131,605	\$ 14,510,241
Retail Sales and Use Tax	14,669,328	15,796,054	15,441,683	16,316,398
Natural Gas Use Tax	533,811	317,531	232,208	204,457
Hotel/Motel Tax	458,092	555,682	522,033	526,832
Utility Tax	5,600,683	7,534,260	5,535,966	3,879,992
Interfund Utility Taxes	-	-	-	1,686,859
Business Tax	4,205,574	667,679	2,497,606	2,570,111
Excise Tax	507,798	2,170,293	2,860,948	2,745,475
Unrestricted Investment Earnings	108,929	275,477	116,694	102,486
Gain/Loss on Sale of Capital Assets	-	-	-	-
Miscellaneous	1,951,936	2,085,740	1,997,335	2,166,215
Transfers	1,399,310	525,864	1,056,843	1,060,650
Total Governmental Activities	42,798,557	43,371,717	44,392,921	45,769,716
Business Type Activities				
Retail Sales and Use Taxes	329,527	-	-	-
Unrestricted Investment Interest	85,942	61,119	-	-
Gain/Loss on Sale of Capital Assets	-	-	-	-
Miscellaneous	97,541	200,871	-	-
Transfers	(1,399,310)	(525,864)	(1,056,843)	(1,060,650)
Total Business Type Activities	(886,300)	(263,874)	(1,056,843)	(1,060,650)
Total Primary Government	41,912,257	43,107,843	43,336,078	44,709,066
Change in Net Position Before Special Item		20,248,939	1,702,996	16,982,640
Special item				
Change in Net Position	41,912,257	20,248,939	1,702,996	16,982,640
Governmental Activities	\$ 21,914,332	\$ 16,815,810	\$ 140,293	\$ 13,932,957
Business Type Activities	6,869,745	3,433,129	1,562,703	3,049,682
Total Primary Government	\$ 28,784,077	\$ 20,248,939	\$ 1,702,996	\$ 16,982,640

Notes:

(a) All amounts are reported on the accrual basis

Source:

Tukwila Finance Department

Page 2 of 2

2014	2015	2016	2017	2018	2019
\$ 10,289,399	\$ 8,042,254	\$ 9,662,207	\$ 9,835,290	\$ 10,763,025	\$ 10,018,004
29,292,587	29,403,206	31,418,713	31,190,347	17,097,372	28,273,701
11,668,098	2,611,297	2,554,259	2,545,144	2,645,577	2,902,604
2,479,533	11,069,605	11,188,189	12,236,551	15,871,018	16,378,082
5,716,091	5,782,907	4,410,841	4,523,596	4,411,719	3,893,380
-	-	-	-	-	-
5,336,659	5,125,227	5,431,324	5,582,038	5,591,213	6,076,219
1,204,771	1,033,440	1,075,729	2,481,559	2,748,854	3,009,268
65,987,138	63,067,935	65,741,262	68,394,526	59,128,779	70,551,259
12,752,125	13,186,236	13,984,368	14,305,425	14,861,448	15,957,397
1,945,789	2,086,586	2,077,536	1,989,972	2,091,981	2,128,042
3,310,716	4,147,974	4,088,360	4,209,325	4,464,319	6,166,267
18,008,631	19,420,796	20,150,264	20,504,722	21,417,748	24,251,707
<u>\$ 83,995,769</u>	<u>\$ 82,488,731</u>	<u>\$ 85,891,525</u>	<u>\$ 88,899,247</u>	<u>\$ 80,546,527</u>	<u>\$ 94,802,966</u>
\$ 3,858,862	\$ 3,794,134	\$ 3,742,937	\$ 4,144,986	\$ 5,989,077	\$ 6,565,339
970,594	1,754,856	4,130,701	1,540,863	1,970,331	2,543,188
196,506	-	464	-	-	-
8,425	206,065	454,525	2,206,908	2,261,577	106,958
726,869	3,348,802	2,434,546	2,270,759	3,099,692	3,533,733
2,793,185	644,283	1,140,558	1,315,740	1,415,827	1,914,795
2,563,002	893,470	1,079,020	2,445,998	1,733,308	794,371
8,053,435	6,431,537	5,000,942	6,126,880	9,942,224	2,578,046
19,170,879	17,073,146	17,983,694	20,052,136	26,412,036	18,036,429
14,308,945	15,572,709	15,661,118	16,580,965	17,203,158	17,831,892
1,406,440	1,482,288	1,426,385	1,313,871	1,563,320	1,610,152
4,168,313	5,286,233	5,875,343	6,200,589	6,417,368	6,797,683
-	-	25,000	8,435	54,697	228,755
1,548,280	2,039,890	767,732	834,392	767,504	280,570
21,431,978	24,381,122	23,755,578	24,938,251	26,006,046	26,749,053
40,602,857	41,454,268	41,739,272	44,990,386	52,418,082	44,785,482
(46,816,260)	(45,994,789)	(47,757,566)	(48,342,390)	(32,716,743)	(52,514,829)
3,423,348	4,960,326	3,605,314	4,433,529	4,588,299	2,497,346
<u>\$ (43,392,912)</u>	<u>\$ (41,034,463)</u>	<u>\$ (44,152,252)</u>	<u>\$ (43,908,861)</u>	<u>\$ (28,128,445)</u>	<u>\$ (50,017,483)</u>
\$ 14,870,621	\$ 14,320,085	\$ 14,562,501	\$ 17,667,590	\$ 18,008,738	\$ 18,390,051
17,105,322	19,334,152	18,908,190	18,807,201	20,603,617	20,687,748
-	-	-	-	-	-
596,781	677,971	710,267	736,784	833,990	819,095
3,855,544	4,019,288	4,045,916	4,175,013	3,866,859	3,644,470
1,851,013	2,061,098	2,146,515	2,265,747	2,334,522	2,358,608
2,555,999	2,749,140	2,716,257	2,698,352	1,246,798	1,299,085
3,512,894	5,321,281	6,508,665	5,380,662	5,091,447	5,336,066
444,282	475,345	559,733	838,630	1,508,334	1,247,003
-	-	-	-	-	-
1,915,031	2,124,185	2,915,859	2,328,565	2,240,045	5,377,939
(600,000)	-	(300,000)	(300,000)	(300,000)	102,100
46,107,488	51,082,545	52,773,904	54,598,542	55,434,351	59,262,164
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
600,000	-	300,000	300,000	300,000	300,000
600,000	-	300,000	300,000	300,000	300,000
<u>\$ 46,707,488</u>	<u>\$ 51,082,545</u>	<u>\$ 53,073,904</u>	<u>\$ 54,898,542</u>	<u>\$ 55,734,351</u>	<u>\$ 59,562,164</u>
3,314,576	10,048,082	8,921,652	10,989,681	27,605,906	9,544,681
(1,995,000)	(956,798)	-	-	-	-
1,319,576	9,091,285	8,921,652	10,989,681	27,605,906	9,544,681
\$ (2,703,772)	\$ 3,830,958	\$ 5,016,337	\$ 6,256,152	\$ 22,717,608	\$ 6,747,335
4,023,348	5,260,326	3,905,314	4,733,529	4,888,299	2,797,346
<u>\$ 1,319,576</u>	<u>\$ 9,091,285</u>	<u>\$ 8,921,651</u>	<u>\$ 10,989,681</u>	<u>\$ 27,605,906</u>	<u>\$ 9,544,681</u>

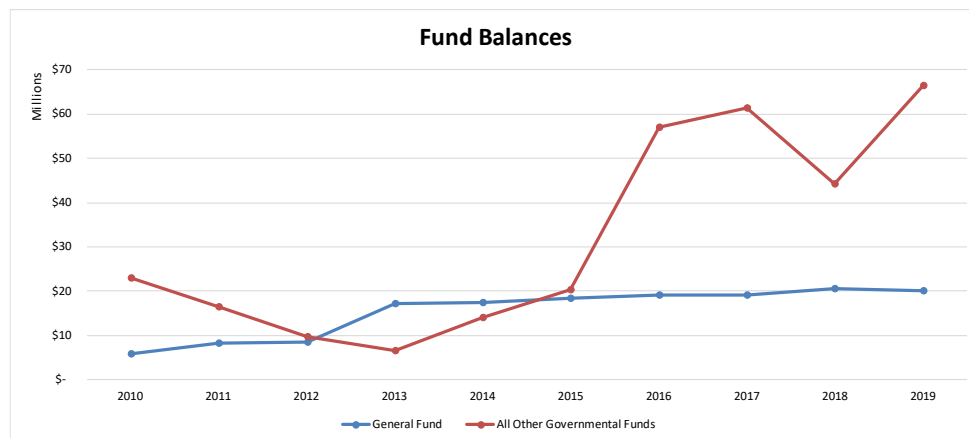
CITY OF TUKWILA, WASHINGTON
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	2010	2011	2012	2013
General Fund (GASB 54)				
Nonspendable	\$ -	\$ 5,000	\$ -	\$ 1,743,362
Restricted	-	-	-	-
Committed	-	18,000	-	-
Assigned	-	-	-	225,000
Unassigned	-	8,237,141	8,378,557	15,317,624
General Fund (Prior to GASB 54)				
Reserved	17,900	-	-	-
Unreserved	5,739,140	-	-	-
Total general fund	\$ 5,757,040	\$ 8,260,141	\$ 8,378,557	\$ 17,285,986
All other governmental funds (GASB 54)				
Nonspendable	-	-	-	-
Restricted	-	5,014,817	2,749,681	3,480,001
Committed	-	402,306	-	-
Assigned	-	11,127,221	7,021,183	4,510,623
Unassigned	-	-	-	(1,566,175)
All other governmental funds (Prior to GASB 54)				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	14,461,546	-	-	-
Debt service funds	3,051	-	-	-
Capital Project funds	8,541,195	-	-	-
Total all other governmental funds	\$ 23,005,792	\$ 16,544,344	\$ 9,770,864	\$ 6,424,449

Note: In 2011 the City of Tukwila implemented GASB Statement No. 54, which changed the categories for fund balances. Balances prior to 2011 were not restated to the new standards.

Source:
 Tukwila Finance Department



Page 2 of 2

2014	2015	2016	2017	2018	2019
\$ 1,544,022	\$ 1,340,914	\$ 1,141,484	\$ 927,373	\$ 718,190	\$ 508,447
-	-	-	-	-	-
-	-	-	-	-	-
5,771,471	6,078,648	6,277,929	105,000	181,078	397,736
10,181,057	10,911,244	11,612,330	18,040,352	19,718,745	19,233,980
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,496,550</u>	<u>\$ 18,330,806</u>	<u>\$ 19,031,744</u>	<u>\$ 19,072,725</u>	<u>\$ 20,618,013</u>	<u>\$ 20,140,163</u>
7,370,000	7,645,000	\$ 7,645,000	\$ -	\$ -	\$ -
3,973,726	5,446,074	45,986,463	51,236,443	32,531,984	48,694,929
-	-	-	-	-	-
4,076,803	7,221,870	3,389,139	10,282,709	11,819,299	17,705,991
(1,360,218)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,060,311</u>	<u>\$ 20,312,943</u>	<u>\$ 57,020,602</u>	<u>\$ 61,519,152</u>	<u>\$ 44,351,283</u>	<u>\$ 66,400,920</u>

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

page 1 of 2

	2010	2011	2012	2013
Revenues				
Taxes	\$37,267,918	\$38,035,681	\$41,502,608	\$42,402,070
Licenses and Permits	1,618,830	3,473,910	1,604,594	2,013,875
Intergovernmental	14,525,872	24,059,907	7,626,487	7,190,325
Charges for Services	2,366,174	2,359,600	3,974,356	3,747,646
Fines and Forfeitures	390,079	308,027	220,752	242,638
Investment Income	144,258	275,479	106,286	151,911
Special Assessments	-	-	-	2,788,350
Miscellaneous	891,307	356,409	131,979	427,368
Total Revenues	57,204,438	68,869,013	55,167,062	58,964,183
Expenditures				
General Government	8,387,317	8,253,440	8,504,511	9,303,742
Public Safety	24,676,370	24,327,498	24,918,306	25,720,884
Physical Environment	1,724,147	2,060,482	3,022,516	1,935,895
Transportation	2,332,178	2,676,511	2,769,182	3,111,493
Economic Environment	4,541,845	4,682,646	4,767,944	5,224,964
Mental & Physical Health	4,539	4,591	-	-
Culture and Recreation	4,163,503	3,507,150	3,373,000	4,386,392
Debt Service				
Principal	1,555,028	1,766,774	1,991,540	5,024,991
Interest	849,148	881,850	1,178,464	1,162,649
Capital Outlay	11,513,976	25,643,704	12,099,293	5,854,962
Total Expenditures	59,748,051	73,804,646	62,624,756	61,725,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,543,613)	(4,935,633)	(7,457,694)	(2,761,786)
Other Financing Sources (Uses)				
Transfers In	2,461,806	11,001,619	7,625,792	20,918,983
Transfers In - Assessment	-	-	-	2,788,350
Transfers Out	(1,020,857)	(10,061,205)	(6,174,358)	(23,301,516)
Capital Leases	110,509	15,468	-	-
Sale of Capital Assets	27,308	21,406	9,903	5,493
General Obligation Bonds Issued	6,935,000	5,055,688	-	1,000,000
General Obligation Refunding Bonds Issued	-	-	-	-
LID Bonds Assessment	-	-	-	6,687,500
Operating Loan-Tukwila MPD	-	-	(658,706)	-
Premium on General Obligation Debt	112,151	-	-	-
Premium on General Obligation Refunding Debt	-	-	-	-
Issuance Costs on General Obligation Refunding Debt	-	-	-	-
Payment to Refunded Bond Escrow Agent	(1,069,000)	(5,055,688)	-	-
Total Other Financing Sources (Uses)	7,556,917	977,288	802,631	8,098,809
Change in Fund Balance Before Special Item	5,013,304	(3,958,345)	(6,655,063)	5,337,023
Special Item	-	-	-	-
Net Change in Fund Balances	\$ 5,013,304	\$ (3,958,345)	\$ (6,655,064)	\$ 5,337,023

Ratio of Debt Service Expenditures To Total Non-Capital Expenditures	5.20%	5.80%	6.70%	11.07%
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Note:

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

Source:

Tukwila Finance Department

page 2 of 2

2014	2015	2016	2017	2018	2019
\$ 44,441,783	\$48,548,116	\$49,588,492	\$51,655,075	\$ 51,988,591	\$ 5,554,899
2,114,638	2,242,256	2,129,221	2,749,137	4,875,454	7,495,781
14,298,126	11,839,883	10,067,413	12,739,774	15,919,377	7,442,843
3,838,531	3,935,248	3,911,473	5,767,228	6,801,719	245,748
264,934	261,457	318,459	325,216	291,604	-
479,219	475,345	541,299	826,864	1,538,534	515,266
701,723	650,415	542,180	478,838	415,660	515,923
354,395	332,268	957,158	942,784	407,151	75,715,199
66,493,348	68,284,989	68,055,695	75,484,915	82,238,092	97,485,658
7,505,173	7,708,394	9,405,989	9,585,551	10,491,432	-
27,254,312	29,035,165	29,366,198	30,899,412	34,331,520	5,328,994
1,807,993	1,935,228	1,955,031	1,733,400	1,805,457	32,920,292
5,820,601	5,792,668	5,238,468	6,532,195	10,015,938	-
5,226,832	5,832,384	4,493,210	4,614,027	4,686,528	2,041,927
-	-	-	-	-	-
4,680,651	4,350,052	4,543,339	4,664,129	4,852,138	7,653,280
2,288,988	2,480,507	2,602,782	3,713,928	4,092,196	3,344,809
961,457	1,125,609	1,093,584	2,603,869	2,977,523	51,397,863
10,150,912	11,426,274	8,358,450	14,761,715	47,601,490	120,859,149
65,696,921	69,686,279	67,057,051	79,108,226	120,854,221	223,546,315
796,428	(1,401,291)	998,643	(3,623,311)	(38,616,129)	(126,060,657)
7,300,080	5,633,846	4,025,831	6,354,496	7,742,669	-
-	-	-	-	3,119,513	-
(7,900,080)	(5,933,846)	(4,325,831)	(6,654,496)	(8,042,669)	60,600,000
-	-	-	-	-	-
-	-	-	(100,000)	-	-
3,850,000	8,075,000	32,990,000	10,456,000	18,365,000	6,013,637
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	309,758	3,719,954	356,839	1,809,036	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,250,000	8,084,758	36,409,954	10,412,839	22,993,549	66,613,637
4,046,428	6,683,467	37,408,597	6,789,528	(15,622,580)	(59,447,020)
(1,995,000)	(956,798)	-	-	-	-
\$ 2,051,428	\$ 5,726,669	\$37,408,597	\$ 6,789,528	\$(15,622,580)	\$(59,447,020)
6.70%	6.30%	6.30%	9.80%	9.65%	53.31%

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
2010	13,188,942	14,251,312	6,134,494	2,488,357	727,151	301,867	37,092,122
2011	13,427,139	16,113,584	5,424,643	1,780,294	667,064	622,955	38,035,681
2012	14,072,015	15,441,683	4,001,385	3,201,098	2,497,606	2,288,822	41,502,608
2013	14,510,241	16,316,398	3,879,992	2,745,475	2,570,111	2,418,148	42,440,365
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
Change 2010-2019	39.4%	45.2%	-40.6%	114.4%	78.7%	952.7%	41.6%

Notes:

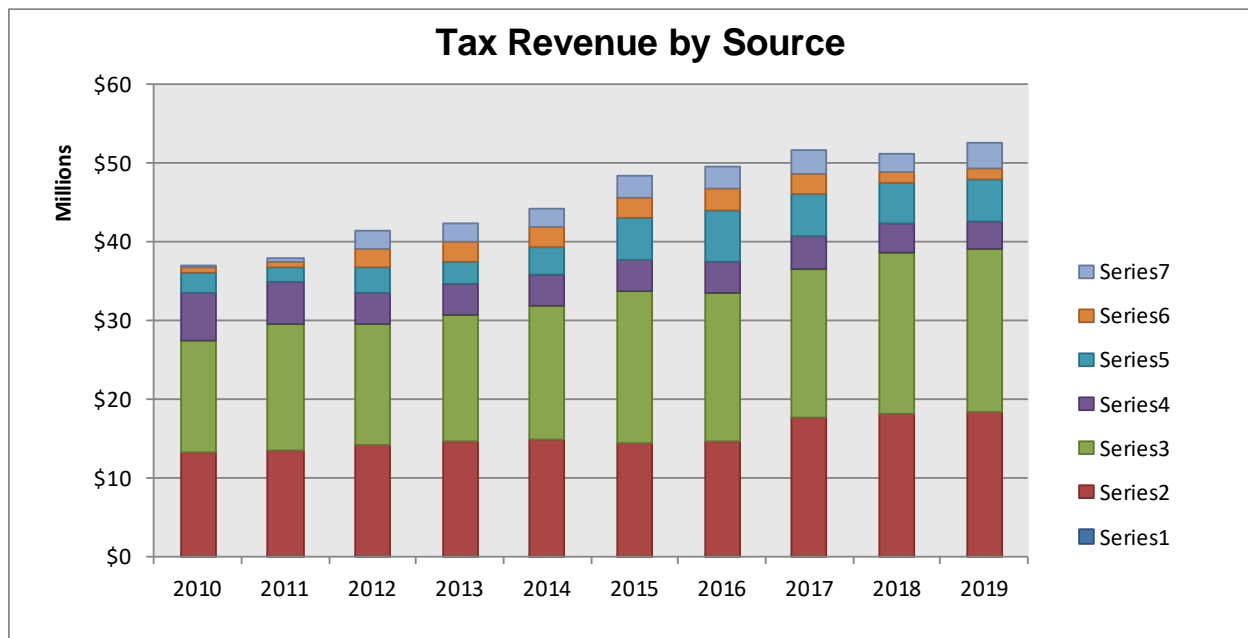
(a) Beginning in 2017, property tax includes a voter approved excess levy for public safety facilities.

(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 assessed at a 6.0% rate.

Source:

Tukwila Finance Department



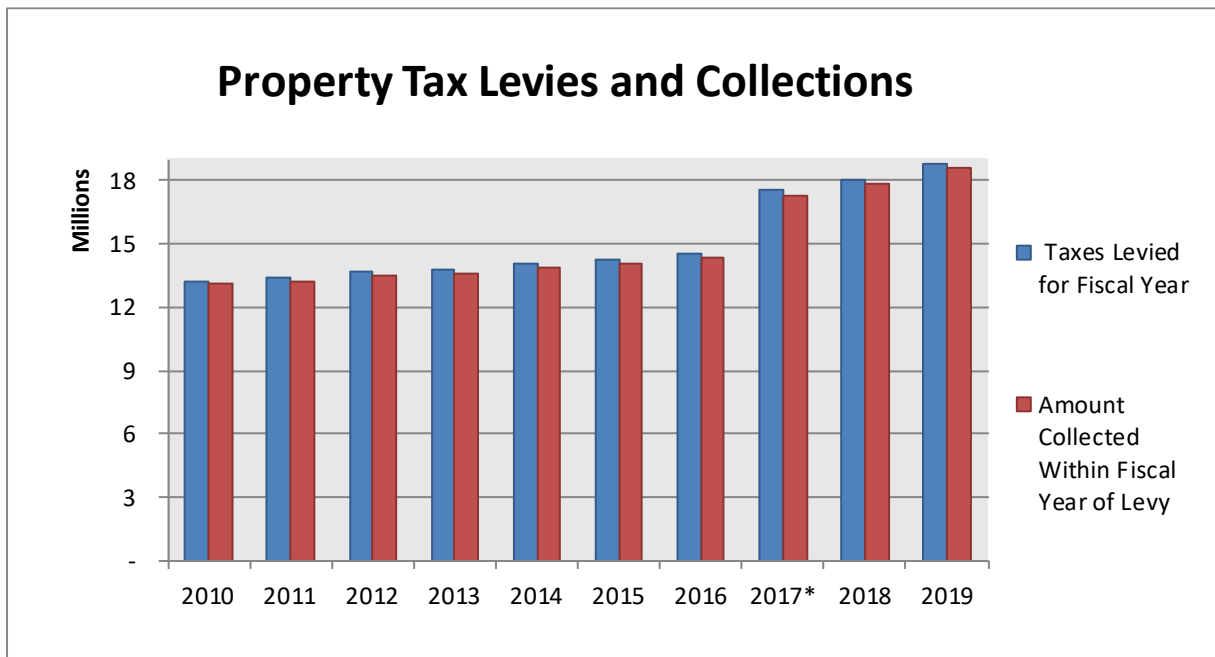
CITY OF TUKWILA, WASHINGTON
SCHEDULE 6
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

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	Levy Balance
2010	13,233,796	13,152,012	99.38%	81,314	13,233,326	100.00%	470
2011	13,383,153	13,225,338	98.82%	157,203	13,382,542	100.00%	611
2012	13,697,474	13,521,621	98.72%	171,931	13,693,552	99.97%	3,922
2013	13,740,076	13,549,525	98.61%	187,011	13,736,537	99.97%	3,539
2014	14,047,317	13,916,718	99.07%	129,201	14,045,918	99.99%	1,399
2015	14,245,846	14,113,739	99.07%	130,749	14,244,488	99.99%	1,358
2016	14,516,623	14,375,358	99.03%	138,989	14,514,347	99.98%	2,276
2017*	17,551,561	17,262,965	98.36%	238,745	17,501,710	99.72%	49,852
2018	18,006,677	17,844,087	99.10%	111,654	17,955,742	99.72%	50,935
2019	18,796,071	18,648,149	99.21%	93,982	18,742,132	99.71%	53,939

*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
2010	3,950,829,851	717,795,417	119,827,058	4,788,452,326	2.82566
2011	3,833,295,985	712,607,656	129,726,102	4,675,629,743	2.95408
2012	3,778,571,709	736,480,616	134,138,983	4,649,191,308	2.98778
2013	3,824,448,044	779,103,146	152,822,498	4,756,373,688	2.97799
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	5,835,967,000	678,435,063	171,517,113	6,685,919,176	2.81805
2019	6,377,594,325	760,313,756	214,068,301	7,351,976,382	2.73416

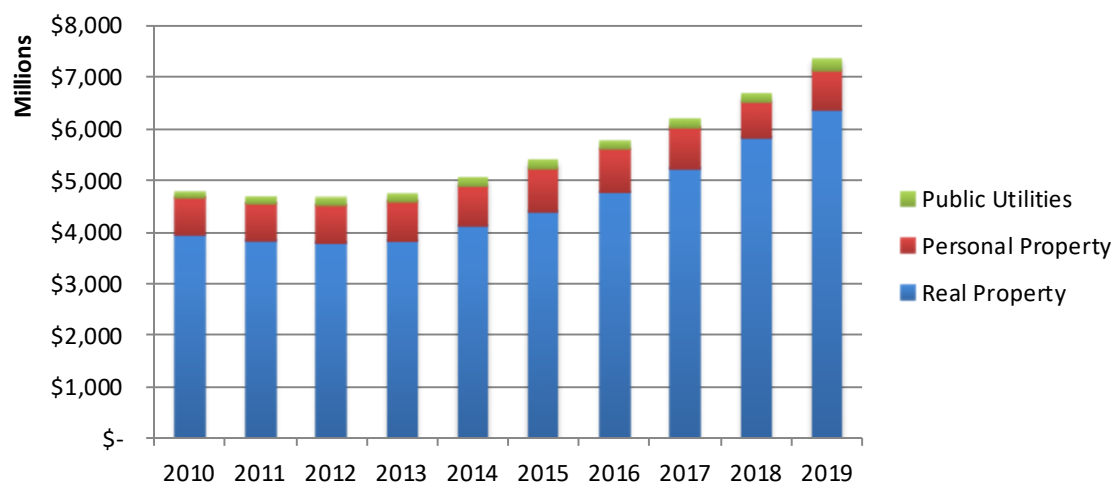
Note:

**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

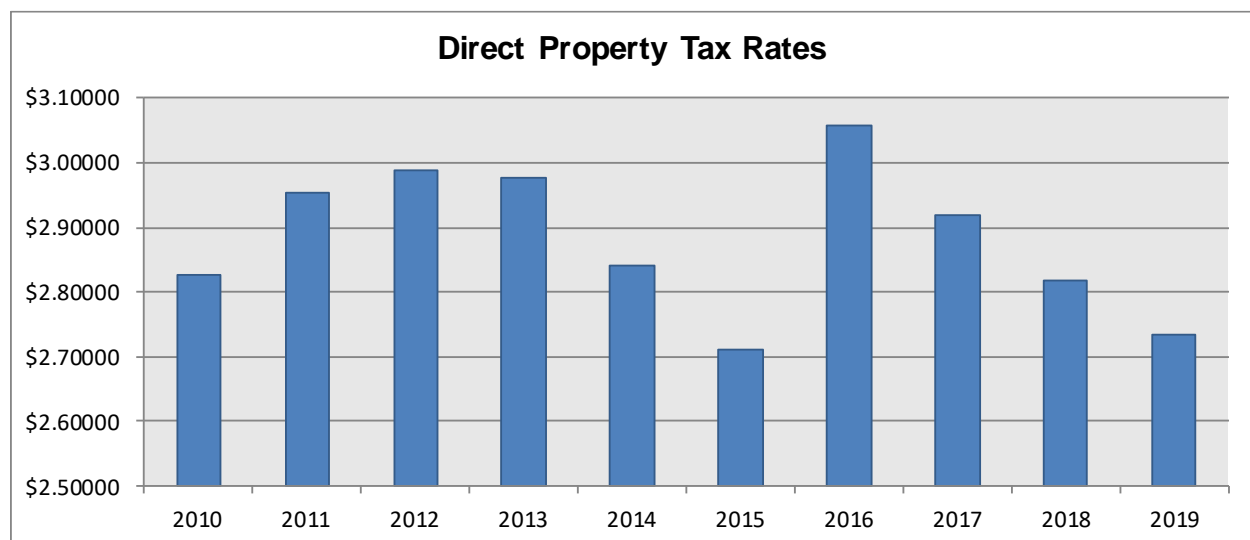
-----CITY OF TUKWILA-----													Central Puget Sound Regional Transit Authority	Total
Fiscal Year	General Levy	Special Levy	Total	WA State	King County ^(a)	Port of Seattle	Emergency Medical Service	Tukwila School Dist #406	Flood Control	Tukwila Pool Metropolitan Park District	Hospital District #1			
2010	2.82566	-	2.82566	2.27990	1.90797	0.22366	0.30000	5.03380	0.10976	-	0.55753	-	-	13.23828
2011	2.95408	-	2.95408	2.42266	1.98580	0.22982	0.30000	5.44659	0.11616	-	0.50372	-	-	13.95883
2012	2.98778	-	2.98778	2.56720	2.11172	0.23324	0.30000	5.69832	0.13210	0.15000	0.50000	-	-	14.68036
2013	2.97799	-	2.97799	2.47044	2.08129	0.21533	0.33500	5.89098	0.15369	0.14944	0.50000	-	-	14.77416
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

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	2019 Assessed Valuation	Percent of 2019 Total Assessed Value ^(a)	2010 Assessed Valuation	Percent of 2010 Total Assessed Value ^(b)
Boeing	Airplane company	\$ 588,854,306	8.01%	\$ 475,982,216	9.94%
WEA Southcenter LLC	Department Stores	345,696,269	4.70%	303,396,501	6.34%
Boeing Employees Credit Union	Credit Union	132,493,778	1.80%	41,707,218	0.87%
Sabey Corporation	Real Estate Development	126,213,700	1.72%	-	0.00%
Segale Properties	Commercial Properties	122,343,738	1.66%	-	0.00%
Prologis	Real Estate Development	104,427,000	1.42%	-	0.00%
KIR Tukwila	Commercial Properties	91,376,800	1.24%	80,284,983	1.68%
LIT Industrial Limited Partnership	Business Services	90,032,200	1.22%	-	0.00%
Washington Towers LP	Lodging	87,054,600	1.18%	-	0.00%
LIT Kent Valley	Business Services	74,017,700	1.01%	-	0.00%
Puget Sound Energy/Gas-Electric	Electric/Gas Utility	39,623,012	0.54%	24,196,815	0.51%
La Planta LP	Commercial Properties	-	0.00%	-	0.00%
Reef America Reit II Corporation	Commercial Properties	-	0.00%	69,955,400	1.46%
BCRP Riverview Plaza LLC	Commercial Properties	-	0.00%	26,154,200	0.55%
Sea-Tuk Warehouse LLC	Food Distribution	-	0.00%	34,871,500	0.73%
Sterling Realty Organization	Commercial Properties	-	0.00%	34,984,800	0.73%
Walton CWWA Eproperty Tax Incorporated (McElroy)	Investment Property	-	0.00%	62,809,300	1.31%
Federated Department Stores (Macy's)	Department Stores	-	0.00%	30,160,200	0.63%
TOTALS		\$ 1,802,133,103	24.51%	\$ 1,184,503,133	24.74%

Notes:

(a) In 2018 the total assessed property value in the City of Tukwila was \$ 6,685,919,176.

(b) In 2009 the total assessed property value in the City of Tukwila was \$ 4,982,452,351.

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	2010	2011	2012	2013
Construction and Contracting	\$ 917,250	\$ 1,390,952	\$ 961,125	\$ 1,212,594
Finance, Insurance & Real Estate	99,975	115,123	143,792	174,705
Manufacturing	387,234	232,737	390,252	386,964
Transportation, Communications & Utilities	441,822	405,197	432,608	475,688
Wholesale - Durable/Non-durable Goods	1,346,750	1,119,527	1,077,613	1,108,771
Retail Trade - General Merchandise	2,068,263	2,003,947	2,000,865	2,154,523
Retail Trade - Home Furnishings/Electronics	1,380,407	1,771,083	1,537,143	1,405,274
Retail Trade - Miscellaneous	1,521,741	1,626,452	1,703,741	1,870,200
Retail Trade - Clothing & Accessories	2,018,304	2,037,554	2,082,930	2,070,198
Retail Trade - Restaurants	1,342,964	1,337,067	1,472,343	1,529,101
Retail Trade - Automotive/Gas	664,310	670,806	690,076	690,691
Retail Trade - Building Materials	499,383	487,620	516,861	565,734
Service Industries - Business	882,012	932,422	928,610	968,996
Service Industries - Hotels	428,450	459,606	487,977	502,721
Service Industries - Other	215,045	202,217	234,870	246,802
All Other Categories	366,925	553,493	381,693	525,133
Total Retail Sales Tax Collections	\$ 14,580,835	\$ 15,345,801	\$ 15,042,499	\$ 15,888,089

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.

page 2 of 2

page 2 of 2

	2014	2015	2016	2017	2018	2019
\$	829,073	\$ 1,255,650	\$ 1,383,624	\$ 1,413,773	\$ 1,623,112	\$ 2,218,910
	141,010	163,161	175,060	125,978	143,696	65,075
	322,189	281,501	269,117	177,788	262,700	238,694
	549,126	743,746	746,115	721,413	1,016,226	1,055,296
	1,592,613	2,016,722	1,295,141	1,176,868	1,309,170	1,153,607
	2,137,256	2,205,778	2,202,158	2,131,267	2,187,854	2,167,481
	1,431,965	1,527,377	1,623,926	1,613,643	1,649,843	1,715,419
	1,973,478	1,954,150	2,032,967	2,077,239	2,131,804	2,089,854
	2,013,796	2,159,647	2,089,128	2,066,858	2,084,482	1,996,280
	1,611,860	1,703,187	1,751,724	1,886,139	2,009,051	2,080,421
	765,765	825,143	743,468	800,580	1,385,284	1,063,607
	600,610	683,485	733,928	805,324	813,656	835,211
	1,073,511	1,265,789	1,467,620	1,436,825	2,051,035	2,039,153
	562,130	626,822	650,270	650,332	717,341	744,823
	274,497	273,514	253,089	267,544	394,128	346,020
	468,547	978,142	845,209	812,656	115,128	106,610
\$	15,888,089	\$ 18,663,814	\$ 18,262,544	\$ 18,164,227	\$ 19,894,510	\$ 19,916,461

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

	2010	2011	2012	2013	2014	2015	2016	2017 ^(c)	2018	2019
<u>BASIC SALES TAX RATES</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%	0.25%	0.25%	0.25%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	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%	9.50%	9.50%	9.50%	9.50%	10.00%	10.00%
<u>SPECIAL SALES TAX RATES</u>										
Restaurants ^(a)	0.50%	0.50%	0.50%	-	-	-	-	-	-	-
Motor Vehicles ^(b)	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%

Notes:

(a) King County Food & Beverage tax is in addition to the combined sales tax rate for restaurants, taverns and bars.

The funds are used to finance the professional baseball stadium in Seattle.

* **NOTE: This tax expired on October 1, 2011 as taxes imposed to pay the construction bonds for the Seattle baseball stadium expired.**

(b) 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.

(c) Effective April 1, 2009, the Regional Transit Authority Tax increased five-tenths of one percent (.005).

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.

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

	2010	2011	2012	2013	2014
<u>GOVERNMENTAL ACTIVITIES</u>					
General Obligation Bonds ^(c)	\$ 26,763,975	\$ 28,006,800	\$ 25,752,600	\$ 21,727,609	\$ 23,851,376
Special Assessment ^(d)	-	-	-	6,687,500	6,687,500
Leases	40,184	35,891	-	-	-
Total Governmental Activities	26,804,159	28,042,691	25,752,600	28,415,109	30,538,876
<u>BUSINESS-TYPE ACTIVITIES</u>					
General Obligation Bonds	3,238,825	-	-	-	-
Revenue Bonds	4,395,000	3,980,000	3,540,000	3,075,000	2,580,000
Public Works Trust Fund Loans	7,788,843	7,179,635	6,621,342	6,063,071	5,742,866
Leases	-	-	-	-	-
Total Business-Type Activities	15,422,668	11,159,635	10,161,342	9,138,071	8,322,866
TOTAL PRIMARY GOVERNMENT^(a)	\$ 42,226,827	\$ 39,202,326	\$ 35,913,942	\$ 37,553,180	\$ 38,861,742
Population ^(b)	19,107	19,486	19,611	19,765	19,920
Per Capita Personal Income ^(b)	\$ 56,098	\$ 59,371	\$ 66,043	\$ 66,692	\$ 72,696
Percentage of Personal Income	3.94%	3.39%	2.77%	2.85%	2.68%
Debt Per Capita	\$ 2,210	\$ 2,012	\$ 1,831	\$ 1,900	\$ 1,951

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.

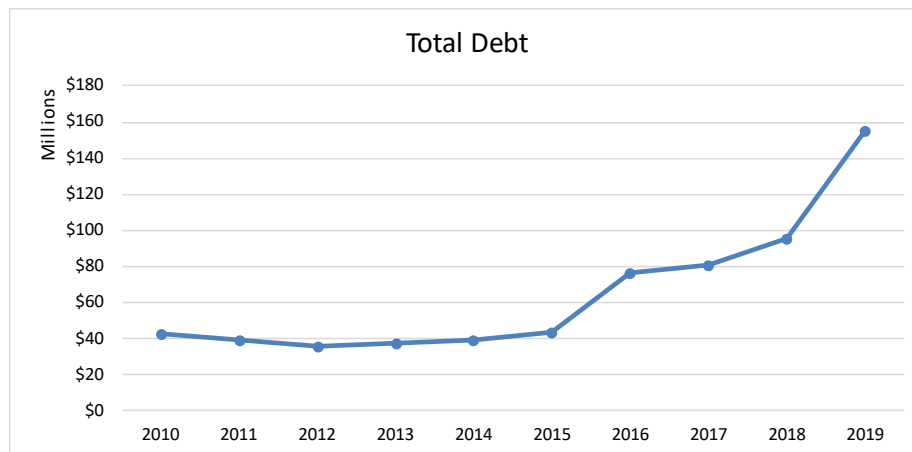
*** Data not available at time of publication.

Sources:

U.S. Census Bureau

WA State Office of Financial Management

City of Tukwila Finance Department



Page 2 of 2

2015	2016	2017	2018	2019
\$ 30,084,437	\$ 64,589,264	\$ 69,576,786	\$ 85,625,504	\$ 147,210,840
6,082,500	5,412,500	4,805,000	4,320,000	3,910,000
-	-	-	-	-
36,166,937	70,001,764	74,381,786	89,945,504	151,120,840
-	-	-	-	-
1,742,527	1,597,704	1,454,422	1,304,763	1,154,027
5,646,458	5,046,900	4,447,522	3,848,055	3,248,587
-	-	-	-	-
7,388,985	6,644,604	5,901,944	5,152,818	4,402,614
\$ 43,555,922	\$ 76,646,368	\$ 80,283,729	\$ 95,098,322	\$ 155,523,454
19,300	19,540	19,660	19,800	20,294
\$ 76,226	\$ 79,323	\$ 83,383	***	***
2.96%	4.95%	4.90%	***	***
\$ 2,257	\$ 3,923	\$ 4,084	\$ 4,803	\$ 7,664

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)	Debt Payable from Enterprise Revenues ^(c)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2010	19,107	4,809,486,786	29,950,150	-	3,050	3,238,825	26,708,275	0.56%	1,398
2011	19,486	4,752,606,030	28,006,800	-	3,330,312	-	24,676,488	0.52%	1,266
2012	19,611	4,649,191,308	25,752,600	-	3,012,381	-	22,740,219	0.49%	1,160
2013	19,765	4,756,373,688	21,727,609	6,687,500	696,346	-	27,718,763	0.58%	1,402
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	-	-	1,855,519	-	(1,855,519)	-0.03%	(94)
2018	19,800	6,685,919,176	-	4,320,000	1,903,729	-	2,416,271	0.04%	122
2019	20,347	6,673,839,922	147,210,840	3,910,000	1,993,612	-	149,127,228	2.23%	7,329

Note:

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

(b) Includes both restricted and assigned fund balance available for debt service payment.

(c) These amounts are the general obligation bonds that are being repaid by the Foster Golf Course Fund.

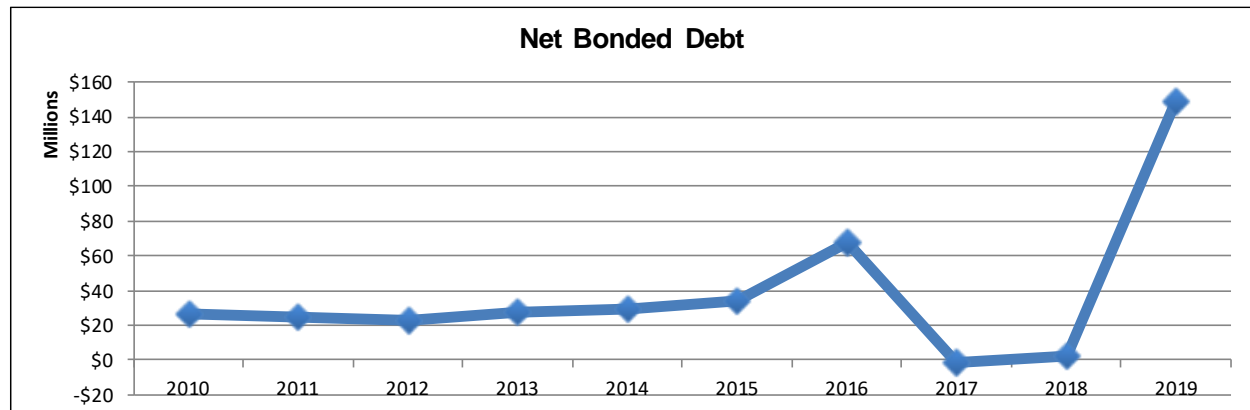
Sources:

U.S. Census Bureau

State of Washington Office of Financial Management

King County Department of Assessments

Tukwila Finance Department



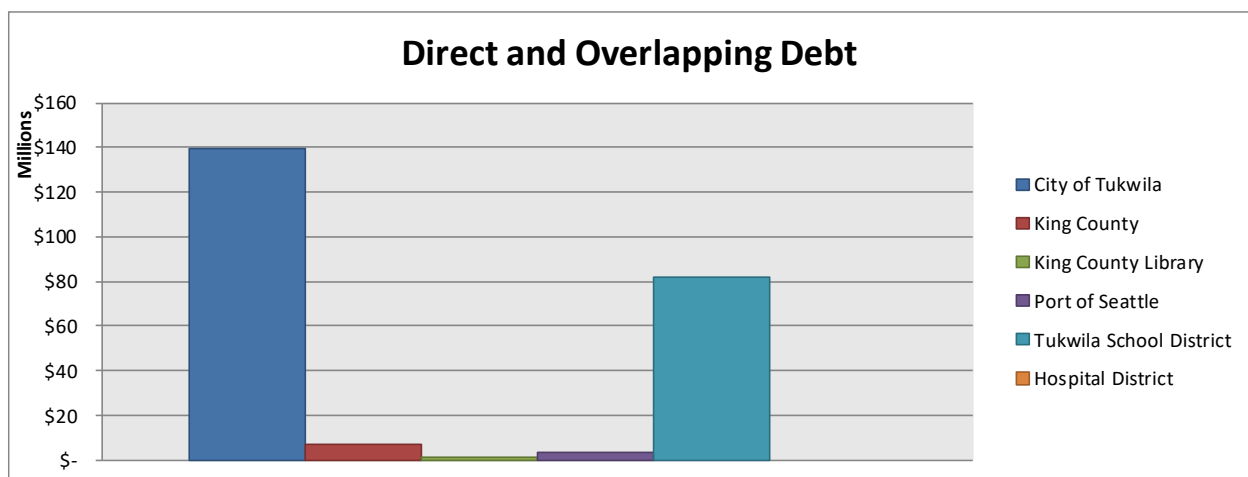
CITY OF TUKWILA, WASHINGTON
SCHEDULE 14
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2019

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to Tukwila ⁽¹⁾	Estimated Applicable to Tukwila
Direct:			
City of Tukwila	\$ 139,575,490	100.00%	\$ 139,575,490
Overlapping:			
King County	637,704,694	1.10%	7,014,752
King County Library	66,743,220	1.86%	1,241,424
Port of Seattle	335,470,000	1.10%	3,690,170
Tukwila School District #406	82,168,678	99.96%	82,135,811
Total Overlapping Debt:	<u>1,122,086,592</u>		<u>94,082,156</u>
Total Direct and Overlapping Debt:	<u>\$ 1,261,662,082</u>		<u>\$ 233,657,646</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

	2010	2011	2012	2013
Debt Limit	\$ 360,711,509	\$ 356,445,452	\$ 348,689,348	\$ 348,689,348
Total net debt applicable to limit	32,919,123	29,703,995	25,884,632	25,752,600
Legal debt margin	\$ 327,792,386	\$ 326,741,457	\$ 322,804,716	\$ 322,936,748
Total net debt applicable to the limit as a percentage of debt limit	9.13%	8.33%	7.42%	7.39%

Assessed Value as of December 31, 2019	\$6,673,839,922
Debt Limit (7.5% of assessed value)	500,537,994
Debt applicable to limit:	
General obligation bonds	130,743,788
Other long-term debt	
	<u>369,794,206</u>
Less: Amount set aside for repayment of general obligation debt and contracts payable	
Total net debt applicable to limit	130,743,788
Legal debt margin	<u><u>\$ 369,794,206</u></u>

Source:

Tukwila Finance Department

Page 2 of 2

2014	2015	2016	2017	2018	2019
\$ 356,728,027	\$ 379,055,906	\$ 432,273,737	\$ 404,649,384	\$ 461,687,008	\$ 500,537,994
21,727,609	23,288,621	60,208,532	29,322,914	65,128,905	130,743,788
\$ 335,000,418	\$ 355,767,285	\$ 372,065,205	\$ 375,326,470	\$ 396,558,104	\$ 369,794,206
6.09%	6.14%	13.93%	7.25%	14.11%	26.12%

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)
2010	19,107	56,098	1,071,864	3,892	4,107	2,907	11.7%
2011	19,486	59,371	1,156,903	3,894	4,094	2,870	7.6%
2012	19,611	66,043	1,295,169	3,896	4,094	2,902	7.4%
2013	19,765	66,692	1,318,167	3,915	4,094	2,882	5.2%
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	83,383	1,639,310	3,995	4,103	2,961	3.5%
2018	19,800	***	***	4,025	4,667	3,059	3.3%
2019	20,294	***	***	4,235	4,732	2,862	3.4%

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.*

*** *Data not available at time of publication.*

Sources:

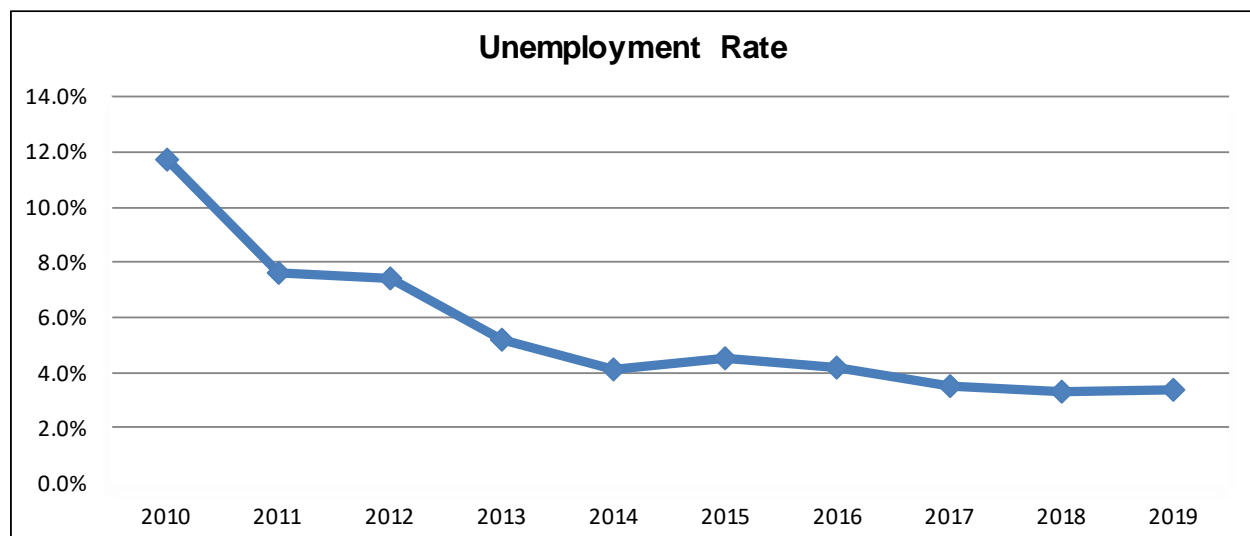
Tukwila Planning Division, Department of Community Development

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	2019 Full & Part-Time Employment		Percentage of Total City Employees		2010 Full & Part-Time Employment		Percentage of Total City Employees	
			Rank				Rank		
Boeing Company	Aircraft Manufacturing	1,278	1	3.65%		1	7,319	19.57%	
Boeing Employee's Credit Union	Credit Union	1,150	2	3.29%		3	418	1.12%	
Nordstrom	Family Clothing Store	559	3	1.60%		9	493	1.32%	
The Housing Authority of the CNTY of King	Governmental	507	4	1.45%		4	-	0.00%	
Costco Wholesale	Warehouse Club	412	5	1.18%		7	566	1.51%	
Macy's West	Department Store	387	6	1.11%		8	532	1.42%	
City of Tukwila	Municipality	366		1.05%		10	-	0.00%	
Red Dot Corporation	Retail	338	7	0.97%		-	-	0.00%	
Cascade Behavioral	Patient Care	281	8	0.80%		-	-	0.00%	
Rainier Industries	Warehouse Club	247	9	0.71%		6	-	0.00%	
Otis Elevator Co.	Emergency Transport Service	227	10	0.65%		-	-	0.00%	
Continente Mills	Data Ctr/Lab/Pharmacy/Mfg.	206		0.59%		2	-	0.00%	
BNSF	Railway	188		0.54%		5	-	0.00%	
Sub-total - Major Employers		6,146				9,328			
All Other Employment		28,838				28,078			
TOTAL EMPLOYMENT		34,984				37,406			

Source:

Tukwila Finance Department - Business Licenses

CITY OF TUKWILA, WASHINGTON
SCHEDULE 18
FULL TIME EQUIVALENT EMPLOYEE BY DEPARTMENT
 LAST TEN FISCAL YEARS

DEPARTMENT	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Mayor ^(b)	17.00	15.75	16.75	17.75	21.00	20.00	17.00	17.00	15.00	10.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	10.00
Finance	13.00	11.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	12.00
Recreation	20.75	16.25	16.25	16.25	16.00	16.75	17.25	16.25	16.00	17.00
Community Development	23.00	22.63	23.38	22.13	21.63	21.00	23.75	23.00	25.00	22.00
Court	8.75	8.75	9.00	9.00	9.10	8.10	9.10	10.40	9.00	10.00
Police	80.00	83.00	88.00	87.50	89.00	93.00	93.75	92.75	92.00	90.00
Fire	65.00	66.00	67.00	67.00	67.00	70.00	71.00	73.00	71.00	66.00
Information Technology	8.00	8.00	8.00	7.00	6.00	6.00	7.00	9.00	9.00	8.00
Public Works	30.00	30.00	30.00	31.00	31.00	32.00	32.00	31.00	27.00	29.00
Parks	7.50	7.50	7.50	6.00	7.00	7.00	8.00	9.00	9.00	9.00
Street	11.00	12.00	12.00	12.50	11.50	10.00	12.00	11.00	11.50	12.00
Water	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.50	6.00
Sewer	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.50	3.00
Golf	10.00	9.25	8.25	9.25	8.25	8.25	7.75	8.75	9.00	10.00
Surface Water	7.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	12.50	8.00
Equipment Rental	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Metropolitan Park District Pool ^(a)	-	-	2.00	2.00	2.00	2.00	-	-	-	-
TOTAL	325.00	323.13	333.13	332.38	334.48	339.10	344.60	346.15	344.00	334.00

Notes:

Based on filled positions not budgeted positions.

(a) 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION										
Police										
Number of Calls for Service	32,889	30,272	31,916	31,355	29,840	32,946	34,229	33,123	33,288	32,465
Fire										
Number of Responses	4,574	4,649	4,844	4,604	5,156	5,549	5,754	5,840	5,734	5,724
Total Fire Loss	\$1,655,571	\$1,601,596	\$675,847	\$343,495	\$2,738,080	\$1,926,944	\$2,821,016	\$1,142,486	\$527,687	\$742,362
Total Inspections	^(a) 1,550	^(a) 1,360	^(a) 4,541	3,389	3,850	2,331	1,860	1,951	2	7
Parks and Recreation										
Class Participants	85,693	64,049	58,260	52,319	45,514	68,970	64,782	83,030	73,906	78,468
Community Ctr Admissions	134,275	115,728	116,136	114,748	132,397	136,984	141,218	143,872	143,160	143,516
Rounds of Golf Played	50,445	45,947	47,392	47,757	47,267	51,017	47,595	43,568	49,357	46,463
Pool Attendance **	101,128	66,213	69,332	71,233	79,537	-	-	-	-	-
Street										
Miles	79	79	79	79	79	79	79	79	79	79
Hours Maintaining	20,360	20,360	22,920	16,767	8,627	4,716	4,836	4,936	5,120	5,028
Signalized Intersections	59	59	62	62	62	62	64	66	74	68
Hours Maintaining	6,925	6,925	7,000	8,815	3,012	2,408	2,135	2,986	2,415	2,701
Water Utility Services										
Total Customers	2,100	2,109	2,117	2,118	2,126	2,145	2,160	2,176	2,185	2,212
Total Gallons/Water(in thousands)	630,755	625,976	650,659	645,982	668,740	697,147	655,472	697,210	672,700	318,194
Sanitary Sewer										
Total Customers	1,699	1,710	1,727	1,742	1,752	1,775	1,789	1,808	1,836	1,845
Surface Water										
Total Customers	5,207	5,207	5,212	5,226	5,239	5,242	5,249	5,282	5,286	5,289
Licenses										
Business Licenses	2,454	2,611	2,030	1,877	2,208	2,220	1,909	2,120	2,078	1,976
Outside Contractors	-	-	^(b) 1,066	1,132	1,216	1,215	945	1,437	1,319	1,688
Permits										
Building Permits	290	389	354	374	347	277	311	348	381	371
Mechanical Permits	160	180	191	221	216	154	192	198	169	193
Electrical Permits	955	1,158	1,175	1,337	1,223	1,119	1,175	1,047	1,046	1,059
Plumbing Permits	163	187	210	167	184	140	185	165	161	176
Public Works Permits	138	106	126	155	152	163	175	136	152	153
Libraries										
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Total Circulation	327,004	333,451	332,509	313,571	284,667	214,520	184,492	157,168	180,155	182,134

Notes:

(a) Due to information system and data program transitioning, this total does not include fire prevention staff inspections at this time as reported in prior years.

(b) During 2012, *Outside Contractors* began their own business licensing category. Prior to this, outside contractors were consolidated with current year issued licenses.

* Information not available.

** Pool facilities acquired from King County in 2003.

Sources:

Tukwila Departments, King County Library System

CITY OF TUKWILA, WASHINGTON
SCHEDULE 20
CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION											
General Government											
Total City Area (Square Miles)	9.7	9.7	9.7	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63
Public Safety											
Police:											
Number of Vehicle Units	70	76	84	88	81	89	89	93	93	80	88
Fire:											
Number of Fire Stations	4	4	4	4	4	4	4	4	4	4	4
Number of Engines/Rescue Trucks/Ladders	9	8	7	7	7	9	9	9	8	8	11
Number of Medical Aid Vehicles	2	2	1	1	1	1	1	1	1	1	1
Number of Hazardous Materials Trailer Units	2	2	2	2	2	2	2	2	2	1	1
Transportation											
Paved Streets (lane miles)	178	178	178	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2
Sidewalks (miles)	56	56	56	64.8	64.8	64.8	64.8	64.8	64.8	65.0	65
Number of Traffic Signals	59	59	59	64	63	63	63	74	76	74	74
Number of Streetlights Owned by Seattle City Light	1,180	1,335	1,335	^(b) 901	901	902	902	902	902	908	910
Number of Streetlights Owned by Puget Sound Energy	696	696	623	^(b) 187	187	187	187	187	187	187	187
Number of Streetlights Owned by City of Tukwila	-	-	-	^(b) 1,210	1,216	1,224	1,224	1,224	1,224	1,224	1,224
Culture and Recreation											
Parks Acreage ^(a)	162	162	162	175.6	175.6	175.6	190	190	191	191	191
Number of Parks	18	18	18	19	19	19	19	19	20	20	20
Golf Course Acreage	67	67	67	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	15	15	15	15	15
Number of Playgrounds	11	11	11	11	11	11	11	11	11	11	11
Swimming Pool	1	1	-	-	-	-	-	-	-	-	-
Visitor Center	1	1	1	1	1	1	1	1	1	1	1
Community Center/Recreation Facilities	1	1	1	1	1	1	1	1	1	1	1
Number of Libraries	3	2	2	2	2	2	2	2	2	2	2
Water											
Water Distribution Mains (miles)	41	41	41	41	41	49	49	49	49	49	49
Maximum Daily Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10	10
Number of Fire Hydrants (Owned by City of Tukwila)	541	542	554	576	576	576	577	577	579	579	589
Vehicles	8	8	8	8	8	9	9	9	9	8	8
Sewer											
Sanitary Sewers (miles)	37	37	37	37	37	37	37	37	39	39	39
Maximum Daily Treatment Capacity (millions of gallons)	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33
Vehicles	6	6	6	6	5	4	4	5	5	3	3
Surface Water											
Storm Drains (miles)	69	69	70	70	70	70	71	70.5	97.4	97.4	97.4
Vehicles	4	4	4	4	4	8	8	8	8	9	9

Notes:

(a) Reflects the correct reporting of data for Culture and Recreation - Parks Acreage for the years 2001 through 2006. Parks acreage previously reported included golf course acreage.

(b) Reflects changes in 2012 inventory and ownership of street lights due to the routing of more units into the City's meters. Also, additional street lights were added due to new construction for Southcenter Parkway Extension and Klickitat Projects.

Sources:

Various Departments-Tukwila