



*City of Tukwila,  
Washington*

# ***Annual Comprehensive Financial Report***

***For the fiscal year ended December 31, 2024***







# City of Tukwila, Washington

## VISION

*The city of opportunity,  
the community of choice*

## MISSION

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

## VALUES

*Caring  
Professional  
Responsive*

## STRATEGIC GOALS AND OBJECTIVES

### 1 A community of inviting neighborhoods and vibrant business districts

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

### 2 A solid foundation for all Tukwila residents

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

### 3 A diverse and regionally competitive economy

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

### 4 A high-performing and effective organization

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

### 5 A positive community identity and image

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



The City of Tukwila, Washington

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

For the Year Ended December 31, 2024

*Prepared by the City of Tukwila, Finance Department  
Aaron BeMiller, Finance Director*

Thomas McLeod, MAYOR

2024 TUKWILA CITY COUNCIL

Mohamed Abdi, Council President

Armen Papayan

De'Sean Quinn

Jovita McConnell

Hannah Hedrick

Tosh Sharp

Dennis Martinez



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2024

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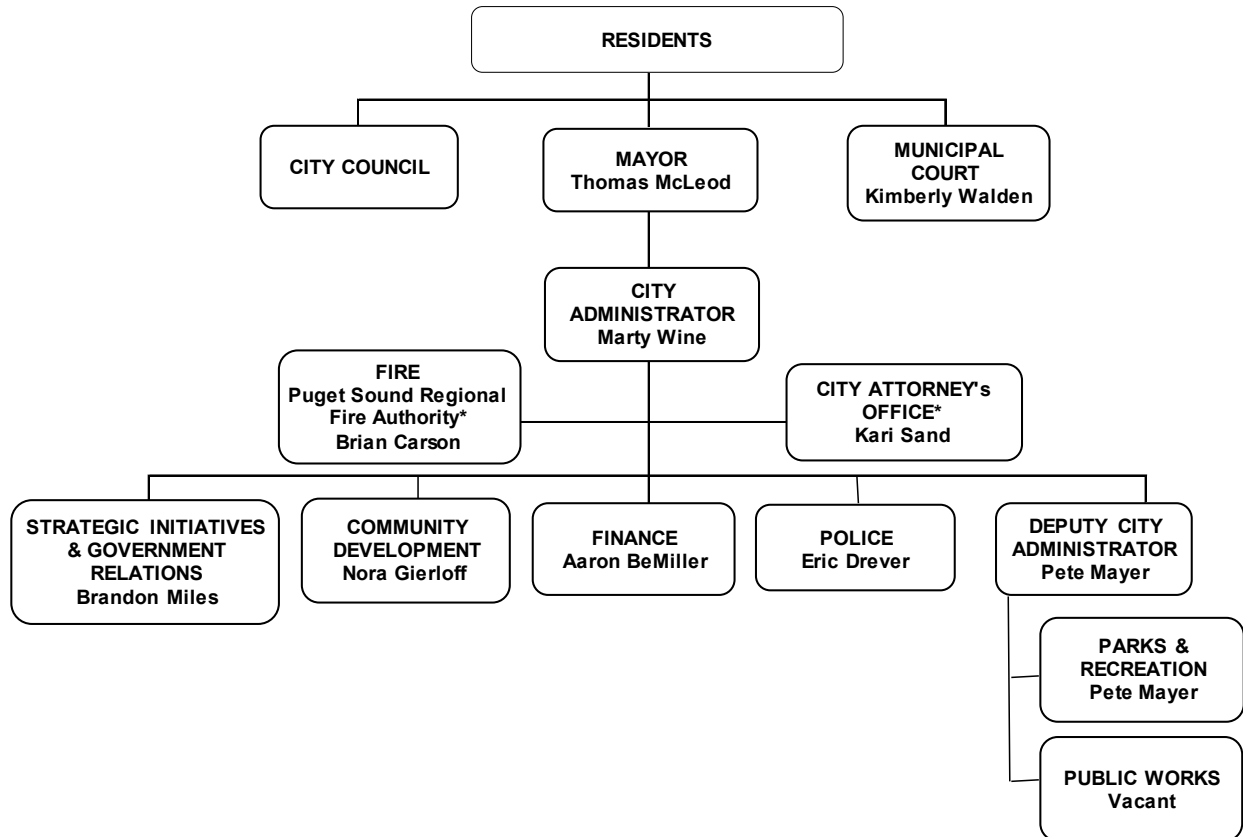
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## Administrative Organizational Structure and Principal Officials as of December 31, 2024



\*Services provided by outside entities.

### 2024 Council Committees

#### Council President

Mohamed Abdi

#### Finance & Governance Committee

De'Sean Quinn, Chair  
Tosh Sharp, Member  
Jovita McConnell, Member

#### Transportation & Infrastructure Services

Armen Papyan, Chair  
Dennis Martinez, Member  
Hannah Hedrick, Member

#### Community Services & Safety

Jovita McConnell, Chair  
De'Sean Quinn, Member  
Hannah Hedrick, Member

#### Planning & Community Development

Dennis Martinez, Chair  
Tosh Sharp, Member  
Armen Papyan, Member







## ***City of Tukwila***

6200 Southcenter Blvd, Tukwila, WA 98188

*Thomas McLeod, Mayor*

July 15, 2025

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

**Subject: TRANSMITTAL OF 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

I am pleased to transmit the City of Tukwila's Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2024. This transmittal letter provides an overview of the report and the financial condition of the City. State law requires that cities publish financial statements annually in conformity with Generally Accepted Accounting Principles (GAAP), which are audited in accordance with generally accepted auditing standards by the State Auditor's Office, under the Revised Code of Washington (RCW) 43.09.230.

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

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

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

As a recipient of federal, state and county financial assistance, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings, and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws, regulations, contracts, and agreements. The results of the City's annual single audit for the fiscal year ended December 31, 2023 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws.

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

## PROFILE OF THE CITY

Incorporated in 1908, the City of Tukwila is in the heart of the Puget Sound region, 12 miles south of downtown Seattle, 17 miles north of Tacoma, and one mile east of Seattle-Tacoma International Airport. Tukwila has a small residential population of 22,930, making it the 51st largest of 281 cities in the State of Washington. However, the daytime shopper/visitor and working population can reach over 150,000 during the holiday shopping season.

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

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

The City adopts a biennial budget in accordance with RCW 35A.34. The Council is required to adopt a biennial budget prior to the first of each odd-numbered calendar year. Budget reviews are conducted at mid-biennium and any changes for the second half of the biennium are adopted by the City Council. The biennial budget serves as the foundation for the City of Tukwila's financial planning and control. The budget is adopted at the fund level and any increases or decreases to a fund must be authorized by Council. Appropriation changes within a fund may be authorized by the Mayor. The General Fund, both special revenue funds, all four debt service funds, and all eight capital project funds are included in the biennially appropriated operating budget and have budget to actual statements presented for 2024. Budgets for the general fund, special revenue, debt service, and capital funds are appropriated biennially.

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

## LOCAL ECONOMY

Tukwila has a strong local economy, largely due to its location within the Puget Sound region's robust economy. The Puget Sound region benefits from a world-class natural environment, excellent universities, and the headquarters of world-class companies such as Amazon, Microsoft, and Starbucks. The region has tens of thousands of excellent jobs in leading high-tech fields such as aerospace, life sciences and global health, information and computing, gaming, and more. It also has strong industry clusters in manufacturing, maritime, military, tourism, and transportation and logistics. The Seattle/Bellevue/Everett area had a large labor force of 2.34 million in December of 2024, which was an increase compared to the previous year. At the same time the already low unemployment rate decreased from 3.9% to 3.6%.

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

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

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

Retail business significantly dropped during 2020 due to the COVID pandemic. In 2021 and 2022 retail returned to pre-pandemic levels, except when adjusted for inflation. The tourism economy as indicated by lodging tax revenue has rebounded to pre-pandemic levels. The number of building permits declined by 15% from 2023 to 2024 but the total permit valuation remained flat at \$186 million.

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 \$2.6 billion dollars in taxable retail sales in 2024. The total retail sales tax revenue amounted to \$22.10 million in 2024, representing an increase of 1.9% from the \$21.69 million collected in the prior year (*Statistical section, schedule 10*). Although this shows a modest increase over 2023 levels, most of this increase can be attributed to high inflation that continued into 2024.

## LONG-TERM FINANCIAL PLANNING

The City uses its six-year financial planning model and Capital Improvement Program (CIP) as long-term financial planning tools. These tools, along with regular review and revisions to the financial policies, ensure the City incorporates current economic conditions and financial projections into its long-range financial plans. In mid-2015, the City revised its financial reserve policy to increase the General Fund

reserve level from 10% to 18% and added a one-time 10% revenue reserve in the Contingency Fund. These changes will ensure the City's policies are in alignment with the Government Finance Officers Association's "Best Practices" and provide additional protection from future downturns in the economy.

The City's diversified revenue base is supported by an assessed valuation of \$9.95 billion, which is an increase of 4.42% from 2023, allowing the City to pursue a long-term capital investment program. The City's 2025-2030 Capital Improvement Program, which is adopted every two years, anticipates approximately \$158 million in general government capital projects, with only \$12.1 million of that paid by transfers from the General Fund. 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 2024. 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

### Transportation

The City of Tukwila continued significant progress on the 42nd Avenue S Bridge Replacement project in 2024. Originally built in 1949, this critical infrastructure is approaching the end of its serviceable lifespan, necessitating replacement to maintain essential connectivity for residents and the BNSF Railroad Intermodal Yard. Key project milestones were achieved, including the Type, Size, and Location (TS&L) report, and the 30%, 60%, and 90% plan reviews. Following feedback from stakeholders and permitting agencies, particularly addressing environmental considerations and comments from the Duwamish Tribe, the temporary bridge component was removed from the scope. Final construction documents are expected to be ready by August 2026.

In April 2025, a significant funding challenge arose when state-level budget decisions deferred the anticipated \$17 million in Move Ahead Washington funds for the bridge, pushing funding availability to 2029 or later. The City continues actively seeking alternative federal grant opportunities to address an additional \$14.4 million in rising construction costs.

Additionally, the City advanced the Transportation Element of the Comprehensive Plan update in 2024, which includes the establishment of a Local Road Safety Plan, with completion of that portion anticipated by late 2025.

### Utilities

The City continued critical infrastructure upgrades across all utility enterprise funds. In the Sewer Fund, major projects planned for the 2025-2026 biennium include the Sewer Lift Station 12 Retrofit, Sewer Lift Station 5 Rebuild, and Southcenter Blvd. Sewer improvements, which will enhance system capacity and operational reliability. The Annual Sewer Repair Program addresses ongoing rehabilitation needs, while the Ryan Hill Sewer Revitalization project focuses on transitioning residents from failing septic systems to a modernized sewer network.



In the Surface Water Fund, key capital improvements were directed at drainage and water quality projects to support compliance with the National Pollutant Discharge Elimination System (NPDES) permit. Projects such as the S 131st Place Drainage Improvements, Gilliam Creek Fish Barrier Removal, and Chinook Wind Extension are designed to reduce flooding and improve habitat.

The Water Fund saw continued investment in system resilience through planned water main replacements and the feasibility analysis of the new Tukwila Water Reservoir. This reservoir will increase water storage capacity and ensure adequate pressure and supply for emergencies and future demand. These investments are supported by planned rate increases, grant funding, and a continued focus on phased infrastructure improvements

## **AWARDS AND ACKNOWLEDGEMENTS**

For the fiscal year ended December 31, 2022, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tukwila for its annual comprehensive financial report for the 36<sup>th</sup> time. While the City ultimately did not submit for this award for the fiscal year that ended December 31, 2023, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and the cooperation of other City departments. Their long hours of assistance with the preparation and review of this report are greatly appreciated. The Mayor, City Administrator and City Council are to be complimented for their encouragement, interest, and support in conducting the financial operations of the City in a fiscally sound and progressive manner. The efficient assistance of examiners from the Office of the State Auditor is also appreciated. Staff who had a direct role in preparing Tukwila's 2024 Annual Comprehensive Financial Report take great pride in their work, and the entire team who worked on this project is to be commended.

Respectfully submitted,



Aaron BeMiller,  
Finance Director











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

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

Mayor and City Council  
City of Tukwila  
Tukwila, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Tukwila, as of December 31, 2024, 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.

**Basis for Opinions**

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

## **Matters of Emphasis**

As discussed in Note 1 to the financial statements, in 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 101, Compensated Absences*. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are presented for 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 basic 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 basic financial statements or to the basic 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 as a whole.

## Other Information

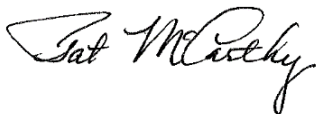
The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not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

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

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 1, 2025, 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

July 1, 2025



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### For the Year Ended December 31, 2024

The management discussion and analysis section of the City of Tukwila's Annual Comprehensive Financial Report provides an overview of the City's financial activities for the year ended December 31, 2024. 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, 2024, the City of Tukwila's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$385.3 million. Of this amount, \$79.9 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to residents and creditors.
- The City of Tukwila's total net position increased \$7.0 million, or 2.0%. Governmental activities increased \$1.9 million due in part to generally improving revenues, offset by rising expenditure costs. Business-type activities increased \$5.1 million which was primarily driven by rate increases which helped offset rising costs.
- At the close of the current fiscal year, the City of Tukwila's governmental funds reported combined fund balances of \$48.9 million, an increase of 1.9 million (4.0%). Approximately 49.17% (\$24.0 million) of the fund balance is available for spending at the City's discretion (unassigned fund balance).

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

#### Government-wide Financial Statements

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

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

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

earned but unused vacation leave are included in the statement of activities as revenue and expenses even though no cash has changed hands.

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

## Fund Financial Statements

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

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

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

The City maintains fifteen individual governmental funds. Of these, four are considered major (the general fund, the arterial street fund, the local improvement district #33 fund, and the land acquisition rec & parks fund) and are presented separately in the governmental funds' *Balance Sheet* and the governmental funds' *Statement of Revenues, Expenditures and Changes in Fund Balances*. The remaining governmental funds are combined into a single column labeled "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is presented in the combining and individual fund statements and schedules section of this report.

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

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

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

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

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

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

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

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

### **Notes to the Financial Statements**

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

### **Required Supplementary 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 9.

### **Other Information**

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

## 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 \$358.3 million at the close of the most recent fiscal year. Total net position increased by \$7.6 million (2.0%) when compared to 2023.

### CITY OF TUKWILA'S NET POSITION

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$88,569	\$92,626	\$36,645	\$31,707	\$125,214	\$124,333
Capital assets, net of accumulated depreciation	320,790	324,239	77,532	77,586	398,321	401,825
Total assets	409,359	416,865	114,177	109,293	523,536	526,158
Deferred Outflows of Resources	16,581	13,879	1,189	816	17,771	14,695
Long-term liabilities outstanding	140,493	140,084	2,091	2,343	142,583	142,427
Other liabilities	7,567	13,502	1,228	578	8,795	14,080
Total liabilities	148,060	153,586	3,318	2,921	151,378	156,507
Deferred Inflows of Resources	4,394	6,045	266	605	4,660	6,650
Net position						
Net investment in capital assets	197,716	196,460	76,863	76,180	274,579	272,640
Restricted	29,048	33,388	1,694	1,262	30,742	34,650
Unrestricted	46,722	41,264	33,226	29,141	79,947	70,405
Total net position	\$273,486	\$271,112	\$111,782	\$106,583	\$385,268	\$377,695

By far, the largest portion of the City's net position (\$274.6 million or 71.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to residents. Accordingly, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$30.7 million or 8.0%) represents resources that are subject to external restrictions on how they may be used. The business-type activities restrictions are limited to the portion related to net pension assets, the remaining \$14.1 million is restricted in governmental activities funds. The remaining \$14.9 million in restricted net position is related to tourism, net pension assets, and ongoing debt obligations. The remaining net position balance (\$79.9 million, or 20.8%) 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 decreased \$5.0 million (41.6%) 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	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$18,560	\$19,193	\$29,191	\$28,147	\$47,751	\$47,341
Operating grants and contributions	2,803	3,802	35	2	2,838	3,803
Capital grants and contributions	2,074	1,874	1,499	681	3,573	2,554
General revenues						
Property taxes	23,186	22,157	-	-	23,186	22,157
Sales and use taxes	24,846	22,852	-	-	24,846	22,852
Hotel/Motel taxes	984	971	-	-	984	971
Utility taxes	5,901	5,433	-	-	5,901	5,433
Interfund utility taxes	2,685	2,567	-	-	2,685	2,567
Business taxes	3,895	1,625	-	-	3,895	1,625
Excise taxes	5,416	5,465	-	-	5,416	5,465
Investment earnings	2,555	2,496	1,401	1,287	3,957	3,783
Miscellaneous	2,528	2,286	680	57	3,208	2,343
Total revenues	95,435	90,720	32,806	30,174	128,241	120,894
Expenses:						
General government	21,582	15,093	-	-	21,582	15,093
Public safety	44,219	33,191	-	-	44,219	33,191
Transportation	14,194	15,429	-	-	14,194	15,429
Economic environment	5,458	7,014	-	-	5,458	7,014
Culture and recreation	5,832	6,200	-	-	5,832	6,200
Interest on long-term debt	4,031	4,190	-	-	4,031	4,190
Water/sewer	-	-	17,517	15,735	17,517	15,735
Surface Water	-	-	5,724	4,908	5,724	4,908
Foster golf course	-	-	2,675	2,561	2,675	2,561
Total expenses	95,316	81,116	25,916	23,204	121,232	104,320
Increase (decrease) in net position before transfers	119	9,604	6,890	6,970	7,008	16,574
Transfers	1,753	1,752	(1,753)	(1,752)	-	-
Change in net position before special item	1,872	11,356	5,137	5,218	7,008	16,574
Special Item-transfer of Fire services	-	(3,235)	-	-	-	(3,235)
Change in net position	1,872	8,122	5,137	5,218	7,008	13,339
Net position-beginning of period	271,113	262,991	106,583	101,365	377,695	364,356
Change in Accounting Principle	501	-	63	-	565	-
Net position-beginning balance, as restated	271,614	262,991	106,646	101,365	378,260	364,356
Net position-end of period	\$273,486	\$271,113	\$111,782	\$106,583	\$385,268	\$377,695

## Governmental Activities

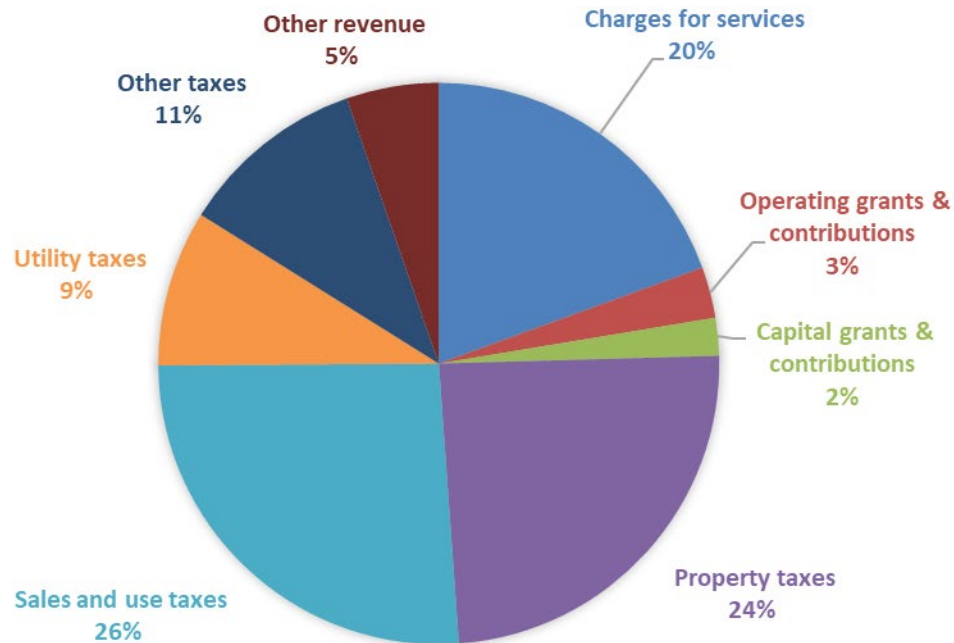
During the current fiscal year, net position for governmental activities decreased \$6.3 million (77.0%) from the prior fiscal year for an ending balance of \$237.5 million. The primary reasons for this are:

- General Government expenses increased by \$6.5 million compared to the prior year, 43.0% over the previous year. This increase included \$3.1 million in increases to salaries and benefits, due to pay increases as well as retro pay back to 2023, due to protracted labor negotiations. Additionally, \$2.6 million in increases to professional services, due to caring for asylee needs.
- Public Safety expenses increased by \$11.0 million compared to the prior year, 33.2% over the previous year. This increase included \$9.7 million in increases to salaries and benefits, due to a \$7.6 million increase in pension and reported compensated absences benefits recognized during 2024, as well as \$2.1 million in increased insurance liabilities. Additionally, there was an increase of \$1.7 million in increased professional services, due to the transfer of fire services.

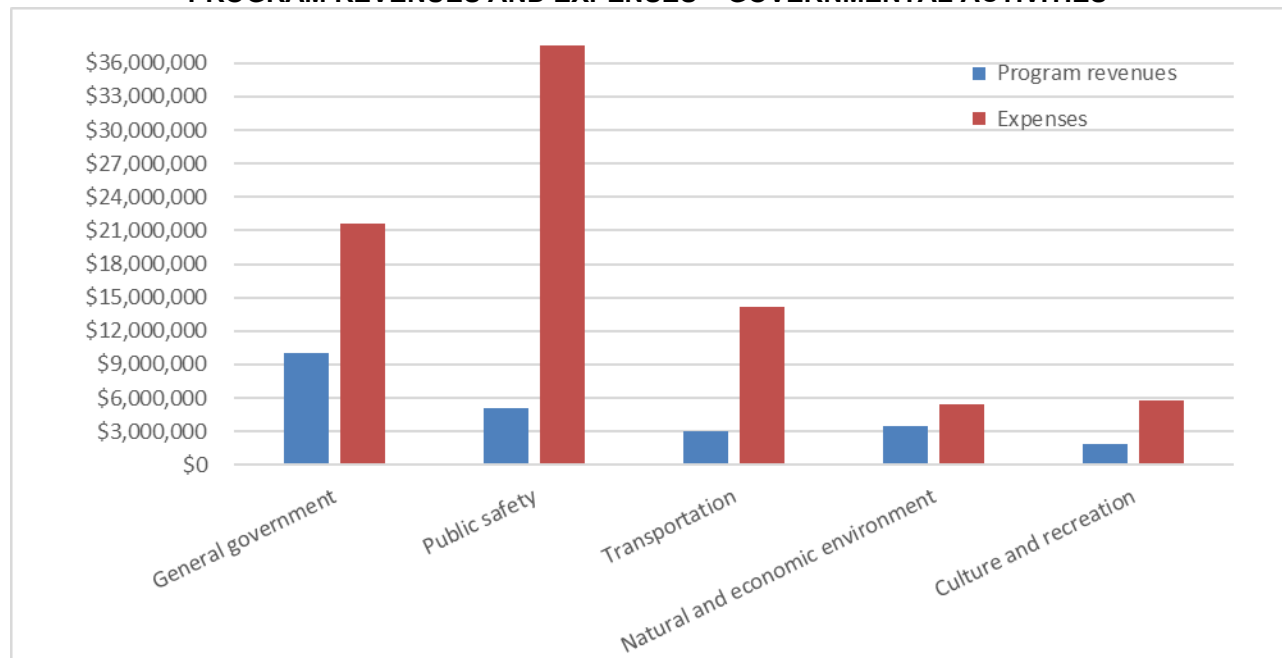


- These increases were offset by an increase of \$1.0 million in property taxes, \$2.0 million in sales taxes, and \$2.3 million in increased business and occupancy taxes collected during 2024.

### REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



### PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES

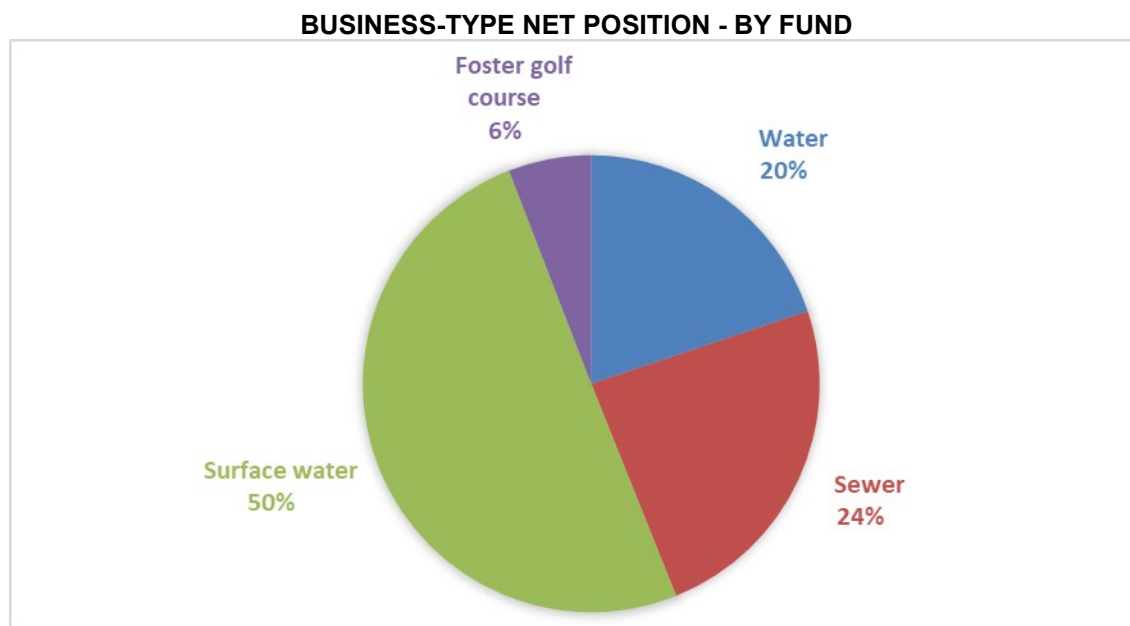


## Business-Type Activities

For the City of Tukwila's business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$5.1 million (4.8%) to reach an ending balance of \$111.8 million. The overall growth is attributable to the following factors:

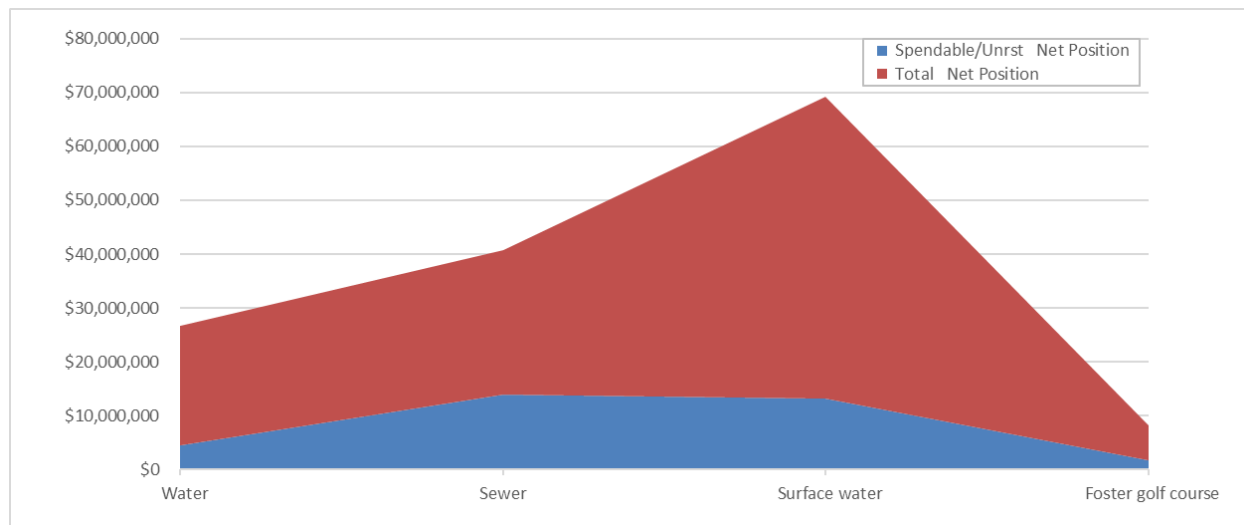
- In the Water Utility, total net position increased \$180 thousand (0.8%).
- In the Sewer Utility, total net position increased by \$675 thousand (2.6%).
- In the Surface Water Utility, total net position increased by \$4.2 million (8.1%).
- Of the \$111.8 million total net position, \$33.2 million (29.7%) is unrestricted and each fund can utilize their portion for any purpose. This operating balance is necessary for future planned infrastructure replacements and repairs.

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



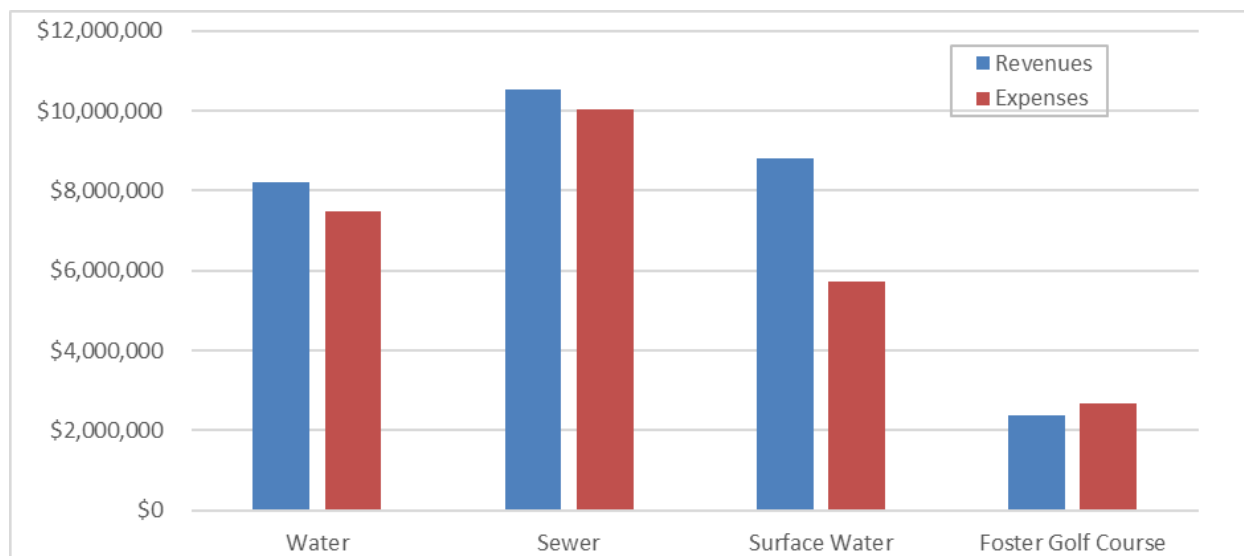
The majority of net position in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, and the golf course land. As such, most of the net position is not available to support the ongoing expenses of the funds. The following chart contrasts the total net position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

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



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

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



## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

As of December 31, 2024, the City's governmental funds had combined fund balances of \$48.9 million, an increase of \$1.9 million (4.0%). The increase in overall fund balance reflects a combination of improving revenues offset by the overall rising costs of programs and services due to inflation.

The change in fund balance for governmental funds compared to 2024 is as follows:

- General Fund (\$269,003)
- Arterial Street Fund \$1,163,953
- Local Improvement District #33 \$1,310
- Other Governmental Funds \$987,751

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 2024, the general fund had a fund balance of \$24.7 million, with \$24.0 million (97.3%) of the balance classified as unassigned and available to meet the City's general obligations. Unassigned fund balance decreased from \$24.4 million in 2023 to \$24.0 million in 2024 due primarily to increases in most major revenue sources offsetting the inflationary increase in costs of programs and services. Notable increases in taxes, licenses & permits, grant revenue, and investment earnings account for the majority of revenue increases.

The Arterial Street Fund increase in fund balance is primarily related to a \$994 thousand increase in tax revenue over the prior year and a reduction in planned projects.

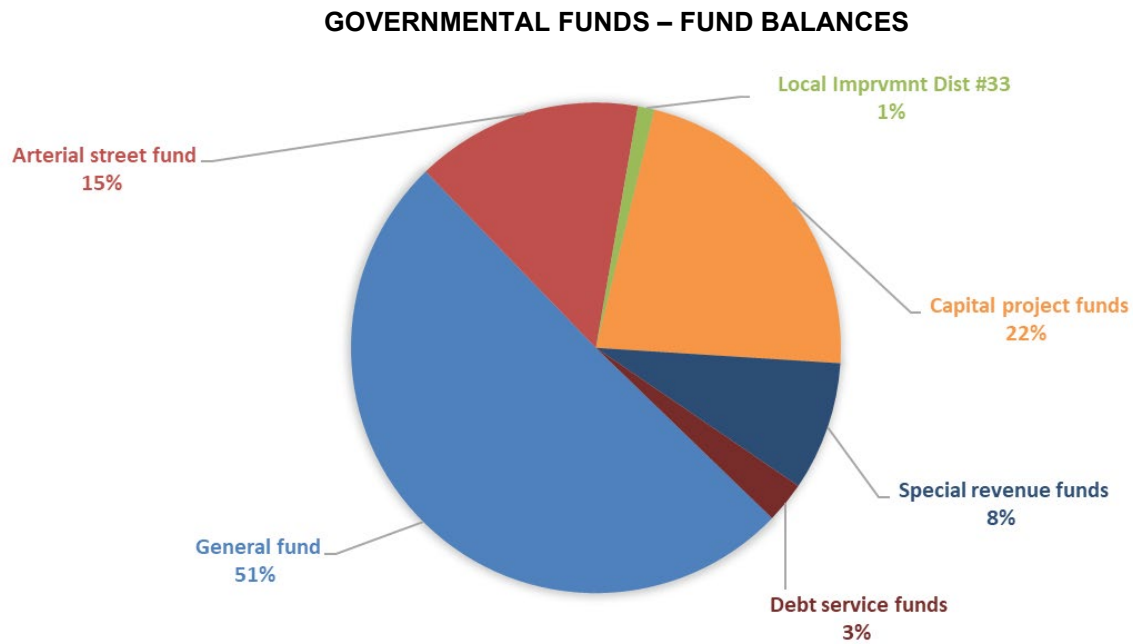
The Land, Acquisition, Rec & Park Development Fund was previously reported as a non-major fund. During the 2024 ACFR preparation process, it was deemed to be a major fund. The Tukwila Community Center HVAC project was paid for out of this Fund in 2024 and the resulting increase in activity caused it to qualify as a major fund. All costs borne by the Fund are expected to be recovered through grant funding.

The Public Safety Plan Fund was previously reported as a major fund. During the 2024 ACFR preparation process, it was deemed to be a non-major fund since the activities currently flowing through this fund are minimal compared to prior years. Activities have slowed due to the completion of the major projects previously managed via this fund, such as the Tukwila Justice Center.

The City Facilities Fund was previously reported as a major fund. During the 2024 ACFR preparation process, it was deemed to be a non-major fund since the activities currently flowing through this fund are minimal compared to prior years. Activities have slowed due to the completion of the major projects previously managed via this fund, such as the Minkler Public Works Shops. Therefore, the effects of any change in fund balance for this fund is reflected within the narrative of Other Governmental Funds.

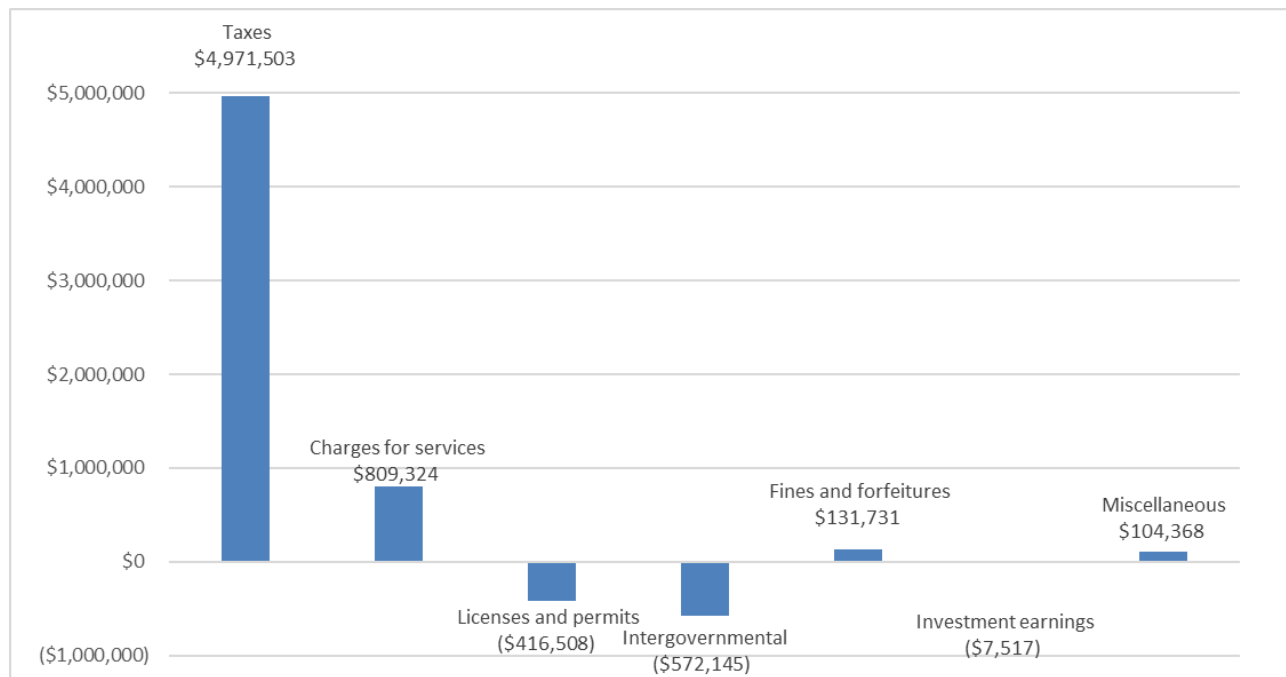
In Other Governmental Funds, the increase in fund balance can be attributed to several factors. Planned events in the lodging tax fund did not occur in 2024 and lodging tax revenues exceeded budget resulting in an increase in ending fund balance in the lodging tax fund of \$659 thousand. Additionally, planned residential street projects did not occur, resulting in an increase to fund balance of \$348 thousand.

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



The general fund revenue increased a total of \$5.0 million, which is comprised of the following sources:

**GENERAL FUND REVENUE INCREASES/DECREASES – BY SOURCE**





## FINANCIAL ANALYSIS OF PROPRIETARY FUNDS

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

Unrestricted net position in business-type activities ended 2024 at \$33.2 million, an increase of \$4.1 million 14% from 2023.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

The following is a summary of significant budget amendments that occurred in 2024:

- The city recognized their remaining \$1.7 million in ARPA funding as an offset to an increase in primarily public safety expenditures due to protracted negotiations of and retroactively applicable salary increases.
- An increase of \$1 million was made to support additional fire services overtime.
- An increase of \$313 thousand was made to support recreation department services to senior adult programs, youth programs, and general administrative functions of the department.
- An increase of \$122 thousand was made to support community development's TDM Program.

## CAPITAL ASSETS

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2024 totaled \$398.3 million (net of accumulated depreciation), a decrease of \$5.8 million (-1.4%) from 2023. 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 61,580,992	\$ 61,580,992	\$ 2,350,969	\$ 2,350,969	\$ 63,931,961	\$ 63,931,961
Buildings & Structures	96,773,589	99,322,742	7,940,672	8,360,979	104,714,260	107,683,721
Other Improvements	3,912,104	4,710,734	61,489,531	63,387,377	65,401,635	68,098,111
Machinery and Equipment	5,176,605	5,428,743	2,094,757	1,815,433	7,271,362	7,244,176
Leased Equipment	4,193,498	2,188,530	-	-	4,193,498	2,188,530
Subscription based IT Agreements	1,646,245	1,952,342	-	-	1,646,245	1,952,342
Infrastructure	125,341,738	131,986,055	-	-	125,341,738	131,986,055
Construction in Progress	22,164,779	17,068,585	3,655,859	1,670,707	25,820,638	18,739,292
<b>Total</b>	<b>\$ 320,789,550</b>	<b>\$ 324,238,723</b>	<b>\$ 77,531,788</b>	<b>\$ 77,585,466</b>	<b>\$ 398,321,337</b>	<b>\$ 401,824,188</b>

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

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

**Governmental Activities:**

- **Fleet Equipment:** The fleet fund added \$3.9 million in new vehicles and equipment (purchases and leases) and disposed of \$646 thousand in surplus & retired fleet assets.
- **Technology and Information Services** added \$561 thousand in new subscription-based IT assets while \$285 thousand of contracts related to those services expired.
- **Construction in Progress (CIP):** Construction in progress increased \$5.1 million compared to the prior year. The increase in construction projects is consists of \$2.3 million in costs for the Public Works Shops Phase II, \$1.2 million in costs related to the Tukwila Community Center HVAC replacement project, \$994 thousand in costs related to the Green River Trail Improvements, \$432 thousand in costs related to the 42<sup>nd</sup> avenue S Bridge Replacement, and \$231 thousand in smaller projects and Fleet vehicles in process of being upfitted for use.

**Business Type Activities:**

- **Water fund projects:** \$209 thousand was added to CIP in improvements to the water reservoir and pump station as well as the S 149<sup>th</sup> and S 150<sup>th</sup> streets watermain replacements.
- **Sewer fund projects:** \$105 thousand was added to CIP as work continues on the rebuild of lift station #5.
- **Surface Water fund project:** \$1.6 million was added to CIP as surface water improvements related to the storm water quality retrofit, Gilliam creek fish barrier removal, Nelsen salmon habitat side channel, and the S 131<sup>st</sup> place drainage improvement projects continue into 2024.

**LONG-TERM DEBT**

The City had total long-term obligations outstanding of \$123.9 million at the end of the current fiscal year. Of this amount, \$104.8 million is general obligation bonds which is backed by the full faith and credit of the City, \$4.3 million of general obligation direct placement/borrowings, \$348 thousand is revenue bonds for the water/sewer and surface water utilities, \$329 thousand in public works trust fund loans, \$4.0 million due to other governments, \$8.3 million premium on bonds, and the remaining \$1.9 million is special assessment bonds which were issued to improve access to the City's urban center.

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

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 104,770,000	\$ 109,595,000	\$ -	\$ -	\$ 104,770,000	\$ 109,595,000
General obligation- direct placement/borrowings	4,275,000	5,252,000	-	-	4,275,000	5,252,000
Revenue bonds	-	-	347,781	515,144	347,781	515,144
Premium on bonds issued	8,306,296	8,925,467	-	-	8,306,296	8,925,467
Special assessment bonds	1,895,000	2,285,000	-	-	1,895,000	2,285,000
Public Works Trust Fund Loans	-	-	329,400	902,817	329,400	902,817
Due to other governments	3,992,406	4,191,954	-	-	3,992,406	4,191,954
	\$ 123,238,702	\$ 130,249,421	\$ 677,181	\$ 1,417,961	\$ 123,915,883	\$ 131,667,382

More detailed information on long-term debt, including debt limitations, is provided in Note 11 to the financial statements.

## **ECONOMIC FACTORS AND THE UPCOMING BIENNIAL BUDGET**

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

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

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

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

## **REQUESTS FOR INFORMATION**

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

CITY OF TUKWILA, WASHINGTON  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 39,451,081	\$ 25,811,641	\$ 65,262,722
Investments	11,476,234	5,940,318	17,416,552
Restricted cash and cash equivalents	193,719	165,817	359,536
Taxes receivable	7,614,282	-	7,614,282
Customer receivable	4,183,092	1,646,230	5,829,321
Due from other governmental units	1,549,609	1,133,691	2,683,300
Leases receivable	115,966	-	115,966
Internal balances	(995,690)	995,690	-
Inventory of materials and supplies	203,963	68,316	272,279
Special assessment receivable - Current	10,265	-	10,265
Special assessment receivable - Noncurrent	1,493,767	13,312	1,507,081
Real property held for resale	370,410	-	370,410
Net Pension asset	10,935,031	870,093	11,805,124
Investment in joint ventures	11,967,386	-	11,967,386
Capital assets not being depreciated	83,745,771	6,006,829	89,752,600
Capital assets, net of accumulated depreciation/amortization	237,043,780	71,524,960	308,568,740
<b>Total Assets</b>	<b>409,358,666</b>	<b>114,176,897</b>	<b>523,535,563</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related	16,172,838	1,181,139	17,353,977
OPEB related	408,558	-	408,558
Deferred charge on refunding	-	8,133	8,133
<b>Total Deferred Outflows Of Resources</b>	<b>16,581,396</b>	<b>1,189,272</b>	<b>17,770,668</b>
<b>LIABILITIES:</b>			
Accounts payable	2,873,530	781,723	3,655,253
Accrued wages and benefits payable	1,653,038	199,279	1,852,317
Accrued interest payable	502,897	1,759	504,656
Unearned revenue	1,895,338	12,338	1,907,676
Reserve for unreported claims	990,150	-	990,150
Other liabilities	244,429	232,690	477,119
Long-term liabilities due within one year:			
OPEB liability	398,089	-	398,089
Bonds, notes, leases, IBNR, claims, subscriptions based IT agreements, compensated absences	8,606,461	335,531	8,941,992
Long-term liabilities due in more than one year:			
Net pension liability	1,490,604	371,487	1,862,091
OPEB liability	4,328,418	-	4,328,418
Bonds, notes, leases, subscriptions based IT agreements, compensated absences	125,077,110	1,383,485	126,460,595
<b>Total Liabilities</b>	<b>148,060,064</b>	<b>3,318,292</b>	<b>151,378,356</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension related	2,947,956	265,508	3,213,464
Lease related	107,857	-	107,857
Deferred revenue-other	399,378	-	399,378
Deferred revenue-special assessment	939,061	-	939,061
<b>Total Deferred Inflows Of Resources</b>	<b>4,394,252</b>	<b>265,508</b>	<b>4,659,760</b>
<b>NET POSITION:</b>			
Net investment in capital assets	197,716,199	76,862,741	274,578,940
Restricted for:			
Debt service	1,805,243	-	1,805,243
Tourism promotion	3,728,106	-	3,728,106
Arterial street improvements	4,626,194	-	4,626,194
Drug investigation and enforcement	436,911	-	436,911
Land and park acquisition, development	4,322,362	-	4,322,362
Pension Asset	14,129,072	1,693,961	15,823,033
Unrestricted net position	46,721,659	33,225,667	79,947,326
<b>Total Net Position</b>	<b>\$ 273,485,746</b>	<b>\$ 111,782,369</b>	<b>\$ 385,268,115</b>

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, 2024

	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
<b>FUNCTIONS / PROGRAMS:</b>							
<b>PRIMARY GOVERNMENT</b>							
Governmental activities							
General government	\$ 21,582,025	\$ 9,235,478	\$ 531,872	\$ 246,870	\$ (11,567,805)	\$ -	\$ (11,567,805)
Public safety	44,218,679	3,560,097	1,493,280	-	(39,165,302)	-	(39,165,302)
Transportation	14,193,779	1,246,780	179,587	1,577,943	(11,189,469)	-	(11,189,469)
Natural and economic environment	5,458,446	2,887,841	389,125	249,043	(1,932,437)	-	(1,932,437)
Culture and recreation	5,831,822	1,629,977	208,916	-	(3,992,929)	-	(3,992,929)
Interest on long-term debt	4,031,388	-	-	-	(4,031,388)	-	(4,031,388)
Total Governmental Activities	95,316,139	18,560,173	2,802,780	2,073,856	(71,879,330)	-	(71,879,330)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Water	7,477,041	8,186,770	-	-	-	709,729	709,729
Sew er	10,040,338	10,544,982	-	-	-	504,644	504,644
Surface water	5,724,035	8,090,765	35,126	1,498,723	-	3,900,579	3,900,579
Foster golf course	2,674,833	2,368,474	-	-	-	(306,359)	(306,359)
Total Business-Type Activities	25,916,247	29,190,991	35,126	1,498,723	-	4,808,593	4,808,593
Total Primary Government	\$ 121,232,386	\$ 47,751,164	\$ 2,837,906	\$ 3,572,579	\$ (71,879,330)	\$ 4,808,593	\$ (67,070,737)

## General Revenues:

## Taxes

Property taxes	\$ 23,186,100	\$ -	\$ 23,186,100
Retail sales and use taxes	24,846,451	-	24,846,451
Hotel/motel taxes	984,326	-	984,326
Utility taxes	5,901,264	-	5,901,264
Interfund utility taxes	2,684,965	-	2,684,965
Business taxes	3,894,820	-	3,894,820
Excise Taxes	5,416,330	-	5,416,330
Unrestricted investment earnings	2,555,465	1,401,260	3,956,725
Miscellaneous	2,528,195	679,733	3,207,928
Total General Revenues	71,997,916	2,080,993	74,078,909
Excess of revenues over expenses before transfers and special item	118,586	6,889,586	7,008,172
Transfers	1,753,076	(1,753,076)	-
Change in net position	1,871,662	5,136,510	7,008,172
Net position - beginning	271,112,731	106,582,649	377,695,380
Change in accounting principle - Compensated Absences	501,353	63,211	564,564
Net position-beginning restated	271,614,084	106,645,860	378,259,944
Net position-ending	\$ 273,485,746	\$ 111,782,368	\$ 385,268,116

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

CITY OF TUKWILA, WASHINGTON  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	General Fund	Arterial Street	Local Improvement District #33	Land Acq. Rec & Park Development	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 8,151,165	\$ 7,320,221	\$ 536,627	\$ 5,140,532	\$ 11,439,680	\$ 32,588,224
Investments	11,476,234	-	-	-	-	11,476,234
Taxes receivable	7,473,686	48,631	-	-	91,967	7,614,284
Other receivables	3,266,856	541,948	-	80,139	79,011	3,967,954
Leases receivable	115,966	-	-	-	-	115,966
Due from other governmental units	1,036,042	-	-	500,000	134,114	1,670,156
Restricted assets:						
Cash and cash equivalents	-	-	-	-	193,719	193,719
Special assessment receivable	-	-	1,493,767	-	-	1,493,767
Notes receivable - Current	10,265	-	-	-	-	10,265
Real property held for resale	-	-	-	-	370,410	370,410
<b>Total Assets</b>	<b>\$ 31,530,213</b>	<b>\$ 7,910,800</b>	<b>\$ 2,030,394</b>	<b>\$ 5,720,671</b>	<b>\$ 12,308,901</b>	<b>\$ 59,500,979</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	1,153,173	559,804	-	861,537	209,177	2,783,691
Accrued wages & benefits	1,584,759	24,826	-	-	4,685	1,614,271
Unearned revenue	1,395,338	-	-	500,000	-	1,895,338
Due to other funds	995,690	-	-	-	-	995,690
Other liabilities	222,234	-	-	-	22,193	244,427
<b>Total Liabilities</b>	<b>5,351,194</b>	<b>584,630</b>	<b>-</b>	<b>1,361,537</b>	<b>236,055</b>	<b>7,533,417</b>
<b>Deferred inflow of resources</b>						
Unavailable revenue-special assessment	939,061	-	1,493,767	-	-	2,432,828
Unavailable revenue-property tax, other	409,875	-	-	-	108,734	518,609
Deferred revenue-leases	107,857	-	-	-	-	107,857
<b>Total Deferred Inflow Of Resources</b>	<b>1,456,793</b>	<b>-</b>	<b>1,493,767</b>	<b>-</b>	<b>108,734</b>	<b>3,059,294</b>
<b>Fund balance:</b>						
<b>Restricted:</b>						
Hotel/motel tax	-	-	-	-	3,728,106	3,728,106
Arterial street capital improvements	-	4,626,194	-	-	-	4,626,194
Drug investigation and enforcement	-	-	-	-	436,912	436,912
Park and land acquisition/development	-	-	-	4,174,962	-	4,174,962
Debt service guaranty fund	-	-	-	-	829,009	829,009
Debt service public safety plan	-	-	-	-	494,144	494,144
Local Improvement District	-	-	536,626	-	-	536,626
<b>Assigned:</b>						
Residential street improvements	-	-	-	-	1,770,619	1,770,619
Arterial street improvements	-	2,699,976	-	-	-	2,699,976
CFT	-	-	-	25,000	-	25,000
Facilities & urban renewal	-	-	-	-	2,055,907	2,055,907
General government improvements	-	-	-	-	41,694	41,694
Public safety facilities	-	-	-	-	1,617,834	1,617,834
City facilities	-	-	-	-	989,887	989,887
1% Arts	-	-	-	159,173	-	159,173
Technology	579,494	-	-	-	-	579,494
Shoreline Restoration	93,849	-	-	-	-	93,849
Unassigned	24,048,882	-	-	-	-	24,048,882
<b>Total Fund Balance</b>	<b>24,722,225</b>	<b>7,326,170</b>	<b>536,626</b>	<b>4,359,134</b>	<b>11,964,111</b>	<b>48,908,268</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 31,530,213</b>	<b>\$ 7,910,800</b>	<b>\$ 2,030,394</b>	<b>\$ 5,720,671</b>	<b>\$ 12,308,901</b>	<b>\$ 59,500,979</b>

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, 2024**

		Total Governmental Funds
Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances as reported on this statement		\$ 48,908,268
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		
Non-depreciable assets	83,698,208	
Depreciable assets (net)	229,618,159	
Internal service fund assets	<u>7,425,618</u>	320,741,985
The net pension asset is not an available resource and, therefore, is not reported in the funds.		10,935,031
Deferred outflows - pension related	16,172,838	
Deferred outflows - OPEB related	408,558	
Deferred inflows - pension related	<u>(2,947,956)</u>	13,633,440
The City has an equity interest in two joint ventures. This equity interest for the provision of governmental services is not a current financial resource and therefore is not reported in the funds.		11,967,718
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	119,231	
Unavailable revenue reported for special assessment	<u>1,493,767</u>	1,612,998
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Long term liabilities due within one year	(7,334,641)	
Long term liabilities due in more than one year	(121,418,459)	
Lease liabilities payable	(99,976)	
Subscription Based IT Agreement (SBITA) liabilities payable	(1,293,811)	
Unfunded other post employment benefits (OPEB)	(4,726,507)	
Accrued interest payable	<u>(487,339)</u>	(135,360,733)
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.		1,047,039
<b>Net Position of Government Activities as Reported on the Statement of Net Position</b>		<b>\$ 273,485,746</b>

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, 2024

	General Fund	Arterial Street	Local Improvement District #33	Land Acq. Rec & Park Development	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>								
Taxes	\$ 57,359,441	\$ 2,934,789	\$ -	\$ 197,905	\$ -	\$ -	\$ 6,338,121	\$ 66,830,256
Licenses and permits	5,904,639	418,424	-	-	-	-	-	6,323,063
Intergovernmental	7,047,896	1,773,927	-	82,919	-	-	617,883	9,522,625
Charges for services	4,616,229	328,192	-	981,266	-	-	1,091,836	7,017,522
Fines and forfeitures	443,361	3,102	-	-	-	-	-	446,463
Investment earnings	1,069,873	317,097	94,990	210,072	-	-	480,269	2,172,305
Special assessments	-	-	418,885	-	-	-	-	418,885
Miscellaneous	590,584	144,600	254	-	-	-	157,393	892,831
<b>Total Revenues</b>	<b>77,032,023</b>	<b>5,920,131</b>	<b>514,129</b>	<b>1,472,162</b>	<b>-</b>	<b>-</b>	<b>8,685,501</b>	<b>93,623,950</b>
<b>EXPENDITURES:</b>								
Current:								
General government	13,117,335	-	-	-	-	-	943,307	14,060,642
Public safety	41,682,819	-	-	-	-	-	61,451	41,744,270
Transportation	4,617,714	2,917,338	-	-	-	-	419,950	7,955,002
Natural and economic environment	6,441,212	-	-	-	-	-	497,360	6,938,572
Culture and recreation	5,349,458	-	-	143,051	-	-	-	5,492,509
Debt service:								
Principal	759,414	-	390,000	-	-	-	5,802,000	6,951,414
Interest	92,094	-	122,821	-	-	-	4,269,323	4,484,238
Capital outlay	785,431	1,838,840	-	1,174,382	-	-	1,920,048	5,718,701
<b>Total Expenditures</b>	<b>72,845,477</b>	<b>4,756,178</b>	<b>512,821</b>	<b>1,317,433</b>	<b>-</b>	<b>-</b>	<b>13,913,439</b>	<b>93,345,348</b>
Excess (deficiency) of revenues Over (Under) Expenditures	4,186,546	1,163,953	1,308	154,729	-	-	(5,227,938)	278,601
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	1,543,740	-	-	19,000	-	-	8,377,537	9,940,277
Transfers out	(5,851,627)	-	-	-	-	-	(2,335,575)	(8,187,202)
Lease and subscription financing	(147,662)	-	-	-	-	-	-	(147,662)
<b>Total Other Financing Sources And Uses</b>	<b>(4,455,549)</b>	<b>-</b>	<b>-</b>	<b>19,000</b>	<b>-</b>	<b>-</b>	<b>6,041,963</b>	<b>1,605,414</b>
<b>Net change in fund balances</b>	<b>(269,003)</b>	<b>1,163,953</b>	<b>1,308</b>	<b>173,729</b>	<b>-</b>	<b>-</b>	<b>814,026</b>	<b>1,884,016</b>
Fund balances - Beginning	24,991,228	6,162,217	535,318	-	1,224,422	1,201,634	12,909,433	47,024,252
Presentation Change - Major vs Non-Major	-	-	-	4,185,405	(1,224,422)	(1,201,634)	(1,759,349)	-
Fund balance - beginning restated	24,991,228	6,162,217	535,318	4,185,405	-	-	11,150,084	47,024,252
<b>Fund Balances - Ending</b>	<b>\$ 24,722,225</b>	<b>\$ 7,326,170</b>	<b>\$ 536,626</b>	<b>\$ 4,359,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,964,111</b>	<b>\$ 48,908,268</b>

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

CITY OF TUKWILA, WASHINGTON  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances per the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 1,884,016

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	5,718,701	
Depreciation Expense (excludes internal service fund depreciation which is reflected in internal service fund change in net position listed below)	<u>(11,349,910)</u>	
Excess of Capital Outlay Over Depreciation Expense		(5,631,209)

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

Increase in pension contribution revenue	358,212	
Reduction in Pension liability and expense	<u>580,821</u>	939,033

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. 369,129

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

Bond principal retirement	6,951,414	
Amortization expense	<u>619,171</u>	7,570,585

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		(100,790)
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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.		(1,780,657)
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Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the government funds. Changes this year are for:

Miscellaneous receivables	(79,372)	
Property taxes	83,999	
Special assessment	<u>(373,442)</u>	(368,815)

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	36,654	
Increase in compensated absences	(835,496)	
Change in OPEB Liability	<u>290,566</u>	
Total additional expense (increase) decrease		(508,276)

<b>Change In Net Position On The Statement Of Activities</b>	<b>\$</b>	<b>1,871,662</b>
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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, 2024

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Svc Funds
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ 3,433,117	\$ 9,546,584	\$ 1,981,861	\$ 10,850,079	\$ 25,811,641	\$ 6,862,859
Investments	977,643	2,979,081	-	1,983,594	5,940,318	-
Customer Receivable	611,651	874,378	1,971	158,230	1,646,230	212,256
Due from other governmental units	-	-	-	1,133,691	1,133,691	-
Inventory of materials and supplies	-	-	68,316	-	68,318	203,961
Restricted cash and cash equivalents	26,250	-	139,567	-	165,817	-
<b>Total Current Assets</b>	<b>5,048,661</b>	<b>13,400,043</b>	<b>2,191,715</b>	<b>14,125,594</b>	<b>34,766,015</b>	<b>7,279,077</b>
Noncurrent Assets:						
Notes receivable	-	13,312	-	-	13,312	-
Due from other funds	-	995,690	-	-	995,690	-
Net Pension asset	165,296	216,324	173,146	315,327	870,093	91,153
Capital Assets:						
Land	87,347	69,525	1,609,575	584,522	2,350,969	-
Building	1,416,567	4,006,475	6,627,496	3,724,281	15,774,819	-
Other improvements	29,815,544	17,533,725	3,599,021	59,223,056	110,171,346	-
Machinery and equipment	874,032	2,107,818	1,665,892	56,139	4,703,881	11,205,882
Leased Assets	-	-	-	-	-	5,268,250
Subscription Assets	-	-	-	-	-	260,677
Less: accumulated depreciation	(15,216,054)	(11,022,116)	(9,002,952)	(23,883,964)	(59,125,086)	(9,309,188)
Construction in progress	429,603	443,013	23,591	2,759,653	3,655,860	47,563
<b>Total Capital Assets (Net Of A/D)</b>	<b>17,407,039</b>	<b>13,138,440</b>	<b>4,522,623</b>	<b>42,463,687</b>	<b>77,531,789</b>	<b>7,473,184</b>
<b>Total Noncurrent Assets</b>	<b>17,572,335</b>	<b>14,363,766</b>	<b>4,695,769</b>	<b>42,779,014</b>	<b>79,410,884</b>	<b>7,564,337</b>
<b>Total Assets</b>	<b>22,620,996</b>	<b>27,763,809</b>	<b>6,887,484</b>	<b>56,904,608</b>	<b>114,176,899</b>	<b>14,843,414</b>
Deferred Outflow s of Resources						
Deferred pension	226,676	290,121	236,052	428,290	1,181,139	125,412
Deferred Loss on Refunding	2,115	5,042	-	976	8,133	-
<b>Total Deferred Outflow s Of Resources</b>	<b>228,791</b>	<b>295,163</b>	<b>236,052</b>	<b>429,266</b>	<b>1,189,272</b>	<b>125,412</b>
<b>LIABILITIES:</b>						
Reserve for unreported claims	-	-	-	-	-	990,150
Current liabilities:						
Accounts payable	75,133	96,565	4,536	605,491	781,725	207,839
Accrued wages and benefits	40,039	47,497	38,328	73,414	199,279	23,222
Accrued interest payable	176	1,501	-	81	1,759	15,558
Lease liability due within one year	-	-	-	-	-	602,680
Subscription liability due within one year	-	-	-	-	-	50,710
Unearned revenue	12,155	-	-	183	12,338	-
Other current liabilities	26,250	2,000	176,802	27,638	232,690	660,100
Due to other governments	-	41,175	-	-	41,175	-
Compensated absences	25,560	24,773	20,849	51,343	122,525	-
Revenue bond payable	44,676	106,535	-	20,620	171,831	-
<b>Total Current Liabilities</b>	<b>223,989</b>	<b>320,046</b>	<b>240,515</b>	<b>778,770</b>	<b>1,563,322</b>	<b>1,560,109</b>
Noncurrent liabilities:						
Lease liability due in more than one year	-	-	-	-	-	3,584,805
Subscription liability due in more than one year	-	-	-	-	-	105,620
Revenue bonds payable	45,747	109,090	-	21,114	175,951	-
Net pension liability	70,573	92,360	73,925	134,629	371,487	38,918
Compensated absences	235,576	375,149	164,126	144,458	919,309	-
Due to other governments	-	288,225	-	-	288,225	-
<b>Total Noncurrent Liabilities</b>	<b>351,896</b>	<b>864,823</b>	<b>238,051</b>	<b>300,201</b>	<b>1,754,972</b>	<b>3,729,342</b>
<b>Total Liabilities</b>	<b>575,885</b>	<b>1,184,869</b>	<b>478,566</b>	<b>1,078,971</b>	<b>3,318,294</b>	<b>5,289,452</b>
Deferred Inflow s of Resources						
Deferred inflow pension earnings	85,231	(45,628)	89,361	136,544	265,508	54,847
<b>Total Deferred Inflow s Of Resources</b>	<b>85,231</b>	<b>(45,628)</b>	<b>89,361</b>	<b>136,544</b>	<b>265,508</b>	<b>54,847</b>
<b>NET POSITION:</b>						
Investment in capital assets	17,318,730	12,598,458	4,522,624	42,422,930	76,862,742	3,129,370
Restricted for Pension Assets	321,810	421,155	337,094	613,902	1,693,961	177,463
Unrestricted	4,548,131	13,900,117	1,695,891	13,081,527	33,225,666	5,327,545
<b>Total Net Position</b>	<b>\$ 22,188,671</b>	<b>\$ 26,919,730</b>	<b>\$ 6,555,609</b>	<b>\$ 56,118,359</b>	<b>\$ 111,782,369</b>	<b>\$ 8,634,377</b>

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, 2024

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 8,209,537	\$ 10,543,595	\$ 2,253,331	\$ 8,090,765	\$ 29,097,228	\$ 7,973,486
Other operating revenue	4,372	-	131,714	718,000	854,086	214,160
Total Operating Revenues	8,213,909	10,543,595	2,385,045	8,808,765	29,951,314	8,187,646
<b>OPERATING EXPENSES:</b>						
Operating & maintenance	4,713,470	6,563,729	2,087,844	1,352,975	14,718,018	8,311,489
Administrative and general	940,379	1,826,940	230,274	2,371,202	5,368,795	580,310
Taxes	1,196,291	1,198,411	527	902,458	3,297,687	-
Depreciation and amortization	641,563	457,883	369,092	1,113,256	2,581,794	1,444,049
Total Operating Expenses	7,491,703	10,046,963	2,687,737	5,739,891	25,966,294	10,335,848
Operating Income (Loss)	722,206	496,631	(302,693)	3,068,874	3,985,020	(2,148,201)
<b>NON-OPERATING REVENUE (EXPENSE):</b>						
Investment earnings	177,557	578,904	82,906	561,892	1,401,259	382,831
Interest expense	(4,321)	(12,156)	-	(2,457)	(18,934)	(202,977)
Gain (loss) on disposal of capital assets	(16,997)	1,387	4,000	-	(11,610)	187,692
Other non-operating revenue	-	-	-	35,126	35,126	-
Total Non-Operating Revenue (Expense)	156,239	568,137	86,906	594,561	1,405,841	367,546
Income (Loss) Before Contributions & Transfers	878,445	1,064,768	(215,787)	3,663,435	5,390,861	(1,780,655)
Capital contributions	-	-	-	1,498,723	1,498,723	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(698,046)	(390,084)	-	(964,946)	(2,053,076)	-
Change in Net Position	180,399	674,684	84,213	4,197,212	5,136,508	(1,780,655)
Total net position - beginning	21,995,059	26,226,265	6,458,493	51,902,833	106,582,649	10,415,031
Change in accounting principle - Compensated Absences	13,213	18,781	12,903	18,314	63,211	-
Total net position - beginning restated	22,008,272	26,245,046	6,471,396	51,921,147	106,645,860	10,415,031
Total Net Position - ending	\$ 22,188,671	\$ 26,919,730	\$ 6,555,609	\$ 56,118,359	\$ 111,782,369	\$ 8,634,377

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, 2024

Page 1 of 2

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 8,217,809	\$ 10,590,443	\$ 2,362,018	\$ 9,038,320	\$ 30,208,591	\$ 8,266,582
Cash paid to supplier	(3,371,183)	(6,141,145)	(784,494)	(807,905)	(11,104,728)	(1,242,543)
Cash paid for taxes	(1,196,291)	(1,198,411)	(527)	(902,458)	(3,297,687)	-
Cash paid to or on behalf of employees	(1,216,749)	(1,628,901)	(1,398,898)	(1,714,293)	(5,958,842)	(6,871,866)
Interfund activity - payments to other funds	(777,364)	(659,920)	(230,274)	(699,834)	(2,367,392)	(580,307)
Other cash received	4,372	-	20,572	-	24,944	1,709
<b>Net Cash Provided (Used)</b>						
By Operating Activities	1,660,593	962,065	(31,602)	4,913,830	7,504,886	(426,424)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund loan issued	-	(29,316)	-	-	(29,316)	-
Operating grant received	-	-	-	35,126	35,126	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(698,046)	(390,084)	-	(964,945)	(2,053,076)	-
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	(698,046)	(419,400)	300,000	(929,820)	(1,747,266)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Purchase of capital assets	(283,872)	(105,119)	(491,285)	(1,647,843)	(2,528,118)	(2,802,566)
Capital grants	-	-	-	603,553	603,553	-
Principal payment on debt	(124,140)	(337,201)	-	(279,439)	(740,780)	1,353,054
Interest payment on debt	(4,641)	(12,919)	-	(3,253)	(20,812)	(198,784)
Proceeds from sale of equipment	-	1,387	4,000	-	5,387	187,692
<b>Net Cash Provided (used) for Capital And Related Financing Activities</b>	(412,652)	(453,851)	(487,285)	(1,326,982)	(2,680,770)	(1,460,603)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>						
Interest received	154,907	493,421	82,906	526,367	1,257,601	382,831
<b>Net Cash Provided (Used) In Investing Activities</b>	154,907	493,421	82,906	526,367	1,257,601	382,831
Net increase (decrease) in cash and Cash equivalents	704,803	582,235	(135,981)	3,183,395	4,334,452	(1,504,196)
Cash and cash equivalents-beginning of year	2,754,564	8,964,350	2,257,408	7,666,684	21,643,006	8,367,055
<b>Cash And Cash Equivalents- end of year</b>	<b>3,459,367</b>	<b>9,546,584</b>	<b>2,121,427</b>	<b>10,850,079</b>	<b>25,977,458</b>	<b>6,862,859</b>
Cash at end of year consists of:						
Cash and cash equivalents	3,433,117	9,546,584	1,981,861	10,850,079	25,811,641	6,862,859
Restricted cash-customer deposits	26,250	-	139,567	-	165,817	-
<b>Total Cash and cash equivalents</b>	<b>\$ 3,459,367</b>	<b>\$ 9,546,584</b>	<b>\$ 2,121,427</b>	<b>\$ 10,850,079</b>	<b>\$ 25,977,458</b>	<b>\$ 6,862,859</b>

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



CITY OF TUKWILA, WASHINGTON  
**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024

Page 2 of 2

	Water Utility	Sewer Utility	Foster Golf Course	Surface Water Utility	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 722,206	\$ 496,631	\$ (302,693)	\$ 3,068,874	\$ 3,985,018	\$ (2,148,201)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:						
Depreciation	641,563	457,883	369,092	1,113,256	2,581,794	1,444,049
Asset (increase) decrease:						
Accounts receivable	15,697	46,849	11,717	229,555	303,818	80,645
Inventory and other	(16,997)	-	(2,057)	-	(19,054)	(32,983)
Deferred outflow of resources (increase) decrease	(69,391)	(88,090)	(64,056)	(156,151)	(377,688)	(48,995)
Liability increases (decreases):						
Accounts payable	159,874	13,319	(119,340)	539,034	592,887	288,439
Other liabilities	(7,745)	-	(8,677)	(11,858)	(28,279)	-
Wages & benefits payable	242,816	188,357	112,794	184,403	728,369	6,181
Deferred inflow of resources increase (decrease)	(27,428)	(152,884)	(28,383)	(53,284)	(261,979)	(15,559)
Total Adjustments	938,388	465,434	271,091	1,844,956	3,519,868	1,721,777
Net Cash Provided (Used) By Operating Activities	\$ 1,660,594	\$ 962,065	\$ (31,602)	\$ 4,913,830	\$ 7,504,887	\$ (426,424)
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Capital assets acquired by contributed capital	\$ -	\$ -	\$ -	\$ 895,170	\$ 895,170	\$ -
Increase (decrease) in fair value of investment	22,650	85,483	-	35,525	143,658	-
Total Non Cash investing, Capital and Financing Activities	\$ 22,650	\$ 85,483	\$ -	\$ 930,696	\$ 1,038,829	\$ -

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

CITY OF TUKWILA, WASHINGTON  
**STATEMENT OF FIDUCIARY NET POSITON**  
**FIDUCIARY FUNDS**  
 DECEMBER 31, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,652,177	\$ 151,069
Total Assets	1,652,177	151,069
<b>LIABILITIES:</b>		
Accounts and other payables	-	144,257
Total Liabilities	-	144,257
<b>NET POSITION:</b>		
Restricted for pensions	1,652,177	-
Restricted for individuals, organizations and other governments	-	6,812
Total Net Position	\$ 1,652,177	\$ 6,812

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

CITY OF TUKWILA, WASHINGTON  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Contributions from nonemployer entities:		
Investment earnings/(loss)	\$ 81,929	\$ -
Total Additions	81,929	-
<b>DEDUCTIONS:</b>		
Benefit payments	79,218	-
Total Deductions	79,218	-
Change In Net Position	2,711	-
Net position - beginning	1,649,466	6,812
Net position - ending	\$ 1,652,177	\$ 6,812

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

## NOTES TO THE FINANCIAL STATEMENTS

**For the Year Ended December 31, 2024**

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tukwila have been prepared in conformity Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described in this note.

Effective for the fiscal year 2024, the City implemented the following new accounting and reporting standards, issued by GASB:

*GASB Statement No. 100 – Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

*GASB Statement No. 101 – Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

#### **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. The City of Tukwila is served by a mayor and seven councilmembers, all elected at large to four-year terms. The city provides a full range of municipal supportive services, including police, a municipal court, city parks, utilities services (water, sewer, surface water), a municipal golf complex, and municipal community center.

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

#### **B. Basis of Presentation**

##### ***Government-Wide and Fund Financial Statements***

##### **Government-Wide Funds**

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all nonfiduciary activities of the City. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the city. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues. As a general rule, the effect of the interfund activity has been eliminated for the government-wide financial statements.

## **Fund Financial Statements**

Separate fund financial statements are provided for governmental funds, proprietary (enterprise and internal service) funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The accounts of the City are organized on the basis of these funds; each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that are comprised of assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance, revenues and expenditures or expenses, as appropriate. The City's resources are allocated to - and accounted for - within 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 Land Acquisition Rec & Parks Development fund accounts for park levies against property taxes as well as park impact fees as well as any allowable expenditures for upkeep and maintenance of parks and recreational facilities.

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

### ***Proprietary Funds***

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to the City's internal and external customers for sales and services. Operating expenses

for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The City's enterprise funds account for utility and golf course operations, which are self-supported through user charges. The enterprise activities are financed and operated like a private business enterprise, which requires periodic determination of revenues earned, expenses incurred, and net income for capital maintenance, public policy, management control and accountability. The City's major enterprise funds are as follows:

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

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

### ***Fiduciary Funds***

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The City has two fiduciary funds, Firemen's Pension Trust Fund and Custodial Fund. The Firefighters' Pension Fund accounts for a single-employer defined benefit system established under Washington State law to provide pension benefits for eligible firefighters. Although this pension plan has subsequently been replaced by the Washington State Law Enforcement Officers' and Fire Fighters' Pension System, firefighters hired prior to March 1, 1970 continue to be eligible for benefits under the provisions of the earlier law. Revenues received by the fund include proceeds of a state-imposed tax on fire insurance premiums. The custodial fund functions primarily as a clearing mechanism for cash resources that are collected by the City, held for a period of time, and then disbursed to authorized recipients. Examples include sales tax and leasehold tax collected by the City then remitted to the State of Washington and court remittances due to King County and the State of Washington. Fiduciary funds are excluded from the government-wide financial statements.

## **C. Measurement Focus and Basis of Accounting**

### ***Government-wide and Governmental Funds***

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

Governmental funds financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for business licenses, which are considered available within 14 days of the end of the current fiscal period. Expenditures generally are recorded with a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the city.

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 and 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).

### ***Proprietary Funds***

The proprietary fund statements are reported using the economic resources measurement focus and full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city are water, sewer, and storm drainage utility services. Operating expenses for the district include the cost of sales and services, administrative expenses, depreciation on assets, etc. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **D. 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 into 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 this Annual Comprehensive Financial Report (ACFR).

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

The City 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.

**E. Assets, Liabilities, Fund Balance, Net Position*****Cash and Cash Equivalents***

The city considers cash and cash equivalents to be cash on hand and demand deposits. IN addition, because the LGIP is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent. For the purposes of the statement of cash flows, the city considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

***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*. All investments in the LGIP are reported at amortized cost. Additional deposit and investment information is presented in Note 2.

***Receivables***

Taxes receivables consist of utility taxes, admission taxes, gambling taxes, parking taxes, other taxes and their related interest and penalties. Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Receivables due from other governments consist of property taxes, sales and use tax, grants receivable, and other amounts due from other governmental entities.

Customer accounts receivable in the enterprise funds consists of amounts owed from private individuals or organizations for goods and services. In the governmental funds, it consists primarily of the special assessment for the local improvement district.

***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, 2024, there is one interfund loan outstanding from the sewer fund to the general fund for the purchase of a fire engine.

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

***Special Assessments***

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

***Inventories***

Inventory is defined as items purchased for resale to external customers or other City departments or supplies and small tools used in normal operations that are considered material in amount. The inventory amount on this year's



financial statements reflect only those items that will be resold. Inventory held for resale is valued at lower of cost or market and there is a physical inventory count taken annually at year-end.

### ***Real Property Held for Resale***

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

As part of a crime-reduction project, the City purchased three crime-ridden motels in 2014 plus an adjacent motel and retail shop in 2015 comprising approximately 2.3 acres. All structures on those properties were demolished in 2016. In 2021 the City sold 0.6 acres to the Tukwila Community Coalition, LLC for private development. In 2023 the City completed the sale of the remaining 1.7 acres of the land to HealthPoint, a federally recognized community health center. HealthPoint plans to build a Health and Wellness Center on the site by 2026. As of 2024, the Newporter location is the last land held for resale at a value of \$370,410.

### ***Leases & SBITAs***

**Lessee/SBITA:** The City recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide and proprietary fund financial statements. The City recognizes lease/SBITA liabilities with an initial, individual value of \$10,000 or more. This is an increase of \$5,000 from the original implementation date of January 1, 2023.

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

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

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

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

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

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

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

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

#### ***Deferred Outflows/Inflows of Resources***

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

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

#### ***Capital Assets and Depreciation***

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets acquired in governmental funds are accounted for as expenditures in the fund when the asset is purchased. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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

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

See Note 7 for additional information on capital assets.

**Deficit Net Position**

The city has one internal service fund with a deficit net position caused by a lower than expected stop loss reimbursement received in 2024.

<u>Internal Service Fund</u>	<u>Deficit Net Position</u>
Insurance - LEOFF 1 Retirees	\$58,262

**Other Liabilities and IBNR reserve**

Other liabilities include retainage, deposits and the incurred-but-not-reported (IBNR) claims. The IBNR reserve includes the claim reserve for the self-insured healthcare funds. The self-insurance fund for active employees includes an IBNR liability of \$630,900 determined using actuarial methods. They City elects to hold an additional 1.5 times the amount of IBNR (\$946,350) as a reserve for unreported claims. The self-insurance fund for LEOFF 1 retirees includes an IBNR liability of \$29,200. Using the same calculations the active employees' self-insurance fund, the City elects to hold an additional 1.5 times the amount of IBNR (\$43,800) as a reserve for unreported claims.

**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 720 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. 101.

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

**Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing

uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term debt outstanding at year-end is outlined in Note 11.

### ***Fund Balance/Net Position***

A fund balance represents the difference between the current assets and current liabilities plus deferred inflows. The City restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for general appropriation or expenditure.

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. The portion of net position restricted for pensions is equal to the net pension asset. 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.

### ***Fund Balance Components***

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

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

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

***Operating Revenues and Expenses***

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

***Contributions of Capital***

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

***Indirect Cost Allocation***

Indirect costs, also referred to as overhead costs, consist of the cost of central services or support functions shared across departments. They include accounting, human resources, payroll, information technology, janitorial services, and others. These services are paid through the general fund and charged back to the proprietary funds that directly benefit from them. The indirect costs allocated to the proprietary and other funds totaled \$2,963,517 for 2024 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 168 as of December 31, 2024. WCIA provides pooled self-insurance coverage for general liability, vehicle liability, false arrest, and errors and omissions. See Note 14 for additional information on risk management.

***Pensions***

State Sponsored Pension Plans: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to state sponsored pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of

Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

The portion of net position restricted for net pensions of all types of pension plans is equal to the net pension asset.

## **NOTE 2 –DEPOSITS AND INVESTMENTS**

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

### **Cash and Cash Equivalents**

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

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

The City participates in the Washington State Treasurer's Local Government Investment Pool (LGIP) managed by the Office of the State Treasurer, which is also responsible for establishing the investment policy for the LGIP. The LGIP is an unrated external investment pool. The pool's portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set for by GASB 79 "Certain External Investment Pools and Pool Participants" for external investment pools that elect to measured investments at amortized costs for financial reporting purposes.

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

### **Investments**

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

At December 31, 2024, 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
<b>U.S. Government Agency Notes:</b>			
Federal Home Loan Mortgage Corp	3/25/2025	Aaa	994,868
Federal Home Loan Bank	4/14/2025	Aaa	1,979,135
Federal Home Loan Bank	6/30/2025	Aaa	952,124
Federal Home Loan Mortgage Corp	10/15/2025	Aaa	901,140
Federal Home Loan Bank	12/17/2025	Aaa	977,643
Federal Home Loan Bank	2/24/2026	Aaa	958,976
Federal Farm Credit Bank	5/26/2026	Aaa	984,523
Federal Farm Credit Bank	6/15/2026	Aaa	951,358
Federal Farm Credit Bank	11/30/2026	Aaa	1,893,045
Federal Home Loan Bank	5/26/2027	Aaa	989,112
Federal Home Loan Bank	6/29/2027	Aaa	979,749
Federal Home Loan Bank	6/30/2027	Aaa	988,726
Federal Farm Credit Bank	9/20/2027	Aaa	999,945
Total U.S. Agency Notes			14,550,346
<b>Municipal Bonds:</b>			
Metro Oregon GO Taxable Bond	6/1/2026	Aaa	1,007,841
King Cnty Washington GO Taxable	12/1/2026	Aaa	933,549
Bellevue WA GO Taxable Ref	12/1/2026	Aaa	924,817
Total Municipal Bonds			2,866,207
<b>TOTAL INVESTMENTS</b>			<b>\$ 17,416,552</b>

\* 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	TOTAL
<b>Governmental Funds</b>				
General Fund	\$ 8,151,165	\$ -	\$ 11,476,234	\$ 19,627,399
Arterial Street	7,320,221	-	-	7,320,221
Local Improvement District #33	536,627	-	-	536,627
Other Governmental Funds	16,580,209	193,719	-	16,773,928
Internal Service Funds	6,862,859	-	-	6,862,859
<b>Proprietary Funds</b>				
Water	3,433,117	26,250	977,643	4,437,010
Sewer	9,546,584	-	2,979,081	12,525,665
Foster Golf Course	1,981,861	139,567	-	2,121,427
Surface Water	10,850,079	-	1,983,594	12,833,674
Total as Reported on Statement of Net Position	65,262,722	359,536	17,416,552	83,038,810
Firemen's Pension Trust Fund	1,652,177	-	-	1,652,177
Custodial Fund	151,069	-	-	151,069
<b>Total Cash, Cash Equivalents and Investments</b>	<b>\$ 67,065,968</b>	<b>\$ 359,536</b>	<b>\$ 17,416,552</b>	<b>\$ 84,842,056</b>

**SUMMARY BY TYPE:****Cash and Cash Equivalents:**

Local Government Investment Pool	\$ 35,025,257
Money market account	17,078,934
Cash on hand	13,653
Cash in bank-book balance	15,307,660

Total cash and cash equivalents	67,425,504
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**Investments:**

U.S. Government Agency Notes	14,550,346
Municipal bonds	2,866,207

Total investments	17,416,552
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<b>Total Cash, Cash Equivalents, and Investments</b>	<b>\$ 84,842,056</b>
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### Restricted Cash Summary

Restricted Assets - Governmental	
Cash & cash equivalents	
Drug Seizure funds - federal portion	\$ 193,719
Impact fees	-
Restricted Assets-Governmental	<u>\$ 193,719</u>
Restricted Assets - Business-Type	
Customer Deposits-Water Utility	\$ 26,250
Customer Deposits-Golf Course	124,567
Lease Deposits-Golf Course	15,000
Restricted Assets-Business-Type	<u>\$ 165,817</u>
Total Restricted Assets	<u>\$ 359,536</u>

### 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, 2024:

Fair Value Measurements Using				
Investments by Fair Value Level	Total	Quoted Prices		
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Agencies	\$ 14,550,346	\$ -	\$ 14,550,346	\$ -
Municipal Bonds	2,866,207	-	2,866,207	-
<b>Total Investments by Fair Value Level</b>	<b>\$ 17,416,552</b>	<b>\$ -</b>	<b>\$ 17,416,552</b>	<b>\$ -</b>

### **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, 2024, the City's investments in municipal bonds were rated Aaa or AAA by Moody's Investor Service.

### Concentration of Credit Risk

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

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

### NOTE 3 – RECEIVABLES

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

	Governmental Activities	Business-Type Activities	Total
<b>Taxes Receivable</b>			
Sales & Use	\$ 4,551,940	\$ -	\$ 4,551,940
Utility Tax	831,874	-	831,874
Admission Tax	126,610	-	126,610
Gambling Tax	900,785	-	900,785
Parking Tax	118,864	-	118,864
Other Taxes	1,084,209	-	1,084,209
Total Taxes Receivable	7,614,282	-	7,614,282
<b>Receivables due from other governments</b>			
Property Tax	702,907	-	702,907
Grants Receivable	629,457	167,342	796,798
Other	217,246	966,350	1,183,596
Total Due from other governments	1,549,609	1,133,691	2,683,301
<b>Customer Receivable</b>			
Miscellaneous	4,154,492	-	4,154,492
Utility Accounts	-	1,511,191	1,511,191
Interest	28,600	135,038	163,638
Total Customer Receivable	4,183,092	1,646,229	5,829,321
Notes due within one year	10,265	-	10,265
<b>Total Receivables</b>	<b>\$ 13,357,248</b>	<b>\$ 2,779,920</b>	<b>\$ 16,137,169</b>

## 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 <sup>st</sup>	Taxes are levied and become an enforceable lien against properties.
February 14 <sup>th</sup>	Tax bills are mailed.
April 30 <sup>th</sup>	First of two equal installment payments is due. If taxes are less than \$50, full payment is due. (RCW 84.56.020)
May 31 <sup>st</sup>	Assessed value of property established for next year's levy at 100 percent of market value.
October 31 <sup>st</sup>	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 2024 was \$1.89534 per \$1,000 of assessed valuation of \$9,529,124,967 for a total regular levy of \$18,060,932.

Special levies approved by the voters are not subject to the limitations listed above. In 2024, the City levied an additional \$0.50659 per \$1,000 for the Public Safety Plan approved by voters in November 2016. The total additional levy in 2024 was \$4,827,359.

## Due from Other Governments

All receivables from other governments are recorded at year-end as amounts Due from Other Governmental Units. These amounts represent property tax, franchise fees, as well as federal, state, and local reimbursement-type grants. The grants are reported as receivables and intergovernmental revenues in the year when the related expenditures are incurred. Balances due from other governments as of December 31, 2024 is shown in the previous chart.

## Notes Receivable

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

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

	Governmental Activities	Business- Type Activities	Total
Notes Receivable			
Special Assessments	\$ 1,493,767	\$ -	\$ 1,493,767
Sewer Payment Plan	-	13,312	13,312
Total Receivables	\$ 1,493,767	\$ 13,312	\$ 1,507,080

## 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**– Loans between funds are classified as interfund loans payable to and from other funds in the fund statements. Interfund loans are offset by a reservation of fund balance/net position. Interfund loans are subject to elimination upon consolidation. As of December 31, 2024, the City had one outstanding interfund loan in the amount of \$995,690 from the sewer utility fund to the general fund. This loan was provided prior to purchase a fire engine, as agreed during the City's process of joining the Puget Sound Regional Fire Authority. This loan is expected to be paid in full by December 31, 2026.

**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	Other Govt Funds	Total Governmental	Water	Sewer	Golf Course	Surface Water	
Transfers In	\$ 1,543,740	\$ 8,396,537	\$ 9,940,277	\$ -	\$ -	\$ 300,000	\$ -	\$ 10,240,277
Transfers Out	(5,851,627)	(2,335,574)	(8,187,202)	(698,046)	(390,084)	-	(964,945)	(10,240,277)
Net Transfers In (Out)	\$ (4,307,888)	\$ 6,060,963	\$ 1,753,076	\$ (698,046)	\$ (390,084)	\$ 300,000	\$ (964,945)	\$ -

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

#### NOTE 5 – LEASES

##### Leases Payable

In August 2021, the city entered into a 60-month lease as Lessee for the use of Copier - TIS Dept.. An initial lease liability was recorded in the amount of \$7,704. As of 12/31/2024, the value of the lease liability is \$2,463, and the value of the short-term lease liability is \$1,553. The city is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$7,704 with accumulated amortization of \$5,224 is included with Equipment on the Lease Class activities table found below.

In August 2021, the city entered into a 60-month lease as Lessee for the use of Copier - PD Patrol. An initial lease liability was recorded in the amount of \$7,704. As of 12/31/2024, the value of the lease liability is \$2,463, and the value of the short-term lease liability is \$1,553. The city is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$7,704 with accumulated amortization of \$5,224 is included with Equipment on the Lease Class activities table found below.

In September 2022, the city entered into a 36-month lease as Lessee for the use of Electronic Business Machines - Supplement. An initial lease liability was recorded in the amount of \$98,699. As of 12/31/2024, the value of the lease liability is \$23,475, and the value of the short-term lease liability is \$23,475. The city is required to make monthly fixed payments of \$2,974. The lease has an interest rate of 3.5841%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$98,699 with accumulated amortization of \$74,298 is included with Equipment on the Lease Class activities table found below. The lease has an unguaranteed residual value of \$5,000.

In August 2023, the city entered into a 36-month lease as Lessee for the use of Dell Financial Services Refresh. An initial lease liability was recorded in the amount of \$140,723. As of 12/31/2024, the value of the lease liability is \$46,818, and the value of the short-term lease liability is \$46,818. The city is required to make annual fixed payments of \$50,498. The lease has an interest rate of 7.8600%. The Computer Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$140,723 with accumulated amortization of \$66,453 is included with Computer Equipment on the Lease Class activities table found below.

In August 2023, the city entered into a 36-month lease as Lessee for the use of Dell Financial Services Refresh 10 Key. An initial lease liability was recorded in the amount of \$9,346. As of 12/31/2024, the value of the lease liability is \$3,110, and the value of the short-term lease liability is \$3,110. The city is required to make annual fixed payments of \$3,341. The lease has an interest rate of 7.4200%. The Computer Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$9,346 with accumulated amortization of \$4,414 is included with Computer Equipment on the Lease Class activities table found below.

In July 2023, the city entered into a 60-month lease as Lessee for the use of Pitney Bowes Postage Meter. An initial lease liability was recorded in the amount of \$29,855. As of 12/31/2024, the value of the lease liability is \$21,648, and the value of the short-term lease liability is \$5,981. The city is required to make monthly fixed payments of \$540. The lease has an interest rate of 2.6600%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 12/31/2024 of \$29,855 with accumulated amortization of \$8,956 is included with Equipment on the Lease Class activities table found below. The lease has an unguaranteed residual value of \$5,000.

As of 12/31/2024, City of Tukwila, WA had 71 active vehicle leases. The leases have payments that range from \$491 to \$2,168 and interest rates that range from 2.7620% to 10.5032%. As of 12/31/2024, the total combined value of the lease liability is \$4,187,484, the total combined value of the short-term lease liability is \$1,013,210. The combined value of the right to use asset, as of 12/31/2024 of \$5,268,251 with accumulated amortization of \$1,204,213 is included within the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Vehicles	5,268,251	1,204,214
Equipment	143,961	93,703
Computer Equipment	150,070	70,866
<b>Total Leases</b>	<b>5,562,282</b>	<b>1,368,783</b>

Principal and Interest Requirements to Maturity

Governmental Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2025	1,095,700	188,368	1,284,068
2026	1,075,336	129,803	1,205,139
2027	1,082,231	72,481	1,154,712
2028	832,149	22,741	854,890
2029	202,045	202,045	404,090
<b>Totals</b>	<b>4,287,461</b>	<b>615,438</b>	<b>4,902,899</b>

Leases Receivable

In July 2012, the City entered into a 180-month lease as Lessor for the use of a Billboard on city property. An initial lease receivable was recorded in the amount of \$375,000. As of 12/31/24, the value of the lease receivable is \$85,689. The lessee is required to make annual fixed payments of \$28,891. The lease has an interest rate of 0.5727%. The infrastructure estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 12/31/24 was \$77,792, and the City recognized lease revenue of \$30,113 during the fiscal year.

In January 2023, the City entered into a 24-month lease as Lessor for the use of 6300 Southcenter Boulevard office space. An initial lease receivable was recorded in the amount of \$43,189. As of 12/31/24, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.6500%. The office space estimated useful life was 24 months as of the contract commencement. The value of the deferred inflow of resources as of 12/31/24 was \$0, and the City recognized lease revenue of \$21,594 during the fiscal year.

In June 2024, the city entered into a 31-month lease as Lessor for the use of a separate area of 6300 Southcenter Boulevard. An initial lease receivable was recorded in the amount of \$38,834. As of 12/31/2024, the value of the lease receivable is \$30,278 and the value of the short-term lease receivable is \$14,878. The lessee is required to make monthly fixed payments of \$1,500. The lease has an interest rate of 3.4500%. The Buildings estimated useful life was 24 months as of the contract commencement. The value of the deferred inflow of resources as of 12/31/2024 was \$30,065, and City of Tukwila, WA recognized lease revenue of \$8,769 during the fiscal year.

Governmental Activities			
Year Ended December 31	Principal	Interest	Total Payments
2025	43,278	1,301	44,579
2026	43,962	617	44,579
2027	28,726	165	28,891
Totals	115,966	2,083	118,049

## NOTE 6 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

### Subscriptions Payable

In December 2022, the city entered into a 107-month subscription for the use of Microsoft 365 Enterprise. An initial subscription liability was recorded in the amount of \$897,802. As of 12/31/2024, the value of the subscription liability is \$689,193, and the value of the short-term subscription liability is \$107,472. The city is required to make annual fixed payments of \$125,777. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 12/31/2024 of \$897,802 with accumulated amortization of \$201,376 is included with Software on the Subscription Class activities table found below.

In September 2023, the city entered into a 60-month subscription for the use of Axon Enterprises - Fleet. An initial subscription liability was recorded in the amount of \$260,677. As of 12/31/2024, the value of the subscription liability is \$156,330, and the value of the short-term subscription liability is \$50,710. The city is required to make annual fixed payments of \$60,541. The subscription has an interest rate of 2.7360%. The value of the right to use asset as of 12/31/2024 of \$260,677 with accumulated amortization of \$69,514 is included with Software on the Subscription Class activities table found below.

In June 2022, the city entered into a 54-month subscription for the use of Axon Enterprises - Carte. An initial subscription liability was recorded in the amount of \$409,968. As of 12/31/2024, the value of the subscription liability is \$207,655, and the value of the short-term subscription liability is \$102,456. The city is required to make annual fixed payments of \$117,471. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of 12/31/2024 of \$409,968 with accumulated amortization of \$182,208 is included with Software on the Subscription Class activities table found below.

In June 2023, the city entered into a 54-month subscription for the use of Axon Enterprises – Fleet 3A. An initial subscription liability was recorded in the amount of \$265,716. As of 12/31/2024, the value of the subscription liability is \$134,589, and the value of the short-term subscription liability is \$66,406. The city is required to make annual fixed payments of \$77,078. The subscription has an interest rate of 2.6760%. The value of the right to use asset as



of 12/31/2024 of \$265,716 with accumulated amortization of \$118,096 is included with Software on the Subscription Class activities table found below.

In January 2023, the city entered into a 36-month subscription for the use of Falcon Platform. An initial subscription liability was recorded in the amount of \$80,393. As of 12/31/2024, the value of the subscription liability is \$26,792, and the value of the short-term subscription liability is \$26,792. The city is required to make annual fixed payments of \$39,874. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 12/31/2024 of \$80,393 with accumulated amortization of \$51,660 is included with Software on the Subscription Class activities table found below.

In August 2023, the city entered into a 15-month subscription for the use of PolicyMap Platform. An initial subscription liability was recorded in the amount of \$10,601. As of 12/31/2024, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. The city is required to make annual fixed payments of \$5,376. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of 12/31/2024 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

In September 2023, the city entered into a 36-month subscription for the use of Freshservice. An initial subscription liability was recorded in the amount of \$34,015. As of 12/31/2024, the value of the subscription liability is \$11,335, and the value of the short-term subscription liability is \$11,335. The city is required to make annual fixed payments of \$11,664. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of 12/31/2024 of \$34,015 with accumulated amortization of \$14,551 is included with Software on the Subscription Class activities table found below.

In January 2023, the city entered into a 35-month subscription for the use of Finance Enterprise. An initial subscription liability was recorded in the amount of \$214,406. As of 12/31/2024, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. The city is required to make annual fixed payments of \$111,388. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 12/31/2024 of \$214,406 with accumulated amortization of \$144,679 is included with Software on the Subscription Class activities table found below.

In March 2023, the city entered into a 60-month subscription for the use of Server Migration. An initial subscription liability was recorded in the amount of \$29,927. As of 12/31/2024, the value of the subscription liability is \$2,862, and the value of the short-term subscription liability is \$929. The city is required to make annual fixed payments of \$26,160. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of 12/31/2024 of \$29,927 with accumulated amortization of \$10,541 is included with Software on the Subscription Class activities table found below.

In January 2022, the city entered into a 48-month subscription for the use of Dynamic Bundle. An initial subscription liability was recorded in the amount of \$47,675. As of 12/31/2024, the value of the subscription liability is \$23,829, and the value of the short-term subscription liability is \$11,757. The city is required to make annual fixed payments of \$16,584. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of 12/31/2024 of \$47,675 with accumulated amortization of \$23,838 is included with Software on the Subscription Class activities table found below. Tukwila, WA had a termination period of 1 month as of the subscription commencement.

In June 2023, the city entered into a 12-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$13,457. As of 12/31/2024, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. The city is required to make annual fixed payments of \$13,510. The subscription has an interest rate of 0.7400%. The value of the right to use asset as of 12/31/2024 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

In January 2023, the city entered into a 48-month subscription for the use of PerfectMind. An initial subscription liability was recorded in the amount of \$116,647. As of 12/31/2024, the value of the subscription liability is \$46,793, and the value of the short-term subscription liability is \$23,329. The city is required to make annual fixed payments of \$23,600. The subscription has an interest rate of 0.5800%. The value of the right to use asset as of 12/31/2024

of \$116,647 with accumulated amortization of \$58,323 is included with Software on the Subscription Class activities table found below.

In December 2024, the city entered into a 108-month subscription for the use of Flock Group Inc. An initial subscription liability was recorded in the amount of \$776,180. As of 12/31/2024, the value of the subscription liability is \$675,092, and the value of the short-term subscription liability is \$72,808. The city is required to make annual fixed payments of \$101,000. Additionally, there are one-time other reasonably certain payments of \$6,300. The subscription has an interest rate of 4.1760%.

In July 2024, the city entered into a 132-month subscription for the use of LexisNexis Virtual Crime Center. An initial subscription liability was recorded in the amount of \$195,202. As of 12/31/2024, the value of the subscription liability is \$174,149, and the value of the short-term subscription liability is \$14,212. The city is required to make annual variable fixed in substance principal and interest payments of \$4,064. The city is required to make annual variable principal and interest payments of \$16,336 based on a prime rate of 4.00%. The subscription has an interest rate of 3.9220%. The value of the right to use asset as of 12/31/2024 of \$195,202 with accumulated amortization of \$8,873 is included with Software on the Subscription Class activities table found below.

In February 2024, the city entered into a 34-month subscription for the use of SeeClickFix - Civic Plus. An initial subscription liability was recorded in the amount of \$49,193. As of 12/31/2024, the value of the subscription liability is \$34,614, and the value of the short-term subscription liability is \$16,795. The city is required to make annual fixed payments of \$14,591. The subscription has an interest rate of 2.9150%. The value of the right to use asset as of 12/31/2024 of \$49,193 with accumulated amortization of \$14,613 is included with Software on the Subscription Class activities table found below.

In January 2024, the city entered into a 24-month subscription for the use of ESRI GIS System 2024-2026. An initial subscription liability was recorded in the amount of \$55,943. As of 12/31/2024, the value of the subscription liability is \$27,543, and the value of the short-term subscription liability is \$27,543. The city is required to make annual fixed payments of \$28,400. The subscription has an interest rate of 3.1100%. The value of the right to use asset as of 12/31/2024 of \$55,943 with accumulated amortization of \$26,806 is included with Software on the Subscription Class activities table found below.

#### Amount of Subscription Assets by Major Classes of Underlying Assets

As of Fiscal Year-end		
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	2,657,565	1,011,320
Total Subscriptions	2,657,565	1,011,320

#### Principal and Interest Requirements to Maturity

Governmental Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2025	532,545	66,388	548,223
2026	480,734	52,552	481,190
2027	262,131	40,228	248,836
2028	214,542	33,288	247,830
2029	221,698	26,132	247,830
2030 - 2034	495,186	38,857	534,044
2035	3,939	124	4,064
Totals	2,210,775	257,569	2,312,017

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024, was as follows:

**GOVERNMENTAL ACTIVITIES**

	BEGINNING BALANCE 1/1/2024	INCREASES	DECREASES	ENDING BALANCE 12/31/2024
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 61,580,992	\$ -	\$ -	\$ 61,580,992
Construction in Progress	17,068,585	5,096,194	-	22,164,779
Total capital assets not being depreciated	78,649,577	5,096,194	-	83,745,771
Capital assets, being depreciated:				
Buildings	123,078,465	-	-	123,078,465
Other Improvements	24,335,111	-	-	24,335,111
Machinery and Equipment	18,020,075	901,449	(645,800)	18,275,724
Infrastructure	234,937,721	-	-	234,937,721
Intangible Assets	1,592,331	-	-	1,592,331
Leased Assets	2,585,781	2,976,500	-	5,562,282
Subscription Based IT Assets	2,381,285	561,015	(284,735)	2,657,565
Total capital assets being depreciated	406,930,769	4,438,964	(930,535)	410,439,198
Less accumulated depreciation for:				
Buildings	(23,755,723)	(2,549,153)	-	(26,304,876)
Other Improvements	(19,624,377)	(798,630)	-	(20,423,007)
Machinery and Equipment	(12,814,309)	(1,076,263)	645,800	(13,244,772)
Infrastructure	(102,951,666)	(6,644,317)	-	(109,595,983)
Intangible Assets	(1,369,355)	(77,323)	-	(1,446,678)
Leased Assets	(397,251)	(971,532)	-	(1,368,783)
Subscription Based IT Assets	(428,943)	(675,809)	93,432	(1,011,320)
Total accumulated depreciation	(161,341,624)	(12,793,027)	739,232	(173,395,419)
Total capital assets, being depreciated, net	245,589,145	(8,354,063)	(191,303)	237,043,779
Governmental activity capital assets, net	\$ 324,238,722	\$ (3,257,869)	\$ (191,303)	\$ 320,789,550

**BUSINESS-TYPE ACTIVITIES**

	BEGINNING BALANCE 1/1/2024	INCREASES	DECREASES	ENDING BALANCE 12/31/2024
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,350,969	\$ -	\$ -	\$ 2,350,969
Construction in Progress	1,670,707	1,985,152	-	3,655,859
Total capital assets, not being depreciated	4,021,676	1,985,152	-	6,006,828
Capital assets, being depreciated:				
Buildings	15,774,819	-	-	15,774,819
Other Improvements	110,212,089	92,269	(133,012)	110,171,346
Machinery and Equipment	4,236,187	467,694	-	4,703,881
Total capital assets being depreciated	130,223,095	559,963	(133,012)	130,650,046
Less accumulated depreciation for:				
Buildings	(7,413,840)	(420,307)	-	(7,834,147)
Other Improvements	(46,824,712)	(1,973,117)	116,014	(48,681,815)
Machinery and Equipment	(2,420,754)	(188,370)	-	(2,609,124)
Total accumulated depreciation	(56,659,306)	(2,581,794)	116,014	(59,125,086)
Total capital assets, being depreciated, net	73,563,789	(2,021,831)	(16,998)	71,524,960
Business-Type activity capital assets, net	\$ 77,585,465	\$ (36,679)	\$ (16,998)	\$ 77,531,788
Total Capital Assets, net	\$ 401,824,187	\$ (3,294,548)	\$ (208,301)	\$ 398,321,338

**DEPRECIATION**

Depreciation and Amortization expense for 2024 was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 3,286,312
Public Safety	379,586
Transportation	7,147,402
Culture and Recreation	466,304
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,444,049
Total 2024 depreciation expense - governmental activities	<u>\$ 12,723,653</u>
Business-type activities:	
Water Utility	\$ 641,563
Sewer Utility	457,883
Foster Golf Course	369,092
Surface Water Utility	1,113,256
Total 2024 depreciation expense - business-type activities	<u>\$ 2,581,794</u>

## NOTE 8 – JOINT VENTURES

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

	Equity in Operations	Equity in Capital Assets financed by Outstanding Debt	Total Investment in Joint Ventures
Valley Com	\$ 5,067,155	\$ -	\$ 5,067,155
SCORE	2,907,825	3,992,406	6,900,231
<b>Total</b>	<b>\$ 7,974,980</b>	<b>\$ 3,992,406</b>	<b>\$ 11,967,386</b>

### 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 2024 cost distribution for the five (5) participating cities is as follows:

City	Dispatchable Calls	Percent of Total
Renton	68,801	21.17%
Kent	89,716	27.61%
Auburn	64,168	19.75%
Tukwila	32,611	10.04%
Federal Way	69,670	21.44%
<b>Total</b>	<b>324,965</b>	<b>100.00%</b>

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

In addition, an Operating Board was established and consists of two members of each participating City's Public Safety Departments, including the heads of such departments or their designees. The Operating Board performs the following functions: (1) Oversees the operation of Valley Com and advises and makes recommendations to the

Administration Board; (2) Makes recommendation on Director selection; (3) Presents proposed policies and budgets to the Administration Board; (4) Approves disbursement of funds by the Director.

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

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

ITEM	RENTON	KENT	AUBURN	TUKWILA	FEDERAL WAY	TOTAL
Equity December 31, 2023	\$ 9,660,311	\$12,882,720	\$ 9,851,364	\$ 4,615,420	\$ 8,624,717	\$ 45,634,533
GASB 96 Adjusted Equity	(141,590)	(188,821)	(144,390)	(67,647)	(126,412)	(668,860)
Equity January 1, 2024, restated	9,518,721	12,693,899	9,706,974	4,547,773	8,498,305	44,965,673
Current Year Increase/(Decrease)	1,095,758	1,428,863	1,021,978	519,382	1,109,598	5,175,579
Equity December 31, 2024	\$10,614,480	\$14,122,761	\$ 10,728,952	\$ 5,067,155	\$ 9,607,902	\$ 50,141,252
Percent of Equity	21.17%	28.17%	21.40%	10.11%	19.16%	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 108<sup>th</sup> Ave SE, Kent, WA 98030, or by telephone 253-372-1300.

### South Correctional Entity (SCORE)

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

The 2009 Interlocal Agreement named the City of Des Moines as the "Host City" and the remaining Member Cities as the "Owner Cities". Pursuant to a separate "Host City Agreement" dated October 1, 2009, the Host City will not

enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Host City Agreement. Pursuant to SCORE financial policies, all unexpended funds or reserve funds shall be distributed based on the percentage of the Member City's average daily population at the SCORE Facility for the last three (3) years regardless of its Owner City or Host City status. SCORE and the SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

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

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

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

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

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

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

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%
2025	2,155,000	1,757,100	3,912,100	1,366,889	188,563	235,508	1,602,396	141,618	377,126
2026	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861
2027	2,375,000	1,536,350	3,911,350	1,366,626	188,527	235,463	1,602,089	141,591	377,054
2028	2,490,000	1,417,600	3,907,600	1,365,315	188,346	235,238	1,600,553	141,455	376,693
2029	2,615,000	1,293,100	3,908,100	1,365,490	188,370	235,268	1,600,758	141,473	376,741
2030-2034	15,090,000	4,460,600	19,550,600	6,830,979	942,339	1,176,946	8,007,926	707,732	1,884,678
2035-2038	14,430,000	1,206,850	15,636,850	5,463,516	753,696	941,338	6,404,854	566,054	1,507,392
<b>Totals</b>	<b>\$41,415,000</b>	<b>\$13,320,950</b>	<b>\$54,735,950</b>	<b>19,124,742</b>	<b>2,638,272</b>	<b>3,295,104</b>	<b>22,419,846</b>	<b>1,981,441</b>	<b>5,276,545</b>

The City of Tukwila reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following summary of the Capital Contributions for the 2019 Bonds is condensed (unaudited) financial information reported as of December 31, 2024 in relation to SCORE:

Member City	2023 Percent of Equity	2023 Equity Balance	2024 Percent of Equity	2024 Apportionment	2024 Equity Balance
Auburn	41.38%	15,314,840	41.90%	1,218,459	16,533,299
Burien	5.68%	2,100,163	5.78%	181,287	2,281,450
Des Moines	5.11%	1,889,243	5.08%	115,427	2,004,670
Renton	32.11%	11,884,222	31.91%	705,931	12,590,153
SeaTac	8.18%	3,027,042	7.96%	114,579	3,141,621
Tukwila	7.54%	2,790,883	7.37%	116,942	2,907,825
<b>Grand Totals</b>	<b>100.00%</b>	<b>37,006,393</b>	<b>100.00%</b>	<b>2,452,625</b>	<b>39,459,018</b>

The investment in joint venture for SCORE on the Statement of Net Position includes Tukwila's share of debt refinanced in 2019. As of December 31, 2024, the City's share of SCORE debt is \$5,276,545. See Note 11 for additional information on long-term debt.

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

## **NOTE 9 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2024:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ (1,862,091)
Pension assets	11,085,124
Deferred outflows of resources	17,353,977
Deferred inflows of resources	(3,213,464)
Pension expense/expenditures	2,988,372



**State Sponsored Pension Plans**

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

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

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

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

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

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

### Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee*</b>
January – June 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.53%</b>	<b>6.00%</b>
July – August 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.03%</b>	<b>6.00%</b>
September – December 2024		
PERS Plan 1	6.36%	9.11%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.11%</b>	<b>6.00%</b>

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

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

### Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council, and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

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

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

<b>PERS Plan 2/3</b>			
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>	<b>Employee 3**</b>
January – June 2024			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
<b>Total</b>	<b>9.53%</b>	<b>6.36%</b>	
July – August 2024			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.47%		
Administrative Fee	0.20%		
<b>Total</b>	<b>9.03%</b>	<b>6.36%</b>	
September – December 2024			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
<b>Total</b>	<b>9.53%</b>	<b>6.36%</b>	

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

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

The City of Tukwila's actual PERS plan contributions were \$659,733 to PERS Plan 1 and \$1,481,386 to PERS Plan 2/3 for the year ended December 31, 2024.

### **Public Safety Employees' Retirement System (PSERS)**

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

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

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

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

### Contributions

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

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

<b>PSERS Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – June 2024		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.90%</b>	<b>6.73%</b>
July – August 2024		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.40%</b>	<b>6.73%</b>
September – December 2024		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.90%</b>	<b>6.73%</b>

The City of Tukwila's actual plan contributions were \$25,200 to PSERS Plan 2 for the year ended December 31, 2024.

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

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

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

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

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

### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2024. Employers paid only the administrative expense of 0.20% of covered payroll.

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

#### Contributions

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2024.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – August 2024		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	
<b>Total</b>	<b>5.32%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.20%	
<b>Total</b>	<b>8.73%</b>	<b>8.53%</b>
September – December 2024		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	
<b>Total</b>	<b>5.32%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.20%	
<b>Total</b>	<b>8.73%</b>	<b>8.53%</b>

The City of Tukwila's actual contributions to the plan were \$584,270 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2024, the state contributed \$96,422,231 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$551,989.

## Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

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

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their method for calculating UAAL contribution rates in PERS 1 and TRS Plan 1, to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. Additionally, OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS 1 and TRS 1.

## Discount Rate

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

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

## Long-Term Expected Rate of Return

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

## Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation consistent with their 2023 CMAs.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.1%
Tangible Assets	8%	4.5%
Real Estate	18%	4.8%
Global Equity	30%	5.6%
Private Equity	25%	8.6%
	<b>100%</b>	

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$ 2,739,089	\$ 1,862,091	\$ 1,092,943
PERS 2/3	7,862,195	(4,361,366)	(14,440,322)
PSERS 2	95,570	(14,756)	(102,048)
LEOFF 1	(2,098,104)	(2,384,004)	(2,633,323)
LEOFF 2	2,795,303	(4,219,238)	(9,956,922)

### 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, 2024, the City of Tukwila reported a total pension asset of \$11,805,124 and a total pension liability of \$1,862,091 for its proportionate share of the net pension liabilities as follows:

	Liability or (Asset)
PERS 1	1,862,091
PERS 2/3	(4,361,366)
PSERS 2	(14,756)
LEOFF 1	(2,384,004)
LEOFF 2	(4,219,238)
Firemen's Pension	(825,760)

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

	LEOFF 1 (Asset)	LEOFF 2 (Asset)
Employer's proportionate share	\$ (2,384,004)	\$ (4,219,238)
State's proportionate share of the net pension asset associated with the employer	(16,125,342)	(2,738,062)
<b>TOTAL</b>	<b>\$ (18,509,346)</b>	<b>\$ (6,957,300)</b>

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

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.105185%	0.104798%	0.000387%
PERS 2/3	0.133502%	0.132300%	0.001202%
PSERS 2	0.039451%	0.034604%	0.004847%
LEOFF 1	0.082520%	0.083829%	-0.001309%
LEOFF 2	0.325346%	0.225297%	0.100049%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2024 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2024. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2024, the state of Washington contributed 39.36% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.64% of employer contributions.

### Pension Expense

For the year ended December 31, 2024, the City of Tukwila recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (659,733)
PERS 2/3	(1,481,386)
PSERS 2	(25,200)
LEOFF 1	(7,087)
LEOFF 2	(584,270)
Firemen's Pension	(230,696)
<b>Total</b>	<b>\$ (2,988,372)</b>



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

At December 31, 2024, the City of Tukwila reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	0	0
Net difference between projected and actual investment earnings on pension plan investments	0	(149,000)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	339,387	
<b>TOTAL</b>	<b>339,387</b>	<b>(149,000)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	2,478,221	(10,098)
Net difference between projected and actual investment earnings on pension plan investments	0	(1,249,843)
Changes of assumptions	2,408,355	(276,335)
Changes in proportion and differences between contributions and proportionate share of contributions	227,390	(259,403)
Contributions subsequent to the measurement date	811,380	
<b>TOTAL</b>	<b>5,925,346</b>	<b>(1,795,679)</b>

<b>PSERS 2</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	38,253	(8,441)
Net difference between projected and actual investment earnings on pension plan investments	0	(7,145)
Changes of assumptions	14,729	(5,513)
Changes in proportion and differences between contributions and proportionate share of contributions	5,620	(9,423)
Contributions subsequent to the measurement date	14,135	
<b>TOTAL</b>	<b>72,738</b>	<b>(30,521)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	0	0
Net difference between projected and actual investment earnings on pension plan investments	0	(90,109)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
<b>TOTAL</b>	<b>0</b>	<b>(90,109)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	3,105,280	(32,110)
Net difference between projected and actual investment earnings on pension plan investments	0	(694,174)
Changes of assumptions	1,736,898	(354,650)
Changes in proportion and differences between contributions and proportionate share of contributions	5,880,677	(83,329)
Contributions subsequent to the measurement date	293,650	
<b>TOTAL</b>	<b>11,016,506</b>	<b>(1,164,263)</b>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>For Year Ended December 31</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>PSERS 2</b>	<b>LEOFF 1</b>	<b>LEOFF 2</b>
2025	(246,583)	(1,014,960)	(6,160)	(151,508)	204,315
2026	126,683	1,867,743	8,629	78,494	1,831,457
2027	(13,413)	823,330	2,429	(7,533)	1,197,042
2028	(15,685)	850,657	2,520	(9,561)	1,211,763
2029	-	443,682	3,683	-	1,296,691
Thereafter	-	347,835	16,981	-	3,817,325
<b>Total</b>	<b>(149,000)</b>	<b>3,318,286</b>	<b>28,081</b>	<b>(90,109)</b>	<b>9,558,592</b>

## **Firemen's Pension System**

### **Plan Description**

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

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

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

Employees Covered by Benefit Terms

At December 31, 2023 (the census date), the benefit terms covered the following employees:

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

Benefits Provided

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

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

Contributions

The City makes contributions based on an actuarially determined rate. As long as the FPF provides for benefits to covered members, the City will be eligible to receive a share of the State's distribution of the fire insurance premium taxes. The amount the City receives is 25% of all monies received by the State from taxes on fire insurance premiums. Contributions can also come from taxes paid pursuant to the provisions of RCW 41.16.060. This statute requires that each municipality levies up to \$0.45 (only \$0.225 of which can be in excess of the property tax limit pursuant to RCW 84.52.043) per \$1,000 of assessed valuation, based on reports by a qualified actuary, to maintain the fund. Reporting period contributions were \$86,708.

Net Pension Liability

The City’s total pension liability was valued as of December 31, 2022 and was used to calculate the net pension liability. The components of the City’s net pension liability at December 31, 2024 are as follows:

Total pension liability	\$ 816,729
Less: Plan fiduciary net position	<u>(1,642,489)</u>
City's net pension liability	<u>\$ (825,760)</u>
Plan fiduciary net position as a percentage of the total pension liability	201.11%

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	0	(16,109)
Contributions subsequent to the measurement date	-	0
Total	-	(16,109)

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

Year ended December 31:	Amount
2025	\$ (330)
2026	(2,232)
2027	(12,459)
2028	(1,088)
2029	0
Remaining	0
<b>TOTAL</b>	<b>\$ (16,109)</b>

### Actuarial Assumptions

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

Measurement Date:	December 31, 2022	December 31, 2023
Discount Rate	4.05%	3.77%
Investment Rate of Return	4.05%	3.77%
Inflation	2.75%	2.75%
Salary Increases	3.25%	3.25%
Mortality Rates	Based on SOA Tables	

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

### Discount Rate

GASB 68 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total pension liability is 3.77%.

*Long-Term Expected Real Rate of Return*

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

Current Pension Liability	\$ 70,084
Non-Current Pension Liability	<u>746,645</u>
Total Pension Liability	<u>\$ 816,729</u>

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

	Increase / (Decrease)		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance as of report date December 31, 2023	\$ 666,811	\$ 1,627,552	\$ (960,741)
Changes for the year:			
Interest	25,399	-	25,399
Differences between expected and actual experience	217,330	-	217,330
Changes of assumptions	(13,455)	-	(13,455)
Contributions			
Employer - City's contribution	-	86,708	(86,708)
Net investment income	-	69,029	(69,029)
Benefit payments	(79,356)	(79,356)	-
Other miscellaneous income / (expense)	-	(61,444)	61,444
Net changes	149,918	14,937	134,981
<b>Balance as of report date December 31, 2024</b>	<b>\$ 816,729</b>	<b>\$ 1,642,489</b>	<b>\$ (825,760)</b>

*Sensitivity of Liabilities to Changes in the Discount Rate*

Sensitivity of the total and net pension liability to changes in the discount rate. The total and net pension liability of the City, as well as what the City's total and net pension liability would be if they were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) follows:

	1% Decrease 2.77%	Current Rate 3.77%	1% Increase 4.77%
Total pension liability (Asset)	\$ 879,738	\$ 816,729	\$ 760,946
Increase / (decrease)	63,009		(55,783)
% Change	7.7%		-6.8%
Net pension liability (Asset)	\$ (762,751)	\$ (825,760)	\$ (881,543)
Increase / (decrease)	63,009		(55,783)
% Change	-7.6%		6.8%

## Basis of Valuation

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

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

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

### Participant Summary

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

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

Average Inactive Participant Age: 81.5



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

<b>Assumption</b>	<b>Rates</b>
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Salary
Asset Valuation Method	Fair Market Value
Valuation Date	December 31, 2023
Measurement Date	December 31, 2023
Report Date	December 31, 2024
Discount Rate	The discount rate selected is 3.77%. Since the assets of the plan are invested entirely in short duration fixed income investments, the City has decided to use the same discount rate that is used for its unfunded OPEB valuation, which is the 20-year tax-exempt municipal bond yield.
Healthy Mortality	PUB-10 Safety Headcount-Weighted Healthy Mortality Projected Generationally with MP-2021 Setback 1 for Males.
Termination Rates	n/a
Disability	n/a
Retirement	n/a
Cost of Living	2.75%, based on State of Washington 2021 actuarial valuation report. Used to increase state paid benefits annually.
Salary Increases	Salary Increases 3.25%, based on State of Washington 2021 actuarial valuation report. Used to increase FPF benefits annually.

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

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2024:

<b>Aggregate OPEB Amounts</b>	
<i>OPEB Liabilities</i>	\$ 4,726,507
<i>OPEB Assets</i>	-
<i>Deferred outflows of resources</i>	408,558
<i>Deferred inflows of resources</i>	-
<i>OPEB expenses/expenditures</i>	131,369

### Plan Description

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

Benefits Provided

As mandated by RCW 41.26, RCW 41.18, and RCW 41.20, the City reimburses 100% of allowable healthcare costs for LEOFF 1 retirees. All firefighters and law enforcement officers employed between 3/1/1970 and 10/31/1977 are members of a single employer defined benefit OPEB plan and are provided lifetime insurance coverage for medical, hospital and nursing care costs. These benefits are accounted for in Police and Fire Pension and Relief Funds and are considered, in substance, a postemployment healthcare plan administered by, but not part of, the Police and Fire Pension Plans. Extraordinary health and dental expenses, as determined by the Pension Board, require prior approval. Insurance policies for this benefit are underwritten as part of the City's overall insurance program. The LEOFF I OPEB plans are closed to new entrants.

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

Employees Covered by Benefit Terms

At December 31, 2023 (the census date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	30

Contributions

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

Net OPEB Liability

The City's total OPEB liability was valued as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	December 31, 2022	December 31, 2023
Discount Rate	4.05%	3.77%
Inflation	2.75%	2.75%
Healthcare Cost Trend Rates	4.80%	4.90%
Salary Increases	n/a	n/a
Mortality Rates	Based on SOA Tables	

- Projections of the sharing benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington 2021 Actuarial Valuation.
- Inactive employees (retirees) pay 0% of the cost of benefits.

- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

The discount rate used to measure the total OPEB liability is 3.77%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as that the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) as follows:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB Liability (Asset)	\$ 5,107,896	\$ 4,726,507	\$ 4,390,920
Increase (Decrease)	381,389		(335,587)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 6.80% and decreased to 4.01% over 51 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.80%) or one percentage point higher (7.80%) than current healthcare cost trend rates as follows:

	1% Decrease (5.80%)	Current Healthcare Cost Trend Rate (6.80%)	1% Increase (7.80%)
Total OPEB Liability (Asset)	\$ 4,412,043	\$ 4,726,507	\$ 5,076,040
Increase (Decrease)	(314,464)		349,533

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

	Total OPEB Liability
Balance as of December 31, 2023	\$ 5,058,252
Changes:	
Interest	195,481
Difference Between Expected and Actual Experience	27,405
Changes of Assumptions	(91,517)
Benefit Payments	(463,114)
Net Changes	(331,745)
<b>Balance as of December 31, 2024</b>	<b>\$ 4,726,507</b>

For the year ended December 31, 2024, the City recognized an OPEB expense of \$131,369.

Contributions subsequent to the measurement date of \$408,558 will be reported as an expense in the next fiscal year.

At December 31, 2024, the City reported current and non-current OPEB liability as follows:

<u>Report Year Ending December 31:</u>	<u>Amount</u>
Current OPEB Liability	\$ 398,089
Non-Current OPEB Liability	4,328,418
Total OPEB Liability	<u>\$ 4,726,507</u>

**Expected Average Remaining Service Lives (EARSL)**

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

**NOTE 11 – LONG-TERM LIABILITIES**

**Governmental Activities Long-Term Debt**

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

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

- 2015 LTGO bonds were issued to pay for improvements to Interurban Avenue South and reconstruct or retrofit Boeing Access Road Bridge. The City issued \$5.825 million of general obligation bonds with an interest rate of 2.25%-3.0% and a final maturity of December 2035.
- 2016 UTGO bonds in the amount of \$32.99 million were issued after voters approved a \$77.385 million bond measure that will fund a justice center, rebuild 3 fire stations and provide fire apparatus and life-safety equipment replacement for 20 years. The City issued \$32.99 million of general obligation bonds with an interest rate of 4.5%-5.0% and a final maturity of December 2036.
- 2017 LTGO bonds were issued to fund residential street improvements including adding sidewalks and undergrounding utilities on 42<sup>nd</sup> and 53<sup>rd</sup> Avenues. The City issued \$8.18 million of general obligation bonds with an interest rate of 3.0%-3.5% and a final maturity of December 2037.
- 2018 LTGO bonds were issued to fund the purchase of land in order to consolidate the Public Works function at one location. The City issued \$18.365 million of general obligation bonds with an interest rate of 4.0%-5.0% and a final maturity of December 2038.

2019 LTGO bonds were issued to fund the purchase of land and improvements in order to consolidate the Public Works function at one location and to provide additional funding for construction of the new Justice Center and fire stations as part of the Public Safety Plan. The City issued \$22.83 million of general obligation bonds with an interest rate of 3.0%-5.0% and a final maturity of December 2039.

- 2019 UTGO bonds were issued to fund construction of the new Justice Center and fire stations as part of the Public Safety Plan. The City issued the remaining \$37.77 million of the 2016 voter approved general obligation bonds with an interest rate of 3.0%-5.0% and a final maturity of December 2038.

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

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

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

Special assessments outstanding at year-end are as follows:

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

### **Business-Type Activities Long-Term Debt**

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

Revenue bonds outstanding at year-end are as follows:

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

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

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

- 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, 2024.

### CHANGES IN LONG-TERM LIABILITIES SUMMARY – GOVERNMENTAL ACTIVITIES

	GENERAL OBLIGATION	PRIVATE PLACEMENT	SPECIAL ASSESSMENT	COMPENSATED ABSENCES	DUE TO OTHER GOVERNMENTS	TOTAL OTHER POST EMPLOY- MENT BENEFITS	LEASE LIABILITY	SBITA LIABILITY	NET PENSION LIABILITY	CLAIMS INCURRED NOT REPORTED	TOTAL
Outstanding 01/01/2024	\$ 109,595,000	\$ 5,252,000	\$ 2,285,000	\$ 3,242,762	\$ 4,191,954	\$ 5,058,252	\$ 2,201,486	\$ 1,804,284	\$ 1,950,407	\$ 1,441,000	\$ 137,022,145
Added	-	-	-	819,951	-	-	2,085,974	-	-	-	2,905,925
Retired / redeemed	(4,825,000)	(977,000)	(390,000)	-	(199,548)	(331,745)	-	(369,688)	(459,803)	(780,900)	(8,333,685)
Outstanding 12/31/2024	\$ 104,770,000	\$ 4,275,000	\$ 1,895,000	\$ 4,062,712	\$ 3,992,406	\$ 4,726,507	\$ 4,287,461	\$ 1,434,596	\$ 1,490,604	\$ 660,100	\$ 131,594,386
Add Premiums, Subtract Discounts											8,306,296
Total Long-Term Liabilities											\$ 139,900,681

### Debt Service to Maturity

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

Governmental Activities									
Year Ended December 31	General Obligation Bonds		General Obligation Bonds - Private Placement		Due to Other Governments		Special Assessments		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	5,175,000	3,929,650	477,700	94,853	207,742	169,384	445,000	101,762	10,601,091
2026	5,540,000	3,684,100	486,800	84,747	217,864	158,997	445,000	77,865	10,695,373
2027	5,930,000	3,422,775	496,900	74,444	228,950	148,104	445,000	53,969	10,800,141
2028	6,340,000	3,140,175	507,100	63,915	240,036	136,657	560,000	30,072	11,017,955
2029-2033	37,655,000	11,800,075	2,059,600	159,006	1,391,052	493,598	-	-	53,558,331
2034-2038	42,490,000	4,392,250	246,900	6,666	1,706,762	177,401	-	-	49,019,979
2039-2043	1,640,000	49,200	-	-	-	-	-	-	1,689,200
Totals	\$ 104,770,000	\$ 30,418,225	\$ 4,275,000	\$ 483,631	\$ 3,992,406	\$ 1,284,141	\$ 1,895,000	\$ 263,667	\$ 147,382,070

**CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES**

ITEM	Interest		OUTSTANDING			OUTSTANDING		Due Within
	Rates	Maturity	Authorized	12/31/2023	ISSUED	REDEEMED	12/31/2024	One Year
<b>GOVERNMENTAL ACTIVITIES:</b>								
<u>Limited General Obligation (LTGO) Bonds Payable:</u>								
2015 LTGO-Interurban, BAR	2.25-3.00	12/01/35	\$ 5,825,000	\$ 3,885,000	\$ -	\$ 275,000	\$ 3,610,000	\$ 285,000
2017 LTGO-42nd & 53rd Streets	3.00-3.50	12/01/37	8,180,000	6,210,000	-	365,000	5,845,000	375,000
2018 LTGO - Public Works Shops	4.00-5.00	12/01/38	18,365,000	16,870,000	-	805,000	16,065,000	845,000
2019 LTGO - Public Safety Plan	3.00-5.00	12/01/39	22,830,000	21,015,000	-	975,000	20,040,000	1,025,000
<b>Total LTGO Bonds Payable</b>			<b>55,200,000</b>	<b>47,980,000</b>	<b>-</b>	<b>2,420,000</b>	<b>45,560,000</b>	<b>2,530,000</b>
<u>Unlimited General Obligation (UTGO) Bonds Payable:</u>								
2016 UTGO - Public Safety	4.50-5.00	12/01/35	77,385,000	26,210,000	-	1,490,000	24,720,000	1,560,000
2019 UTGO - Public Safety	3.00-5.00	12/01/38	37,770,000	35,405,000	-	915,000	34,490,000	1,085,000
<b>Total UTGO Bonds Payable</b>			<b>115,155,000</b>	<b>61,615,000</b>	<b>-</b>	<b>2,405,000</b>	<b>59,210,000</b>	<b>2,645,000</b>
<u>Private Placement Bonds:</u>								
2020 Refunding Streets (2010GO)	1.29	12/01/24	1,995,000	510,000	-	510,000	-	-
2021 Refunding (Ref 11/14GO & PWS)	1.15-2.70	12/01/34	6,720,500	4,742,000	-	467,000	4,275,000	477,700
<b>Total Private Placement Bonds Payable</b>			<b>11,991,500</b>	<b>5,252,000</b>	<b>-</b>	<b>977,000</b>	<b>4,275,000</b>	<b>477,700</b>
Issuance premiums			-	8,925,467	-	619,171	8,306,296	619,171
<b>Net Bonds Payable</b>			<b>182,346,500</b>	<b>123,772,467</b>	<b>-</b>	<b>6,421,171</b>	<b>117,351,296</b>	<b>6,271,871</b>
<u>Due to Other Governments</u>								
2019 SCORE Refunding	4.00-5.00	01/01/39	4,921,702	4,191,954	-	199,548	3,992,406	207,742
<b>Total Due Other Governments</b>			<b>4,921,702</b>	<b>4,191,954</b>	<b>-</b>	<b>199,548</b>	<b>3,992,406</b>	<b>207,742</b>
<u>Special Assessment Debt</u>								
Klickitat Urban Access Project	3.150-5.375	01/15/29	6,687,500	2,285,000	-	390,000	1,895,000	445,000
<b>Total Special Assessment Debt</b>			<b>6,687,500</b>	<b>2,285,000</b>	<b>-</b>	<b>390,000</b>	<b>1,895,000</b>	<b>445,000</b>
<b>Total Other Post-Employment Benefits Liability</b>				<b>5,058,252</b>	<b>-</b>	<b>331,745</b>	<b>4,726,507</b>	<b>398,089</b>
<b>Net Pension Liability</b>				<b>1,950,407</b>	<b>-</b>	<b>459,803</b>	<b>1,490,604</b>	<b>-</b>
<b>Lease Liability</b>				<b>2,201,486</b>	<b>2,085,974</b>	<b>-</b>	<b>4,287,461</b>	<b>685,170</b>
<b>Subscription Based Information Technology Agreements Liability</b>				<b>1,804,284</b>	<b>-</b>	<b>369,688</b>	<b>1,434,596</b>	<b>(73,450)</b>
<b>Claims Incurred but not reported</b>				<b>1,441,000</b>	<b>-</b>	<b>780,900</b>	<b>660,100</b>	<b>660,100</b>
<b>Compensated Absences</b>				<b>3,242,762</b>	<b>819,951</b>	<b>-</b>	<b>4,062,712</b>	<b>819,951</b>
<b>Total Governmental Funds</b>			<b>\$ 193,955,702</b>	<b>\$ 145,947,612</b>	<b>\$ 2,905,925</b>	<b>\$ 8,952,856</b>	<b>\$ 139,900,681</b>	<b>\$ 9,414,472</b>

All governmental activities debt listed above is liquidated by the general fund in the current and prior years, except for the special assessment debt and the 2019 SCORE intergovernmental debt. The special assessment debt is liquidated from assessments collected annually from property owners within boundaries of Local Improvement District #33. The 2019 SCORE debt was paid by SCORE from user fees. Compensated absences are reported at net under GASB 101.

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

	DIRECT PLACEMENT		PUBLIC WORKS		NET PENSION	TOTAL
	REVENUE	BONDS	TRUST FUND	LOANS	LIABILITY	
Outstanding 01/01/2024	\$	515,144	\$	902,817	\$ 450,685	\$ 2,342,467
Added		-		-	-	568,012
Retired / redeemed		(167,363)		(573,417)	(79,198)	(819,978)
Outstanding 12/31/2024	\$	347,781	\$	329,400	\$ 371,487	\$ 2,090,502

### Debt Service to Maturity

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

Business-Type Activities					
Year Ended December 31	Direct Placement Revenue Bonds		Public Works Trust Fund Loans		Total
	Principal	Interest	Principal	Interest	
2025	171,830	8,138	41,175	1,647	222,790
2026	175,951	4,117	41,175	1,441	222,684
2027	-	-	41,175	1,235	42,410
2028	-	-	41,175	1,029	42,204
2029-2033	-	-	164,700	2,059	166,759
Totals	\$ 347,781	\$ 12,255	\$ 329,400	\$ 7,412	\$ 696,848

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

ITEM	Interest		OUTSTANDING				OUTSTANDING		Due Within One Year
	Rates	Maturity	Authorized	12/31/2023	ISSUED	REDEEMED	12/31/2024		
BUSINESS-TYPE ACTIVITIES:									
<u>Direct Placement Revenue Bonds</u>									
2015 Water/Sewer/SWM Refunding	2.34	12/01/26	\$ 1,742,527	\$ 515,144	\$ -	\$ 167,363	\$ 347,781	\$ 171,830	
Total Bonds Payable			1,742,527	515,144	-	167,363	347,781	171,830	
<u>Public Works Trust Fund Loans:</u>									
2004 Loan-Water/Sewer	0.50-2.00	06/01/24	5,016,000	272,886	-	272,886	-	-	
2004 Loan-Surface Water	0.50-2.00	06/01/24	684,000	37,212	-	37,212	-	-	
2004 Loan-Surface Water	1.00	06/01/24	4,196,056	222,144	-	222,144	-	-	
2014 Loan-Sewer	0.5	06/01/32	750,000	370,575	-	41,175	329,400	41,175	
Total Public Works Trust Fund Loans			11,139,651	902,817	-	573,417	329,400	41,175	
Net Pension Liability				450,685	-	79,198	371,487	-	
Compensated Absences				473,821	568,012	-	1,041,834	568,012	
Total Business-Type Activities			\$ 12,882,178	\$ 2,342,467	\$ 568,012	\$ 819,978	\$ 2,090,502	\$ 781,017	
TOTAL ALL FUNDS			\$ 206,837,880	\$ 148,290,079	\$ 3,473,937	\$ 9,772,834	\$ 141,991,183	\$ 10,195,490	

All business-type activities debt listed above is liquidated by the respective utility funds. Compensated absences are reported at net under GASB 101.



**LONG-TERM LIABILITIES RECONCILIATION**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Balance 12/31/2024</b>
General Obligation Bonds	\$ 104,770,000	\$ -	\$104,770,000
General Obligation Bonds			
- Private Placement	4,275,000	-	4,275,000
Special assessment bonds	1,895,000	-	1,895,000
Revenue Bonds - Direct Placement	-	347,781	347,781
Public Works Trust Fund loans	-	329,400	329,400
Due to Other Governments	3,992,406	-	3,992,406
Employee leave benefits	4,062,712	1,041,834	5,104,546
Net Premiums/Discounts	8,306,296	-	8,306,296
Other Post-Employment Benefits	4,726,507	-	4,726,507
Lease Liability	4,287,461	-	4,287,461
Subscription based IT agreements	1,434,596	-	1,434,596
Claims Incurred but not reported	660,100	-	660,100
Net Pension Liability	1,490,604	371,487	1,862,091
<b>Total long-term debt</b>	<b>\$ 139,900,681</b>	<b>\$ 2,090,502</b>	<b>\$ 141,991,183</b>

**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, 2024, 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	\$ 149,258,410	\$ 248,764,016	\$ 497,528,032	\$746,292,048
Outstanding Net Indebtedness	56,281,516	115,491,516	115,491,516	115,491,516
Margin Available	\$ 92,976,894	\$ 133,272,500	\$ 382,036,516	\$630,800,532

**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, 2024, \$660,000 of the defeased bonds were outstanding.

**Long-term Liabilities other than debt**

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

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

**Local Improvement District No. 33**

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

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

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

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

As of December 31, 2024, all LID Special Assessments were current, nothing was delinquent. The City has sufficient funds in the LID No. 33 funds to meet debt service requirements in 2024.

**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, 2024 is \$0 for its tax-exempt bond issues subject to the Tax Reform Act.

**Unused Lines of Credit**

As of December 31, 2024, the City had no open lines of credit.

**Terms Specified in Debt Agreements**

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

## NOTE 12 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

Change in accounting principle. As of December 31, 2024, the City implemented GASB 101- Compensated Absences. As a result of that implementation, an adjustment of \$564,564 to the December 31, 2023 ending net position/fund balance was posted, adjusting the prior reporting period presented.

Change to or within the financial reporting entity. As of December 31, 2024, both the Public Safety Plan and the City Facilities capital project funds were deemed to be Non-Major governmental funds. As a result, the December 31, 2023 fund balances were moved to “Other Governmental Funds”. This adjustment was also reflected within the required supplementary information pages, outlining the details of the “Other Governmental Funds” within the Capital Project Funds statements.

As of December 31, 2024, the Land Acquisition, Rec & Park Development capital project fund was deemed to be a Major governmental fund. As a result, the December 31, 2023 fund balance was moved from “Other Governmental Funds” to its own column within the Governmental Funds financial statements.

	December 31, 2023 Net Position / Fund Balance as previously reported	Change in Accounting Principle	Change to or within the financial reporting entity	December 31, 2024 Net Position / Fund Balance as restated/adjusted
Government-wide				-
Governmental Activities	271,112,731	501,353	-	271,614,084
Business-Type Activities	106,582,649	63,211	-	106,645,860
Total Primary Government	377,695,380	564,564	-	378,259,944
Governmental Funds				
Major Funds				
General Fund	24,991,228	-	-	24,991,228
Arterial Street	6,162,217	-	-	6,162,217
LID #33	535,318	-	-	535,318
Public Safety Plan	1,224,422	-	(1,224,422)	-
City Facilities	1,201,634	-	(1,201,634)	-
Land Acq Rec & Park Development	-	-	4,185,405	4,185,405
Other Governmental Funds	12,909,433	-	(1,759,349)	11,150,084
Total Governmental Funds	47,024,252	-	-	47,024,252
Enterprise Funds				
Water Utility	21,995,059	13,213	-	22,008,272
Sewer Utility	26,226,265	18,781	-	26,245,046
Foster Golf Course	6,458,493	12,903	-	6,471,396
Surface Water Utility	51,902,833	18,314	-	51,921,147
Total Enterprise Funds	106,582,650	63,211	-	106,645,861

## NOTE 13 – POTENTIAL POLLUTION REMEDIATION AND OTHER LIABILITIES

There are several lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City 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 has reached a settlement with the City and all “small” parties, which will become effective once the government lodges the Consent Decree with the court, after the public notice and comment period, likely by the end of 2025. While the Consent Decree is being finalized, the major liable parties (Seattle, King County, and Boeing) have agreed to perform the remedy and this remedial work began under a 2024 Cleanup Order.

## NOTE 14 – RISK MANAGEMENT

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. As of December 31, 2024, WCIA has a total of 168 members.

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

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

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

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

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 \$59,196 in unemployment in 2024. No reserves are allocated because of the limited liability and historical cost.

The City also self-insures for medical, dental and other health care benefits. A third-party administrator, Healthcare Management Administrators, Inc., provides claims administration. The City has a stop-loss policy with Symetra which provides an individual limit of \$210,000. Each fund contributes an appropriate amount each year to pay premiums and claims. Liabilities include an actuarially determined amount for claims that have been incurred but not reported (IBNR's). A reserve equal to 1.5 times the IBNR liability is recorded as a Reserve for Unreported Claims and is listed separately on the face of the financials.

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

The following table reflects changes in the balances of claims liabilities for 2024 and 2023.

SUMMARY OF HEALTH CARE CLAIM LIABILITIES

	Active Employees		Retired Employees LEOFF I	
	2024	2023	2024	2023
Claim Liabilities at Beginning of Year	\$ 1,371,750	\$ 1,505,500	\$ 69,250	\$ 69,500
Claim expenses:				
Current year and changes in estimates	4,992,441	5,694,850	114,365	474,653
Claim payments and expenses	(4,361,541)	(5,828,600)	(85,165)	(474,903)
Claim Liabilities at End of Year	\$ 630,900	\$ 1,371,750	\$ 29,200	\$ 69,250

NOTE 15 – SUBSEQUENT EVENTS

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through the June 30, 2025, the date in which the financial statements have been issued.

On May 27, 2025, a fire suppression pipe burst at the Tukwila Community Center causing a sizable flood. As of June 30, 2025, the City estimates the total cost of the entire repair at \$300 thousand. The City's assumption is the project costs will be covered by insurance, minus the City's \$25 thousand deductible.

In December 2021, the City Council authorized the sale of the George Long Shops property to King County. This property, comprised of four parcels and an unnamed right of way, is located at 1400 Interurban Ave South and had been utilized by the City's fleet and facilities crews. On June 9, 2025, the purchase of this property was completed for a total of \$4.5 million.

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 55,304,000	\$ 56,404,000	\$ 57,359,441	\$ 955,441
Licenses and permits	5,596,743	5,596,743	5,904,639	307,896
Intergovernmental	5,129,201	6,270,484	7,047,896	777,412
Charges for services	4,075,021	4,536,691	4,616,229	79,538
Fines and Forfeitures	759,275	759,275	443,361	(315,914)
Investment earnings	130,550	380,550	1,069,873	689,323
Miscellaneous	104,100	104,100	590,584	486,484
<b>Total Revenues</b>	<b>71,098,890</b>	<b>74,051,843</b>	<b>77,032,023</b>	<b>2,980,180</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	10,944,938	12,685,519	13,117,335	(431,816)
Public safety	40,757,544	41,892,215	41,682,819	209,396
Transportation	5,670,080	5,714,662	4,617,714	1,096,948
Natural and economic environment	6,178,547	6,368,003	6,441,212	(73,209)
Culture and recreation	5,392,469	5,784,439	5,349,458	434,980
Debt service:				
Principal	-	-	759,414	(759,414)
Interest	-	-	92,094	(92,094)
Capital outlay	320,000	590,000	785,431	(195,431)
<b>Total Expenditures</b>	<b>69,263,579</b>	<b>73,034,838</b>	<b>72,845,477</b>	<b>189,360</b>
<b>Excess of Revenues And Expenditures</b>	<b>1,835,311</b>	<b>1,017,005</b>	<b>4,186,546</b>	<b>3,169,541</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease and subscription financing proceeds	-	-	(147,662)	(147,662)
Transfers in	1,517,849	1,787,849	1,543,740	(244,109)
Transfers out	(5,765,345)	(5,865,345)	(5,851,627)	13,717
<b>Total Other Financing Sources And Uses</b>	<b>(4,247,496)</b>	<b>(4,077,496)</b>	<b>(4,455,549)</b>	<b>(378,054)</b>
Net change in fund balances	(2,412,184)	(3,060,490)	(269,003)	2,791,487
Fund balances - beginning	22,230,656	20,330,040	24,991,228	4,661,188
<b>Fund Balances - Ending</b>	<b>\$ 19,818,472</b>	<b>\$ 17,269,550</b>	<b>\$ 24,722,225</b>	<b>\$ 7,452,675</b>

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

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ARTERIAL STREET CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 2,200,000	\$ 2,200,000	\$ 2,934,789	\$ 734,789
Licenses and permits	450,000	450,000	418,424	(31,576)
Intergovernmental	16,369,800	16,569,800	1,773,927	(14,795,873)
Fire Impact Fees	200,000	200,000	328,192	128,192
Fines and Forfeitures	-	-	3,102	3,102
Investment earnings	5,000	5,000	317,096	312,096
Miscellaneous	80,000	80,000	144,600	64,600
<b>Total Revenues</b>	<b>19,304,800</b>	<b>19,504,800</b>	<b>5,920,131</b>	<b>(13,584,669)</b>
<b>EXPENDITURES:</b>				
Current:				
Transportation	2,484,451	3,784,451	2,917,338	867,113
Capital outlay	16,725,000	17,975,000	1,838,840	16,136,161
<b>Total Expenditures</b>	<b>19,209,451</b>	<b>21,759,451</b>	<b>4,756,178</b>	<b>17,003,273</b>
<b>Excess of Revenues And Expenditures</b>	<b>95,349</b>	<b>(2,254,651)</b>	<b>1,163,953</b>	<b>3,418,604</b>
<b>Net change in fund balances</b>	<b>95,349</b>	<b>(2,254,651)</b>	<b>1,163,953</b>	<b>3,418,604</b>
<b>Fund balances - beginning</b>	<b>5,295,017</b>	<b>6,558,631</b>	<b>6,162,217</b>	<b>(396,414)</b>
<b>Fund Balances - Ending</b>	<b>\$ 5,390,366</b>	<b>\$ 4,303,980</b>	<b>\$ 7,326,170</b>	<b>\$ 3,022,190</b>

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**LOCAL IMPROVEMENT DISTRICT #33 DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special Assessment	\$ 400,000	\$ 400,000	\$ 418,885	\$ 18,885
Investment earnings	104,000	104,000	85,990	(18,010)
Miscellaneous	-	-	254	254
<b>Total Revenues</b>	<b>504,000</b>	<b>504,000</b>	<b>505,129</b>	<b>1,129</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	400,000	400,000	390,000	10,000
Interest	104,000	104,000	113,821	(9,821)
<b>Total Expenditures</b>	<b>504,000</b>	<b>504,000</b>	<b>503,821</b>	<b>179</b>
<b>Excess of Revenues And Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,308</b>	<b>1,308</b>
Net change in fund balances	-	-	1,308	1,308
Fund balances - beginning	586,678	563,265	535,318	(27,947)
<b>Fund Balances - Ending</b>	<b>\$ 586,678</b>	<b>\$ 563,265</b>	<b>\$ 536,626</b>	<b>\$ (26,640)</b>



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, 2024

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 315,000	\$ 315,000	\$ 197,905	\$ (117,095)
Intergovernmental	-	-	82,919	82,919
Charges for services	112,000	112,000	981,266	869,266
Investment earnings	8,000	150,000	210,072	60,072
Total Revenues	435,000	577,000	1,472,162	895,162
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation	1,179,000	1,321,000	143,051	1,177,949
Capital outlay	-	-	1,174,382	(1,174,382)
Total Expenditures	1,179,000	1,321,000	1,317,433	3,567
Excess of Revenues And Expenditures	(744,000)	(744,000)	154,729	898,729
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	19,000	19,000	19,000	-
Total Other Financing Sources And Uses	19,000	19,000	19,000	-
Net change in fund balances	(725,000)	(725,000)	173,729	898,729
Fund balances - beginning	3,307,186	2,677,484	4,185,405	1,507,921
Fund Balances - Ending	\$ 2,582,186	\$ 1,952,484	\$ 4,359,134	\$ 2,406,650



## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

### ***Expenditure Categories***

<b><i>General Government</i></b>	Includes administration, finance, municipal court, attorney, and city clerk activities.
<b><i>Public Safety</i></b>	Includes all police and fire activities.
<b><i>Transportation</i></b>	Includes all residential and arterial street maintenance and construction.
<b><i>Natural and Economic Environment</i></b>	Reflects all planning and building inspection as well as environmental and community services.
<b><i>Culture and Recreation</i></b>	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 (asset)	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 (asset)
June 30, 2015	0.135736%	\$ 7,100,255	\$ -	\$ 7,100,255	\$ 15,561,015	45.63%	59.10%
June 30, 2016	0.131354%	7,054,328	-	7,054,328	15,736,921	44.83%	57.03%
June 30, 2017	0.127058%	6,029,001	-	6,029,001	16,022,842	37.63%	61.24%
June 30, 2018	0.122630%	5,476,697	-	5,476,697	16,327,082	33.54%	63.22%
June 30, 2019	0.121291%	4,664,070	-	4,664,070	16,858,481	27.67%	67.12%
June 30, 2020	0.113704%	4,014,365	-	4,014,365	17,063,647	23.53%	68.64%
June 30, 2021	0.104195%	1,272,465	-	1,272,465	15,827,030	8.04%	88.74%
June 30, 2022	0.109635%	3,052,641	-	3,052,641	17,683,212	17.26%	76.56%
June 30, 2023	0.105185%	2,401,092	-	2,401,092	18,458,622	13.01%	80.16%
June 30, 2024	0.104798%	2,392,257	-	2,392,257	23,279,694	10.28%	84.05%

**PERS 2/3**

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	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 (asset)
June 30, 2015	0.173592%	\$ 6,202,541	\$ -	\$ 6,202,541	\$ 15,406,589	40.26%	89.20%
June 30, 2016	0.166622%	8,389,286	-	8,389,286	15,579,718	53.85%	85.82%
June 30, 2017	0.161787%	5,621,325	-	5,621,325	15,861,514	35.44%	90.97%
June 30, 2018	0.156335%	2,669,281	-	2,669,281	16,228,608	16.45%	95.77%
June 30, 2019	0.154903%	1,504,635	-	1,504,635	16,843,895	8.93%	97.77%
June 30, 2020	0.146296%	1,871,042	-	1,871,042	17,053,352	10.97%	97.22%
June 30, 2021	0.132317%	(13,180,902)	-	(13,180,902)	15,827,030	-83.28%	120.29%
June 30, 2022	0.141085%	(5,232,534)	-	(5,232,534)	17,683,212	-29.59%	106.73%
June 30, 2023	0.133502%	(5,471,824)	-	(5,471,824)	18,458,622	-29.64%	107.02%
June 30, 2024	0.132300%	(5,422,558)	-	(5,422,558)	23,279,694	-23.29%	105.17%

**PSERS**

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	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 (asset)
June 30, 2015	0.052748%	\$ 9,628	\$ -	\$ 9,628	\$ 154,426	6.23%	95.08%
June 30, 2016	0.048428%	20,581	-	20,581	157,203	13.09%	90.41%
June 30, 2017	0.455650%	8,928	-	8,928	161,328	5.53%	96.26%
June 30, 2018	0.025080%	311	-	311	98,474	0.32%	99.79%
June 30, 2019	0.032158%	(4,182)	-	(4,182)	147,556	-2.83%	101.85%
June 30, 2020	0.028557%	(3,929)	-	(3,929)	175,312	-2.24%	101.68%
June 30, 2021	0.026736%	(61,423)	-	(61,423)	181,231	-33.89%	123.67%
June 30, 2022	0.035312%	(25,248)	-	(25,248)	240,700	-10.49%	103.17%
June 30, 2023	0.039451%	(41,833)	-	(41,833)	302,683	-13.82%	107.90%
June 30, 2024	0.034604%	(36,694)	-	(36,694)	374,130	-9.81%	102.61%

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (continued)

## LEOFF 1

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	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 (asset)
June 30, 2015	0.077944%	\$ (939,397)	\$ -	\$ (939,397)	\$ 76,144	-1233.71%	127.36%
June 30, 2016	0.077890%	(802,490)	(5,428,021)	(6,230,511)	-	n/a	123.74%
June 30, 2017	0.082086%	(1,245,425)	(8,424,025)	(9,669,450)	-	n/a	135.96%
June 30, 2018	0.083934%	(1,523,823)	(10,307,102)	(11,830,925)	-	n/a	144.42%
June 30, 2019	0.082668%	(1,634,025)	(11,052,506)	(12,686,531)	-	n/a	148.78%
June 30, 2020	0.081701%	(1,542,931)	(10,436,345)	(11,979,276)	-	n/a	146.88%
June 30, 2021	0.083135%	(2,847,841)	(19,262,726)	(22,110,567)	-	n/a	187.45%
June 30, 2022	0.082276%	(2,360,180)	(15,964,199)	(18,324,379)	-	n/a	169.62%
June 30, 2023	0.082520%	(2,449,213)	(16,566,419)	(19,015,632)	-	n/a	175.99%
June 30, 2024	0.128800%	(2,384,004)	(16,125,342)	(18,509,346)	-	n/a	168.48%

## LEOFF 2

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	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 (asset)
June 30, 2015	0.519159%	\$ (5,335,916)	\$ (2,123,832)	\$ (7,459,748)	\$ 15,113,237	-49.36%	111.67%
June 30, 2016	0.510663%	(2,970,169)	(1,936,334)	(4,906,503)	15,480,062	-31.70%	106.04%
June 30, 2017	0.503269%	(6,983,743)	(4,530,224)	(11,513,967)	15,743,133	-73.14%	113.36%
June 30, 2018	0.480347%	(9,752,091)	(6,314,295)	(16,066,386)	15,759,700	-101.95%	118.50%
June 30, 2019	0.473755%	(10,975,449)	(7,106,396)	(18,081,845)	16,581,465	-109.05%	119.43%
June 30, 2020	0.438096%	(8,936,519)	(5,714,227)	(14,650,746)	16,552,520	-88.51%	115.83%
June 30, 2021	0.420145%	(24,403,761)	(15,743,090)	(40,146,851)	16,037,465	-250.33%	142.00%
June 30, 2022	0.424099%	(11,525,730)	(7,466,117)	(18,991,847)	16,902,693	-112.36%	116.09%
June 30, 2023	0.325346%	(7,803,743)	(4,983,390)	(12,787,133)	13,688,491	-93.42%	113.17%
June 30, 2024	0.606448%	(4,219,238)	(2,738,062)	(6,957,300)	11,197,742	-62.13%	109.27%

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

## PERS 1

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 686,881	\$ (686,881)	\$ -	\$ 15,654,255	4.39%
December 31, 2016	752,418	(752,418)	-	15,777,881	4.77%
December 31, 2017	789,712	(789,712)	-	16,153,755	4.89%
December 31, 2018	846,714	(846,714)	-	16,742,206	5.06%
December 31, 2019	854,217	(854,217)	-	17,030,131	5.02%
December 31, 2020	740,837	(740,837)	-	16,004,087	4.63%
December 31, 2021	705,904	(705,904)	-	16,849,796	4.19%
December 31, 2022	668,862	(668,862)	-	18,311,585	3.65%
December 31, 2023	667,578	(667,578)	-	18,524,206	3.60%
December 31, 2024	659,733	(659,733)	-	19,765,129	3.34%

## PERS 2/3

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 873,248	\$ (873,248)	\$ -	\$ 15,498,171	5.63%
December 31, 2016	972,612	(972,612)	-	15,616,400	6.23%
December 31, 2017	1,090,715	(1,090,715)	-	16,024,008	6.81%
December 31, 2018	1,245,790	(1,245,790)	-	16,629,084	7.49%
December 31, 2019	1,310,892	(1,310,892)	-	17,014,243	7.70%
December 31, 2020	1,267,208	(1,267,208)	-	16,000,110	7.92%
December 31, 2021	1,160,770	(1,160,770)	-	16,849,796	6.89%
December 31, 2022	1,115,620	(1,115,620)	-	18,311,585	6.09%
December 31, 2023	1,231,334	(1,231,334)	-	18,524,206	6.65%
December 31, 2024	1,481,386	(1,481,386)	-	19,765,129	7.49%

## PSERS

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 10,105	\$ (10,105)	\$ -	\$ 156,084	6.47%
December 31, 2016	10,642	(10,642)	-	161,481	6.59%
December 31, 2017	8,612	(8,612)	-	129,747	6.64%
December 31, 2018	7,768	(7,768)	-	113,122	6.87%
December 31, 2019	12,191	(12,191)	-	170,971	7.13%
December 31, 2020	12,039	(12,039)	-	174,773	6.89%
December 31, 2021	12,464	(12,464)	-	189,293	6.58%
December 31, 2022	18,354	(18,354)	-	293,269	6.26%
December 31, 2023	20,700	(20,700)	-	298,562	6.93%
December 31, 2024	25,200	(25,200)	-	307,690	8.19%

## SCHEDULE OF EMPLOYER CONTRIBUTIONS (continued)

## LEOFF 2

<b>Fiscal Year Ending</b>	<b>Statutorily or contractually required contributions</b>	<b>Less: Contributions in relation to the statutorily or contractually required contributions</b>	<b>Contribution deficiency (excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a percentage of covered payroll</b>
December 31, 2015	\$ 776,719	\$ (776,719)	\$ -	\$15,380,541	5.05%
December 31, 2016	787,110	(787,110)	-	15,586,296	5.05%
December 31, 2017	815,548	(815,548)	-	15,860,571	5.14%
December 31, 2018	855,040	(855,040)	-	16,132,860	5.30%
December 31, 2019	868,767	(868,767)	-	16,611,112	5.23%
December 31, 2020	831,485	(831,485)	-	16,054,647	5.18%
December 31, 2021	813,295	(813,295)	-	16,265,695	5.00%
December 31, 2022	872,391	(872,391)	-	17,624,561	4.95%
December 31, 2023	518,709	(518,709)	-	9,373,415	5.53%
December 31, 2024	584,270	(584,270)	-	10,182,759	5.74%

## FIREMEN'S PENSION TRUST FUND

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

<b>Total Pension Liability</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest	49,716	49,332	38,796	-	39,385	42,542	29,959	22,655	14,697	25,399
Difference between expected & actual experience	(2,442)	(311,190)	-	(2,810)	17,256	(31,990)	1,774	(220,445)	10,729	217,330
Changes of assumptions	-	(62,728)	-	(177,772)	(51,490)	(3,148)	75,346	(76,289)	(126,650)	(13,455)
Benefits payments, included refunds of employee contributions	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)	(61,444)	(79,356)
<b>Net change in total pension liability</b>	<b>(11,003)</b>	<b>(384,574)</b>	<b>(30,390)</b>	<b>(162,882)</b>	<b>(75,317)</b>	<b>(52,768)</b>	<b>37,893</b>	<b>(332,409)</b>	<b>(162,668)</b>	<b>149,918</b>
<b>Total pension liability - beginning</b>	<b>1,840,928</b>	<b>1,829,925</b>	<b>1,445,351</b>	<b>1,414,961</b>	<b>1,252,079</b>	<b>1,176,762</b>	<b>1,123,995</b>	<b>1,161,888</b>	<b>829,479</b>	<b>666,811</b>
<b>Total pension liability - ending (a)</b>	<b>1,829,925</b>	<b>1,445,351</b>	<b>1,414,961</b>	<b>1,252,079</b>	<b>1,176,762</b>	<b>1,123,994</b>	<b>1,161,888</b>	<b>829,479</b>	<b>666,811</b>	<b>816,729</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	63,590	66,360	68,848	(139)	71,286	68,569	72,088	71,112	74,397	69,029
Net investment income	2,667	7,988	39,157	(39,477)	27,770	34,948	31,875	(20,255)	85,126	86,708
Benefit payments, including refunds of employee contributions	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)	(61,444)	(79,356)
Administrative expense	(4,500)	(4,500)	(4,624)	1,124	-	-	-	-	(1,750)	-
Other	-	-	-	2,716	-	-	-	(500)	-	(61,444)
<b>Net change in plan fiduciary net position</b>	<b>3,480</b>	<b>9,860</b>	<b>34,195</b>	<b>(18,076)</b>	<b>18,588</b>	<b>43,345</b>	<b>34,777</b>	<b>(7,973)</b>	<b>96,329</b>	<b>14,937</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,413,026</b>	<b>1,416,506</b>	<b>1,426,366</b>	<b>1,460,561</b>	<b>1,442,485</b>	<b>1,461,073</b>	<b>1,504,419</b>	<b>1,539,196</b>	<b>1,531,223</b>	<b>1,627,552</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>1,416,506</b>	<b>1,426,366</b>	<b>1,460,561</b>	<b>1,442,485</b>	<b>1,461,073</b>	<b>1,504,418</b>	<b>1,539,196</b>	<b>1,531,223</b>	<b>1,627,552</b>	<b>1,642,489</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>413,419</b>	<b>18,985</b>	<b>(45,600)</b>	<b>(190,406)</b>	<b>(284,311)</b>	<b>(380,424)</b>	<b>(377,308)</b>	<b>(701,744)</b>	<b>(960,741)</b>	<b>(825,760)</b>
<b>Plan fiduciary net position as a percent of total pension liability</b>	<b>77.41%</b>	<b>98.69%</b>	<b>103.22%</b>	<b>115.21%</b>	<b>124.16%</b>	<b>133.85%</b>	<b>132.47%</b>	<b>184.60%</b>	<b>244.08%</b>	<b>201.11%</b>
<b>Covered payroll</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>City net pension liability as a percent of covered employee payroll</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>



**Schedule of Employer Contributions**

<b>Fiscal Year Ending</b>	<b>Statutorily Determined Contribution</b>	<b>Less: Contributions in Relation to the Statutorily Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Contribution as a Percentage of Covered Payroll</b>
December 31, 2014	64,114	64,114	-	n/a
December 31, 2015	63,590	63,690	(100)	n/a
December 31, 2016	66,360	66,360	-	n/a
December 31, 2017	64,223	68,848	(4,625)	n/a
December 31, 2018	-	(139)	139	n/a
December 31, 2019	-	71,286	(71,286)	n/a
December 31, 2020	-	68,569	(68,569)	n/a
December 31, 2021	-	72,088	(72,088)	n/a
December 31, 2022	-	71,112	(71,112)	n/a
December 31, 2023	-	74,397	(74,397)	n/a
December 31, 2024	-	69,029	(69,029)	n/a

Contributions are a portion of State Fire Insurance Premiums.

**Schedule of Investment Returns**

<b>Schedule of Investment Returns</b>	<b>Annual money-weighted rate of return, net of investment expense</b>
2015	0.19%
2016	0.56%
2017	2.75%
2018	-2.68%
2019	1.93%
2020	2.39%
2021	2.12%
2022	-1.31%
2023	5.54%
2024	4.40%

City of Tukwila  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**LEOFF Plan 1**  
**For the year ended December 31, 2024**  
**Last 7 Fiscal Years\***

	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB liability - beginning</b>	\$ 26,383,115	\$ 14,694,242	\$ 12,700,180	\$ 7,622,718	\$ 7,898,399	\$ 6,378,071	\$ 5,058,252
Interest	469,303	471,554	462,935	204,469	154,176	114,013	195,481
Differences between expected and actual experience	(3,780,437)	(199,491)	(5,203,755)	(92,607)	(1,163,334)	(56,710)	27,405
Changes of assumptions	(7,947,448)	(1,896,319)	107,644	538,778	(131,930)	(1,013,670)	(91,517)
Benefit Payments	(430,291)	(369,806)	(444,286)	(374,959)	(379,240)	(363,452)	(463,114)
Other changes	-	-	-	-	-	-	-
<b>Total OPEB liability - ending</b>	<u>14,694,242</u>	<u>12,700,180</u>	<u>7,622,718</u>	<u>7,898,399</u>	<u>6,378,071</u>	<u>5,058,252</u>	<u>4,726,507</u>
<b>Covered-employee payroll</b>	-	-	-	-	-	-	-
<b>Total OPEB liability as a % of covered payroll</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Notes to Schedule:**

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

## Non-major Governmental Funds

### Special Revenue Funds

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

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

### Debt Service Funds

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

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

### Capital Project Funds

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

- Residential Street – Established in accordance with RCW 35A.37.010 to account for maintenance and improvement of the City's residential streets. Major sources of support are the State-levied tax on motor vehicle fuels distributed to Tukwila to be used for street purposes, state and federal grants, and the General Fund.
- 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.
- The Public Safety Plan – This 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 – This 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.

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
DECEMBER 31, 2024

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 3,921,322	\$ 1,323,153	\$ 6,195,205	\$ 11,439,680
Taxes receivable	46,895	-	45,072	91,967
Customer receivables	65,012	-	13,999	79,011
Due from other governmental units	4,000	108,734	21,380	134,114
<b>Restricted Assets:</b>				
Cash and cash equivalents	193,719	-	-	193,719
Capital assets held for resale	-	-	370,410	370,410
<b>Total Assets</b>	<b>4,230,949</b>	<b>1,431,887</b>	<b>6,646,065</b>	<b>12,308,901</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
Current liabilities				
Accounts payable	46,627	-	162,551	209,177
Accrued wages and benefits	4,685	-	-	4,685
Customer deposit	14,618	-	7,575	22,193
<b>Total Liabilities</b>	<b>65,930</b>	<b>-</b>	<b>170,126</b>	<b>236,055</b>
Deferred inflow s of resources				
Unavailable revenue-property tax	-	108,734	-	108,734
<b>Total Deferred Inflow s of Resources</b>	<b>-</b>	<b>108,734</b>	<b>-</b>	<b>108,734</b>
Fund balances:				
Restricted	4,165,018	1,323,153	-	5,488,171
Assigned	-	-	6,475,941	6,475,941
<b>Total Fund balances</b>	<b>4,165,018</b>	<b>1,323,153</b>	<b>6,475,941</b>	<b>11,964,111</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,230,948</b>	<b>\$ 1,431,887</b>	<b>\$ 6,646,065</b>	<b>\$ 12,308,901</b>

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 984,326	\$ 4,797,284	\$ 556,510	\$ 6,338,121
Charges for services	-	-	1,091,836	1,091,836
Intergovernmental	14,000	-	603,883	617,883
Investment earnings	157,314	67,918	255,038	480,269
Miscellaneous	157,393	-	-	157,393
Total Revenues	1,313,033	4,865,202	2,507,267	8,685,501
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	943,307	943,307
Public safety	61,451	-	-	61,451
Transportation	-	-	419,950	419,950
Natural and economic environment	496,889	-	471	497,360
Debt service				
Principal	-	5,802,000	-	5,802,000
Interest	-	4,269,323	-	4,269,323
Capital Outlay	-	-	1,920,048	1,920,048
Total Expenditures	558,340	10,071,323	3,283,776	13,913,439
Excess (deficiency) of revenues Over (Under) Expenditures	754,693	(5,206,121)	(776,509)	(5,227,938)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	5,259,348	3,118,189	8,377,537
Transfers out	-	-	(2,335,575)	(2,335,575)
Total Other Financing Sources And Uses	-	5,259,348	782,614	6,041,963
Net change in fund balances	754,693	53,227	6,105	814,026
Fund balances - beginning	3,410,325	1,269,926	8,229,182	12,909,433
Presentation Change - Major vs Non-Major	-	-	(1,759,349)	(1,759,349)
FUND BALANCES - BEGINNING AS RESTATED	3,410,325	1,269,926	6,469,833	11,150,084
Fund Balances - Ending	\$ 4,165,018	\$ 1,323,153	\$ 6,475,941	\$ 11,964,111

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
DECEMBER 31, 2024

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,663,511	\$ 257,811	\$ 3,921,322
Taxes receivable	46,895	-	46,895
Customer receivables	65,012	-	65,012
Due from other governmental units	4,000	-	4,000
<b>Restricted Assets:</b>			
Cash and cash equivalents	-	193,719	193,719
<b>Total Assets</b>	<b>3,779,418</b>	<b>451,530</b>	<b>4,230,948</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Current liabilities			
Accounts payable	46,627	-	46,627
Accrued wages and benefits	4,685	-	4,685
Customer deposit	-	14,618	14,618
<b>Total Liabilities</b>	<b>51,312</b>	<b>14,618</b>	<b>65,930</b>
Fund balances:			
Restricted	3,728,106	436,912	4,165,018
<b>Total Fund balances</b>	<b>3,728,106</b>	<b>436,912</b>	<b>4,165,018</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,779,418</b>	<b>\$ 451,530</b>	<b>\$ 4,230,948</b>

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, 2024

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
<b>REVENUES:</b>			
Taxes	\$ 984,326	\$ -	\$ 984,326
Intergovernmental	14,000	-	14,000
Investment earnings	157,314	-	157,314
Miscellaneous	-	157,393	157,393
Total Revenues	1,155,640	157,393	1,313,033
<b>EXPENDITURES:</b>			
Current:			
Public safety	-	61,451	61,451
Natural and economic environment	496,889	-	496,889
Total Expenditures	496,889	61,451	558,340
Excess (deficiency) of revenues Over (Under) Expenditures	658,751	95,942	754,693
Net change in fund balances	658,751	95,942	754,693
Fund balances - beginning	3,069,355	340,970	3,410,325
Fund Balances - Ending	\$ 3,728,106	\$ 436,912	\$ 4,165,018

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR DEBT SERVICE FUNDS**  
DECEMBER 31, 2024

	Special Assessment Bonds Guaranty Fund	Unlimited Tax General Obligation Debt Service Fund	Limited Tax General Obligation Debt Service Fund	Total Nonmajor Debt Service Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 829,009	\$ 494,144	\$ -	\$ 1,323,153
Due from other governmental units	-	108,734	-	108,734
<b>Total Assets</b>	<b>829,009</b>	<b>602,878</b>	<b>-</b>	<b>1,431,887</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred inflow s of resources				
Unavailable revenue-property tax	-	108,734	-	108,734
<b>Total Deferred Inflow s of Resources</b>	<b>-</b>	<b>108,734</b>	<b>-</b>	<b>108,734</b>
Fund balances:				
Restricted	829,009	494,144	-	1,323,153
<b>Total Fund balances</b>	<b>829,009</b>	<b>494,144</b>	<b>-</b>	<b>1,323,153</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 829,009</b>	<b>\$ 602,878</b>	<b>\$ -</b>	<b>\$ 1,431,887</b>



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, 2024

	Special Assessment Bonds Guaranty Fund	Unlimited Tax General Obligation Debt Service Fund	Limited Tax General Obligation Debt Service Fund	Total Nonmajor Debt Service Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ 4,797,284	\$ -	\$ 4,797,284
Investment earnings	40,766	27,152	-	67,918
Total Revenues	40,766	4,824,436	-	4,865,202
<b>EXPENDITURES:</b>				
Debt service				
Principal	-	2,405,000	3,397,000	5,802,000
Interest	-	2,406,975	1,862,348	4,269,323
Total Expenditures	-	4,811,975	5,259,348	10,071,323
Excess (deficiency) of revenues Over (Under) Expenditures	40,766	12,461	(5,259,348)	(5,206,121)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	5,259,348	5,259,348
Total Other Financing Sources And Uses	-	-	5,259,348	5,259,348
Net change in fund balances	40,766	12,461	-	53,227
Fund balances - beginning	788,243	481,683	-	1,269,926
Fund Balances - Ending	\$ 829,009	\$ 494,144	\$ -	\$ 1,323,153

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
 DECEMBER 31, 2024

	Residential Street	Urban Renew al	General Government Improvements	Fire Improvements	Public Safety Plan	City Facilities	Total Nonmajor Capital Project Funds
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 1,756,524	\$ 1,685,497	\$ 48,969	\$ -	\$ 1,578,936	\$ 1,125,278	\$ 6,195,205
Taxes receivable	19,874	-	-	-	25,198	-	45,072
Customer receivables	-	-	-	-	14,000	-	14,000
Due from other governmental units	21,380	-	-	-	-	-	21,380
<b>Restricted Assets:</b>							
Capital assets held for resale	-	370,410	-	-	-	-	370,410
<b>Total Assets</b>	<b>1,797,778</b>	<b>2,055,907</b>	<b>48,969</b>	<b>-</b>	<b>1,618,134</b>	<b>1,125,278</b>	<b>6,646,066</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
Current liabilities							
Accounts payable	27,159	-	-	-	-	135,391	162,551
Customer deposit	-	-	7,275	-	300	-	7,575
<b>Total Liabilities</b>	<b>27,159</b>	<b>-</b>	<b>7,275</b>	<b>-</b>	<b>300</b>	<b>135,391</b>	<b>170,126</b>
Fund balances:							
Assigned	1,770,619	2,055,907	41,694	-	1,617,834	989,887	6,475,941
<b>Total Fund balances</b>	<b>1,770,619</b>	<b>2,055,907</b>	<b>41,694</b>	<b>-</b>	<b>1,617,834</b>	<b>989,887</b>	<b>6,475,941</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,797,778</b>	<b>\$ 2,055,907</b>	<b>\$ 48,969</b>	<b>\$ -</b>	<b>\$ 1,618,134</b>	<b>\$ 1,125,278</b>	<b>\$ 6,646,065</b>

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Residential Street	Land Acq. Rec & Park Development	Urban Renew al	General Government Improvements	Fire Improvements	Public Safety Plan	City Facilities	Total Nonmajor Capital Project Funds
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 556,511	\$ -	\$ 556,510
Charges for services	-	-	-	-	791,835	300,000	-	1,091,836
Intergovernmental	357,013	-	-	-	-	-	246,870	603,883
Investment earnings	67,100	-	87,133	22,126	-	62,915	15,764	255,038
Total Revenues	424,113	-	87,133	22,126	791,835	919,426	262,634	2,507,267
<b>EXPENDITURES:</b>								
Current:								
General government	-	-	-	506,146	-	-	437,161	943,307
Transportation	419,950	-	-	-	-	-	-	419,950
Natural and economic environment	-	-	471	-	-	-	-	471
Capital Outlay	58,045	-	-	-	-	-	1,862,003	1,920,048
Total Expenditures	477,995	-	471	506,146	-	-	2,299,164	3,283,776
Excess (deficiency) of revenues Over (Under) Expenditures	(53,882)	-	86,662	(484,020)	791,835	919,426	(2,036,530)	(776,509)
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	401,572	-	-	100,000	-	791,835	1,824,783	3,118,189
Transfers out	-	-	(225,891)	-	(791,835)	(1,317,849)	-	(2,335,575)
Total Other Financing Sources And Uses	401,572	-	(225,891)	100,000	(791,835)	(526,014)	1,824,783	782,614
Net change in fund balances	347,690	-	(139,229)	(384,020)	-	393,412	(211,747)	6,106
Fund balances - beginning	1,422,929	4,185,405	2,195,136	425,712	-	-	-	8,229,182
Presentation Change - Major vs Non-Major	-	(4,185,405)	-	-	-	1,224,422	1,201,634	(1,759,349)
FUND BALANCES - BEGINNING AS RESTATED	1,422,929	-	2,195,136	425,712	-	1,224,422	1,201,634	6,469,833
Fund Balances - Ending	\$ 1,770,619	\$ -	\$ 2,055,907	\$ 41,694	\$ -	\$ 1,617,834	\$ 989,887	\$ 6,475,941

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 750,000	\$ 750,000	\$ 984,326	\$ 234,326
Intergovernmental	-	-	14,000	14,000
Investment earnings	6,000	6,000	157,314	151,314
Total Revenues	756,000	756,000	1,155,640	399,640
<b>EXPENDITURES:</b>				
Current:				
Natural and economic environment	944,668	944,668	496,889	447,779
Total Expenditures	944,668	944,668	496,889	447,779
Excess of Revenues And Expenditures	(188,668)	(188,668)	658,751	847,419
Net change in fund balances	(188,668)	(188,668)	658,751	847,419
Fund balances - beginning	1,835,311	2,129,529	3,069,355	939,826
Fund Balances - Ending	\$ 1,646,643	\$ 1,940,861	\$ 3,728,107	\$ 1,787,246

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Investment earnings	500	500	-	(500)
Miscellaneous	80,000	80,000	157,393	77,393
<b>Total Revenues</b>	<b>115,500</b>	<b>115,500</b>	<b>157,393</b>	<b>41,893</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	244,297	244,297	61,451	182,845
Capital outlay	35,000	35,000	-	35,000
<b>Total Expenditures</b>	<b>279,297</b>	<b>279,297</b>	<b>61,451</b>	<b>217,845</b>
<b>Excess of Revenues And Expenditures</b>	<b>(163,797)</b>	<b>(163,797)</b>	<b>95,942</b>	<b>259,739</b>
Net change in fund balances	(163,797)	(163,797)	95,942	259,739
Fund balances - beginning	285,008	204,713	340,970	136,257
<b>Fund Balances - Ending</b>	<b>\$ 121,211</b>	<b>\$ 40,916</b>	<b>\$ 436,912</b>	<b>\$ 395,996</b>

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ 3,000	\$ 3,000	\$ 40,766	\$ 37,766
Total Revenues	3,000	3,000	40,766	37,766
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	3,000	3,000	40,766	37,766
Net change in fund balances	3,000	3,000	40,766	37,766
Fund balances - beginning	761,958	753,347	788,243	34,896
Fund Balances - Ending	\$ 764,958	\$ 756,347	\$ 829,009	\$ 72,663

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 4,811,975	\$ 4,811,975	\$ 4,797,284	\$ (14,691)
Investment earnings	1,200	1,200	27,152	25,952
Total Revenues	4,813,175	4,813,175	4,824,436	11,261
<b>EXPENDITURES:</b>				
Debt service:				
Principal	2,405,000	2,405,000	2,405,000	-
Interest	2,406,975	2,406,975	2,406,975	-
Total Expenditures	4,811,975	4,811,975	4,811,975	-
Excess of Revenues And Expenditures	1,200	1,200	12,461	11,261
Net change in fund balances	1,200	1,200	12,461	11,261
Fund balances - beginning	316,018	403,830	481,683	77,853
Fund Balances - Ending	\$ 317,218	\$ 405,030	\$ 494,144	\$ 89,114

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**LIMITED TAX GENERAL OBLIGATION DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Miscellaneous	\$ 376,914	\$ 376,914	\$ -	\$ (376,914)
Total Revenues	376,914	376,914	-	(376,914)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,596,548	3,596,548	3,397,000	199,548
Interest	2,039,786	2,039,786	1,862,348	177,438
Total Expenditures	5,636,334	5,636,334	5,259,348	376,986
Excess of Revenues And Expenditures	(5,259,420)	(5,259,420)	(5,259,348)	72
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,259,420	5,259,420	5,259,348	(72)
Total Other Financing Sources And Uses	5,259,420	5,259,420	5,259,348	(72)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -



CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**RESIDENTIAL STREET CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Intergovernmental	2,624,800	6,624,800	357,013	(6,267,787)
Investment earnings	1,000	1,000	67,100	66,100
Total Revenues	2,725,800	6,725,800	424,113	(6,301,687)
<b>EXPENDITURES:</b>				
Current:				
Transportation	770,000	1,530,000	419,950	1,110,050
Capital outlay	2,375,000	6,390,000	58,045	6,331,955
Total Expenditures	3,145,000	7,920,000	477,995	7,442,005
Excess of Revenues And Expenditures	(419,200)	(1,194,200)	(53,882)	1,140,318
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	400,000	400,000	401,572	1,572
Total Other Financing Sources And Uses	400,000	400,000	401,572	1,572
Net change in fund balances	(19,200)	(794,200)	347,690	1,141,889
Fund balances - beginning	288,703	950,207	1,422,929	472,722
Fund Balances - Ending	\$ 269,503	\$ 156,007	\$ 1,770,619	\$ 1,614,612

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 87,133	\$ 87,133
Total Revenues	-	-	87,133	87,133
<b>EXPENDITURES:</b>				
Current:				
Natural and economic environment	-	-	471	(471)
Total Expenditures	-	-	471	(471)
Excess of Revenues And Expenditures	-	-	86,662	86,662
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(200,000)	(470,000)	(225,891)	244,109
Total Other Financing Sources And Uses	(200,000)	(470,000)	(225,891)	244,109
Net change in fund balances	(200,000)	(470,000)	(139,229)	330,772
Fund balances - beginning	2,233,800	1,724,242	2,195,136	470,894
Fund Balances - Ending	\$ 2,033,800	\$ 1,254,242	\$ 2,055,907	\$ 801,666

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,800,000	\$ -	\$ (1,800,000)
Investment earnings	-	-	22,126	22,126
<b>Total Revenues</b>	<b>-</b>	<b>1,800,000</b>	<b>22,126</b>	<b>(1,777,874)</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	340,000	506,146	(166,146)
Capital outlay	-	1,825,000	-	1,825,000
<b>Total Expenditures</b>	<b>-</b>	<b>2,165,000</b>	<b>506,146</b>	<b>1,658,854</b>
<b>Excess of Revenues And Expenditures</b>	<b>-</b>	<b>(365,000)</b>	<b>(484,020)</b>	<b>(119,020)</b>
Transfers in	-	100,000	100,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources And Uses</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(265,000)</b>	<b>(384,020)</b>	<b>(119,020)</b>
Fund balances - beginning	-	265,058	425,712	160,654
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ 58</b>	<b>\$ 41,694</b>	<b>\$ 41,634</b>

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, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 300,000	\$ 300,000	\$ 791,835	\$ 491,835
Total Revenues	300,000	300,000	791,835	491,835
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	300,000	300,000	791,835	491,835
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(300,000)	(300,000)	(791,835)	(491,835)
Total Other Financing Sources And Uses	(300,000)	(300,000)	(791,835)	(491,835)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

The revenues collected into this fund were budgeted to be transferred to the public safety plan fund for projects within that fund. While the budget was not increased to account for the total actual amounts received, the budgetary intention was met with the transfers out.

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**PUBLIC SAFETY PLAN CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 500,000	\$ 500,000	\$ 556,511	\$ 56,511
Fire Impact Fees	300,000	300,000	300,000	-
Investment earnings	-	-	62,915	62,915
<b>Total Revenues</b>	<b>800,000</b>	<b>800,000</b>	<b>919,426</b>	<b>119,426</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues And Expenditures</b>	<b>800,000</b>	<b>800,000</b>	<b>919,426</b>	<b>119,426</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	300,000	300,000	791,835	491,835
Transfers out	(1,317,849)	(1,317,849)	(1,317,849)	-
<b>Total Other Financing Sources And Uses</b>	<b>(1,017,849)</b>	<b>(1,017,849)</b>	<b>(526,014)</b>	<b>491,835</b>
Net change in fund balances	(217,849)	(217,849)	393,412	611,261
Fund balances - beginning	319,538	1,222,846	1,224,422	1,575
<b>Fund Balances - Ending</b>	<b>\$ 101,689</b>	<b>\$ 1,004,997</b>	<b>\$ 1,617,834</b>	<b>\$ 612,836</b>

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CITY FACILITIES CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Sales Tax Mitigation	\$ -	\$ -	\$ 246,870	\$ 246,870
Investment earnings	\$ 1,000	\$ 1,000	\$ 15,764	\$ 14,764
<b>Total Revenues</b>	<b>1,000</b>	<b>1,000</b>	<b>262,634</b>	<b>261,634</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	437,161	(437,161)
Capital outlay	3,000,000	3,200,000	1,862,003	1,337,997
<b>Total Expenditures</b>	<b>3,000,000</b>	<b>3,200,000</b>	<b>2,299,164</b>	<b>900,836</b>
<b>Excess of Revenues And Expenditures</b>	<b>(2,999,000)</b>	<b>(3,199,000)</b>	<b>(2,036,529)</b>	<b>1,162,471</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,840,000	1,840,000	1,824,783	(15,217)
<b>Total Other Financing Sources And Uses</b>	<b>1,840,000</b>	<b>1,840,000</b>	<b>1,824,783</b>	<b>(15,217)</b>
Net change in fund balances	(1,159,000)	(1,359,000)	(211,747)	1,147,253
Fund balances - beginning	1,715,324	2,400,366	1,201,634	(1,198,732)
<b>Fund Balances - Ending</b>	<b>\$ 556,324</b>	<b>\$ 1,041,366</b>	<b>\$ 989,887</b>	<b>\$ (51,479)</b>

## 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, 2024

	Equipment Rental	Insurance - Active Employees	Insurance - LEOFF I Retirees	Total Internal Service Funds
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 1,924,614	\$ 4,899,341	\$ 38,904	\$ 6,862,859
Other Receivables	79,876	132,381	-	212,256
Inventory of materials and supplies	203,961	-	-	203,961
<b>Total Current Assets</b>	<b>2,208,451</b>	<b>5,031,722</b>	<b>38,904</b>	<b>7,279,077</b>
Noncurrent Assets:				
Net Pension asset	91,153	-	-	91,153
Capital Assets:				
Machinery and equipment	11,205,882	-	-	11,205,882
Subscription Assets	260,677	-	-	260,677
Leased Assets	5,268,250	-	-	5,268,250
Less: accumulated depreciation	(9,309,188)	-	-	(9,309,188)
Construction in progress	47,563	-	-	47,563
<b>Total Capital Assets (Net Of A/D)</b>	<b>7,473,184</b>	<b>-</b>	<b>-</b>	<b>7,473,184</b>
<b>Total Noncurrent Assets</b>	<b>7,564,337</b>	<b>-</b>	<b>-</b>	<b>7,564,337</b>
<b>Total Assets</b>	<b>9,772,788</b>	<b>5,031,722</b>	<b>38,904</b>	<b>14,843,414</b>
Deferred Outflow s of Resources				
Deferred outflow pension earnings	125,412	-	-	125,412
<b>Total Deferred Outflow s Of Resources</b>	<b>125,412</b>	<b>-</b>	<b>-</b>	<b>125,412</b>
<b>LIABILITIES:</b>				
Reserve for unreported claims	-	946,350	43,800	990,150
Current liabilities:				
Accounts payable	183,673	-	24,166	207,839
Accrued wages and benefits	23,222	-	-	23,222
Accrued interest payable	15,558	-	-	15,558
Subscription liability due within one year	50,710	-	-	50,710
Lease liability due within one year	602,680	-	-	602,680
Claims incurred but not reported	-	630,900	29,200	660,100
<b>Total Current Liabilities</b>	<b>875,843</b>	<b>630,900</b>	<b>53,366</b>	<b>1,560,109</b>
Noncurrent liabilities:				
Subscription liability due in more than one year	105,620	-	-	105,620
Lease liability due in more than one year	3,584,805	-	-	3,584,805
Net pension liability	38,918	-	-	38,918
<b>Total Noncurrent Liabilities</b>	<b>3,729,343</b>	<b>-</b>	<b>-</b>	<b>3,729,342</b>
<b>Total Liabilities</b>	<b>4,605,186</b>	<b>1,577,249</b>	<b>97,165</b>	<b>6,279,600</b>
Deferred Inflow s of Resources				
Deferred inflow pension earnings	54,847	-	-	54,847
<b>Total Deferred Inflow s Of Resources</b>	<b>54,847</b>	<b>-</b>	<b>-</b>	<b>54,847</b>
<b>NET POSITION:</b>				
Investment in capital assets	3,129,370	-	-	3,129,370
Restricted for Pension Assets	177,463	-	-	177,463
Unrestricted	1,931,334	3,454,472	(58,262)	5,327,544
<b>Total Net Position</b>	<b>\$ 5,238,167</b>	<b>\$ 3,454,472</b>	<b>\$ (58,262)</b>	<b>\$ 8,634,377</b>



CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Equipment Rental	Insurance - Active Employees	Insurance- LEOFF I Retirees	Total Internal Service Funds
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,491,269	\$ 6,159,160	\$ 323,057	\$ 7,973,486
Other operating revenue	1,709	212,451	-	214,160
Total Operating Revenue	1,492,978	6,371,611	323,057	8,187,646
<b>OPERATING EXPENSES:</b>				
Operations & maintenance	2,075,138	5,793,578	442,773	8,311,489
Administrative & general	367,915	199,121	13,274	580,310
Depreciation	1,444,049	-	-	1,444,049
Total Operating Expenses	3,887,101	5,992,699	456,047	10,335,848
Operating Income (Loss)	(2,394,124)	378,912	(132,990)	(2,148,201)
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Investment earnings	156,585	222,487	3,759	382,831
Gain (loss) on disposal of capital assets	187,692	-	-	187,692
Interest Expense	(202,977)	-	-	(202,977)
Total Non-Operating Revenue (Expense)	141,300	222,487	3,759	367,546
Income (Loss)	(2,252,824)	601,400	(129,231)	(1,780,655)
Special Item - Transfer of Fire Operations				
	-	-	-	-
Change In Net Position	(2,252,824)	601,400	(129,231)	(1,780,655)
Net position beginning of year	7,490,991	2,853,072	70,969	10,415,031
Net Position end of year	\$ 5,238,167	\$ 3,454,472	\$ (58,262)	\$ 8,634,377

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Page 1 of 2

	Equipment Rental	Insurance - Active Employees	Insurance- LEOFF I Retirees	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from users	\$ 1,461,025	\$ 6,482,500	\$ 323,057	\$ 8,266,582
Cash paid to suppliers	(1,367,862)	119,881	5,439	(1,242,543)
Cash paid to, or on behalf of, employees	(697,910)	(5,733,182)	(440,773)	(6,871,866)
Interfund activity - payments to other funds	(367,912)	(199,121)	(13,274)	(580,307)
Other cash received (paid)	1,709	-	-	1,709
Net Cash Provided (Used)				
By Operating Activities	(970,951)	670,078	(125,551)	(426,424)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Net Cash Provided (Used) By Non- Capital Financing Activities	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceed from sale of equipment	187,692	-	-	187,692
Purchase of capital asset	(2,802,566)	-	-	(2,802,566)
Principal payment on debt	1,353,054	-	-	1,353,054
Interest payment on debt	(198,784)	-	-	(198,784)
Net Cash Provided (Used) For Capital And Related Financing Activities	(1,460,603)	-	-	(1,460,603)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	156,585	222,487	3,759	382,831
Net Cash Provided (Used) In Investing Activities	156,585	222,487	3,759	382,831
Net Increase (Decrease) In Cash And Cash Equivalents	(2,274,969)	892,565	(121,792)	(1,504,196)
Cash and cash equivalents-beginning of year	4,199,583	4,006,776	160,696	8,367,055
Cash And Cash Equivalents-End Of Year	\$ 1,924,614	\$ 4,899,341	\$ 38,904	\$ 6,862,859
Cash at end of year consists of:				
Cash and cash equivalents	\$ 1,924,614	\$ 4,899,341	\$ 38,904	6,862,859
Total Cash	\$ 1,924,614	\$ 4,899,341	\$ 38,904	\$ 6,862,859

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF CASH FLOWS (continued)**  
**INTERNAL SERVICE FUNDS**  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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)	\$ (2,394,124)	\$ 378,912	\$ (132,990)	\$ (2,148,201)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:				
Depreciation	1,444,049	-	-	1,444,049
Asset (increases) decreases:				
Accounts receivable	(30,244)	110,889	-	80,645
Inventory	(32,983)	-	-	(32,983)
Deferred outflow of resources (increase) decrease	(48,995)	-	-	(48,995)
Liability increases (decreases):				
Accounts payable	100,724	180,276	7,439	288,439
Wages and benefits payable	6,181	-	-	6,181
Deferred inflow of resources increase (decrease)	(15,559)	-	-	(15,559)
<b>Total Adjustments</b>	<b>1,423,173</b>	<b>291,165</b>	<b>7,439</b>	<b>1,721,777</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (970,951)</b>	<b>\$ 670,078</b>	<b>\$ (125,551)</b>	<b>\$ (426,424)</b>

**SCHEDULE OF NONCASH INVESTING, CAPITAL AND  
 FINANCING ACTIVITIES**

Total Non Cash Investing, Capital And Financing Activities	\$ -	\$ -	\$ -	\$ -
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City of Tukwila  
**STATISTICAL SECTION**  
 December 31, 2024

### 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 .....	136
Schedule 2	Changes in Net Position.....	138
Schedule 3	Fund Balances, Governmental Funds.....	140
Schedule 4	Changes in Fund Balances of Governmental Funds .....	142
Schedule 5	General Governmental Tax Revenues by Source .....	144

### 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.....	145
Schedule 7	Assessed and Estimated Actual Value of Taxable Property .....	146
Schedule 8	Property Tax Rates-Direct and Overlapping Governments .....	147
Schedule 9	Principal Property Taxpayers .....	148
Schedule 10	Retail Sales Tax Collections by Sector .....	150
Schedule 11	Sales Tax Rate Direct and Overlapping Governments .....	152

### 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 .....	154
Schedule 13	Ratios of General Bonded Debt Outstanding.....	156
Schedule 14	Computation of Direct and Overlapping Debt .....	158
Schedule 15	Legal Debt Margin Information .....	159

### 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.....	160
Schedule 17	Principal Employers.....	161

### 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.....	162
Schedule 19	Operating Indicators by Function .....	163
Schedule 20	Capital Assets by Function.....	164

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE 1**  
**NET POSITION BY COMPONENT<sup>(a)</sup>**  
 LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

Page 1 of 2

	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 191,331,156	\$ 193,113,026	\$ 199,328,694	\$ 201,997,812	\$ 201,649,103
Restricted	5,446,074	8,996,185	13,480,068	16,962,378	18,692,944
Unrestricted	16,125,592	15,809,945	11,366,545	12,407,297	17,772,776
Total governmental activities net position	<u>\$ 212,902,822</u>	<u>\$ 217,919,156</u>	<u>\$ 224,175,307</u>	<u>\$ 231,367,488</u>	<u>\$ 238,114,823</u>
Business-type activities:					
Net investment in capital assets	\$ 59,483,424	\$ 60,807,030	\$ 65,355,778	\$ 68,680,695	\$ 68,362,159
Restricted	-	-	-	-	-
Unrestricted	14,658,912	17,240,620	17,425,401	18,988,782	22,104,664
Total business-type activities net position	<u>\$ 74,142,336</u>	<u>\$ 78,047,650</u>	<u>\$ 82,781,179</u>	<u>\$ 87,669,477</u>	<u>\$ 90,466,823</u>
Primary government:					
Net investment in capital assets	\$ 250,814,581	\$ 253,920,057	\$ 264,684,472	\$ 270,678,507	\$ 270,011,262
Restricted	5,446,074	8,996,185	13,480,068	16,962,378	18,692,944
Unrestricted	30,784,504	33,050,565	28,791,946	31,396,080	39,877,441
Total primary government net position	<u>\$ 287,045,158</u>	<u>\$ 295,966,806</u>	<u>\$ 306,956,486</u>	<u>\$ 319,036,965</u>	<u>\$ 328,581,646</u>

## Notes:

(a) All amounts are reported on the accrual basis

## Source:

Tukwila Finance Department

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

Page 2 of 2

2020	2021	2022	2023	2024	
					Governmental activities:
\$ 201,887,136	\$ 197,839,607	\$ 199,057,806	\$ 196,460,485	\$ 197,716,199	Net investment in capital assets
17,784,194	25,280,715	28,835,065	33,388,116	29,047,888	Restricted
22,003,200	32,169,525	35,098,137	41,264,130	46,721,659	Unrestricted
<u>\$ 241,674,530</u>	<u>\$ 255,289,848</u>	<u>\$ 262,991,008</u>	<u>\$ 271,112,731</u>	<u>\$ 273,485,746</u>	Total governmental activities net position
					Business-type activities:
\$ 69,238,961	\$ 72,559,196	\$ 75,308,549	\$ 76,179,881	\$ 76,862,741	Net investment in capital assets
-	-	-	1,261,911	1,693,961	Restricted
25,231,660	27,093,876	26,056,751	29,140,857	33,225,667	Unrestricted
<u>\$ 94,470,621</u>	<u>\$ 99,653,072</u>	<u>\$ 101,365,300</u>	<u>\$ 106,582,649</u>	<u>\$ 111,782,369</u>	Total business-type activities net position
					Primary government:
\$ 271,126,097	\$ 270,398,803	\$ 274,366,355	\$ 272,640,366	\$ 274,578,940	Net investment in capital assets
17,784,194	25,280,715	28,835,065	34,650,027	30,741,849	Restricted
47,234,860	59,263,401	61,154,888	70,404,987	79,947,326	Unrestricted
<u>\$ 336,145,151</u>	<u>\$ 354,942,919</u>	<u>\$ 364,356,308</u>	<u>\$ 377,695,380</u>	<u>\$ 385,268,115</u>	Total primary government net position

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE 2**  
**CHANGES IN NET POSITION <sup>(a)</sup>**  
*(accrual basis of accounting)*

Page 1 of 2

	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental Activities <sup>(b)</sup>					
General government	\$ 8,042,254	\$ 9,662,207	\$ 9,835,290	\$ 10,763,025	\$ 11,105,119
Public safety	29,403,206	31,418,713	31,190,347	17,097,372	27,402,906
Physical environment	2,611,297	2,554,259	2,545,144	2,645,577	-
Transportation	11,069,605	11,188,189	12,236,551	15,871,018	18,442,230
Culture and recreation	5,125,227	5,431,324	5,582,038	5,591,213	6,076,219
Natural and economic environment	5,782,907	4,410,841	4,523,596	4,411,719	4,515,516
Interest on Long Term Debt	1,033,440	1,075,729	2,481,559	2,748,854	3,009,268
Total Governmental Activities	63,067,935	65,741,262	68,394,526	59,128,779	70,551,259
Business Type Activities					
Water/Sewer Utility	13,186,236	13,984,368	14,305,425	14,861,448	15,756,347
Foster Golf Course	2,086,586	2,077,536	1,989,972	2,091,981	2,128,042
Surface Water Utility	4,147,974	4,088,360	4,209,325	4,464,319	5,965,217
Total Business Type Activities	19,420,796	20,150,264	20,504,722	21,417,748	23,849,607
Total Primary Government Expenses	\$ 82,488,731	\$ 85,891,525	\$ 88,899,247	\$ 80,546,527	\$ 94,400,866
<b>Program Revenues</b>					
Governmental Activities <sup>(b)</sup>					
Charges for Services					
General government	\$ 3,794,134	\$ 3,742,937	\$ 4,144,986	\$ 5,989,077	\$ 6,565,339
Public safety	1,754,856	4,130,701	1,540,863	1,970,331	2,543,188
Physical environment	-	464	-	-	-
Transportation	206,065	454,525	2,206,908	2,261,577	106,958
Culture and recreation	644,283	1,140,558	1,315,740	1,415,827	1,914,795
Natural and economic environment	3,348,802	2,434,546	2,270,759	3,099,692	3,533,733
Operating Grants and Contributions	893,470	1,079,020	2,445,998	1,733,308	794,371
Capital Grants and Contributions	6,431,537	5,000,942	6,126,880	9,942,224	2,578,046
Total Governmental Activities Program Revenues	17,073,146	17,983,694	20,052,136	26,412,036	18,036,429
Business Type Activities					
Charges for Services					
Water/Sewer Utility	15,572,709	15,661,118	16,580,965	17,203,158	17,831,892
Foster Golf Course	1,482,288	1,426,385	1,313,871	1,563,320	1,610,152
Surface Water Utility	5,286,233	5,875,343	6,200,589	6,417,368	6,797,683
Operating Grants and Contributions	-	25,000	8,435	54,697	228,755
Capital Grants and Contributions	2,039,890	767,732	834,392	767,504	280,570
Total Business Type Activities Program Revenues	24,381,122	23,755,578	24,938,251	26,006,046	26,749,053
Total Primary Government Program Revenues	41,454,268	41,739,272	44,990,386	52,418,082	44,785,482
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(45,994,789)	(47,757,567)	(48,342,390)	(32,716,743)	(52,514,830)
Business Type Activities	4,960,326	3,605,314	4,433,529	4,588,299	2,899,445
Total Primary Government Net Expense	\$ (41,034,463)	\$ (44,152,253)	\$ (43,908,861)	\$ (28,128,445)	\$ (49,615,384)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property Tax	\$ 14,320,085	\$ 14,562,501	\$ 17,667,590	\$ 18,008,738	\$ 18,390,051
Retail Sales and Use Tax	19,334,152	18,908,190	18,807,201	20,603,617	20,687,748
Hotel/Motel Tax	677,971	710,267	736,784	833,990	819,095
Utility Tax	4,019,288	4,045,916	4,175,013	3,866,859	3,644,470
Interfund Utility Taxes	2,061,098	2,146,515	2,265,747	2,334,522	2,358,608
Business Tax	2,749,140	2,716,257	2,698,352	1,246,798	1,299,085
Excise Tax	5,321,281	6,508,665	5,380,662	5,091,447	5,336,066
Unrestricted Investment Earnings	475,345	559,733	838,630	1,508,334	1,247,003
Miscellaneous	2,124,185	2,915,859	2,328,565	2,240,045	5,377,939
Transfers	(300,000)	(300,000)	(300,000)	(300,000)	102,100
Total Governmental Activities	50,782,545	52,773,904	54,598,542	55,434,351	59,262,164
Business Type Activities					
Unrestricted Investment Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	300,000	300,000	300,000	300,000	(102,100)
Total Business Type Activities	300,000	300,000	300,000	300,000	(102,100)
Total Primary Government	\$ 51,082,545	\$ 53,073,904	\$ 54,898,542	\$ 55,734,351	\$ 59,160,064
Change in Net Position Before Special Item	10,048,082	8,921,651	10,989,681	27,605,906	9,544,680
Special item	(956,798)	-	-	-	-
Change in Accounting Principle	-	-	-	-	-
<b>Change in Net Position</b>	9,091,284	8,921,651	10,989,681	27,605,906	9,544,680
Governmental Activities	3,830,958	5,016,337	6,256,152	22,717,608	6,747,335
Business Type Activities	5,260,326	3,905,314	4,733,529	4,888,299	2,797,345
Total Primary Government	\$ 9,091,284	\$ 8,921,651	\$ 10,989,681	\$ 27,605,906	\$ 9,544,680

Notes:

(a) All amounts are reported on the accrual basis

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

Source: Tukwila Finance Department



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

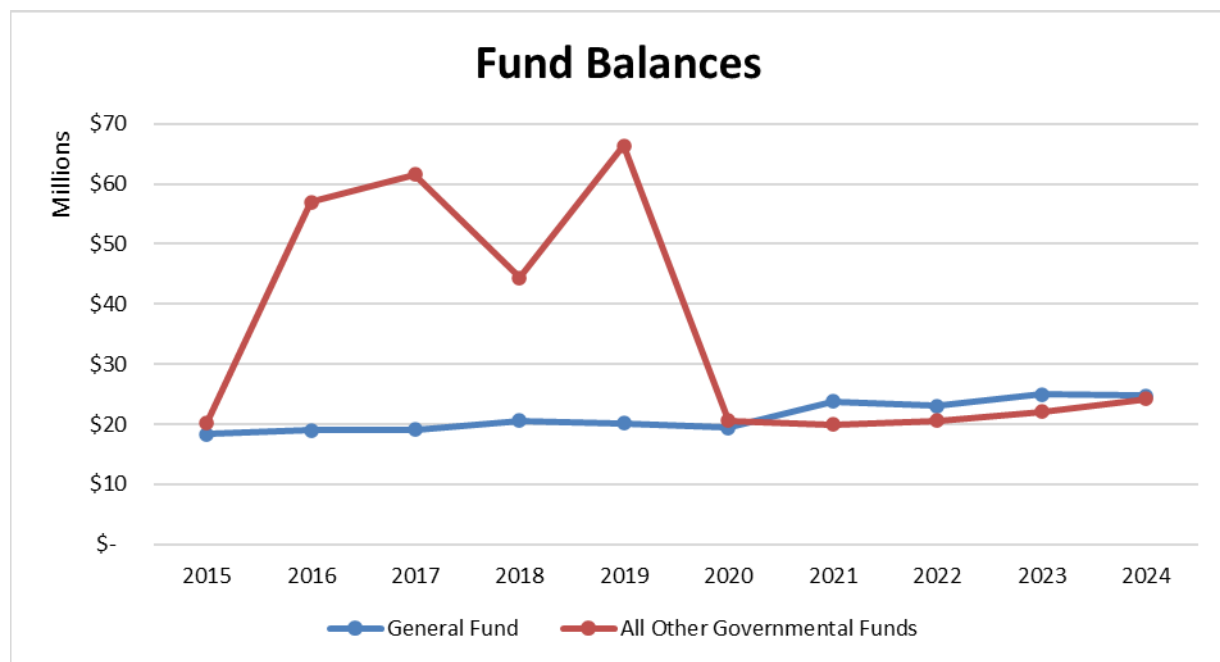
Page 2 of 2

2020	2021	2022	2023	2024	
					<b>Expenses</b>
					Governmental Activities <sup>(b)</sup>
\$ 10,792,736	\$ 12,227,100	\$ 14,314,373	\$ 15,092,500	\$ 21,582,025	General government
25,090,275	24,840,036	35,503,893	33,190,709	44,218,679	Public safety
-	-	-	-	-	Physical environment
12,757,271	12,760,187	13,805,883	15,428,634	14,193,779	Transportation
5,522,907	4,814,194	6,147,791	6,200,186	5,458,446	Culture and recreation
4,426,553	5,062,727	5,598,778	7,013,570	5,831,822	Natural and economic environment
4,927,364	4,443,170	4,303,091	4,190,257	4,031,388	Interest on Long Term Debt
63,517,106	64,147,415	79,673,810	81,115,855	95,316,139	Total Governmental Activities
					Business Type Activities
14,111,179	14,227,351	15,457,196	15,734,655	17,517,379	Water/Sewer Utility
1,908,023	2,175,885	2,415,066	2,561,419	2,674,833	Foster Golf Course
4,991,110	4,327,427	5,945,272	4,907,747	5,724,035	Surface Water Utility
21,010,311	20,730,662	23,817,535	23,203,822	25,916,247	Total Business Type Activities
<b>\$ 84,527,417</b>	<b>\$ 84,878,077</b>	<b>\$103,491,345</b>	<b>\$104,319,677</b>	<b>\$121,232,386</b>	Total Primary Government Expenses
					<b>Program Revenues</b>
					Governmental Activities <sup>(b)</sup>
					Charges for Services
\$ 7,481,748	\$ 6,342,118	\$ 9,058,384	\$ 9,368,454	\$ 9,235,478	General government
2,037,444	1,972,485	2,334,165	3,396,090	3,560,097	Public safety
-	-	-	-	-	Physical environment
890,982	371,646	1,257,366	1,459,071	1,246,780	Transportation
654,085	456,787	968,738	1,471,954	1,629,977	Culture and recreation
2,671,049	2,416,865	2,349,959	3,497,508	2,887,841	Natural and economic environment
1,567,067	1,796,702	2,771,490	3,801,728	2,802,780	Operating Grants and Contributions
1,415,931	1,289,853	3,469,016	1,873,518	2,073,856	Capital Grants and Contributions
16,718,306	14,646,454	22,209,119	24,868,323	23,436,809	Total Governmental Activities Program Revenues
					Business Type Activities
					Charges for Services
14,857,183	16,227,339	16,627,591	17,894,258	18,731,752	Water/Sewer Utility
1,906,355	2,268,908	2,205,500	2,497,754	2,368,474	Foster Golf Course
6,956,702	7,029,502	7,411,371	7,755,433	8,090,765	Surface Water Utility
121,754	61,630	363,540	1,637	35,126	Operating Grants and Contributions
1,405,464	1,709,678	174,795	680,622	1,498,723	Capital Grants and Contributions
25,247,459	27,297,057	26,782,796	28,829,704	30,724,840	Total Business Type Activities Program Revenues
41,965,764	41,943,511	48,991,915	53,698,027	54,161,649	Total Primary Government Program Revenues
					<b>Net (Expense)/Revenue</b>
(46,798,800)	(49,500,960)	(57,464,691)	(56,247,532)	(71,879,330)	Governmental Activities
4,237,148	6,566,394	2,965,262	5,625,882	4,808,593	Business Type Activities
<b>\$ (42,561,653)</b>	<b>\$ (42,934,566)</b>	<b>\$ (54,499,429)</b>	<b>\$ (50,621,650)</b>	<b>\$ (67,070,737)</b>	Total Primary Government Net Expense
					<b>General Revenues and Other Changes in Net Position</b>
					Governmental Activities
					Taxes
\$ 19,839,475	\$ 21,275,135	\$ 21,852,111	\$ 22,156,679	\$ 23,186,100	Property Tax
17,102,061	20,148,103	21,977,177	22,851,709	24,846,451	Retail Sales and Use Tax
292,358	540,329	897,202	971,162	984,326	Hotel/Motel Tax
4,286,358	3,605,314	3,949,799	5,432,796	5,901,264	Utility Tax
2,153,573	2,322,420	2,404,685	2,567,243	2,684,965	Interfund Utility Taxes
407,877	2,074,857	2,683,592	1,625,073	3,894,820	Business Tax
3,323,814	7,400,723	6,609,500	5,465,302	5,416,330	Excise Tax
680,094	297,953	(107,223)	2,495,712	2,555,465	Unrestricted Investment Earnings
2,039,548	4,067,501	3,645,976	2,285,888	2,528,195	Miscellaneous
233,350	1,383,944	1,253,033	1,752,366	1,753,076	Transfers
50,358,508	63,116,277	65,165,852	67,603,930	73,750,992	Total Governmental Activities
					Business Type Activities
-	-	-	1,287,325	1,401,260	Unrestricted Investment Interest
-	-	-	56,507	679,733	Miscellaneous
(233,500)	(1,383,944)	(1,253,033)	(1,752,366)	(1,753,076)	Transfers
(233,500)	(1,383,944)	(1,253,033)	(408,533)	327,917	Total Business Type Activities
<b>\$ 50,125,008</b>	<b>\$ 61,732,334</b>	<b>\$ 63,912,819</b>	<b>\$ 67,195,396</b>	<b>\$ 74,078,909</b>	Total Primary Government
7,563,355	18,797,768	9,413,389	16,573,746	7,008,172	Change in Net Position Before Special Item
-	-	-	(3,234,674)	-	Special Item
-	-	-	-	564,564	Change in Accounting Principle
7,563,355	18,797,768	9,413,389	13,339,072	7,572,736	<b>Change in Net Position</b>
3,559,708	13,615,317	7,701,161	8,121,723	2,373,015	Governmental Activities
4,003,648	5,182,451	1,712,229	5,217,349	5,199,721	Business Type Activities
<b>\$ 7,563,355</b>	<b>\$ 18,797,768</b>	<b>\$ 9,413,389</b>	<b>\$ 13,339,072</b>	<b>\$ 7,572,736</b>	Total Primary Government

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

Page 1 of 2

	2015	2016	2017	2018	2019
<b>General Fund</b>					
Nonspendable	\$ 1,340,914	\$ 1,141,484	\$ 927,373	\$ 718,190	\$ 508,447
Assigned	6,078,648	6,277,929	105,000	181,078	397,736
Unassigned	10,911,244	11,612,330	18,040,352	19,718,745	19,233,980
<b>Total general fund</b>	<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>
<b>All other governmental funds</b>					
Nonspendable	\$ 7,645,000	\$ 7,645,000	\$ -	\$ -	\$ -
Restricted	5,446,074	45,986,463	51,236,443	32,531,984	48,694,929
Assigned	7,221,870	3,389,139	10,282,709	11,819,299	17,705,991
<b>Total all other governmental funds</b>	<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 3**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Page 2 of 2

2020	2021	2022	2023	2024	
					General Fund
\$ 292,498	\$ 70,139	\$ -	\$ -	\$ -	Nonspendable
660,425	491,143	527,347	631,622	673,343	Assigned
18,469,248	23,180,241	22,464,009	24,359,607	24,048,882	Unassigned
<u>\$ 19,422,170</u>	<u>\$ 23,741,523</u>	<u>\$ 22,991,356</u>	<u>\$ 24,991,228</u>	<u>\$ 24,722,225</u>	Total general fund
					All other governmental funds
\$ -	\$ -	\$ -	\$ -	\$ -	Nonspendable
5,483,785	7,231,746	8,448,840	10,463,564	14,825,953	Restricted
15,110,785	12,742,716	12,179,200	11,569,460	9,360,089	Assigned
<u>\$ 20,594,569</u>	<u>\$ 19,974,462</u>	<u>\$ 20,628,040</u>	<u>\$ 22,033,024</u>	<u>\$ 24,186,042</u>	Total all other governmental funds

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

page 1 of 2

	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes	\$48,548,116	\$49,588,492	\$51,655,075	\$ 51,988,591	\$52,686,247
Licenses and Permits	2,242,256	2,129,221	2,749,137	4,875,454	5,554,899
Intergovernmental	11,839,883	10,067,413	12,739,774	15,919,377	7,495,781
Charges for Services	3,935,248	3,911,473	5,767,228	6,801,719	7,442,843
Fines and Forfeitures	261,457	318,459	325,216	291,604	245,748
Investment Income	475,345	541,299	826,864	1,538,534	1,258,493
Special Assessments	650,415	542,180	478,838	415,660	515,266
Miscellaneous	332,268	957,158	942,784	407,151	515,923
<b>Total Revenues</b>	<b>68,284,989</b>	<b>68,055,695</b>	<b>75,484,915</b>	<b>82,238,092</b>	<b>75,715,199</b>
<b>Expenditures</b>					
General Government	7,708,394	9,405,989	9,585,551	10,491,432	8,777,726
Public Safety	29,035,165	29,366,198	30,899,412	34,331,520	32,586,415
Physical Environment	1,935,228	1,955,031	1,733,400	1,805,457	-
Transportation	5,792,668	5,238,468	6,532,195	10,015,938	9,717,429
Natural and Economic Environment	5,832,384	4,493,210	4,614,027	4,686,528	4,752,115
Culture and Recreation	4,350,052	4,543,339	4,664,129	4,852,138	5,328,994
Debt Service					
Principal	2,480,507	2,602,782	3,713,928	4,092,196	4,238,521
Interest	1,125,609	1,093,584	2,603,869	2,977,523	4,060,086
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	11,426,274	8,358,450	14,761,715	47,601,490	51,397,863
<b>Total Expenditures</b>	<b>69,686,279</b>	<b>67,057,051</b>	<b>79,108,226</b>	<b>120,854,221</b>	<b>120,859,149</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,401,291)</b>	<b>998,643</b>	<b>(3,623,311)</b>	<b>(38,616,129)</b>	<b>(45,143,950)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	5,633,846	4,025,831	6,354,496	7,742,669	7,233,686
Transfers In - Assessment	-	-	-	3,119,513	-
Transfers Out	(5,933,846)	(4,325,831)	(6,654,496)	(8,042,669)	(7,131,586)
Lease financing	-	-	-	-	-
Sale of Capital Assets	-	-	(99,999)	-	-
General Obligation Bonds Issued	8,075,000	32,990,000	10,456,000	18,365,000	60,600,000
Refunding of General Obligation Bonds	-	-	(2,250,000)	-	-
LID Bonds Assessment	-	-	-	-	-
Operating Loan-Tukwila MPD	-	-	-	-	-
Premium on General Obligation Debt	309,758	3,719,954	356,839	1,809,036	6,013,637
<b>Total Other Financing Sources (Uses)</b>	<b>8,084,758</b>	<b>36,409,954</b>	<b>8,162,839</b>	<b>22,993,549</b>	<b>66,715,737</b>
<b>Change in Fund Balance Before Special Item</b>	<b>6,683,467</b>	<b>37,408,597</b>	<b>4,539,528</b>	<b>(15,622,580)</b>	<b>21,571,787</b>
Special Item	(956,798)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 5,726,669</b>	<b>\$37,408,597</b>	<b>\$ 4,539,528</b>	<b>\$(15,622,580)</b>	<b>\$21,571,787</b>
Ratio of Debt Service Expenditures to Total Non-Capital Expenditures	6.19%	6.30%	9.82%	9.65%	11.95%

Note:

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

Source:

Tukwila Finance Department

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

page 2 of 2

2020	2021	2022	2023	2024	
\$ 47,560,434	\$57,281,494	\$60,381,870	\$61,140,878	\$66,830,256	<b>Revenues</b>
6,738,212	5,341,662	5,376,555	6,367,320	6,323,063	Taxes
6,647,587	7,603,637	10,391,018	10,068,430	9,522,625	Licenses and Permits
3,540,211	3,213,504	4,295,828	6,648,353	7,017,522	Intergovernmental
209,551	302,358	495,511	322,710	446,463	Charges for Services
680,094	297,953	(247,462)	2,078,911	2,172,305	Fines and Forfeitures
377,132	375,889	381,172	382,843	418,885	Investment Income
560,804	632,087	483,127	643,281	892,831	Special Assessments
					Miscellaneous
66,314,025	75,048,583	81,557,620	87,652,727	93,623,950	Total Revenues
					<b>Expenditures</b>
8,620,827	8,455,383	9,311,851	10,458,700	14,060,642	General Government
31,792,303	32,513,800	36,170,093	37,960,489	41,744,270	Public Safety
-	-	-	-	-	Physical Environment
6,346,303	6,612,101	7,421,513	8,012,225	7,955,002	Transportation
4,659,575	5,917,214	5,977,731	6,198,158	6,938,572	Natural and Economic Environment
4,551,092	4,614,034	5,172,376	5,530,360	5,492,509	Culture and Recreation
					Debt Service
2,486,461	3,000,560	8,375,416	6,970,163	6,951,414	Principal
5,445,543	5,097,555	4,951,500	4,717,159	4,484,238	Interest
					Bond Issuance Costs
48,834,614	10,381,479	7,125,461	8,714,193	5,718,701	Capital Outlay
112,736,719	76,592,127	84,505,941	88,561,445	93,345,348	Total Expenditures
(46,422,694)	(1,543,543)	(2,948,321)	(908,718)	278,601	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>
					<b>Other Financing Sources (Uses)</b>
8,867,680	9,904,409	14,544,789	10,150,571	9,940,277	Transfers In
-	-	-	-	-	Transfers In - Assessment
(8,634,330)	(8,520,466)	(13,291,756)	(8,398,206)	(8,187,202)	Transfers Out
-	-	98,699	2,561,209	(147,662)	Lease financing
-	1,129,345	1,500,000	-	-	Sale of Capital Assets
1,995,000	6,720,500	-	-	-	General Obligation Bonds Issued
(2,330,000)	(3,991,000)	-	-	-	Refunding of General Obligation Bonds
-	-	-	-	-	LID Bonds Assessment
-	-	-	-	-	Operating Loan-Tukwila MPD
-	-	-	-	-	Premium on General Obligation Debt
(101,650)	5,242,789	2,851,732	4,313,575	1,605,414	Total Other Financing Sources (Uses)
(46,524,344)	3,699,245	(96,589)	3,404,857	1,884,016	<b>Change in Fund Balance Before Special Item</b>
-	-	-	-	-	Special Item
<b>\$ (46,524,344)</b>	<b>\$ 3,699,245</b>	<b>\$ (96,589)</b>	<b>\$ 3,404,857</b>	<b>\$ 1,884,016</b>	<b>Net Change in Fund Balances</b>
12.41%	12.23%	17.22%	14.64%	13.05%	Ratio of Debt Service Expenditures to Total Non-Capital Expenditures

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

Fiscal Year	Property <sup>(a)</sup>	Sales & Use	Utility <sup>(b)</sup>	Excise	Business	Other	Total Taxes
2015	14,320,085	19,334,152	4,019,288	5,321,280	2,749,140	2,739,070	48,483,015
2016	14,562,501	18,908,190	4,045,916	6,508,665	2,716,257	2,856,782	49,598,312
2017	17,667,590	18,807,201	4,175,013	5,380,662	2,698,352	3,002,531	51,731,348
2018	18,008,738	20,603,617	3,866,859	5,091,447	1,246,798	2,334,522	51,151,981
2019	18,390,051	20,687,748	3,644,470	5,336,066	1,299,085	3,177,703	52,535,122
2020	19,839,475	17,102,061	4,286,358	3,323,814	407,877	2,445,931	47,405,516
2021	21,275,135	20,148,103	3,605,314	7,400,723	2,074,857	2,862,749	57,366,880
2022	21,852,111	21,977,177	3,949,799	6,609,500	2,683,592	3,301,887	60,374,066
2023	22,156,679	22,851,709	5,432,447	5,465,302	1,625,073	3,538,406	61,069,616
2024	23,186,100	24,846,451	5,901,264	5,416,330	3,894,820	3,669,290	66,914,255
Change 2015-2024	61.9%	28.5%	46.8%	1.8%	41.7%	34.0%	38.0%

Notes:

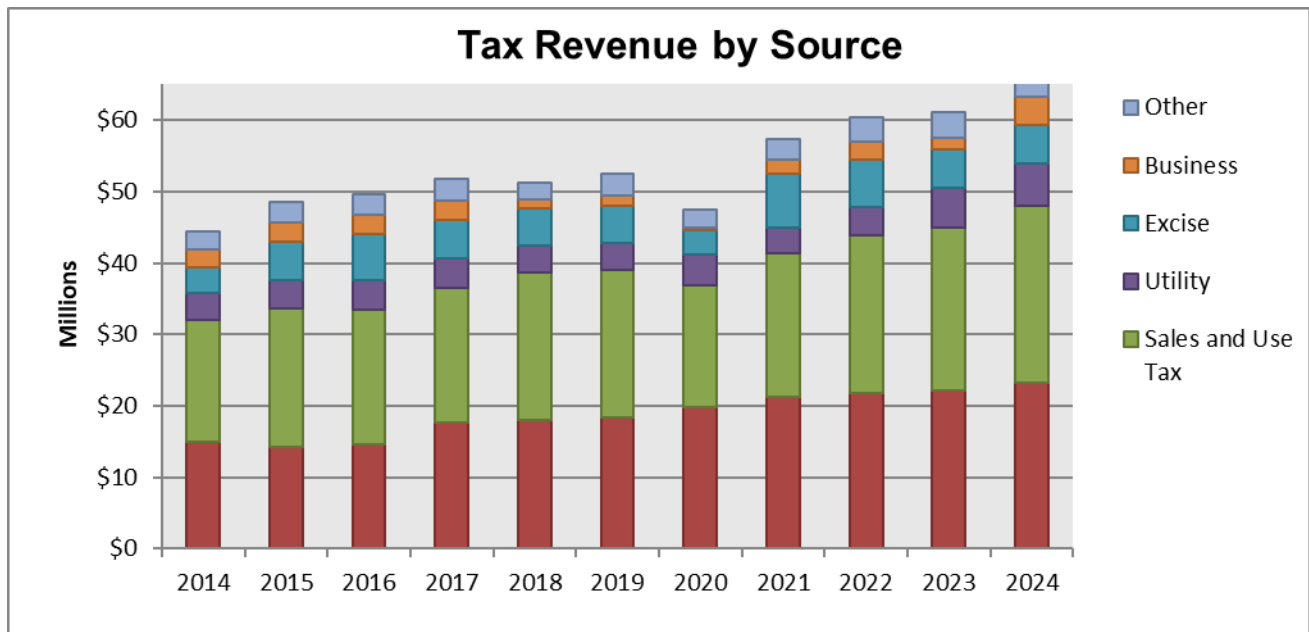
(a) Beginning in 2017, property tax includes a voter approved excess levy for public safety facilities.

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

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

Source:

Tukwila Finance Department



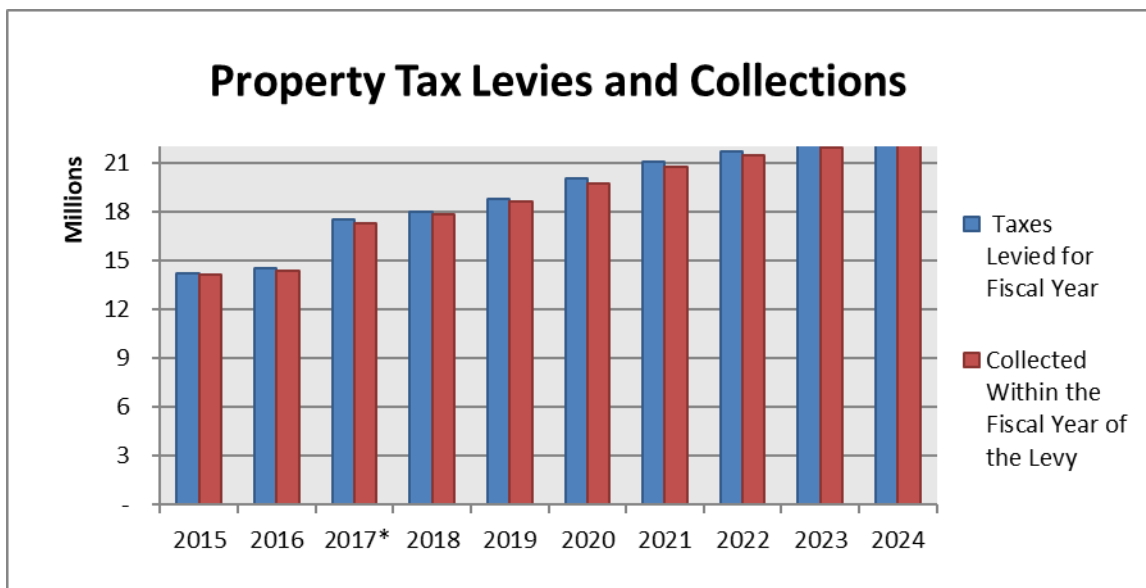
**CITY OF TUKWILA, WASHINGTON**  
**SCHEDULE 6**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	14,245,846	14,113,739	99.07%	132,108	14,245,846	100.00%
2016	14,516,623	14,375,358	99.03%	141,265	14,516,623	100.00%
2017*	17,551,561	17,262,965	98.36%	259,862	17,522,827	99.84%
2018	18,006,677	17,844,087	99.10%	127,746	17,971,833	99.81%
2019	18,796,071	18,648,149	99.21%	137,680	18,785,829	99.95%
2020	20,044,161	19,705,761	98.31%	320,588	20,026,349	99.91%
2021	21,049,466	20,796,453	98.80%	229,524	21,025,977	99.89%
2022	21,727,448	21,466,630	98.80%	192,180	21,658,810	99.68%
2023	22,070,488	21,959,324	99.50%	-	21,959,324	99.50%
2024	23,544,584	23,296,850	98.95%	-	23,296,850	98.95%

\*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

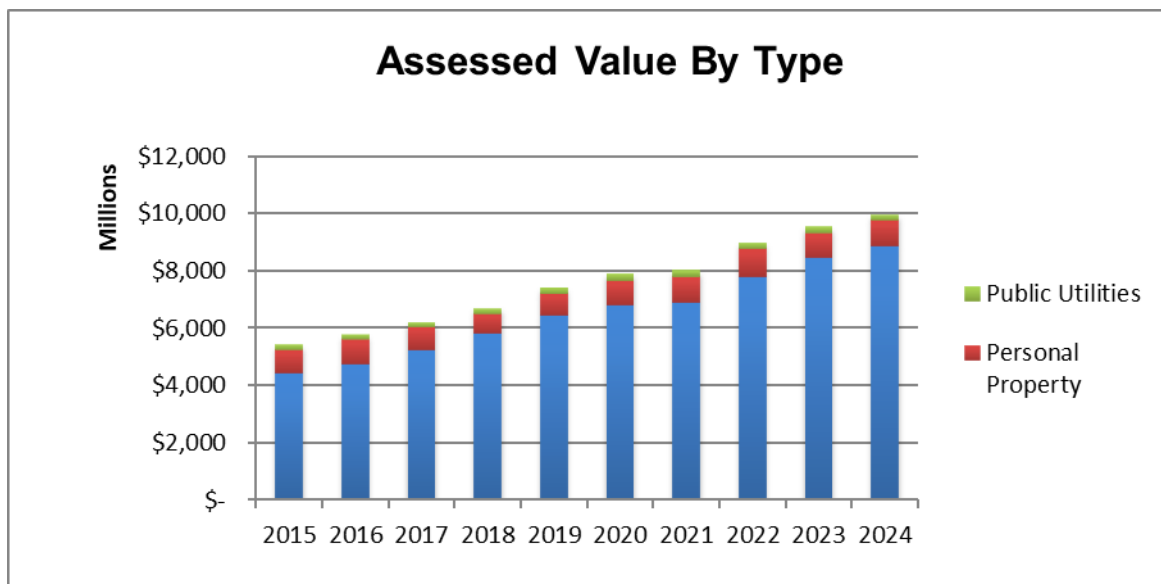
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2015	4,409,931,075	810,422,092	174,971,951	5,395,325,118	2.71073
2016	4,763,568,175	849,695,435	150,386,219	5,763,649,829	3.05735
2017	5,242,264,743	780,938,084	161,740,436	6,184,943,263	2.91864
2018	5,823,887,746	678,435,063	171,517,113	6,673,839,922	2.81805
2019	6,430,058,373	760,313,756	214,068,301	7,404,440,430	2.73416
2020	6,809,349,200	826,589,881	247,118,481	7,883,057,562	2.67733
2021	6,890,134,092	882,202,099	238,555,841	8,010,892,032	2.72071
2022	7,806,820,227	954,687,537	208,944,784	8,970,452,548	2.45234
2023	8,470,361,340	833,559,342	225,204,285	9,529,124,967	2.40193
2024	8,866,570,083	907,470,581	176,519,976	9,950,560,640	1.71676

Note:

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

Source:

King County Department of Assessments





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

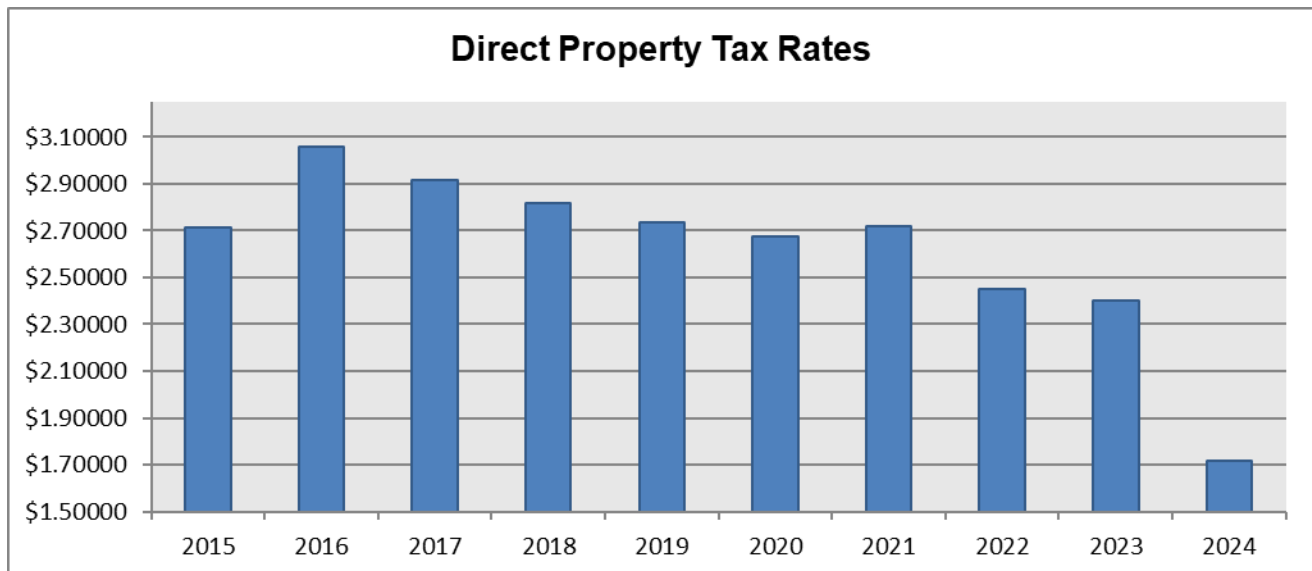
Fiscal Year	General Levy	Special Levy	Total	WA State	King County <sup>(a)</sup>	Port of Seattle	Fire Levy	Emergency Medical Service	Tukwila School Dist #406	Flood Control	Tukwila Pool Metropolitan Park District	Hospital District #1	Central Puget Sound Regional Transit Authority (RST3)	Total
2015	2.71073	-	2.71073	2.16898	1.95741	0.16954	-	0.28235	5.22858	0.12980	0.14853	0.50000	-	13.29592
2016	2.58592	0.47143	3.05735	2.03205	1.83412	0.15334	-	0.26305	5.36954	0.11740	0.15653	0.50089	0.25000	13.48427
2017	2.46285	0.45579	2.91864	2.91820	1.73925	0.13518	-	0.23940	5.17356	0.10708	0.15513	0.45689	0.22745	14.07078
2018	2.39148	0.42657	2.81805	2.62922	1.60359	0.12266	-	0.21762	3.39103	0.09660	0.15767	0.41673	0.20700	11.66017
2019	2.26293	0.47123	2.73416	3.02799	1.59993	0.11944	-	0.26500	3.42786	0.09199	0.15341	0.40069	0.19937	12.01984
2020	2.17985	0.49748	2.67733	3.08823	1.60421	0.11984	-	0.26499	3.78886	0.08909	0.15102	0.38511	0.19709	12.36577
2021	2.14677	0.57394	2.72071	2.81695	1.56491	0.11258	-	0.24841	4.21764	0.08146	0.15223	0.35434	0.18409	12.45332
2022	1.94728	0.50506	2.45234	2.31104	1.36024	0.09429	-	0.20922	3.69839	0.06717	0.15033	0.29817	0.15576	10.79695
2023	1.89534	0.50659	2.40193	2.51751	1.65891	0.10470	-	0.22678	3.51003	0.07067	0.15248	0.31254	0.16483	11.12038
2024	1.21723	0.49953	1.71676	2.24653	1.60702	0.10196	0.89296	0.22146	3.62389	0.09757	0.15074	0.29559	0.16382	11.11830

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	2024 Assessed Valuation	Percent of 2024 Total Assessed Value <sup>(a)</sup>	2015 Assessed Valuation	Percent of 2015 Total Assessed Value <sup>(b)</sup>
Boeing	Airplane company	\$ 736,330,973	7.40%	\$ 552,951,680	10.25%
Property Tax Resources LLC	Commercial Properties	223,812,400	2.25%		
Segale Properties	Commercial Properties	221,413,780	2.23%	127,261,693	2.36%
International Gateway East	Data Center	227,196,452	2.28%		
LIT Industrial LTD Partnership	Commercial Properties	196,531,800	1.98%		
Prologis	Real Estate Development	194,025,600	1.95%		
BKM Management Company	Commercial Properties	160,339,100	1.61%		
Westfield Property	Department Stores	139,683,600	1.40%		
Desimone Tr W Marinal Pl	Consulting Firm	104,167,700	1.05%		
USPS - Western FSO	Shipping	81,755,000	0.82%		
WEA Southcenter LLC	Department Stores			296,255,581	5.49%
KIR Tukwila 050 LLC	Commercial Properties			87,805,800	1.63%
Qwest Corporation (US West Communications)	Telephone Utility			80,519,779	1.49%
E Property Tax Dept	Commercial Properties			79,841,600	1.48%
CWWA Tukwila 1 LLC	Investment Property			63,807,600	1.18%
Anne Arundel Apartments LLC	Apartments			50,996,857	0.95%
Boeing Employees Credit Union	Credit Union			48,178,411	0.89%
Costco	Cash & Carry Warehouse			44,420,188	0.82%
<b>TOTALS</b>		<b>\$ 2,285,256,405</b>	<b>22.97%</b>	<b>\$ 1,432,039,189</b>	<b>26.54%</b>

**Notes:**

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

(b) In 2015 the total assessed property value in the City of Tukwila was \$ 5,395,325,118

**Source:**

King County Department of Assessments



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

page 1 of 2

Major Industry Sector	2015	2016	2017	2018	2019
Construction and Contracting	\$ 1,255,650	\$ 1,383,624	\$ 1,413,773	\$ 1,623,112	\$ 2,218,910
Finance, Insurance & Real Estate	163,161	175,060	125,978	143,696	65,075
Manufacturing	281,501	269,117	177,788	262,700	238,694
Transportation, Communications & Utilities	743,746	746,115	721,413	1,016,226	1,055,296
Wholesale - Durable/Non-durable Goods	2,016,722	1,295,141	1,176,868	1,309,170	1,153,607
Retail Trade - General Merchandise	2,205,778	2,202,158	2,131,267	2,187,854	2,167,481
Retail Trade - Home Furnishings/Electronics	1,527,377	1,623,926	1,613,643	1,649,843	1,715,419
Retail Trade - Miscellaneous	1,954,150	2,032,967	2,077,239	2,131,804	2,089,854
Retail Trade - Clothing & Accessories	2,159,647	2,089,128	2,066,858	2,084,482	1,996,280
Retail Trade - Restaurants	1,703,187	1,751,724	1,886,139	2,009,051	2,080,421
Retail Trade - Automotive/Gas	825,143	743,468	800,580	1,385,284	1,063,607
Retail Trade - Building Materials	683,485	733,928	805,324	813,656	835,211
Service Industries - Business	1,265,789	1,467,620	1,436,825	2,051,035	2,039,153
Service Industries - Hotels	626,822	650,270	650,332	717,341	744,823
Service Industries - Other	273,514	253,089	267,544	394,128	346,020
All Other Categories	978,142	845,209	812,656	115,128	106,610
<b>Total Retail Sales Tax Collections</b>	<b>\$ 18,663,814</b>	<b>\$ 18,262,544</b>	<b>\$ 18,164,227</b>	<b>\$ 19,894,510</b>	<b>\$ 19,916,461</b>

## Notes:

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

## Sources:

Tukwila Finance Department and Washington State Department of Revenue.

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

page 2 of 2

2020	2021	2022	2023	2024	Major Industry Sector
\$ 2,389,360	\$ 1,664,634	\$ 1,704,697	\$ 2,239,350	\$ 2,336,635	Construction and Contracting
112,453	126,652	130,194	131,804	142,899	Finance, Insurance & Real Estate
221,232	222,561	223,090	228,453	249,653	Manufacturing
789,886	905,716	1,057,456	1,220,872	1,225,200	Transportation, Communications & Utilities
1,101,801	1,292,657	1,355,512	1,404,809	1,352,956	Wholesale - Durable/Non-durable Goods
1,836,829	1,886,826	1,739,575	1,926,985	1,867,660	Retail Trade - General Merchandise
1,419,767	1,866,419	1,875,690	1,902,006	1,804,535	Retail Trade - Home Furnishings/Electronics
1,994,491	2,897,074	2,856,649	3,018,848	3,827,741	Retail Trade - Miscellaneous
1,186,857	1,920,971	1,837,386	1,958,083	2,100,617	Retail Trade - Clothing & Accessories
1,273,300	1,815,023	2,160,843	2,353,747	2,429,910	Retail Trade - Restaurants
560,743	743,240	837,554	694,189	659,278	Retail Trade - Automotive/Gas
996,994	1,080,480	1,080,097	904,309	781,223	Retail Trade - Building Materials
1,684,693	1,767,313	1,980,165	2,254,266	2,024,349	Service Industries - Business
251,581	473,028	775,911	841,250	862,491	Service Industries - Hotels
340,104	373,547	391,768	417,434	392,337	Service Industries - Other
150,053	143,845	843,726	197,103	44,858	All Other Categories
<b>\$ 16,310,144</b>	<b>\$ 19,179,986</b>	<b>\$ 20,850,313</b>	<b>\$ 21,693,508</b>	<b>\$ 22,102,343</b>	<b>Total Retail Sales Tax Collections</b>

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

	2015	2016	2017 <sup>(a)</sup>	2018	2019	2020	2021 <sup>(b)</sup>	2022	2023	2024 <sup>(c)</sup>
<b><u>BASIC SALES TAX RATES <sup>(a)</sup></u></b>										
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%	0.35%	0.35%	0.35%	0.45%
Regional Transit Authority	0.90%	0.90%	0.90%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Metro	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Department of Revenue	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Administration Fee										
<b>Total Basic Combined Sales Tax Rate</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.10%</b>	<b>10.10%</b>	<b>10.10%</b>	<b>10.20%</b>

## Notes:

- <sup>(a)</sup> 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.
- <sup>(b)</sup> Effective January 1, 2021, sales and use tax within all of King County, except for Seattle, increased one-tenth of one percent (.001), to three and five tenths of one percent (.0035). The tax will be used for affordable housing and realted services.
- <sup>(c)</sup> Effective July 1, 2024, sales and use tax within all of King County, except for Seattle, increased one-tenth of one percent (.001). The tax will be used for affordable housing and realted services.

## Source:

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



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

Page 1 of 2

	2015	2016	2017	2018	2019
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
General Obligation Bonds <sup>(c)</sup>	\$ 30,084,437	\$ 64,589,264	\$ 69,576,786	\$ 85,625,504	\$ 147,210,840
Special Assessment <sup>(d)</sup>	6,082,500	5,412,500	4,805,000	4,320,000	3,910,000
Total Governmental Activities	36,166,937	70,001,764	74,381,786	89,945,504	151,120,840
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
General Obligation Bonds	-	-	-	-	-
Revenue Bonds	1,742,527	1,597,704	1,454,422	1,304,763	1,154,027
Public Works Trust Fund Loans	5,646,458	5,046,900	4,447,522	3,848,055	3,248,587
Leases	-	-	-	-	-
Total Business-Type Activities	7,388,985	6,644,604	5,901,944	5,152,818	4,402,614
<b>TOTAL PRIMARY GOVERNMENT <sup>(a)</sup></b>	<b>\$ 43,555,922</b>	<b>\$ 76,646,368</b>	<b>\$ 80,283,729</b>	<b>\$ 95,098,322</b>	<b>\$ 155,523,454</b>
Population <sup>(b)</sup>	19,300	19,540	19,660	19,800	20,930
Per Capita Personal Income <sup>(b)</sup>	\$ 76,226	\$ 79,323	\$ 84,598	\$ 88,308	\$ 92,026
Percentage of Personal Income	2.96%	4.95%	4.83%	5.44%	8.07%
Debt Per Capita	\$ 2,257	\$ 3,923	\$ 4,084	\$ 4,803	\$ 7,431

## Notes:

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

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

(c) Includes amounts Due to Other Governments.

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

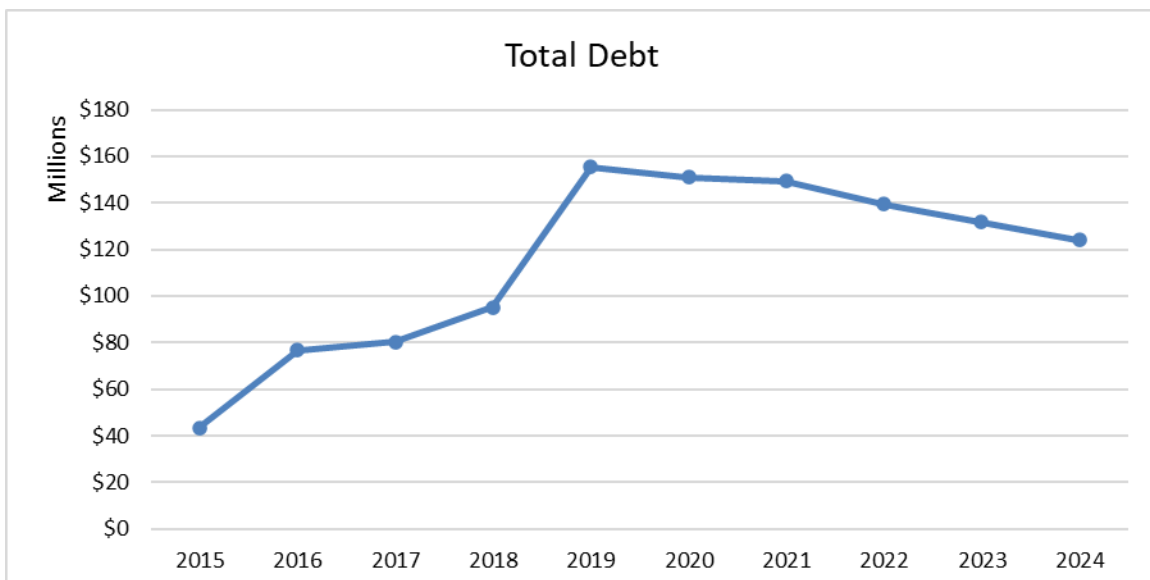
\*\*\* Data not available at time of publication.

## Sources:

U.S. Census Bureau

WA State Office of Financial Management

City of Tukwila Finance Department





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

Page 2 of 2

2020	2021	2022	2023	2024	
					<b><u>GOVERNMENTAL ACTIVITIES</u></b>
\$ 144,037,716	\$ 143,233,473	\$ 134,569,428	\$ 127,964,421	\$ 121,343,702	General Obligation Bonds <sup>(c)</sup>
3,430,000	3,060,000	2,685,000	2,285,000	1,895,000	Special Assessment <sup>(d)</sup>
147,467,716	146,293,473	137,254,428	130,249,421	123,238,702	Total Governmental Activities
					<b><u>BUSINESS-TYPE ACTIVITIES</u></b>
-	-	-	-	-	General Obligation Bonds
997,413	840,235	677,704	515,144	347,781	Revenue Bonds
2,649,119	2,075,702	1,476,234	902,817	329,400	Public Works Trust Fund Loans
-	-	-	-	-	Leases
3,646,532	2,915,937	2,153,938	1,417,961	677,181	Total Business-Type Activities
<b>\$ 151,114,248</b>	<b>\$ 149,209,410</b>	<b>\$ 139,408,366</b>	<b>\$ 131,667,382</b>	<b>\$ 123,915,883</b>	<b>TOTAL PRIMARY GOVERNMENT<sup>(a)</sup></b>
21,360	21,798	22,620	22,780	22,930	Population <sup>(b)</sup>
\$ 96,647	\$ 108,212	\$ 113,819	\$ 122,235	***	Per Capita Personal Income <sup>(b)</sup>
7.32%	6.33%	5.41%	4.73%	***	Percentage of Personal Income
\$ 7,075	\$ 6,845	\$ 6,163	\$ 5,780	\$ 5,404	Debt Per Capita

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 <sup>(a)</sup>	Less Debt Service Funds <sup>(b)</sup>	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015	19,300	5,395,325,118	30,084,437	6,082,500	1,910,940	34,255,997	0.63%	1,775
2016	19,540	5,763,649,829	64,589,264	5,412,500	1,962,497	68,039,267	1.18%	3,482
2017	19,660	6,155,826,776	69,576,786	4,805,000	1,855,519	72,526,267	1.18%	3,689
2018	19,800	6,685,919,176	85,625,504	4,320,000	1,903,729	88,041,775	1.32%	4,447
2019	20,930	6,673,839,922	147,210,840	3,910,000	1,995,748	149,125,092	2.23%	7,125
2020	21,360	7,883,057,562	144,037,716	3,430,000	1,353,344	146,114,372	1.85%	6,841
2021	21,798	8,010,892,032	143,233,473	3,060,000	1,653,564	144,639,909	1.81%	6,635
2022	22,620	8,970,452,548	134,569,428	2,685,000	1,653,564	135,600,864	1.51%	5,995
2023	22,780	9,529,124,967	127,964,421	2,285,000	1,735,429	128,513,992	1.35%	5,642
2024	22,930	9,950,560,640	121,343,702	1,895,000	1,859,780	121,378,922	1.22%	5,293

Note:

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

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

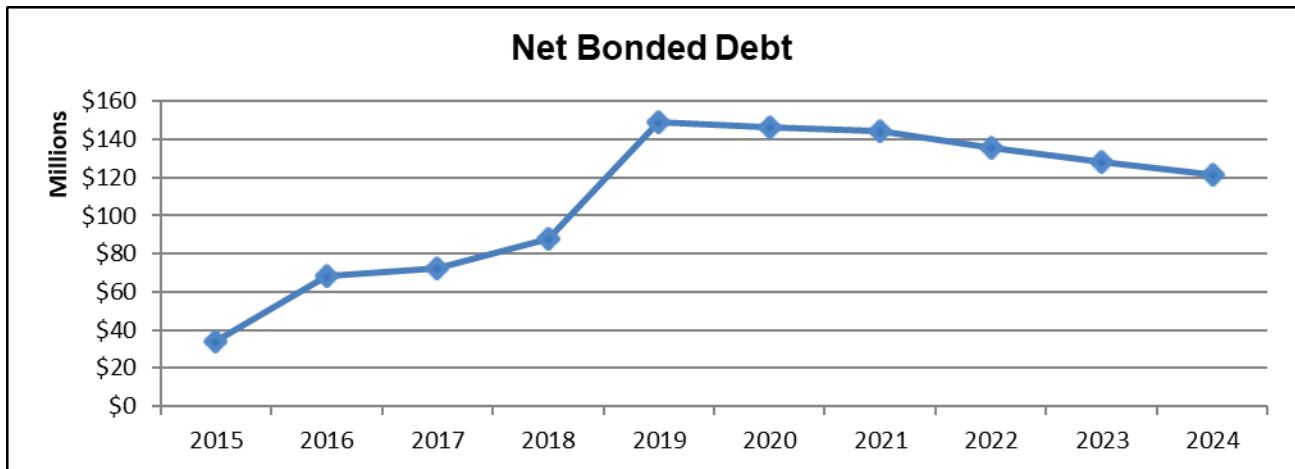
Sources:

U.S. Census Bureau

State of Washington Office of Financial Management

King County Department of Assessments

Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON  
**SCHEDULE 14**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
 AS OF DECEMBER 31, 2024

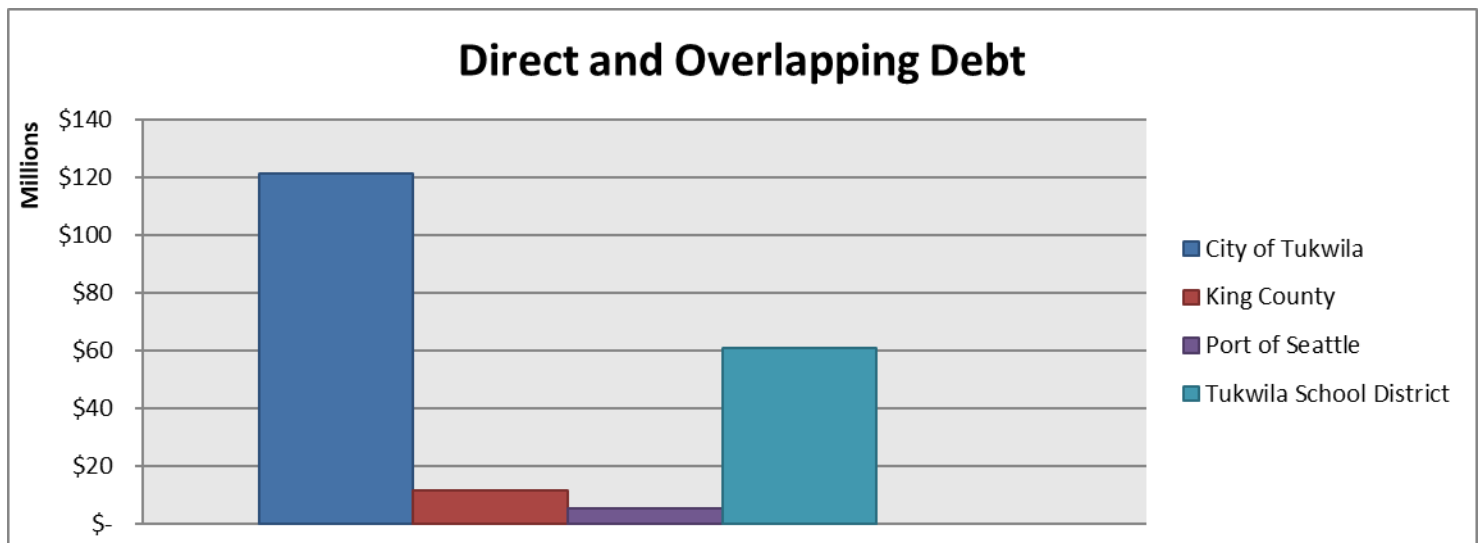
Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to Tukwila <sup>(1)</sup>	Estimated Applicable to Tukwila
Direct:			
City of Tukwila	\$ 121,343,702	100.00%	\$ 121,343,702
Overlapping:			
King County	1,016,169,000	1.14%	11,584,327
Port of Seattle	445,465,000	1.14%	5,078,301
Tukwila School District #406	61,063,566	99.81%	60,947,545
Total Overlapping Debt:	<u>1,522,697,566</u>		<u>77,610,173</u>
Total Direct and Overlapping Debt:	<u>\$ 1,644,041,268</u>		<u>\$ 198,953,875</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

	2015	2016	2017	2018	2019
Debt Limit	\$ 379,055,906	\$ 432,273,737	\$ 404,649,384	\$ 461,687,008	\$ 500,537,994
Total net debt applicable to limit	23,288,621	60,208,532	63,662,386	79,701,909	135,668,490
Legal debt margin	\$ 355,767,285	\$ 372,065,205	\$ 340,986,998	\$ 381,985,099	\$ 364,869,504
Total net debt applicable to the limit as a percentage of debt limit	6.14%	13.93%	15.73%	17.26%	27.10%

Assessed Value as of December 31, 2024	\$ 9,950,560,640
Debt Limit (7.5% of assessed value)	746,292,048
Debt applicable to limit:	
General obligation bonds	121,343,702
Other long-term debt	-
	<u>624,948,346</u>
Less: Amount set aside for repayment of general obligation debt and contracts payable	
Total net debt applicable to limit	1,859,780
Legal debt margin	<u>\$ 744,432,268</u>

Source:

Tukwila Finance Department

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

Page 2 of 2

2020	2021	2022	2023	2024	
\$ 591,229,317	\$ 600,816,902	\$ 672,783,941	\$ 714,684,373	\$ 746,292,048	Debt Limit
136,578,098	136,149,662	141,383,534	136,889,888	121,343,702	Total net debt applicable to limit
\$ 454,651,219	\$ 464,667,240	\$ 531,400,407	\$ 577,794,485	\$ 624,948,346	Legal debt margin
					Total net debt applicable to the limit
23.10%	22.66%	21.01%	19.15%	16.26%	as a percentage of debt limit

**CITY OF TUKWILA, WASHINGTON**  
**SCHEDULE 16**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Population	Per Capita Personal Income <sup>(a)</sup>	Personal Income <sup>(b)</sup> (in thousands)	Number of Single-Family Homes	Number of Multi-Family Units	Tukwila School District Enrollment	Unemployment Rate <sup>(c)</sup>
2014	19,920	72,696	1,448,104	3,920	4,103	2,978	4.1%
2015	19,300	76,226	1,471,162	3,940	4,103	2,910	4.5%
2016	19,540	79,323	1,549,971	3,969	4,103	2,873	4.2%
2017	19,660	84,598	1,663,197	3,995	4,103	2,961	3.5%
2018	19,800	88,308	1,748,498	4,025	4,667	3,059	3.1%
2019	20,930	92,026	1,926,104	4,235	4,732	2,862	2.3%
2020	21,360	96,647	2,064,380	4,245	4,816	2,763	7.7%
2021	21,798	108,212	2,358,805	4,250	4,912	2,594	4.5%
2022	22,620	113,819	2,574,586	4,269	4,912	2,595	2.8%
2023	22,780	122,235	2,784,513	4,281	5,251	2,715	3.5%
2024	22,930	***	***	3,973	5,258	2,828	4.2%

Notes:

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

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

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

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

Sources:

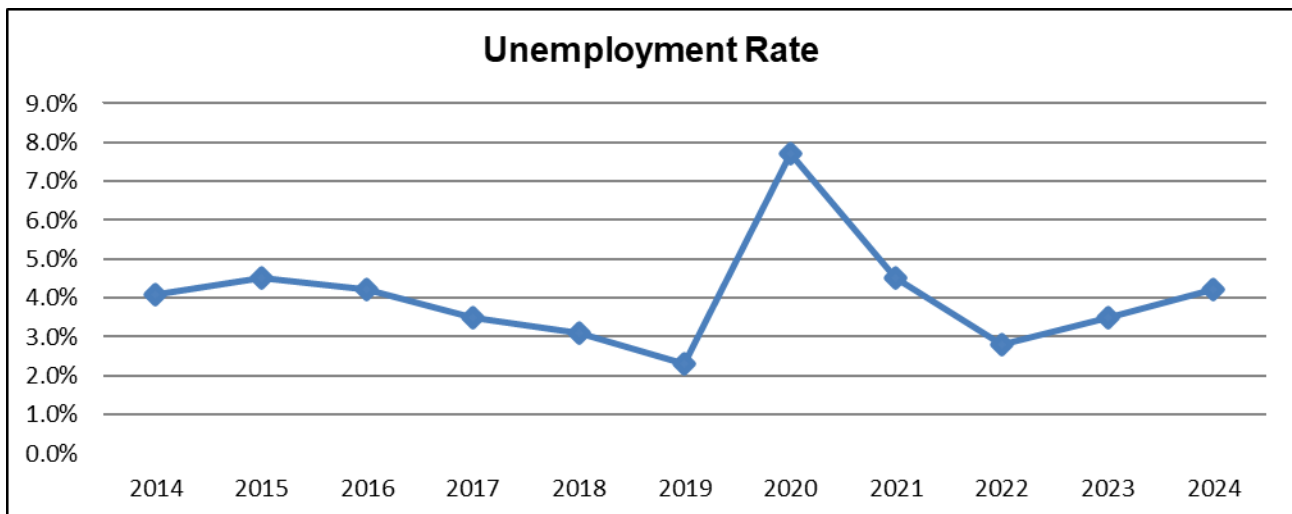
Tukwila Planning Division, Department of Community Development

State of Washington Office of Financial Management

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

Tukwila School District #406

US Bureau of Economic Analysis



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

Name of Company/Employer	Industry	Rank	2024 Number of Employees <sup>(a)</sup>	Percent of Total	Number of Employers	2015 Full & Part-Time Employment <sup>(b)</sup>	Rank	Percentage of Total City Employees
	Construction	1	4,517	18.4%	67			
	Manufacturing	2	4,054	16.5%	383			
	Wholesale Trade	3	2,764	11.2%	187			
	Retail Trade	4	2,221	9.0%	138			
	Transportation and Warehousing	5	2,055	8.4%	199			
	Information	6	1,328	5.4%	138			
	Finance and Insurance	7	1,205	4.9%	154			
	Real Estate and Rental and Leasing	8	1,153	4.7%	56			
	Professional, Scientific, and Technical Services	9	1,109	4.5%	150			
	Management of Companies and Enterprises	10	1,064	4.3%	79			
Boeing Company	Aircraft Manufacturing					7,144	1	20.9%
Group Health Cooperative	Data Ctr/Lab/Pharmacy/Mfg.					1,550	2	4.5%
Costco	Cash/Carry Warehouse					807	3	2.4%
King County Metro	Transit					500	4	1.5%
Boeing Employee's Credit Union	Credit Union					499	5	1.5%
Nordstrom	Department Stores					483	6	1.4%
Real Time Staffing Services Inc.	Employment Agency					363	7	1.1%
Red Dot Corporation	Heater/air Conditioning Equipment					352	8	1.0%
City of Tukwila	Municipality					334	9	1.0%
Macy's	Department Stores					280	10	0.8%
Sub-total - Major Employers			21,470			12,312		
All Other Employment			3,114	12.7%	267	21,867		
TOTAL EMPLOYMENT			24,584			34,179		

Source:

<sup>(a)</sup> Washington State Department of Revenue. The City of Tukwila contracts with the State to manage its business licenses. In accordance with state law, employee count by business is confidential. Starting with the 2024 ACFR, only the total number of employers and employees by industry is available for comparison.

<sup>(b)</sup> Tukwila Finance Department

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>DEPARTMENT</b>										
Administrative Services <sup>(a), (b)</sup>	-	-	-	-	10.00	10.00	24.00	24.00	24.00	-
Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Mayor <sup>(a), (b)</sup>	19.00	16.00	16.00	13.00	10.00	10.00	5.00	5.00	5.00	29.50
Human Resources <sup>(a)</sup>	4.00	4.00	4.00	4.00	-	-	-	-	-	-
Finance	12.00	12.00	11.00	11.00	12.00	12.00	12.00	13.00	14.00	15.00
Recreation	16.75	17.25	16.25	16.00	16.25	16.50	14.25	15.00	15.75	16.00
Community Development	21.00	23.75	23.00	25.00	24.00	22.00	29.00	28.75	28.75	28.75
Court	8.10	11.00	11.00	11.00	11.00	10.25	10.65	10.65	12.00	12.00
Police	93.00	93.75	92.75	97.00	98.00	84.00	86.00	81.00	93.00	98.00
Fire	70.00	71.00	72.00	73.00	66.00	64.00	61.00	64.00	64.00	-
Information Technology <sup>(b)</sup>	6.00	7.00	9.00	9.00	9.00	7.00	-	-	-	-
Public Works	32.00	32.00	27.00	27.00	27.20	22.00	27.00	24.00	29.00	28.00
Parks	7.00	8.00	8.00	9.00	9.00	7.00	9.75	9.75	8.50	8.50
Street	10.00	12.00	11.50	11.50	11.50	7.50	12.00	10.00	11.50	4.50
Water	6.00	7.00	7.50	7.50	7.40	7.50	6.00	6.00	6.00	8.00
Sewer	2.00	2.00	4.50	4.50	4.40	3.50	3.00	4.00	4.00	8.50
Golf	8.25	7.75	8.75	9.00	8.75	8.00	9.75	10.50	10.50	10.75
Surface Water	9.00	9.00	11.50	11.50	12.50	12.50	7.00	8.00	7.50	15.50
Equipment Rental	5.00	5.00	5.00	5.00	5.00	3.00	5.00	5.00	4.00	5.00
<b>TOTAL</b>	<b>337.10</b>	<b>346.50</b>	<b>346.75</b>	<b>352.00</b>	<b>350.00</b>	<b>314.75</b>	<b>329.40</b>	<b>326.65</b>	<b>345.50</b>	<b>296.00</b>

## Notes:

*Based on filled positions not budgeted positions.*

*(a) Administrative Services includes Human Resources, Community Services and Engagement (previously reported in the Mayor's Office), and Admin Services Administration as of 2019 and again in 2024.*

*(b) Administrative Services includes City Clerk (previously reported in the Mayor's Office) and Information Technology (previously reported as a separate department).*

## Sources:

Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON  
**SCHEDULE 19**  
**OPERATING INDICATORS BY FUNCTION**  
 LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>FUNCTION</b>										
<b>Police</b>										
Number of Calls for Service	32,946	34,229	33,123	33,288	32,465	30,079	31,338	34,345	34,805	32,923
<b>Fire<sup>(e)</sup></b>										
Number of Responses	5,549	5,754	5,840	5,734	5,724	5,284	6,869	7,527	6,227	0
Total Fire Loss	\$1,926,944	\$2,821,016	\$1,142,486	\$527,687	\$742,362	\$3,187,074	\$12,317,319	\$1,482,921	\$3,022,500	\$0
Total Inspections	2,331	1,860	1,951	2	7	5	927	611	1,421	0
<b>Parks and Recreation</b>										
Class Participants	68,970	64,782	83,030	73,906	78,435	27,741	26,000	38,407	50,936	51,819
Community Ctr Admissions	136,984	141,218	143,872	143,160	175,311	24,804	20,726	38,507	46,073	66,802
Rounds of Golf Played	51,017	47,595	43,568	49,357	50,561	58,028	64,203	58,856	60,011	57,105
<b>Street</b>										
Miles	79	79	79	79	79	79	79	79	79	79
Hours Maintaining Streets/Sidewalks	4,716	4,836	4,936	5,120	5,028	3,764	2,866	3,548	5,566	4,222
Signalized Intersections	62	64	66	68	68	74	74	74	74	65
Hours Maintaining Signals/Lights	2,408	2,135	2,986	2,415	2,701	1,810	2,113	2,393	2,714	2,903
<b>Water Utility Services</b>										
Total Customers	2,145	2,160	2,176	2,185	2,195	2,205	2,215	2,208	2,289	2,331
Total Gallons; Water (in thousands)	697,147	655,472	697,210	672,700	618,194	543,468	597,831	605,637	642,289	640,661
<b>Sanitary Sewer</b>										
Total Customers	1,775	1,789	1,808	1,836	1,845	1,860	1,872	1,876	1,876	1,883
<b>Surface Water</b>										
Total Customers	5,242	5,249	5,282	5,286	5,289	5,261	5,278	5,282	5,282	5,285
<b>Licenses</b>										
Tukwila Business Licenses	2,220	1,909	2,120	2,078	1,976	2,132	2,218	2,322	2,338	2,328
Non-Resident Business Licenses	1,215	945	1,437	1,319	1,688	2,081	2,532	2,719	3,004	3,365
<b>Permits</b>										
Building Permits	277	311	348	381	371	262	266	262	256	239
Mechanical Permits	154	192	198	169	193	165	166	173	217	170
Electrical Permits	1,119	1,175	1,047	1,046	1,059	875	928	933	1,202	1,025
Plumbing Permits	140	185	165	161	176	133	138	121	141	133
Public Works Permits	163	175	136	152	153	249	242	257	267	278
<b>Libraries</b>										
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Total Circulation <sup>(d)</sup>	214,520	184,492	157,168	180,155	151,578	125,609	132,695	157,962	171,922	310,373

**Notes:**

(a) Due to information system and data program transitioning, this total does not include fire prevention staff inspections.

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

(c) The City transferred its fire services to the RFA in 2023.

(d) Starting in 2024, reporting all physical and electronic library media.

**Sources:**

Tukwila Departments, King County Library System

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

	2015	2016	2017	2018	2019	2020 <sup>(a)</sup>	2021 <sup>(b)</sup>	2022	2023	2024
<b>FUNCTION</b>										
<b>General Government</b>										
Total City Area (Square Miles)	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63	9.63
<b>Public Safety</b>										
Police:										
Number of Vehicle Units	89	93	93	80	88	88	88	89	90	101
Fire: <sup>(c)</sup>										
Number of Fire Stations	4	4	4	4	4	4	4	4	4	0
Number of Engines/Rescue Trucks/Ladders	9	9	8	8	11	8	8	8	8	0
Number of Medical Aid Vehicles	1	1	1	1	1	1	1	2	2	0
Number of Hazardous Materials Trailer Units	2	2	2	1	1	1	1	1	1	0
<b>Transportation</b>										
Paved Streets (lane miles)	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2	188.2
Sidewalks (miles)	64.8	64.8	64.8	65.0	65.0	66.0	66.0	66.0	66.0	66.0
Number of Traffic Signals	63	74	76	74	74	74	74	74	74	74
Number of Streetlights Owned by Seattle City Light	902	902	902	908	910	910	910	910	910	910
Number of Streetlights Owned by Puget Sound Energy	187	187	187	187	187	187	187	187	187	187
Number of Streetlights Owned by City of Tukwila	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
<b>Culture and Recreation</b>										
Parks Acreage	190	190	191	191	191	193	193	193	193	193
Number of Parks	19	19	20	20	20	21	21	21	21	21
Golf Course Acreage	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26
Maintained Trails (miles)	15	15	15	15	15	13	13	13	13	13
Number of Playgrounds	11	11	11	11	11	11	11	11	11	11
Visitor Center	1	1	1	1	1	1	1	1	1	1
Community Center/Recreation Facilities	1	1	1	1	1	1	1	1	1	1
Number of Libraries	2	2	2	2	2	2	2	2	2	2
<b>Water</b>										
Water Distribution Mains (miles)	49	49	49	49	49	49	49	50	50	50
Maximum Daily Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Number of Fire Hydrants (Owned by City of Tukwila)	577	577	579	579	589	601	601	603	603	603
Vehicles	9	9	9	8	8	8	8	8	8	8
<b>Sewer</b>										
Sanitary Sewers (miles)	37	37	39	39	39	39	40	40	40	40
Average Daily Dry Weather Flow (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Vehicles	4	5	5	3	3	3	3	3	3	3
<b>Surface Water</b>										
Storm Drains (miles)	70.5	70.5	97.4	97.4	97.4	97.4	111.0	111.0	111.0	111.0
Vehicles	8	8	8	9	9	8	8	8	8	10

**Notes:**

(a) Reflects number of active stations. In 2020, a new Station 51 was opened and the former Station 51 has not yet been surplused.

(b) Reflects number of active station. In 2021, a new Station 52 was opened and the former Station 52 has not yet been surplused.

(c) The City transferred its fire services to the RFA in 2023.

**Sources:**

Various City of Tukwila departments