



*City of Tukwila, Washington*

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

*For the fiscal year ended December 31, 2022*



# 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, 2022

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

Allan Ekberg, MAYOR

2022 TUKWILA CITY COUNCIL

Thomas McLeod, Council President

Kathy Hougardy

Kate Kruller

Tosh Sharp

De'Sean Quinn

Cynthia Delostrinos Johnson

Mohamed Abdi



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

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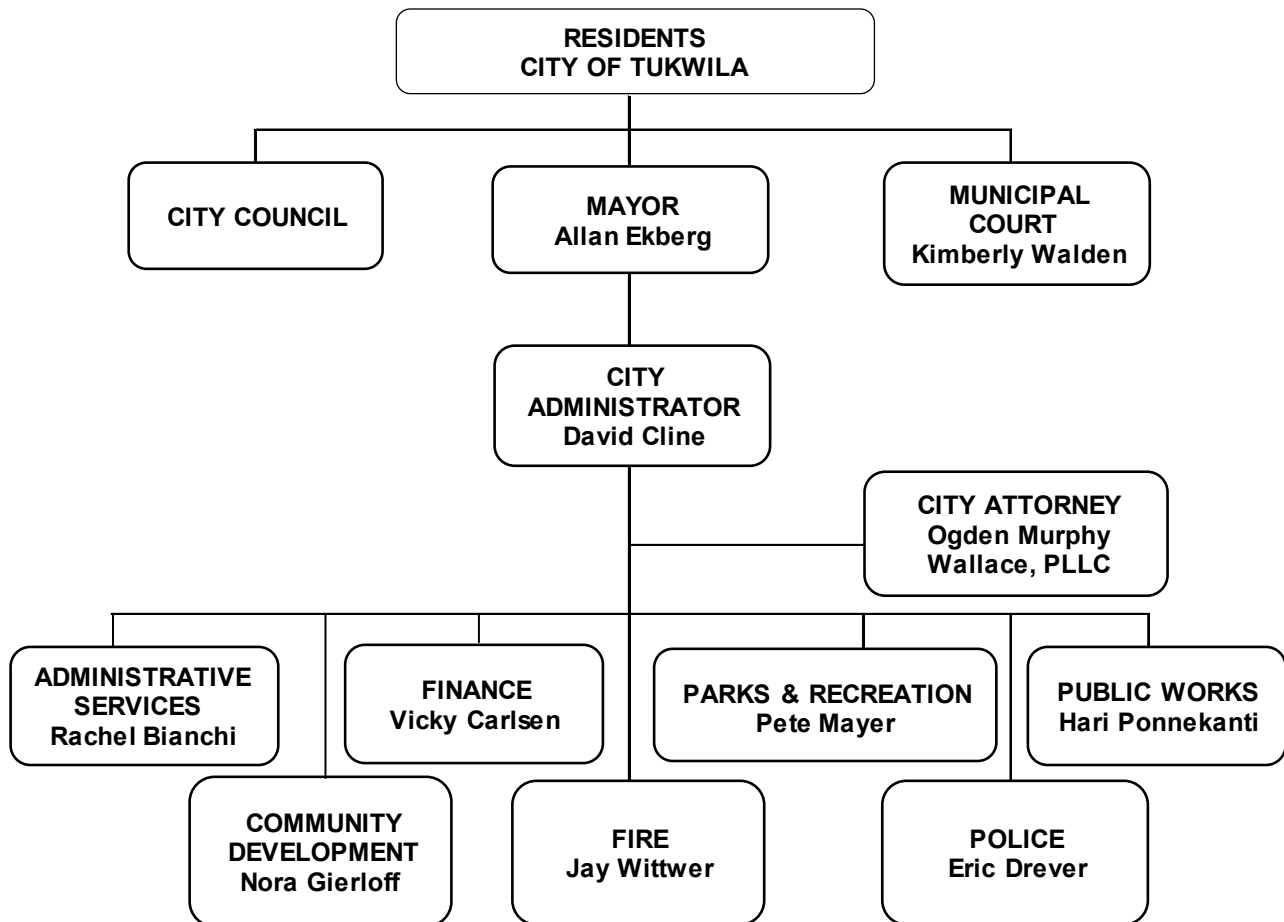
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## ADMINISTRATIVE ORGANIZATIONAL STRUCTURE AND PRINCIPAL OFFICIALS



### 2022 COUNCIL COMMITTEES

COUNCIL PRESIDENT  
Tom McLeod

#### FINANCE & GOVERNANCE COMMITTEE

De'Sean Quinn, Chairperson  
Kate Kruller, Member  
Cynthia Delostrinos-Johnson, Member

#### TRANSPORTATION & INFRASTRUCTURE SERVICES

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

#### COMMUNITY SERVICES & SAFETY

Kathy Hougardy, Chairperson  
Mohamed Abdi, Member  
Tosh Sharp, Member

#### PLANNING & COMMUNITY DEVELOPMENT

Cynthia Delostrinos-Johnson, Chairperson  
Kathy Hougardy, Member  
De'Sean Quinn, Member







## ***City of Tukwila***

6200 Southcenter Blvd, Tukwila, WA 98188

*Allan Ekberg, Mayor*

October 30, 2023

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

Subject: **TRANSMITTAL OF 2022 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, 2022. 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, 2021 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 22,620, making it the 49th largest of 280 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 and fire protection, emergency medical services, construction and maintenance of streets and traditional municipal infrastructure, planning and zoning, park and recreational activities, and cultural events. In addition, the City operates an equipment maintenance/rental fund. The City operates its own municipal 18-hole golf course and provides sewer, water, and surface water services. Tukwila has a municipal court for traffic infractions, misdemeanors, and gross misdemeanors. Other jurisdictions provide jail services to the City. Tukwila residents receive library services from the King County Library System.

The City has adopted a biennial budget in accordance with RCW 35A.34. The Council is required to adopt a biennial budget prior to the first of each odd-numbered calendar year. Budget reviews are conducted at mid-biennium and any changes for the second half of the biennium are adopted by the City Council. The biennial budget serves as the foundation for the City of Tukwila's financial planning and control. The budget is adopted at the fund level and any increases or decreases to a fund must be authorized by Council. Appropriation changes within a fund may be authorized by the Mayor. The General Fund, two special revenue funds, four debt service funds, and eight capital project funds are included in the biennially appropriated operating budget and have budget to actual statements presented for 2022.

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

## LOCAL ECONOMY

Tukwila has a strong local economy, largely due to its location within the Puget Sound region's robust economy. The Puget Sound region benefits from a world-class natural environment, excellent universities, and the headquarters of world-class companies such as Amazon, Microsoft, and Starbucks. The region has tens of thousands of excellent jobs in leading high-tech fields such as aerospace, life sciences and global health, information and computing, gaming, and more. It also has strong industry clusters in manufacturing, maritime, military, tourism, and transportation and logistics. The Seattle/Bellevue/Everett area had a large labor force of 1.8 million in December of 2022, which was an increase compared to the previous year. At the same time the already low unemployment rate decreased from 3.6% to 3.0%.

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, Red Dot Corporation, Sabey Corporation, Sahale Snacks, and Seattle Chocolates. Tukwila is also home to hundreds of small businesses, many of which are owned by members of the City's diverse international community.

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

Retail business significantly dropped during 2020 due to the COVID pandemic. In 2021 and 2022 retail returned to pre-pandemic levels, except when adjusted for inflation. The tourism economy as indicated by lodging tax revenue has rebounded to pre-pandemic levels. Industrial space has lower vacancy rates and higher property values than ever before. Although construction slowed during the pandemic, it still continued and total permit value for 2022 was the second highest for the past six years.

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

Tukwila is a retail powerhouse with one of the largest local retail sales tax bases in the state of Washington. Anchored by Westfield Southcenter, which is the largest mall in the Pacific Northwest, Tukwila generated almost \$2.45 billion dollars in taxable retail sales in 2022. The total retail sales tax revenue amounted to \$20.85 million in 2022, representing an increase of 8.6% from the \$19.2 million

collected in the prior year. Although this shows a significant increase over 2021 levels, this is likely a combination of the waning impacts of the pandemic and high inflation that occurred throughout 2022.

## **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 \$8.9 billion, which is an increase of 11.98% from 2021, allowing the City to pursue a long-term capital investment program. The City's 2021-2026 Capital Improvement Program, which is adopted every two years, anticipates approximately \$118 million in general government capital projects, with only \$7.39 million of that paid by City funding sources. These improvements are vital to the economic health of the City which must continue to efficiently move employees, shoppers, and goods into and out of the area.

## **MAJOR INITIATIVES**

The City made significant investments of time and financial resources into key public projects in 2022. These projects represent Council's commitment to meeting their five Strategic Goals and Objectives:

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

The City of Tukwila approved funding for 30% design and estimates for the 42<sup>nd</sup> Avenue South Bridge Replacement. Approximately \$27 million in federal, state and local funds have been awarded for the project. This structure serves as the connection to the residential community and the BNSF railroad Intermodal Yard.

The City started preliminary work on the Transportation Element of the Comprehensive Plan. In addition, construction began on the West Valley Highway/Longacres Way roadway project. Most construction was completed in 2022, and final improvements around illumination and signal poles will be completed in 2023.

The City of Tukwila has an on-going extensive rehabilitation program in the Sewer Fund for the Southcenter Commercial Business District. As the sewer mains are reaching their 50-year life span, the City has budgeted over \$2 million for 3 years to reline the asbestos concrete pipes in the Southcenter area.

The City has completed many projects associated with the Public Safety Plan, including the new Justice Center and two new fire stations. Phase one of the consolidated Public Works facility is nearly complete as of this writing, and planning has begun for phase two.



## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tukwila for its annual comprehensive financial report for the fiscal year that ended December 31, 2021. This was the 35th consecutive year that Tukwila has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and the cooperation of other City departments. Their long hours of assistance with the preparation and review of this report are greatly appreciated. The Mayor, City Administrator and City Council are to be complimented for their encouragement, interest, and support in conducting the financial operations of the City in a fiscally sound and progressive manner. The efficient assistance of examiners from the Office of the State Auditor is also appreciated. Staff who had a direct role in preparing Tukwila's 2022 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,



Vicky Carlsen, CPA  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Tukwila  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO







**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, 2022, 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, 2022, 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 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. 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

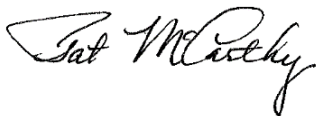
The other information comprises Introductory and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover 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 October 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

October 30, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### For the Year Ended December 31, 2022

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, 2022. 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, 2022, the City of Tukwila's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$364.4 million. Of this amount, \$61.2 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 \$9.4 million, or 2.7%. Governmental activities increased \$7.7 million due in part to generally improving revenues, offset by rising expenditure costs. Business-type activities increased \$1.7 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 \$43.6 million, a decrease of \$97 thousand (-0.22%). Approximately 51.5% (\$22.5 million) of the fund balance is available for spending at the City's discretion (unassigned fund balance).

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

#### Government-wide Financial Statements

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

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

The **Statement of Activities** presents information designed to show how the City's net position changed during the year. The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed. Items such as (but not limited to) uncollected taxes, unpaid vendor invoices for goods or services received during the year, and earned but unused vacation leave are included in the statement of activities as revenue and expenses even though no cash has changed hands.

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

## Fund Financial Statements

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

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

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

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

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

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

The City has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens, while internal service funds are used to account for goods and services provided internally to various City departments. The same basis of accounting is used for proprietary funds in both the government-wide and individual fund statements.

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

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

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

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

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

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

### **Other Information**

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Tukwila, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$364.4 million at the close of the most recent fiscal year. Total net position increased by \$9.4 million (2.7%) when compared to 2021.

### CITY OF TUKWILA'S NET POSITION

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$94,196	\$111,417	\$28,334	\$31,401	\$122,530	\$142,817
Capital assets, net of accumulated depreciation	330,014	334,119	77,653	75,582	407,667	409,701
Total assets	424,210	445,536	105,987	106,982	530,198	552,518
Deferred Outflows of Resources	11,896	4,491	975	293	12,871	4,784
Long-term liabilities	141,384	150,058	2,557	3,250	143,940	153,309
Net pension liability	2,480	1,042	572	231	3,053	1,272
Total OPEB liabilities	5,958	7,421	-	-	5,958	7,421
Other liabilities	12,629	10,312	1,439	1,640	14,068	11,952
Total liabilities	162,452	168,834	4,568	5,121	167,019	173,954
Deferred Inflows of Resources	10,664	25,903	1,029	2,502	11,693	28,405
Net position						
Net investment in capital assets	199,058	197,840	75,309	72,559	274,366	270,399
Restricted	28,835	25,281	-	-	28,835	25,281
Unrestricted	35,098	32,170	26,057	27,094	61,155	59,263
Total net position	\$262,991	\$255,290	\$101,365	\$99,653	\$364,356	\$354,943

By far, the largest portion of the City's net position (\$274.4 million or 75.3%) 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 citizens. Accordingly, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$28.8 million or 7.9%) represents resources that are subject to external restrictions on how they may be used. The business-type activities do not report any restrictions, so the entire \$28.8 million is restricted in governmental activities funds. The majority is related to tourism, net pension assets, and ongoing debt obligations. The remaining net position balance (\$61.2 million, or 16.8%) 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 increased \$9.4 million (2.7%) from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.



## CITY OF TUKWILA'S CHANGES IN NET POSITION

(in thousands)

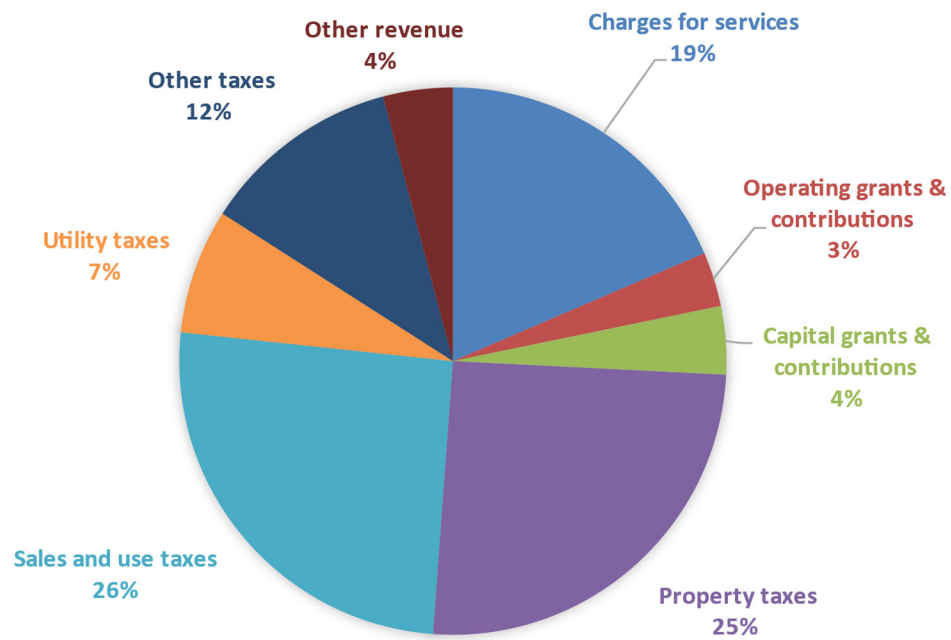
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$15,969	\$11,560	\$26,244	\$25,526	\$42,213	\$37,086
Operating grants and contributions	2,771	1,797	364	62	3,135	1,858
Capital grants and contributions	3,469	1,290	175	1,710	3,644	3,000
General revenues						
Property taxes	21,852	21,275	-	-	21,852	21,275
Sales and use taxes	21,977	20,148	-	-	21,977	20,148
Hotel/Motel taxes	897	540	-	-	897	540
Utility taxes	3,950	3,605	-	-	3,950	3,605
Interfund utility taxes	2,405	2,322	-	-	2,405	2,322
Business taxes	2,684	2,075	-	-	2,684	2,075
Excise taxes	6,609	7,401	-	-	6,609	7,401
Investment earnings	(107)	298	-	-	(107)	298
Miscellaneous	3,646	4,068	-	-	3,646	4,068
Total revenues	86,122	76,379	26,783	27,297	112,905	103,676
Expenses:						
General government	14,314	12,227	-	-	14,314	12,227
Public safety	35,504	24,840	-	-	35,504	24,840
Transportation	13,806	12,760	-	-	13,806	12,760
Economic environment	5,599	5,063	-	-	5,599	5,063
Culture and recreation	6,148	4,814	-	-	6,148	4,814
Interest on long-term debt	4,303	4,443	-	-	4,303	4,443
Water/sewer	-	-	15,457	14,227	15,457	14,227
Foster golf course	-	-	5,945	4,327	5,945	4,327
Surface water	-	-	2,415	2,176	2,415	2,176
Total expenses	79,674	64,147	23,818	20,731	103,491	84,878
Increase (decrease) in net position before transfers	6,448	12,231	2,965	6,566	9,413	18,798
Transfers	1,253	1,384	(1,253)	(1,384)	-	-
Change in net position	7,701	13,615	1,712	5,182	9,413	18,798
Net position-beginning of period	255,290	241,675	99,653	94,471	354,943	336,145
Net position-end of period	\$262,991	\$255,290	\$101,365	\$99,653	\$364,356	\$354,943

## Governmental Activities

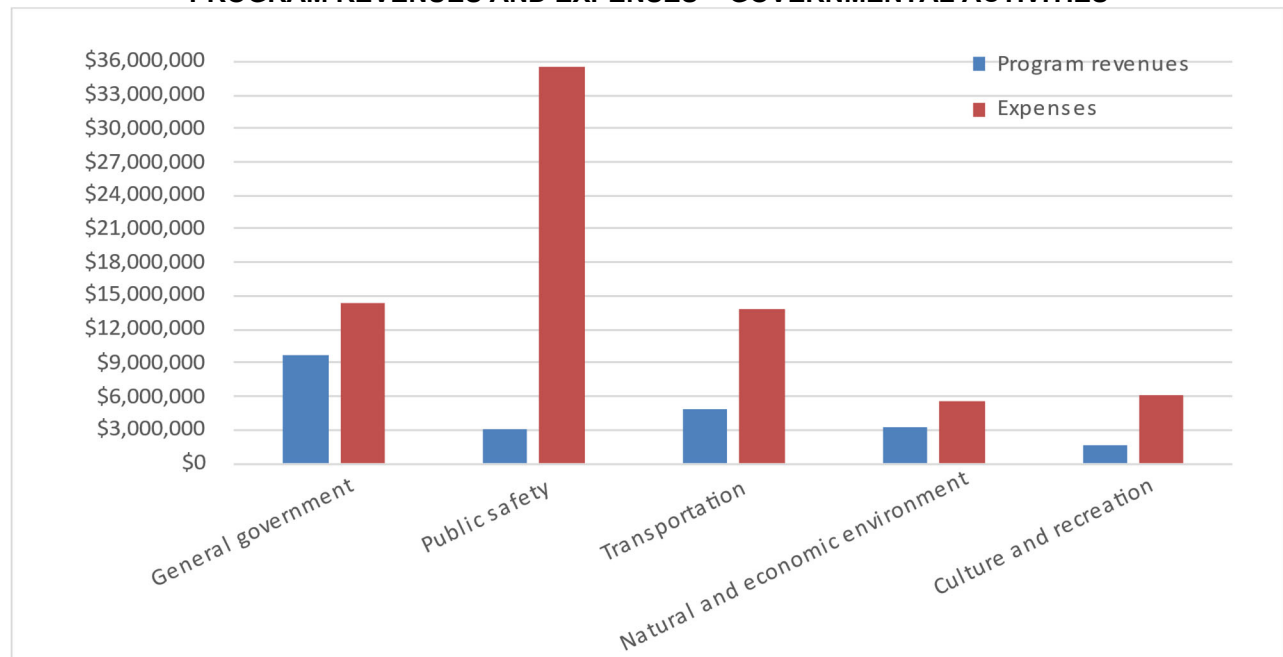
During the current fiscal year, net position for governmental activities increased \$7.7 million (3.0%) from the prior fiscal year for an ending balance of \$263.0 million. The primary reasons for this are:

- Charges for services increased by \$4.4 million compared to the prior year. This represents an increase of 38.1% over the previous revenues, but only an 8.9% improvement compared to 2019 (pre-pandemic levels).
- Retail sales and use taxes totaled \$22.0 million, which is an increase of \$1.8 million or 9.1% compared to the prior year.
- Generally improving revenues for all other taxes as well as increases in grant revenues account for the remaining improvements to revenues over the prior year. Improvements in revenues are partly offset by increases to expenditures as programs and services return to pre-pandemic levels.

### REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



### PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES

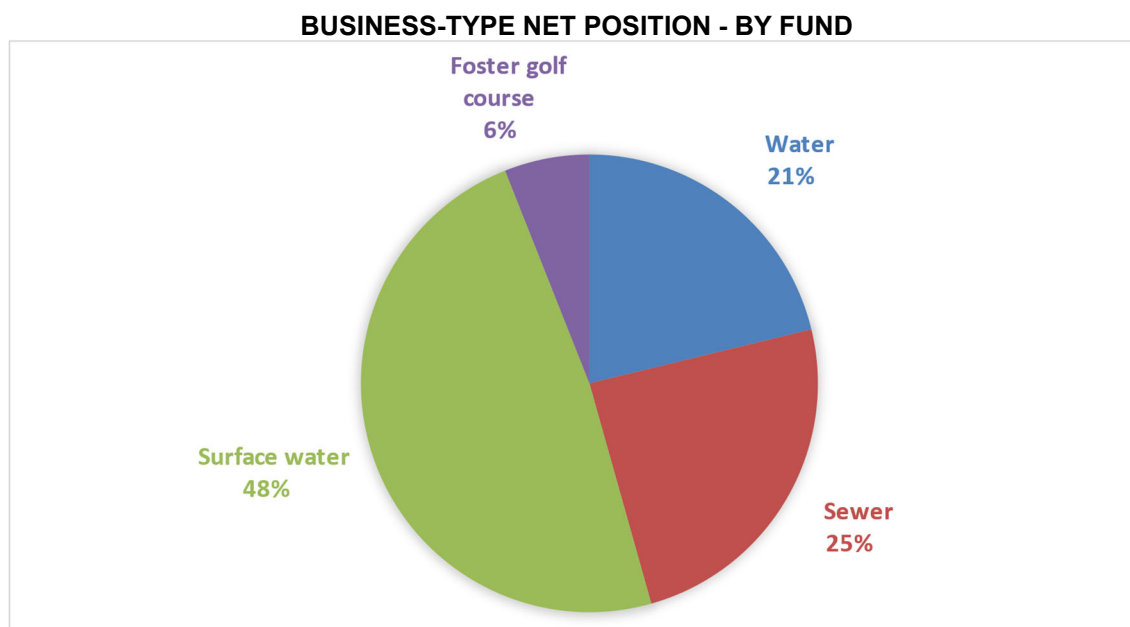


## Business-Type Activities

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 \$1.7 million (1.7%) to reach an ending balance of \$101.4 million. The overall growth is attributable to the following factors:

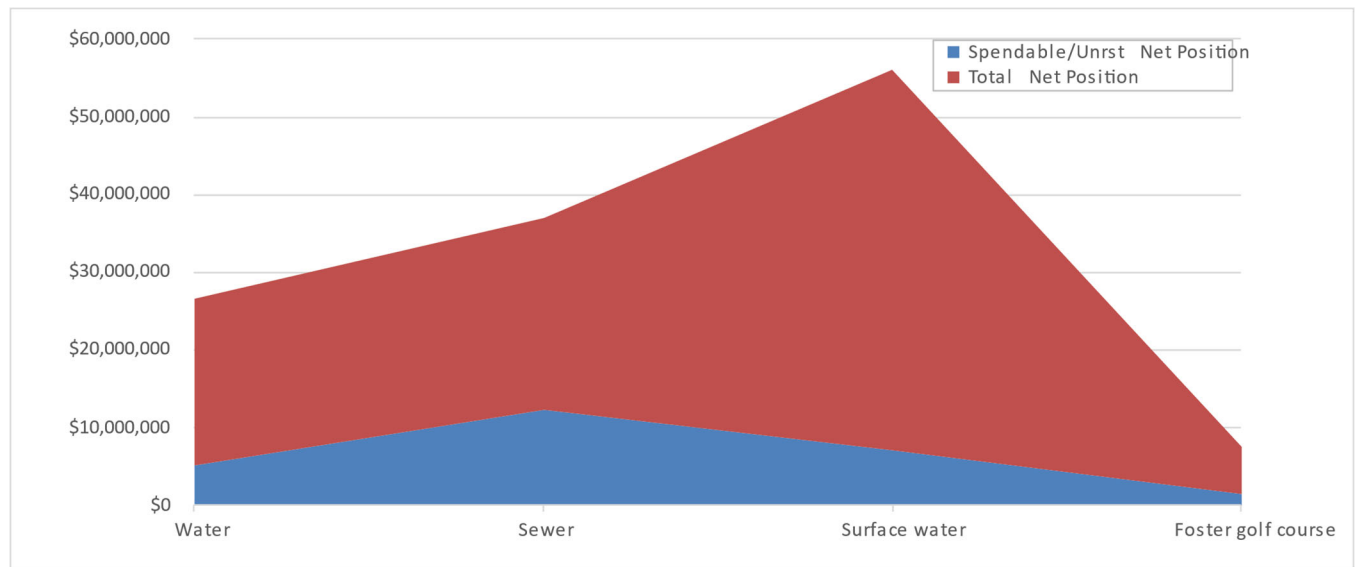
- In the Water Utility, total net position increased \$22 thousand (0.1%). Operating revenues increased by \$483 thousand, primarily the result of a 5.0% rate increase effective January 1, 2022. This increase helped offset the 9.1% increase in operating and maintenance expenses.
- In the Sewer Utility, total net position increased by \$484 thousand (2.0%). Operating revenues were flat compared to the prior year, declining by \$4 thousand (0.05%), while operating expenses increased by \$673 thousand (8.4%).
- In the Surface Water Utility, total net position increased by \$1.1 million (2.3%). Operating revenues increased by \$357 thousand (5.1%) driven primarily by a 5.0% rate increase effective January 1, 2022.
- Of the \$101.4 million total net position, \$26.1 million (25.7%) 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:



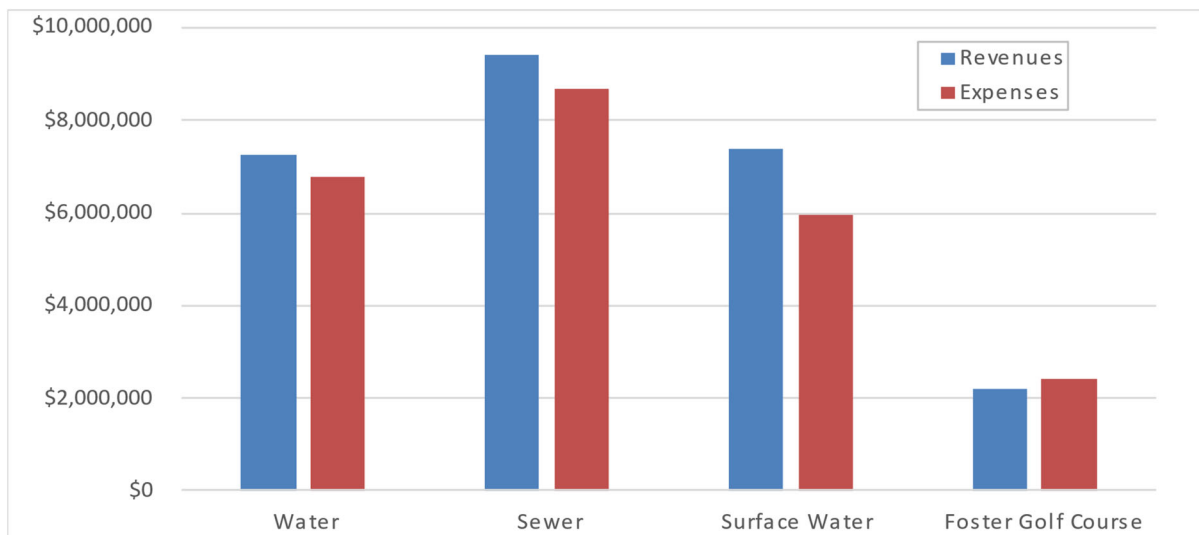
The majority of net position in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, and the golf course land. As such, most of the net position is not available to support the ongoing expenses of the funds. The following chart contrasts the total net position 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, 2022, the City's governmental funds had combined fund balances of \$43.6 million, a decrease of \$97 thousand (-0.2%). The decrease 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 2021 is as follows:

- General Fund (\$750,167)
- Arterial Street Fund \$1,852,305
- Local Improvement District #33 (\$19,356)
- Public Safety Plan \$914,193
- City Facilities Fund (\$1,540,678)
- Other Governmental Funds (\$552,886)

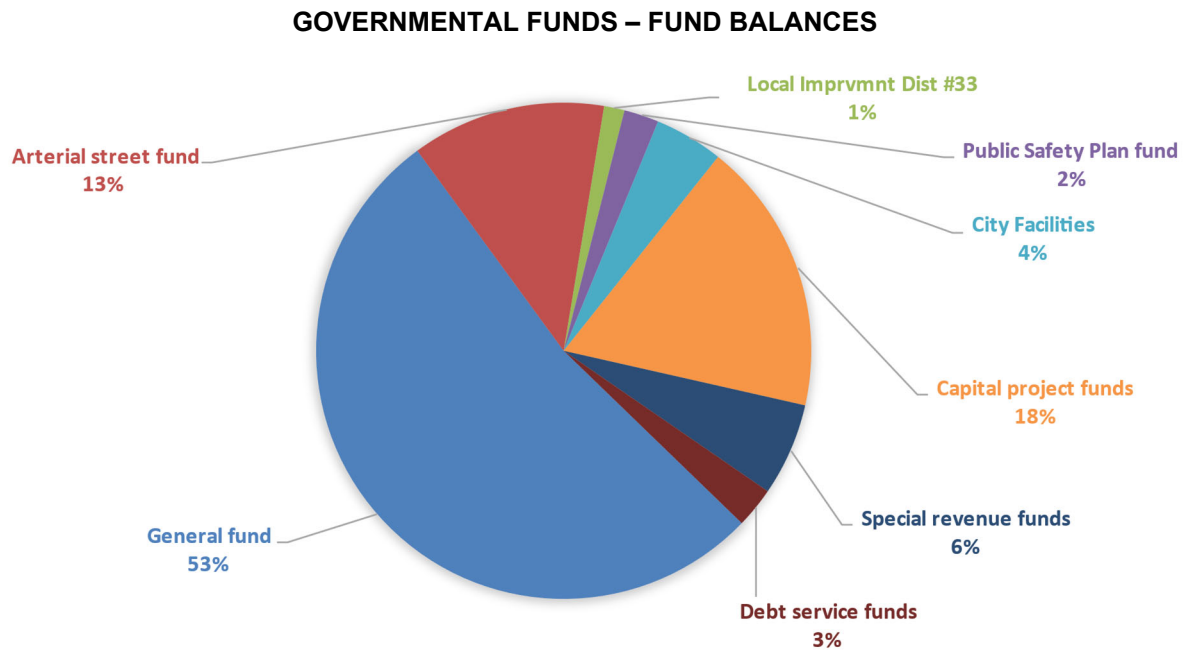
The General Fund is the primary operating fund of the City. All receipts and payments of ordinary City operations are processed through this fund unless they are required to be accounted for in another. At the end of 2022, the general fund had a fund balance of \$23.0 million, with \$22.5 million (97.7%) of the balance classified as unassigned and available to meet the City's general obligations. Unassigned fund balance decreased from \$23.2 million in 2021 to \$22.5 million in 2022 due primarily to rising costs of programs and services. This was offset partially by improvements in revenues, most notably sales tax and gambling taxes, as the impacts of the pandemic begin to wane.

The Arterial Street Fund increase in fund balance is primarily related to unspent funding related to an environmental impact study for the Allentown truck reroute. In addition, the fund balance increase was a result of some budgeted expenditures for the West Valley Highway project and Green River trail improvements being carried forward to 2023.

The City Facilities Fund decrease is due partly to capital outlays of \$2.5 million, which is primarily the first phase of improvements for the Public Works Shops project. In addition to the capital outlays, revenue was received in the fund for planned expenditures that were carried forward to 2023. The first phase of the Public Works Shop project, the Fleet & Facilities building, was substantially completed and placed in service in 2022. The second phase of the project is underway with design and planning for a new Maintenance & Engineering facility, which will house operations for streets & utilities.

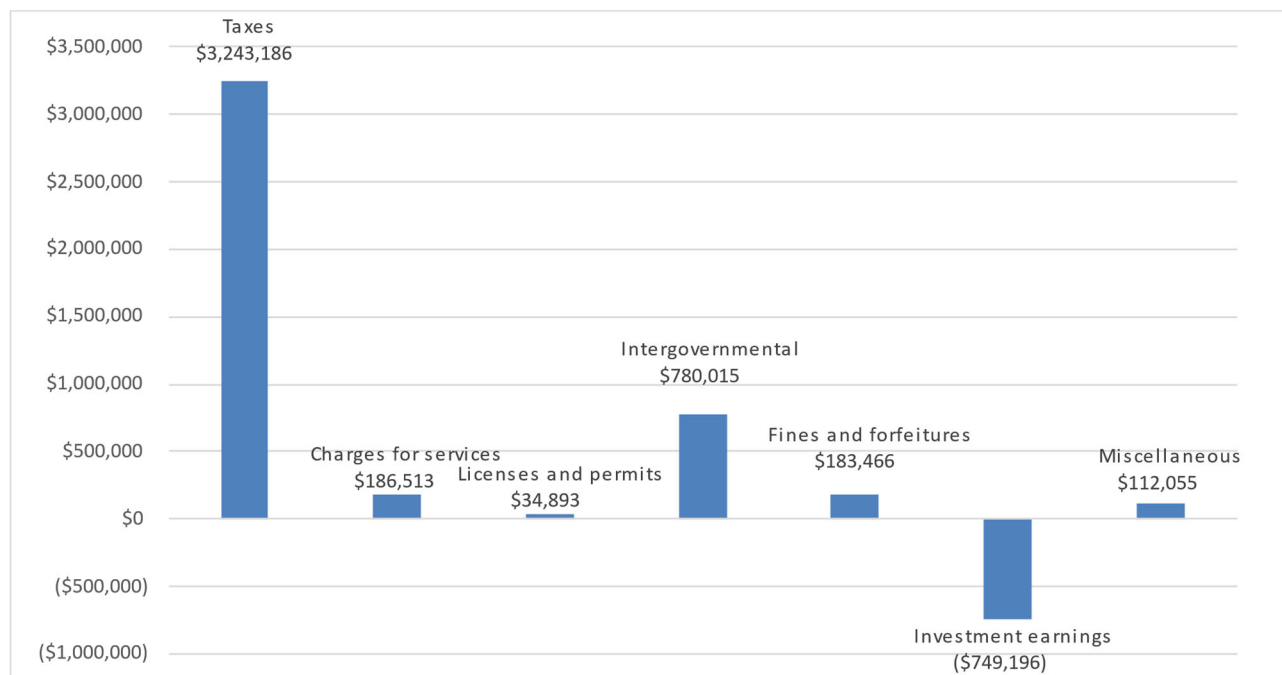
In Other Governmental Funds, the decrease in fund balance can be attributed to use of prior year revenues for one-time expenditures. Prior year land sales revenue is being used to fund the City's implementation of a new citywide financial accounting system. Additionally, repair and maintenance work on City Hall and other city buildings used revenue received in a prior year to fund the project expenditures.

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



The general fund revenue increased a total of \$3.8 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 2022 at \$26.1 million, a decrease of almost \$1.0 million (-3.8%) from 2021.

## 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 2022, the City continued to face the financial challenges that resulted due to the COVID-19 pandemic. The 2021-2022 biennial budget included many of the same expense 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 2022:

- The City received ARPA funds and allocated \$2.86 million to 2022 to bring back programs and positions that had been frozen or eliminated due to the pandemic.
- A school zone speed camera pilot program was added, which assumes the revenues generated by the program will offset program costs. Revenues received above program costs are dedicated to pedestrian safety in school zones.
- Budget for the fire department was adjusted to account for increased overtime usage. Overtime increased in 2021 & 2022 due to significant reimbursable overtime, staffing a COVID testing site, and returning minimum staffing to 13. Minimum staffing had been reduced to 12 in 2020 due to lower call volume as a result of businesses being shuttered for several weeks in mid-2020 due to COVID-19.
- Sales tax, Utility tax and Gambling tax budgets were increased to reflect revised projections.
- A budget of \$800 thousand was added for streamlined sales tax mitigation payments after the State of Washington restored this funding source to cities affected by destination-based sales tax regulation. The State had previously discontinued this funding source when revenues declined sharply due to the pandemic.
- A \$1.3 million transfer out to the Arterial Streets fund was added to provide funding for an environmental impact study related to the Allentown truck reroute.

## CAPITAL ASSETS

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2022 totaled \$407.7 million (net of accumulated depreciation), a decrease of \$2.0 million (-0.5%) from 2021. 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 60,661,130	\$ 51,719,374	\$ 2,350,969	\$ 2,346,230	\$ 63,012,099	\$ 54,065,604
Buildings & Structures	100,657,683	90,407,904	8,781,754	8,736,916	109,439,438	99,144,819
Other Improvements	5,615,091	6,562,979	63,126,975	60,221,273	68,742,065	66,784,252
Machinery and Equipment	8,758,199	9,341,062	1,871,057	890,481	10,629,256	10,231,544
Leased Equipment	736,426	-	-	-	736,426	-
Infrastructure	133,538,293	140,235,739	-	-	133,538,293	140,235,739
Construction in Progress	20,047,275	35,851,859	1,522,404	3,386,924	21,569,680	39,238,783
<b>Total</b>	<b>\$ 330,014,098</b>	<b>\$ 334,118,916</b>	<b>\$ 77,653,159</b>	<b>\$ 75,581,825</b>	<b>\$407,667,257</b>	<b>\$ 409,700,741</b>

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

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

#### Governmental Activities:

- Residential and Arterial Street Funds: The West Valley Highway project (from I-405 to Strander) continued with the project nearing completion and expected to be placed in service mid-2023. Design and planning continues on the replacement of the 42<sup>nd</sup> Ave Bridge, with \$351 thousand in costs added to construction in progress.
- Public Works Shop and City Facilities: The new Fleet & Facilities Building (phase 1 of the Public Works shops project) was placed in service during the year. Planning work began on the second phase of the project, with test-to-fit and design getting underway.
- Fleet Equipment: The fleet fund added \$1.03 million in new vehicles and equipment and disposed of \$572 thousand in surplus & retired fleet assets.
- Construction in Progress (CIP): Construction in progress decreased by \$15.8 million compared to the prior year. While current year construction in progress additions were \$4.4 million, \$20.2 million of completed projects were placed in service and capitalized to buildings, infrastructure and other improvements. The decrease is primarily attributed to the completion of phase 1 of the Public Works shops project, Fleet & Facilities building.

#### Business Type Activities:

- Water fund projects: The Macadam Road water upgrades were completed during the year, adding \$2.3 million in new assets to mains, hydrants and services.
- Sewer fund projects: Lift Station #2 upgrades were completed and placed in service, adding 2.1 million in new assets to buildings & structures and machinery & equipment.
- Surface Water fund project: East Marginal Way storm outflows were placed in service (\$2.1 million) as well as small drainage projects (\$772 thousand), adding nearly \$2.9 million in new assets made up of intakes/mains, outfalls and other improvements.
- Construction in Progress decreased \$1.9 million compared to the prior year, with \$5.5 million in additions to CIP and \$7.3 million in prior year projects placed in service.

## LONG-TERM DEBT

The City had total long-term obligations outstanding of \$139.4 million at the end of the current fiscal year. Of this amount, \$113.9 million is general obligation bonds which is backed by the full faith and credit of the City, \$6.7 million of general obligation direct placement/borrowings, \$678 thousand is revenue bonds for the water/sewer and surface water utilities, \$1.5 million in public works trust fund loans, \$4.4 million due to other governments, \$9.5 million premium on bonds, and the remaining \$2.7 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 113,895,000	\$ 117,890,000	\$ -	\$ -	\$ 113,895,000	\$ 117,890,000
General obligation- direct placement/borrowings	6,746,000	10,611,266	-	-	6,746,000	10,611,266
Revenue bonds	-	-	677,704	840,235	677,704	840,235
Premium on bonds issued	9,544,638	10,163,810	-	-	9,544,638	10,163,810
Special assessment bonds	2,685,000	3,060,000	-	-	2,685,000	3,060,000
Public Works Trust Fund Loans	-	-	1,476,234	2,075,701	1,476,234	2,075,701
Due to other governments	4,383,790	4,568,396	-	-	4,383,790	4,568,396
	\$ 137,254,428	\$ 146,293,472	\$ 2,153,938	\$ 2,915,936	\$ 139,408,366	\$ 149,209,408

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

## ECONOMIC FACTORS AND THE UPCOMING BIENNIAL BUDGET

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

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

The pandemic that started in early 2020 continues to impact economies around the world, including Tukwila's. Revenues such as sales taxes and lodging taxes were significantly impacted during the early part of the pandemic due to shutdowns. 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, adding more pressure to maintaining existing levels of City programs and services.

Although the economy continues to improve from the effects of the COVID-19 pandemic, the City still faces some challenges entering the 2023-2024 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. Additionally, inflation is the highest it has been in the past four decades. This high inflation will continue to impact all expenditure types

throughout the City which will cause additional pressures on limited resources. At the same time, 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, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 34,705,734	\$ 18,426,709	\$ 53,132,443
Investments	14,864,453	5,662,726	20,527,179
Taxes receivable	7,288,488	-	7,288,488
Other receivables	432,570	1,668,814	2,101,384
Leases receivable	142,004	-	142,004
Due from other governmental units	948,648	376,859	1,325,508
Inventory of materials and supplies	59,642	69,425	129,067
Restricted cash and cash equivalents	1,441,865	182,242	1,624,106
Notes receivable -Current	60,704	937,922	998,626
Notes receivable - Noncurrent	2,250,052	28,336	2,278,387
Real property held for resale	2,007,410	-	2,007,410
Net Pension asset	18,864,336	981,100	19,845,436
Investment in joint ventures	11,130,404	-	11,130,404
Non-depreciable capital assets	80,708,406	3,873,373	84,581,779
Depreciable capital assets (net of accumulated depreciation)	249,305,692	73,779,786	323,085,478
<b>Total Assets</b>	<b>424,210,407</b>	<b>105,987,292</b>	<b>530,197,699</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred loss on refunding	-	16,620	16,620
Deferred outflow s related to OPEB	331,071	-	331,071
Deferred outflow s related to pensions	11,564,783	958,067	12,522,850
<b>Total Deferred Outflow s Of Resources</b>	<b>11,895,854</b>	<b>974,686</b>	<b>12,870,541</b>
<b>LIABILITIES:</b>			
Accounts payable	2,637,015	749,988	3,387,002
Accrued wages and benefits payable	1,985,735	163,855	2,149,590
Accrued interest payable	538,162	5,627	543,789
Unearned revenue	3,347,591	99,728	3,447,319
Total OPEB liability due w ithin one year	415,819	-	415,819
Lease liability due w ithin one year	252,419	-	252,419
Long-term debt due w ithin one year	7,263,652	750,808	8,014,460
Other liabilities	1,047,706	419,351	1,467,057
IBNR reserve	945,000	-	945,000
Interfund loan payable	937,922	-	937,922
Noncurrent liabilities			
Lease liability due in more than one year	518,234	-	518,234
Long-term debt due in more than one year	134,119,881	1,805,953	135,925,834
Net pension liability	2,480,271	572,370	3,052,641
Total OPEB liability due in more than one year	5,962,252	-	5,962,252
<b>Total Liabilities</b>	<b>162,451,658</b>	<b>4,567,680</b>	<b>167,019,338</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow s related to pensions	10,081,511	1,028,999	11,110,510
Deferred inflow s related to leases	138,018	-	138,018
Business taxes received in advance	146,312	-	146,312
Deferred revenue-other	297,752	-	297,752
<b>Total Deferred Inflow s Of Resources</b>	<b>10,663,594</b>	<b>1,028,999</b>	<b>11,692,593</b>
<b>NET POSITION:</b>			
Net investment in capital assets	199,057,806	75,308,549	274,366,355
Restricted for:			
Debt service	1,653,564	-	1,653,564
Tourism promotion	2,342,419	-	2,342,419
Arterial street improvements	1,292,163	-	1,292,163
Drug investigation and enforcement	295,220	-	295,220
Land and park acquisition, development	2,783,609	-	2,783,609
Pension Asset	20,468,089	-	20,468,089
Unrestricted net position	35,098,137	26,056,751	61,154,888
<b>Total Net Position</b>	<b>\$ 262,991,008</b>	<b>\$ 101,365,300</b>	<b>\$ 364,356,308</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, 2022

	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	\$ 14,314,373	\$ 9,058,384	\$ 563,538	\$ -	\$ (4,692,452)	\$ -	\$ (4,692,452)
Public safety	35,503,893	2,334,165	667,230	-	(32,502,498)	-	(32,502,498)
Transportation	13,805,883	1,257,366	234,856	3,295,094	(9,018,566)	-	(9,018,566)
Natural and economic environment	5,598,778	2,349,959	737,891	143,922	(2,367,006)	-	(2,367,006)
Culture and recreation	6,147,791	968,738	567,975	30,000	(4,581,078)	-	(4,581,078)
Interest on long-term debt	4,303,091	-	-	-	(4,303,091)	-	(4,303,091)
Total Governmental Activities	79,673,810	15,968,613	2,771,490	3,469,016	(57,464,691)	-	(57,464,691)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Water	6,770,341	7,284,558	-	35,685	-	549,902	549,902
Sewer	8,686,855	9,343,033	-	122,400	-	778,578	778,578
Surface water	5,945,272	7,411,371	363,540	16,710	-	1,846,348	1,846,348
Foster golf course	2,415,066	2,205,500	-	-	-	(209,566)	(209,566)
Total Business-Type Activities	23,817,535	26,244,461	363,540	174,795	-	2,965,262	2,965,262
Total Primary Government	\$ 103,491,345	\$ 42,213,074	\$ 3,135,030	\$ 3,643,811	\$ (57,464,691)	\$ 2,965,262	\$ (54,499,429)

## General Revenues:

## Taxes

Property taxes	\$ 21,852,111	\$ -	\$ 21,852,111
Retail sales and use taxes	21,977,177	-	21,977,177
Hotel/motel taxes	897,202	-	897,202
Utility taxes	3,949,799	-	3,949,799
Interfund utility taxes	2,404,685	-	2,404,685
Business taxes	2,683,592	-	2,683,592
Excise Taxes	6,609,500	-	6,609,500
Unrestricted investment earnings	(107,223)	-	(107,223)
Miscellaneous	3,645,976	-	3,645,976
Total General Revenues	63,912,819	-	63,912,819

Excess of revenues over expenses before transfers	6,448,128	2,965,262	9,413,389
Transfers	1,253,033	(1,253,033)	-
Change in net position	7,701,161	1,712,229	9,413,389
Net position - beginning	255,289,848	99,653,072	354,942,919
Net position-ending	\$ 262,991,008	\$ 101,365,300	\$ 364,356,308

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



CITY OF TUKWILA, WASHINGTON  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 8,525,973	\$ 4,049,066	\$ 582,452	\$ 992,165	\$ 2,681,008	\$ 9,389,918	\$ 26,220,583
Investments	14,864,453	-	-	-	-	-	14,864,453
Taxes receivable	6,840,929	162,701	-	-	-	284,858	7,288,488
Other receivables	388,563	-	-	-	-	-	388,563
Leases receivable	142,004	-	-	-	-	-	142,004
Due from other governmental units	189,977	642,325	-	-	-	116,347	948,648
Restricted assets:							
Cash and cash equivalents	-	1,292,163	-	-	-	149,702	1,441,865
Special assessment receivable	-	-	2,250,052	-	-	-	2,250,052
Notes receivable -Current	60,704	-	-	-	-	-	60,704
Real property held for resale	-	-	-	-	-	2,007,410	2,007,410
<b>Total Assets</b>	<b>\$ 31,012,603</b>	<b>\$ 6,146,255</b>	<b>\$ 2,832,504</b>	<b>\$ 992,165</b>	<b>\$ 2,681,008</b>	<b>\$ 11,948,235</b>	<b>\$ 55,612,770</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Accounts payable	929,347	486,728	-	-	721,642	259,817	2,397,534
Accrued wages & benefits	1,933,137	16,728	-	-	-	4,476	1,954,341
Unearned revenue	3,310,371	37,219	-	-	-	-	3,347,591
Interfund loan payable	937,922	-	-	-	-	-	937,922
Other liabilities	299,423	71,088	-	300	-	46,895	417,706
<b>Total Liabilities</b>	<b>7,410,200</b>	<b>611,763</b>	<b>-</b>	<b>300</b>	<b>721,642</b>	<b>311,189</b>	<b>9,055,093</b>
<b>Deferred inflow of resources</b>							
Unavailable revenue-special assessment	-	-	2,250,052	-	-	-	2,250,052
Business taxes received in advance	146,312	-	-	-	-	-	146,312
Unavailable revenue-property tax, other	326,717	-	-	-	-	77,182	403,899
Deferred revenue-leases	138,018	-	-	-	-	-	138,018
<b>Total Deferred Inflow Of Resources</b>	<b>611,047</b>	<b>-</b>	<b>2,250,052</b>	<b>-</b>	<b>-</b>	<b>77,182</b>	<b>2,938,282</b>
<b>Fund balance:</b>							
<b>Restricted:</b>							
Hotel/motel tax	-	-	-	-	-	2,342,419	2,342,419
Arterial street capital improvements	-	1,292,163	-	-	-	-	1,292,163
Drug investigation and enforcement	-	-	-	-	-	295,220	295,220
Park and land acquisition/development	-	-	-	-	-	2,783,609	2,783,609
Debt service guaranty fund	-	-	-	-	-	750,347	750,347
Debt service public safety plan	-	-	-	-	-	402,630	402,630
Local Improvement District	-	-	582,452	-	-	-	582,452
<b>Assigned:</b>							
Residential street improvements	-	-	-	-	-	734,407	734,407
Arterial street improvements	-	4,242,330	-	-	-	-	4,242,330
Land & park acquisition	-	-	-	-	-	53,030	53,030
Facilities & urban renewal	-	-	-	-	-	3,411,652	3,411,652
General government improvements	-	-	-	-	-	553,386	553,386
Public safety facilities	-	-	-	991,865	-	-	991,865
City facilities	-	-	-	-	1,959,366	-	1,959,366
1% Arts	-	-	-	-	-	233,164	233,164
Technology	433,498	-	-	-	-	-	433,498
Shoreline Restoration	93,849	-	-	-	-	-	93,849
Unassigned	22,464,009	-	-	-	-	-	22,464,009
<b>Total Fund Balance</b>	<b>22,991,356</b>	<b>5,534,493</b>	<b>582,452</b>	<b>991,865</b>	<b>1,959,366</b>	<b>11,559,864</b>	<b>43,619,395</b>
<b>Total Liabilities, Deferred Inflow s And Fund Balances</b>	<b>\$ 31,012,603</b>	<b>\$ 6,146,255</b>	<b>\$ 2,832,504</b>	<b>\$ 992,165</b>	<b>\$ 2,681,008</b>	<b>\$ 11,948,235</b>	<b>\$ 55,612,770</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, 2022**

		Total Governmental Funds
Total governmental fund balances as reported on this statement		\$ 43,619,395
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		
Non-depreciable assets	80,708,406	
Depreciable assets (net)	242,011,601	
Internal service fund assets	<u>7,294,091</u>	330,014,098
The net pension asset is not an available resource and, therefore, is not reported in the funds.		18,864,336
Deferred outflow of pension costs	11,564,783	
Deferred outflow of OPEB	331,071	
Deferred inflow of pension contributions	<u>(10,081,511)</u>	1,814,343
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.		11,130,404
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	106,147	
Unavailable revenue reported for special assessment	<u>2,250,052</u>	2,356,199
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	(7,263,652)	
Long term liabilities due in more than one year	(136,532,384)	
Lease liabilities payable	(214,983)	
Unfunded other post employment benefits	(6,378,071)	
Accrued interest payable	<u>(536,540)</u>	(150,925,630)
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.		6,117,864
<b>Net Position Of Government Activities As Reported On The Statement Of Net Position</b>		<b>\$ 262,991,008</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, 2022

	General Fund	Arterial Street	Local Improvement District #33	Public Safety Plan	City Facilities	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes	\$ 51,350,070	\$ 2,685,927	\$ -	\$ 500,000	\$ -	\$ 5,845,873	\$ 60,381,870
Licenses and permits	5,376,555	-	-	-	-	-	5,376,555
Intergovernmental	6,595,757	2,925,751	-	-	-	869,511	10,391,018
Charges for services	2,746,965	486,594	-	300,000	-	762,269	4,295,828
Fines and forfeitures	485,824	9,687	-	-	-	-	495,511
Investment earnings	(636,037)	67,663	135,033	6,522	37,634	141,723	(247,462)
Special assessments	-	-	381,172	-	-	-	381,172
Miscellaneous	340,042	140,040	501	-	-	2,544	483,127
<b>Total Revenues</b>	<b>66,259,176</b>	<b>6,315,663</b>	<b>516,706</b>	<b>806,522</b>	<b>37,634</b>	<b>7,621,919</b>	<b>81,557,620</b>
<b>EXPENDITURES:</b>							
Current:							
General government	9,052,551	-	-	-	126,051	133,249	9,311,851
Public safety	34,854,415	-	-	998,578	-	317,100	36,170,093
Transportation	4,677,930	2,373,757	-	-	-	369,827	7,421,513
Natural and economic environment	5,619,921	-	-	-	-	357,810	5,977,731
Culture and recreation	4,849,369	-	-	-	-	323,007	5,172,376
Debt service:							
Principal	140,106	-	375,000	-	-	7,860,310	8,375,416
Interest	15,097	-	161,063	-	-	4,775,340	4,951,500
Capital outlay	387,843	3,389,600	-	-	2,452,261	895,756	7,125,461
<b>Total Expenditures</b>	<b>59,597,232</b>	<b>5,763,357</b>	<b>536,063</b>	<b>998,578</b>	<b>2,578,312</b>	<b>15,032,399</b>	<b>84,505,941</b>
Excess (deficiency) of revenues Over (Under) Expenditures	6,661,943	552,305	(19,356)	(192,056)	(2,540,678)	(7,410,480)	(2,948,321)
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	2,553,951	1,300,000	-	1,106,248	1,000,000	8,584,590	14,544,789
Transfers out	(10,064,760)	-	-	-	-	(3,226,996)	(13,291,756)
Lease financing	98,699	-	-	-	-	-	98,699
Gain/(loss) on sale of assets held for resale	-	-	-	-	-	1,500,000	1,500,000
<b>Total Other Financing Sources And Uses</b>	<b>(7,412,111)</b>	<b>1,300,000</b>	<b>-</b>	<b>1,106,248</b>	<b>1,000,000</b>	<b>6,857,594</b>	<b>2,851,732</b>
<b>Net change in fund balances</b>	<b>(750,167)</b>	<b>1,852,305</b>	<b>(19,356)</b>	<b>914,193</b>	<b>(1,540,678)</b>	<b>(552,886)</b>	<b>(96,589)</b>
Fund balances - Beginning	23,741,523	3,682,187	601,809	77,672	3,500,044	12,112,750	43,715,985
<b>Fund Balances - Ending</b>	<b>\$ 22,991,356</b>	<b>\$ 5,534,493</b>	<b>\$ 582,452</b>	<b>\$ 991,865</b>	<b>\$ 1,959,366</b>	<b>\$ 11,559,864</b>	<b>\$ 43,619,395</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, 2022

Net change in fund balances per the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (96,589)

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	6,754,729	
Depreciation Expense (excludes internal service fund depreciation which is reflected in internal service fund change in net position listed below)	<u>(11,247,010)</u>	
Excess of Capital Outlay Over Depreciation Expense		(4,492,281)

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

Increase in pension contribution revenue	565,116	
Reduction in the Fireman's Pension liability and expense	<u>1,162,446</u>	1,727,562

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. 141,587

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	8,375,416	
Amortization expense	<u>-</u>	8,375,416

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		85,907
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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.		755,685
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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	(157,211)	
Property taxes	(7,805)	
Special assessment	<u>(381,172)</u>	(546,188)

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	658,890	
Increase in compensated absences	(364,111)	
Miscellaneous expense	(16,876)	
Change in OPEB Liability	<u>1,472,159</u>	
Total additional expense (increase) decrease		1,750,061

<b>Change in Net Position On The Statement Of Activities</b>	<b>\$ 7,701,161</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, 2022

	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	\$ 4,288,577	\$ 7,785,511	\$ 1,514,356	\$ 4,838,266	\$ 18,426,709	\$ 8,485,150
Investments	931,043	2,820,495	-	1,911,188	5,662,726	-
Other Receivables	515,951	836,712	1,874	314,278	1,668,814	44,007
Due from other governmental units	-	-	-	376,859	376,859	-
Inventory of materials and supplies	-	-	69,425	-	69,425	59,642
Restricted cash and cash equivalents	42,675	-	139,567	-	182,242	-
<b>Total Current Assets</b>	<b>5,778,246</b>	<b>11,442,717</b>	<b>1,725,221</b>	<b>7,440,591</b>	<b>26,386,775</b>	<b>8,588,799</b>
Noncurrent Assets:						
Notes receivable	-	966,258	-	-	966,258	-
Net Pension asset	171,104	233,894	214,534	361,568	981,100	116,162
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	28,229,721	17,533,725	3,599,021	58,686,285	108,048,752	-
Machinery and equipment	874,032	2,107,818	1,335,593	56,139	4,373,582	19,500,092
Leased Assets	-	-	-	-	-	583,965
Less: accumulated depreciation	(14,112,583)	(10,095,921)	(8,540,677)	(21,668,186)	(54,417,367)	(12,789,967)
Construction in progress	279,352	62,081	-	1,180,971	1,522,404	-
<b>Total Capital Assets (Net Of A/D)</b>	<b>16,774,436</b>	<b>13,683,703</b>	<b>4,631,008</b>	<b>42,564,012</b>	<b>77,653,159</b>	<b>7,294,091</b>
<b>Total Noncurrent Assets</b>	<b>16,945,540</b>	<b>14,883,855</b>	<b>4,845,542</b>	<b>42,925,580</b>	<b>79,600,517</b>	<b>7,410,253</b>
<b>Total Assets</b>	<b>22,723,786</b>	<b>26,326,572</b>	<b>6,570,763</b>	<b>50,366,171</b>	<b>105,987,292</b>	<b>15,999,052</b>
Deferred Outflow s of Resources						
Deferred pension	169,279	224,839	210,746	353,202	958,067	115,132
Deferred Loss on Refunding	4,321	10,304	-	1,994	16,620	-
<b>Total Deferred Outflow s Of Resources</b>	<b>173,600</b>	<b>235,144</b>	<b>210,746</b>	<b>355,196</b>	<b>974,686</b>	<b>115,132</b>
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	380,555	64,738	29,984	274,711	749,988	239,481
Accrued wages and benefits	30,503	39,586	37,707	56,059	163,855	31,394
Accrued interest payable	814	3,142	-	1,671	5,627	1,622
Lease liability due w ithin one year	-	-	-	-	-	103,097
Unearned revenue	99,540	-	4	183	99,728	-
Other current liabilities	155,720	-	155,496	108,134	419,351	630,000
Due to other governments	80,626	233,436	-	259,356	573,417	-
Compensated absences	7,063	283	5,731	1,753	14,831	-
Revenue bond payable	42,266	100,787	-	19,507	162,560	-
<b>Total Current Liabilities</b>	<b>797,087</b>	<b>441,971</b>	<b>228,923</b>	<b>721,376</b>	<b>2,189,357</b>	<b>1,005,594</b>
Noncurrent liabilities:						
Reserve for unreported claims	-	-	-	-	-	945,000
Lease liability due in more than one year	-	-	-	-	-	452,573
Revenue bonds payable	133,937	319,389	-	61,817	515,144	-
Net pension liability	99,821	136,453	125,158	210,937	572,370	67,769
Compensated absences	94,856	123,411	91,164	78,561	387,992	-
Due to other governments	80,626	562,836	-	259,356	902,817	-
<b>Total Noncurrent Liabilities</b>	<b>409,240</b>	<b>1,142,089</b>	<b>216,322</b>	<b>610,672</b>	<b>2,378,323</b>	<b>1,465,341</b>
<b>Total Liabilities</b>	<b>1,206,327</b>	<b>1,584,060</b>	<b>445,245</b>	<b>1,332,048</b>	<b>4,567,680</b>	<b>2,470,935</b>
Deferred Inflow s of Resources						
Deferred inflow pension earnings	192,626	221,972	237,126	377,275	1,028,999	136,219
<b>Total Deferred Inflow s Of Resources</b>	<b>192,626</b>	<b>221,972</b>	<b>237,126</b>	<b>377,275</b>	<b>1,028,999</b>	<b>136,219</b>
<b>NET POSITION:</b>						
Investment in capital assets	16,328,257	12,477,560	4,631,008	41,871,724	75,308,549	6,738,421
Unrestricted	5,170,176	12,278,125	1,468,130	7,140,321	26,056,751	6,768,609
<b>Total Net Position</b>	<b>\$ 21,498,433</b>	<b>\$ 24,755,684</b>	<b>\$ 6,099,139</b>	<b>\$ 49,012,044</b>	<b>\$ 101,365,300</b>	<b>\$ 13,507,030</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, 2022

	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	\$ 7,260,633	\$ 9,418,274	\$ 2,081,479	\$ 7,378,246	\$ 26,138,633	\$ 10,425,620
Other operating revenue	2,914	-	105,230	-	108,144	190,916
Total Operating Revenues	7,263,546	9,418,274	2,186,710	7,378,246	26,246,776	10,616,536
<b>OPERATING EXPENSES:</b>						
Operating & maintenance	4,077,709	5,924,116	1,850,252	2,347,977	14,200,053	8,147,971
Administrative and general	1,067,743	1,236,245	209,366	1,712,059	4,225,413	526,356
Taxes	1,067,284	1,108,793	10,373	834,118	3,020,568	12
Depreciation and amortization	550,426	398,609	345,075	1,045,096	2,339,207	1,473,963
Total Operating Expenses	6,763,162	8,667,763	2,415,066	5,939,250	23,785,241	10,148,302
Operating Income (Loss)	500,385	750,511	(228,356)	1,438,996	2,461,536	468,234
<b>NON-OPERATING REVENUE (EXPENSE):</b>						
Investment earnings	21,011	28,410	18,790	33,124	101,335	128,749
Interest expense	(7,179)	(19,092)	-	(6,022)	(32,294)	(10,481)
Gain (loss) on disposal of capital assets	-	(103,650)	-	-	(103,650)	169,183
Other non-operating revenue	-	-	-	50,000	50,000	-
Total Non-Operating Revenue (Expense)	13,832	(94,333)	18,790	77,102	15,391	287,451
Income (Loss) Before Contributions & Transfers	514,216	656,178	(209,566)	1,516,098	2,476,926	755,685
Capital contributions	35,685	122,400	-	330,250	488,335	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(528,031)	(295,076)	-	(729,926)	(1,553,033)	-
Change in Net Position	21,871	483,502	90,434	1,116,422	1,712,229	755,685
Total net position - beginning	21,476,562	24,272,182	6,008,705	47,895,622	99,653,072	12,751,345
Total Net Position - ending	\$ 21,498,433	\$ 24,755,684	\$ 6,099,139	\$ 49,012,044	\$ 101,365,300	\$ 13,507,030

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, 2022

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	\$ 7,425,720	\$ 9,539,886	\$ 2,194,799	\$ 7,388,069	\$ 26,548,473	\$ 10,594,593
Cash paid to supplier	(3,519,220)	(5,937,062)	(777,829)	(1,845,576)	(12,079,687)	(1,210,236)
Cash paid for taxes	(1,067,284)	(1,108,793)	(10,373)	(834,118)	(3,020,568)	(12)
Cash paid to or on behalf of employees	(830,274)	(1,097,964)	(1,144,455)	(1,739,168)	(4,811,861)	(6,810,643)
Interfund activity - payments to other funds	(720,092)	(614,531)	(209,366)	(658,361)	(2,202,350)	(526,356)
Other cash received	2,914	-	12,947	-	15,860	2,025
<b>Net Cash Provided (Used)</b>						
By Operating Activities	1,291,763	781,535	65,722	2,310,847	4,449,867	2,049,371
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund loan receivable	-	(937,922)	-	-	(937,922)	-
Operating grant received	-	-	-	50,000	50,000	-
Transfers in	-	-	300,000	-	300,000	-
Transfers out	(528,031)	(295,076)	-	(729,926)	(1,553,033)	-
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	(528,031)	(1,232,998)	300,000	(679,926)	(2,140,955)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Purchase of capital assets	(2,366,566)	(1,377,152)	(11,527)	(655,296)	(4,410,541)	(1,614,044)
Contributed capital	35,685	122,400	-	-	158,085	-
Capital grants	-	-	-	487,170	487,170	-
Principal payment on debt	(137,338)	(334,205)	-	(290,456)	(761,999)	-
Proceeds from lease financing	-	-	-	-	-	555,670
Interest payment on debt	(7,497)	(19,970)	-	(6,817)	(34,283)	(8,859)
Proceeds from sale of equipment	-	(103,650)	-	-	(103,650)	169,183
<b>Net Cash Provided (used) for Capital And Related Financing Activities</b>	(2,475,716)	(1,712,577)	(11,527)	(465,399)	(4,665,219)	(898,051)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>						
Purchase of investments	(1,000,000)	(1,000,000)	-	(2,000,000)	(4,000,000)	-
Interest received	89,968	186,521	18,790	121,936	417,215	128,749
<b>Net Cash Provided (Used) In Investing Activities</b>	(910,032)	(813,480)	18,790	(1,878,064)	(3,582,785)	128,749
Net increase (decrease) in cash and cash equivalents	(2,622,016)	(2,977,519)	372,985	(712,541)	(5,939,091)	1,280,069
Cash and cash equivalents-beginning of year	6,953,268	10,763,029	1,280,938	5,550,807	24,548,042	7,205,081
<b>Cash And Cash Equivalents- end of year</b>	<b>4,331,252</b>	<b>7,785,511</b>	<b>1,653,923</b>	<b>4,838,266</b>	<b>18,608,951</b>	<b>8,485,150</b>
Cash at end of year consists of:						
Cash and cash equivalents	4,288,577	7,785,511	1,514,356	4,838,266	18,426,709	8,485,150
Restricted cash-customer deposits	42,675	-	139,567	-	182,242	-
<b>Total Cash and cash equivalents</b>	<b>\$ 4,331,252</b>	<b>\$ 7,785,511</b>	<b>\$ 1,653,923</b>	<b>\$ 4,838,266</b>	<b>\$ 18,608,951</b>	<b>\$ 8,485,150</b>

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, 2022

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)	\$ 500,385	\$ 750,511	\$ (228,356)	\$ 1,438,996	\$ 2,461,536	\$ 468,234
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:						
Depreciation	550,426	398,609	345,075	1,045,096	2,339,207	1,473,963
Asset (increase) decrease:						
Accounts receivable	158,367	121,612	172	9,822	289,973	(19,917)
Inventory and other	-	-	(8,882)	-	(8,882)	(32,148)
Deferred outflow of resources (increase) decrease	(117,637)	(170,971)	(144,166)	(253,180)	(685,954)	(84,233)
Liability increases (decreases):						
Accounts payable	16,558	(350,346)	(27,675)	(38,516)	(399,979)	196,907
Other liabilities	119,765	(67,641)	20,864	26,752	99,741	-
Wages & benefits payable	17,786	26,073	54,363	(20,383)	77,839	10,680
Deferred inflow of resources increase (decrease)	46,113	73,688	54,327	102,260	276,388	35,885
Total Adjustments	791,378	31,024	294,078	871,850	1,988,331	1,581,137
Net Cash Provided (Used) By Operating Activities	\$ 1,291,763	\$ 781,535	\$ 65,722	\$ 2,310,847	\$ 4,449,867	\$ 2,049,371
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Capital assets acquired by contributed capital	\$ -	\$ -	\$ -	\$ (156,920)	\$ (156,920)	\$ -
Increase (decrease) in fair value of investment	(68,957)	(158,111)	-	(88,812)	(315,880)	(793,473)
Total Non Cash investing, Capital and Financing Activities	\$ (68,957)	\$ (158,111)	\$ -	\$ (245,732)	\$ (472,800)	\$ (793,473)

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

CITY OF TUKWILA, WASHINGTON  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 DECEMBER 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,627,552	\$ 301,276
Customer accounts	-	8,000
Total Assets	1,627,552	309,276
<b>LIABILITIES:</b>		
Accounts and other payables	61,444	302,464
Total Liabilities	61,444	302,464
<b>NET POSITION:</b>		
Restricted for pensions	1,566,108	-
Restricted for individuals, organizations and other governments	-	6,812
Total Net Position	\$ 1,566,108	\$ 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, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Contributions from nonemployer entities:		
Fire Insurance Premiums Transferred in	\$ 74,397	\$ -
Investment earnings/(loss)	23,681	-
Total Additions	98,079	-
<b>DEDUCTIONS:</b>		
Benefit payments	\$ 63,194	\$ -
Total Deductions	63,194	-
Change In Net Position	34,884	-
Net position - beginning	1,531,223	6,812
Net position - ending	\$ 1,566,108	\$ 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, 2022

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. The Reporting Entity

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

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

#### B. Basis of Presentation

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

##### ***Government-wide Financial Statements***

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

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

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

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

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

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

## **Fund Financial Statements**

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

### **C. Fund Accounting**

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

#### **Governmental Funds**

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

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

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



### ***Proprietary Funds***

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

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

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

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

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

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

### ***Fiduciary Funds***

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

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

## **D. Measurement Focus**

### ***Government-wide Financial Statements***

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

### ***Fund Financial Statements***

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

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

Fiduciary funds are reported using the economic resources measurement focus.

## **E. Basis of Accounting**

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

### ***Revenues – Exchange and Non-Exchange Transactions***

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

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

### **Other Revenue Sources**

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

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

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

### **F. Budgets and Budgetary Accounting**

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

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

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

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

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

by the City Council. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

### ***Expenditure Categories***

<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.

## **G. Assets, Liabilities, and Fund Equity**

### ***Cash and Cash Equivalents***

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

### ***Investments***

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

### ***Notes Receivable***

Notes receivable in the enterprise funds consists of sewer connection fees due from customers to the utility. In the governmental funds, it consists of the special assessment as well as developer agreements, of which the City currently has one developer agreement.

### ***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, 2022, there is one interfund loan outstanding from the sewer fund to the general fund for the purchase of a fire engine.

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

***Special Assessments***

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

***Inventories***

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

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

***Real Property Held for Resale***

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

As part of a crime-reduction project, the City purchased three crime-ridden motels in 2014 plus an adjacent motel and retail shop in 2015 comprising approximately 2.3 acres. All structures on those properties were demolished in 2016 and the property is currently vacant land. In 2020 the City entered into an agreement to sell 1.7 acres of the land to HealthPoint, a federally recognized community health center, the sale will complete in 2023. HealthPoint plans to build a Health and Wellness Center by 2026. In 2021 the City sold the remaining 0.6 acres to the Tukwila Community Coalition, LLC for private development.

***Leases***

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

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

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

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

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

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

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

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

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

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

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

Deferred inflow of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has six items that qualify for reporting in this category. The City reports business taxes that are received in advance and a deferred inflow related to pensions as well as unavailable revenues from special assessments, developer agreements 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 6 for additional information on capital assets.

#### ***Other Liabilities and IBNR reserve***

Other liabilities include retainage, deposits and the incurred-but-not-reported (IBNR) claims. The IBNR reserve includes the claim reserve for the self-insured healthcare funds. The self-insurance fund for active employees includes an IBNR liability of \$602,200 determined using actuarial methods. This liability is multiplied by a factor of 2.5 to meet the City's financial goal of maintaining reserves at 1 x IBNR for claim fluctuations plus 1.5 x IBNR for a claims reserve yielding a total liability of \$1,505,500. The self-insurance fund for LEOFF 1 retirees includes an IBNR liability of \$27,800 and total liability of \$69,500 utilizing the same calculations as the active employees' self-insurance fund.

#### ***Compensated Absences***

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

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

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

#### ***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over

the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term debt outstanding at year-end is outlined in Note 10.

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

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

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

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

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

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

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

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

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

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action in the form of ordinances and resolutions of Tukwila Councilmembers, the City's highest level of



decision-making authority. This formal action is the passage of an ordinance by City Council creating, modifying, or rescinding an appropriation. These committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent of use and authority to assign amounts is determined through the budgetary process, either during adoption or amending, and the Finance Director has final authority.
- Unassigned fund balance is the residual amount not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

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

### ***Operating Revenues and Expenses***

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

### ***Contributions of Capital***

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

### ***Indirect Cost Allocation***

Indirect costs, also referred to as overhead costs, consist of the cost of central services or support functions shared across departments. They include accounting, human resources, payroll, information technology, janitorial services, and others. These services are paid through the general fund and charged back to the proprietary funds that directly benefit from them. The indirect costs allocated to the proprietary and other funds totaled \$2,687,997 for 2022 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 166 as of December 31, 2022. WCIA provides pooled self-insurance coverage for general liability, vehicle liability, false arrest, and errors and omissions. See Note 13 for additional information on risk management.

### **H. Pensions**

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

### **I. Implementation of new GASB Statements**

As of January 1, 2022, the City of Tukwila adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard had no impact on beginning net position. Additional disclosures required by this standard are included in Note 5.

## **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 \$3,014,906. Of the bank balance, \$250,000 was covered by Federal depository insurance and the Washington Public Deposit Protection Commission (WPDP) insured the remainder. The City also maintains imprest funds totaling \$16,450.

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

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

### Investments

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

At December 31, 2022, 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 Farm Credit Bank	12/7/2023	Aaa	\$ 1,000,185
Federal Farm Credit Bank	9/19/2024	Aaa	993,556
Federal Home Loan Banks	12/10/2024	Aaa	936,541
Federal Home Loan Mortgage Corp	3/25/2025	Aaa	948,291
Federal Home Loan Bank	4/14/2025	Aaa	1,831,550
Federal Home Loan Mortgage Corp	10/15/2025	Aaa	793,869
Federal Home Loan Bank	12/17/2025	Aaa	931,043
Federal Home Loan Bank	2/24/2026	Aaa	887,668
Federal Farm Credit Bank	5/14/2026	Aaa	1,002,613
Federal Farm Credit Bank	5/26/2026	Aaa	959,047
Federal Farm Credit Bank	6/15/2026	Aaa	888,722
Federal Farm Credit Bank	11/30/2026	Aaa	1,791,890
Federal Home Loan Bank	5/26/2027	Aaa	963,690
Federal Home Loan Bank	6/29/2027	Aaa	952,302
Federal Home Loan Bank	6/30/2027	Aaa	962,897
Federal Farm Credit Bank	9/20/2027	Aaa	988,945
Federal Home Loan Mortgage Corp	11/8/2027	Aaa	1,001,453
Total U.S. Agency Notes			17,834,262
<b>Municipal Bonds:</b>			
Metro Oregon GO Taxable Bond	6/1/2026	Aaa	1,017,831
King Cnty Washington GO Taxable	12/1/2026	Aaa	847,205
Bellevue WA GO Taxable Ref	12/1/2026	Aaa	827,881
Total Municipal Bonds			2,692,917
<b>TOTAL INVESTMENTS</b>			<b>\$ 20,527,179</b>

**RECONCILIATION OF ALL CASH, DEPOSITS AND INVESTMENTS**

SUMMARY BY FUNDS	CASH & CASH EQUIVALENTS	RESTRICTED CASH	INVESTMENTS	TOTAL
<b>Governmental Funds</b>				
General Fund	\$ 8,525,973	\$ -	\$ 14,864,453	\$ 23,390,427
Arterial Street	4,049,066	1,292,163	-	5,341,229
Local Improvement District #33	582,452	-	-	582,452
Public Safety Plan	992,165	-	-	992,165
City Facilities	2,681,008	-	-	2,681,008
Other Governmental Funds	9,389,918	149,702	-	9,539,620
Internal Service Funds	8,485,150	-	-	8,485,150
<b>Proprietary Funds</b>				
Water	4,288,577	42,675	931,043	5,262,295
Sewer	7,785,511	-	2,820,495	10,606,006
Foster Golf Course	1,514,356	139,567	-	1,653,923
Surface Water	4,838,266	-	1,911,188	6,749,454
Total as Reported on Statement of Net Position	53,132,443	1,624,106	20,527,179	75,283,728
Firemen's Pension Trust Fund	1,627,552	-	-	1,627,552
Agency Fund	301,276	-	-	301,276
Total Cash, Cash Equivalents and Investments	\$ 55,061,271	\$ 1,624,106	\$ 20,527,179	\$ 77,212,556

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

Local Government Investment Pool	\$ 39,386,807
Money market account	15,381,640
Cash on hand	16,450
Cash in bank-book balance	1,900,480

Total cash and cash equivalents	56,685,377
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**Investments:**

U.S. Government Agency Notes	17,834,262
Municipal bonds	2,692,917

Total investments	20,527,179
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Total Cash, Cash Equivalents, and Investments	\$ 77,212,556
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**RESTRICTED CASH SUMMARY**

Restricted Assets - Governmental	
Cash & cash equivalents	
Drug Seizure funds - federal portion	\$ 149,702
Impact fees	1,292,163
Restricted Assets-Governmental	<u>\$ 1,441,865</u>
Restricted Assets - Business-Type	
Customer Deposits-Water Utility	\$ 42,675
Customer Deposits-Golf Course	124,567
Lease Deposits-Golf Course	15,000
Restricted Assets-Business-Type	<u>\$ 182,242</u>
Total Restricted Assets	\$ 1,624,106

***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, 2022:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Agencies	17,834,262	-	17,834,262	-
Municipal Bonds	2,692,917	-	2,692,917	-
<b>Total Investments by Fair Value Level</b>	<b>\$ 20,527,179</b>	<b>\$ -</b>	<b>\$ 20,527,179</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, 2022, the City's investments in municipal bonds were rated 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 property, sales and use, gambling, leasehold, hotel/motel and other taxes. Customer accounts receivable consists of amounts owed by private individuals or organizations for goods and services provided. Uncollectible amounts are considered immaterial and the direct write-off method is used. Customer accounts receivable also includes the current portion of special assessments due from property owners within Local Improvement District No. 33. Other types of accounts receivable include utility taxes due from private organizations and customer accounts receivable for amounts owed which billings have not been prepared.

	Governmental Activities	Business-Type Activities	Total
<b>Taxes Receivable</b>			
Property	\$ 443,521	\$ -	\$ 443,521
Sales & Use	4,152,841	-	4,152,841
Real Estate Excise Tax	72,447	-	72,447
Utility Tax	880,956	-	880,956
Admission/Gambling/Parking/Other	1,738,723	-	1,738,723
<b>Total Taxes Receivable</b>	<b>7,288,488</b>	<b>-</b>	<b>7,288,488</b>
<b>Customer Receivable</b>			
Miscellaneous	382,294	-	382,294
Utility Accounts	-	1,567,346	1,567,346
<b>Total Customer Receivable</b>	<b>382,294</b>	<b>1,567,346</b>	<b>1,949,640</b>
Interest	50,276	101,468	151,744
Notes due within one year	60,704	937,922	998,626
<b>Total Receivables</b>	<b>\$ 7,781,762</b>	<b>\$ 2,606,736</b>	<b>\$ 10,388,498</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 2022 was \$2.14677 per \$1,000 of assessed valuation of \$ 8,010,892,032 for a total regular levy of \$17,250,803.

Special levies approved by the voters are not subject to the limitations listed above. In 2022, the City levied an additional \$0.57394 per \$1,000 for the Public Safety Plan approved by voters in November 2016. The total additional levy in 2022 was \$4,476,645.

## Due from Other Governments

All receivables from other governments are recorded at year-end as amounts Due from Other Governmental Units. These amounts represent federal, state, and local reimbursement-type grants, and are reported as receivables and intergovernmental revenues in the year when the related expenditures are incurred. As of December 31, 2022, the majority represents grants.



## Notes Receivable

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

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

	Governmental Activities	Business- Type Activities	Total
Notes Receivable			
Special Assessments	\$ 2,250,052	\$ -	\$ 2,250,052
Sewer Payment Plan	-	28,336	28,336
Total Receivables	\$ 2,250,052	\$ 28,336	\$ 2,278,387

## NOTE 4 – INTERFUND TRANSACTIONS

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

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

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

**Interfund Loans/Advances** – Loans between funds are classified as interfund loans receivable and payable or as advances to and from other funds in the fund statements. Interfund loans are offset by a reservation of fund balance/net position. Interfund loans are subject to elimination upon consolidation. As of December 31, 2022, the City had one outstanding interfund loan. The loan is from the sewer utility fund to the general fund to purchase a fire engine.

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

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

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

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

Interfund transfers for the year were as follows:

### SUMMARY OF INTERFUND TRANSFERS

	Governmental Funds						Proprietary Funds				TOTAL
	General Fund	Public Safety Plan	Arterial Street	Facilities	Other Gov't Funds	Total Governmental	Water	Sewer	Golf Course	Surface Water	
Transfers In	\$ 2,553,951	\$ 1,106,248	\$ 1,300,000	\$ 1,000,000	\$ 8,584,590	\$ 14,544,789	\$ -	\$ -	\$ 300,000	\$ -	\$ 14,844,789
Transfers Out	(10,064,760)	-	-	-	(3,226,996)	(13,291,756)	(528,031)	(295,076)	-	(729,926)	(14,844,789)
Net Transfers In (Out)	\$ (7,510,809)	\$ 1,106,248	\$ 1,300,000	\$ 1,000,000	\$ 5,357,594	\$ 1,253,033	\$ (528,031)	\$ (295,076)	\$ 300,000	\$ (729,926)	\$ -

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

## NOTE 5 – LEASES

### Leases Payable

In September 2022, City entered into a 36-month lease as Lessee for the use of 16 separate copiers/printers deployed across City departments, referred to as the Electronic Business Machines – Supplement lease. An initial lease liability was recorded in the amount of \$98,699. As of December 31, 2022, the value of the lease liability is \$90,638. The City is required to make monthly fixed payments of \$2,974. The lease has an interest rate of 3.5841%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$98,699 with accumulated amortization of \$8,499 is included in the table in Note 6. The lease has an unguaranteed residual value of \$5,000.

In September 2020, the City entered into a 36-month lease as Lessee with Dell Financial Services for laptops which are assigned to City employees. An initial lease liability was recorded in the amount of \$305,975. As of December 31, 2022, the value of the lease liability is \$102,018. The City is required to make annual fixed payments of \$106,814. The lease has an interest rate of 4.7012%. The Computer Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$303,888 with accumulated amortization of \$227,916 is included in the table in Note 6.

In June 2017, the City entered into a 60-month lease as Lessee for the use of Copier at George Long Shops. An initial lease liability was recorded in the amount of \$9,000. As of December 31, 2022, the lease had expired, and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In January 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 2576RG. An initial lease liability was recorded in the amount of \$31,726. As of December 31, 2022, the value of the lease liability is \$26,296. The City is required to make monthly fixed payments of \$596. The lease has an interest rate of 4.1920%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$31,726 with accumulated amortization of \$5,887 is included in the table in Note 6. The lease has an unguaranteed residual value of \$6,040.

In September 2017, the City entered into a 60-month lease as Lessee for the use of a copier for Community Development. An initial lease liability was recorded in the amount of \$10,320. As of December 31, 2022, the lease had expired and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In September 2017, the City entered into a 60-month lease as Lessee for the use of a copier for Community Development. An initial lease liability was recorded in the amount of \$16,081. As of December 31, 2022, the lease had expired and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In August 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the finance department. An initial lease liability was recorded in the amount of \$20,596. As of December 31, 2022, the value of the lease liability is \$2,743. The City is required to make monthly fixed payments of \$343. The lease has an interest rate of 0.2833%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$10,943 with accumulated amortization of \$8,039 is included in the table in Note 6.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the fire prevention department. An initial lease liability was recorded in the amount of \$11,653. As of December 31, 2022, the value of the lease liability is \$1,164. The City is required to make monthly fixed payments of \$194. The lease has an interest rate of 0.2467%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$5,809 with accumulated amortization of \$4,647 is included in the table in Note 6.

In June 2017, the City entered into a 60-month lease as Lessee for the use of a copier for fire administration. An initial lease liability was recorded in the amount of \$9,120. As of December 31, 2022, the lease had expired and was not renewed.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for human resources. An initial lease liability was recorded in the amount of \$10,320. As of December 31, 2022, the lease had expired, and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the municipal court. An initial lease liability was recorded in the amount of \$10,243. As of December 31, 2022, the lease had expired, and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In August 2021, the City entered into a 60-month lease as Lessee for the use of a copier for the police department, patrol division. An initial lease liability was recorded in the amount of \$7,704. As of December 31, 2022, the value of the lease liability is \$5,541. The City is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$7,704 with accumulated amortization of \$2,092 is included in the table in Note 6.

In July 2017, the City entered into a 60-month lease as Lessee for the use of a copier for the police department, administration division. An initial lease liability was recorded in the amount of \$9,000. As of December 31, 2022, the lease had expired, and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the police department, front office division. An initial lease liability was recorded in the amount of \$13,778. As of December 31, 2022, the value of the lease liability is \$1,147. The City is required to make monthly fixed payments of \$230. The lease has an interest rate of 0.2467%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$6,640 with accumulated amortization of \$5,539 is included in the table in Note 6.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a plotter for the public works department. An initial lease liability was recorded in the amount of \$16,772. As of December 31, 2022, the value of the lease liability is \$1,397. The City is required to make monthly fixed payments of \$280. The lease has an interest rate of 0.2467%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$8,083 with accumulated amortization of \$6,583 is included in the table in Note 6.

In June 2018, the City entered into a 60-month lease as Lessee for the use of a copier for the Tukwila Community Center, administration division. An initial lease liability was recorded in the amount of \$13,276. As of December 31, 2022, the value of the lease liability is \$1,327. The City is required to make monthly fixed payments of \$221. The lease has an interest rate of 0.2467%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$6,618 with accumulated amortization of \$5,294 is included in the table in Note 6.

In August 2021, the City entered into a 60-month lease as Lessee for the use of a copier for the technology information services department. An initial lease liability was recorded in the amount of \$7,704. As of December 31, 2022, the value of the lease liability is \$5,541. The City is required to make monthly fixed payments of \$130. The lease has an interest rate of 0.5773%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$7,704 with accumulated amortization of \$2,092 is included in the table in Note 6.

In May 2018, the City entered into a 60-month lease as Lessee for the use of a postage machine: SendPro P Series. An initial lease liability was recorded in the amount of \$34,692. As of December 31, 2022, the value of the lease liability is \$3,466. The City is required to make quarterly fixed payments of \$1,735. The lease has an interest rate of 0.2467%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$17,294 with accumulated amortization of \$13,835 is included in the table in Note 6.

In July 2017, the City entered into a 60-month lease as Lessee for the use of a copier for public works, administration division. An initial lease liability was recorded in the amount of \$11,820. As of December 31, 2022, the lease had expired, and the equipment is now covered by the Electronic Business Machines-Supplemental lease.

In January 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 73917D. An initial lease liability was recorded in the amount of \$31,733. As of December 31, 2022, the value of the lease liability is \$26,277. The City is required to make monthly fixed payments of \$593. The lease has an interest rate of 3.9536%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$31,733 with accumulated amortization of \$6,135 is included in the table in Note 6. The lease has an unguaranteed residual value of \$5,818.

In March 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Escape - 257XHG. An initial lease liability was recorded in the amount of \$25,862. As of December 31, 2022, the value of the lease liability is \$22,395. The City is required to make monthly fixed payments of \$491. The lease has an interest rate of 5.2130%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$25,862 with accumulated amortization of \$4,282 is included in the table in Note 6. The lease has an unguaranteed residual value of \$4,606.

In February 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 25999W. An initial lease liability was recorded in the amount of \$31,375. As of December 31, 2022, the value of the lease liability is \$26,501. The City is required to make monthly fixed payments of \$589. The lease has an interest rate of 4.1964%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$31,375 with accumulated amortization of \$5,752 is included in the table in Note 6. The lease has an unguaranteed residual value of \$5,956.

In December 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Police - 26722H. An initial lease liability was recorded in the amount of \$65,173. As of December 31, 2022, the value of the lease liability is \$65,173. The City required to make monthly fixed payments of \$1,419. The lease has an interest rate of 10.5032%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$65,173 with accumulated amortization of \$905 is included in the table in Note 6. The lease has an unguaranteed residual value of \$5,818.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford 550 - 269CGP. An initial lease liability was recorded in the amount of \$87,171. As of December 31, 2022, the value of the lease liability is

\$83,603. The City is required to make monthly fixed payments of \$1,833. The lease has an interest rate of 8.9823%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$87,171 with accumulated amortization of \$4,552 is included in the table in Note 6. The lease has an unguaranteed residual value of \$16,696.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 269CSM. An initial lease liability was recorded in the amount of \$46,365. As of December 31, 2022, the value of the lease liability is \$44,446. The City is required to make monthly fixed payments of \$965. The lease has an interest rate of 8.5418%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$46,365 with accumulated amortization of \$2,576 is included in the table in Note 6. The lease has an unguaranteed residual value of \$8,826.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford XLT - 73913D - 26FZF8. An initial lease liability was recorded in the amount of \$48,893. As of December 31, 2022, the value of the lease liability is \$48,487. The City is required to make monthly fixed payments of \$1,029. The lease has an interest rate of 8.8190%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$48,893 with accumulated amortization of \$1,467 is included in the table in Note 6. The lease has an unguaranteed residual value of \$9,059.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer XLT - 26FzJ6. An initial lease liability was recorded in the amount of \$48,909. As of December 31, 2022, the value of the lease liability is \$48,232. The City is required to make monthly fixed payments of \$1,008. The lease has an interest rate of 8.1026%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$48,909 with accumulated amortization of \$1,467 is included in the table in Note 6. The lease has an unguaranteed residual value of \$8,872.

In December 2022, the City entered into a 60-month lease as Lessee for the use of a Ram 2500 - 26HM5G. An initial lease liability was recorded in the amount of \$66,626. As of December 31, 2022, the value of the lease liability is \$66,626. The City is required to make monthly fixed payments of \$1,366. The lease has an interest rate of 7.8967%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$66,626 with accumulated amortization of \$407 is included in the table in Note 6. The lease has an unguaranteed residual value of \$12,591.

In November 2022, the City entered into a 60-month lease as Lessee for the use of a Ford F-250 - 26FRX3. An initial lease liability was recorded in the amount of \$68,353. As of December 31, 2022, the value of the lease liability is \$67,210. The City is required to make monthly fixed payments of \$1,407. The lease has an interest rate of 8.1934%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$68,353 with accumulated amortization of \$1,186 is included in the table in Note 6. The lease has an unguaranteed residual value of \$12,825.

In September 2022, the City entered into a 60-month lease as Lessee for the use of a Ford Explorer - 25GQ4C. An initial lease liability was recorded in the amount of \$31,779. As of December 31, 2022, the value of the lease liability is \$30,425. The City is required to make monthly fixed payments of \$644. The lease has an interest rate of 7.3561%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2022, of \$31,779 with accumulated amortization of \$1,766 is included in the table in Note 6. The lease has an unguaranteed residual value of \$6,029.

## Principal and Interest Requirements to Maturity

Governmental Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2023	\$ 149,322	\$ 7,554	\$ 156,876
2024	37,261	1,547	38,808
2025	26,580	333	26,914
2026	1,820	4	1,823
Totals	\$ 214,983	\$ 9,438	\$ 224,421

Business-Type Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2023	\$ 103,097	\$ 40,179	\$ 143,276
2024	111,307	31,969	143,276
2025	120,224	23,052	143,276
2026	129,891	13,385	143,276
2027	91,150	3,522	94,672
Totals	\$ 555,670	\$ 112,107	\$ 667,777

Leases Receivable

In January 2021, the City entered into a 24-month lease as Lessor for the use of a unit at 6300 Southcenter Boulevard. An initial lease receivable was recorded in the amount of \$52,434. As of December 31, 2022, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,503. The lease has an interest rate of 0.2467%. The Buildings estimated useful life was 24 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2022 was \$0, and City of Tukwila, WA recognized lease revenue of \$26,217 during the fiscal year.

In July 2012, the City entered into a 180-month lease as Lessor for the use of a Billboard on city property. An initial lease receivable was recorded in the amount of \$375,000. As of December 31, 2022, the value of the lease receivable is \$142,004. The lessee is required to make annual fixed payments of \$28,891. The lease has an interest rate of 0.5727%. The infrastructure estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2022 was \$138,018, and the City recognized lease revenue of \$30,113 during the fiscal year.

Governmental Activities			
Year Ended December 31	Principal Payments	Interest Payments	Total Payments
2023	\$ 28,077	\$ 813	\$ 28,891
2024	28,238	652	28,891
2025	28,400	491	28,891
2026	28,563	328	28,891
2027	28,726	165	28,891
Totals	\$ 142,004	\$ 2,449	\$ 144,453

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, was as follows:

**GOVERNMENTAL ACTIVITIES**

	BEGINNING BALANCE 1/1/2022	CHANGE IN ACCOUNTING PRINCIPLE	INCREASES	DECREASES	ENDING BALANCE 12/31/2022
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 51,719,374	\$ -	\$ 8,941,757	\$ -	\$ 60,661,130
Construction in Progress	35,851,859	-	4,406,190	(20,210,773)	20,047,275
Total capital assets not being depreciated	87,571,233	-	13,347,946	(20,210,773)	80,708,406
Capital assets, being depreciated:					
Buildings	108,689,189	-	13,005,076	-	121,694,264
Other Improvements	24,335,111	-	-	-	24,335,111
Machinery and Equipment	27,894,629	-	1,545,480	(572,151)	28,867,959
Infrastructure	230,009,898	-	-	-	230,009,898
Leased Assets	-	401,548	682,664	(26,867)	1,057,346
Total capital assets being depreciated	390,928,827	401,548	15,233,220	(599,017)	405,964,578
Less accumulated depreciation for:					
Buildings	(18,281,285)	-	(2,755,296)	-	(21,036,581)
Other Improvements	(17,772,132)	-	(947,888)	-	(18,720,021)
Machinery and Equipment	(18,553,567)	-	(2,126,724)	570,531	(20,109,760)
Infrastructure	(89,774,159)	-	(6,697,446)	-	(96,471,605)
Leased Assets	-	(154,168)	(193,619)	26,867	(320,920)
Total accumulated depreciation	(144,381,143)	(154,168)	(12,720,973)	597,398	(156,658,886)
Total capital assets, being depreciated, net	246,547,684	247,380	2,512,247	(1,619)	249,305,692
Governmental activity capital assets, net	\$ 334,118,916	\$ 247,380	\$ 15,860,194	\$ (20,212,393)	\$ 330,014,098

**BUSINESS-TYPE ACTIVITIES**

	BEGINNING BALANCE 1/1/2022	INCREASES	DECREASES	ENDING BALANCE 12/31/2022
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,346,230	\$ 4,739	\$ -	\$ 2,350,969
Construction in Progress	3,386,924	5,464,644	(7,329,164)	1,522,404
Total capital assets, not being depreciated	5,733,154	5,469,383	(7,329,164)	3,873,373
Capital assets, being depreciated:				
Buildings	15,573,075	1,487,864	(1,286,120)	15,774,819
Other Improvements	103,319,994	4,741,330	(12,572)	108,048,752
Machinery and Equipment	3,503,368	1,090,136	(219,922)	4,373,582
Total capital assets being depreciated	122,396,437	7,319,331	(1,518,615)	128,197,153
Less accumulated depreciation for:				
Buildings	(6,836,159)	(398,756)	241,850	(6,993,065)
Other Improvements	(43,098,721)	(1,830,890)	7,833	(44,921,777)
Machinery and Equipment	(2,612,886)	(109,561)	219,922	(2,502,525)
Total accumulated depreciation	(52,547,766)	(2,339,207)	469,606	(54,417,367)
Total capital assets, being depreciated, net	69,848,671	4,980,124	(1,049,009)	73,779,786
Business-Type activity capital assets, net	\$ 75,581,825	\$ 10,449,508	\$(8,378,173)	\$ 77,653,159



**DEPRECIATION**

Depreciation expense for 2022 was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 3,003,112
Public Safety	381,498
Transportation	6,719,045
Culture and Recreation	986,118
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,437,582
<b>Total 2022 depreciation expense - governmental activities</b>	<b>\$ 12,527,354</b>

Business-type activities:

Water Utility	\$ 550,426
Sewer Utility	398,609
Foster Golf Course	345,075
Surface Water Utility	1,045,096
<b>Total 2022 depreciation expense - business-type activities</b>	<b>\$ 2,339,207</b>

**NOTE 7 – JOINT VENTURES**

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

	Equity in Operations	Equity in Capital Assets financed by Outstanding Debt	TOTAL Investment in Joint Ventures
Valley Com	\$4,119,279	\$ -	\$ 4,119,279
SCORE	2,627,335	4,383,790	7,011,125
<b>TOTAL</b>	<b>\$6,746,614</b>	<b>\$4,383,790</b>	<b>\$ 11,130,404</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 2022 cost distribution for the five (5) participating cities is as follows:

City	Dispatchable Calls	Percent of Total
Renton	83,514	20.83%
Kent	108,844	27.15%
Auburn	81,977	20.45%
Tukwila	38,968	9.72%
Federal Way	87,562	21.84%
Total	400,865	100.00%

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

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

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

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

ITEM	RENTON	KENT	AUBURN	TUKWILA	FEDERAL WAY	TOTAL
Equity January 1, 2022	\$ 8,105,020	\$10,901,977	\$8,338,703	\$3,878,636	\$ 7,095,886	\$38,320,221
Current Year Increase/(Decrease)	515,732	672,154	506,240	240,643	540,727	2,475,495
Equity December 31, 2022	\$ 8,620,749	\$11,574,129	\$8,844,943	\$4,119,279	\$ 7,636,612	\$40,795,717
Percent of Equity	21.13%	28.37%	21.68%	10.10%	18.72%	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:

#### SUMMARY OF DEBT SERVICE REQUIREMENTS

Debt Service Schedule				Debt Service Allocation to Owner Cities					
Year	Principal	Interest	Total	Auburn 34.94%	Burien 4.82%	Des Moines 6.02%	Renton 40.96%	SeaTac 3.62%	Tukwila 9.64%
2023	1,990,000	1,919,500	3,909,500	1,365,979	188,438	235,352	1,601,331	141,524	376,876
2024	2,070,000	1,839,900	3,909,900	1,366,119	188,457	235,376	1,601,495	141,538	376,914
2025	2,155,000	1,757,100	3,912,100	1,366,888	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
2028-2032	13,770,000	5,778,500	19,548,500	6,830,246	942,238	1,176,820	8,007,066	707,656	1,884,475
2033-2037	17,060,000	2,485,800	19,545,800	6,829,303	942,108	1,176,657	8,005,960	707,558	1,884,215
2038	3,795,000	113,850	3,908,850	1,365,752	188,407	235,313	1,601,065	141,500	376,813
Totals	\$45,475,000	\$17,080,350	\$62,555,350	21,856,840	3,015,169	3,765,832	25,622,672	2,264,503	6,030,334

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, 2022 in relation to SCORE:

Member City	2021 Percent of Equity	2021 Equity Balance	2022 Percent of Equity	2022 Apportionment	2022 Equity Balance
Auburn	41.93%	13,728,641	41.48%	367,485	14,096,126
Burien	5.30%	1,736,041	5.39%	95,847	1,831,888
Des Moines	4.95%	1,619,395	5.02%	88,153	1,707,548
Renton	31.93%	10,449,372	32.11%	464,559	10,913,931
SeaTac	8.13%	2,661,310	8.27%	151,004	2,812,314
Tukwila	7.76%	2,541,785	7.73%	85,550	2,627,335
Grand Totals	100.00%	32,736,544	100.00%	1,252,598	33,989,142

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, 2022, the City's share of SCORE debt is \$4,383,790. See Note 10 for additional information on long-term debt.

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

## **NOTE 8 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2022:

<b>Aggregate Pension Amounts – All Plans</b>	
Pension liabilities	\$ (3,052,641)
Pension assets	19,845,436
Deferred outflows of resources	12,522,850
Deferred inflows of resources	(11,110,510)
Pension expense/expenditures	1,538,676

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

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

#### **Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee*</b>
January – August 2022		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.25%</b>	<b>6.00%</b>
September – December 2022		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</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 two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

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

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

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

#### Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January – August 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.25%</b>	<b>6.36%</b>
September – December 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.39%</b>	<b>6.36%</b>

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

The City of Tukwila's actual PERS plan contributions were \$668,862 to PERS Plan 1 and \$1,115,620 to PERS Plan 2/3 for the year ended December 31, 2022.

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

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

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

PSERS membership includes:

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

PSERS covered employers include:

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

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years

of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

#### Contributions

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

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2022 were as follows:

<b>PSERS Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – August 2022		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</b>	<b>6.50%</b>
September – December 2022		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.63%</b>	<b>6.60%</b>

The City of Tukwila's actual plan contributions were \$18,354 to PSERS Plan 2 for the year ended December 31, 2022.

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

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

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

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

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



### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2022. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

### Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – December 2022		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>
July – December 2021		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.71%</b>	<b>8.53%</b>

The City of Tukwila's actual contributions to the plan were \$872,391 for the year ended December 31, 2022.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2022, the state contributed \$81,388,085 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$565,116.

## Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, 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 promotions and longevity.
- **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.

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

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.

## Discount Rate

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

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 (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns 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, 2022. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.7%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	<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	\$ 4,078,286	\$ 3,052,641	\$ 2,157,493
PERS 2/3	6,161,993	(5,232,534)	(14,593,858)
PSERS 2	60,137	(25,248)	(92,635)
LEOFF 1	(2,068,311)	(2,360,180)	(2,613,276)
LEOFF 2	(530,747)	(11,525,730)	(20,524,182)

### 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, 2022, the City of Tukwila reported a total pension asset of \$19,845,436 and a total pension liability of \$3,052,641 for its proportionate share of the net pension liabilities as follows:

	Liability or (Asset)
PERS 1	3,052,641
PERS 2/3	(5,232,534)
PSERS 2	(25,248)
LEOFF 1	(2,360,180)
LEOFF 2	(11,525,730)
Firemen's Pension	(701,744)

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	\$ (2,360,180)	\$ (11,525,730)
State's proportionate share of the net pension asset associated with the employer	(15,964,199)	(7,466,117)
TOTAL	\$ (18,324,379)	\$ (18,991,847)

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

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	0.104195%	0.109635%	0.005440%
PERS 2/3	0.132317%	0.141085%	0.008768%
PSERS 2	0.026736%	0.035312%	0.008576%
LEOFF 1	0.083135%	0.082276%	-0.000859%
LEOFF 2	0.420145%	0.424099%	0.003954%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 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 2022. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2022, 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. The cumulative retirement benefit payments through fiscal year 2022 were used to determine the employer allocation amounts and percentages listed under All Other Employers. 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 2022, the State of Washington contributed 39% percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

### Pension Expense

For the year ended December 31, 2022, the City of Tukwila recognized pension expense as follows:

	Pension Expense
PERS 1	1,518,482
PERS 2/3	(1,920,844)
PSERS 2	5,256
LEOFF 1	(87,829)
LEOFF 2	2,023,610
Firemen's Pension	(276,778)
Total	1,261,898

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

At December 31, 2022, 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	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(505,912)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	353,462	-
<b>TOTAL</b>	<b>353,462</b>	<b>(505,912)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	1,296,499	(118,451)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,868,451)
Changes of assumptions	2,916,415	(763,622)
Changes in proportion and differences between contributions and proportionate share of contributions	-	(547,360)
Contributions subsequent to the measurement date	583,424	-
<b>TOTAL</b>	<b>4,796,339</b>	<b>(5,297,884)</b>

<b>PSERS 2</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	13,116	(278)
Net difference between projected and actual investment earnings on pension plan investments	-	(17,706)
Changes of assumptions	18,535	(7,406)
Changes in proportion and differences between contributions and proportionate share of contributions	(1,865)	(5,499)
Contributions subsequent to the measurement date	9,675	-
<b>TOTAL</b>	<b>39,462</b>	<b>(30,889)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(294,701)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
<b>TOTAL</b>	<b>-</b>	<b>(294,701)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Differences between expected and actual experience	2,738,704	(106,938)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,859,256)
Changes of assumptions	2,919,793	(1,003,576)
Changes in proportion and differences between contributions and proportionate share of contributions	936,354	(106,802)
Contributions subsequent to the measurement date	460,819	-
<b>TOTAL</b>	<b>7,055,669</b>	<b>(5,076,572)</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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	PERS 1	Year Ended December 31	PERS 2/3	Year Ended December 31	PSERS 2
2023	(214,092)	2023	(1,345,828)	2023	(6,571)
2024	(194,451)	2024	(1,195,830)	2024	(5,834)
2025	(243,932)	2025	(1,389,980)	2025	(7,333)
2026	146,562	2026	1,683,327	2026	7,759
2027	-	2027	567,286	2027	1,432
Thereafter	-	Thereafter	596,056	Thereafter	9,445
<b>TOTAL</b>	<b>(505,912)</b>	<b>TOTAL</b>	<b>(1,084,969)</b>	<b>TOTAL</b>	<b>(1,102)</b>

Year Ended December 31	LEOFF 1	Year Ended December 31	LEOFF 2
2023	(124,815)	2023	(1,093,489)
2024	(113,012)	2024	(932,079)
2025	(141,308)	2025	(1,279,674)
2026	84,433	2026	1,783,257
2027	-	2027	591,182
Thereafter	-	Thereafter	2,449,081
<b>TOTAL</b>	<b>(294,701)</b>	<b>TOTAL</b>	<b>1,518,279</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:

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
<b>Total</b>	<b><u>7</u></b>

### Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and 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.

### 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 \$71,112.

### City's Net Pension Liability

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

Total pension liability	\$ 829,479
Less: Plan fiduciary net position	<u>(1,531,223)</u>
City's net pension liability	<u><u>\$ (701,744)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	184.60%



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

For the report year ended December 31, 2022, the City recognized a pension expense credit of \$(276,778). 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	\$58,182	-
Contributions subsequent to the measurement date	74,397	-
Total	\$132,579	-

Deferred outflows of resources related to pensions resulting from the City of Tukwila contributions subsequent to the measurement date, but before the end of the reporting period, will be recognized as a reduction of the net pension liability in subsequent fiscal periods rather than in the current fiscal period. 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
2023	\$ 19,806
2024	16,016
2025	12,131
2026	10,229
2027	-
Remaining	-
<b>TOTAL</b>	<b>\$ 58,182</b>

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date:	December 31, 2020	December 31, 2021
Discount Rate	2.00%	1.84%
Investment Rate of Return	2.00%	1.84%
Inflation	2.75%	2.75%
Salary Increases	3.50%	3.25%
Mortality Rates	Mortality Rates were based on tables from the Society of Actuaries.	

- Experience studies come from the State of Washington.
- 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

The discount rate used to measure the total pension liability is 1.84%. Since the assets of the plan are invested entirely in short duration fixed income investments, the City has decided to use the same discount rate that is used for its unfunded OPEB valuation.

*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	\$ 50,350
Non-Current Pension Liability	779,129
Total Pension Liability	<u>\$ 829,479</u>

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

	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance as of report date December 31, 2021	\$ 1,161,888	\$ 1,539,196	\$ (377,308)
Changes for the year:			
Service cost	-	-	-
Interest	22,655	-	22,655
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(220,445)	-	(220,445)
Changes of assumptions	(76,289)	-	(76,289)
Contributions			
Employer - City's contribution	-	71,112	(71,112)
Employee contributions	-	-	-
Net investment income	-	(20,255)	20,255
Benefit payments	(58,330)	(58,330)	-
Administrative Expenses	-	-	-
Other miscellaneous income / (expense)	-	(500)	500
Net changes	(332,409)	(7,973)	(324,436)
<b>Balance as of report date December 31, 2022</b>	<b>\$ 829,479</b>	<b>\$ 1,531,223</b>	<b>\$ (701,744)</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 (0.84%) or one percentage point higher (2.84%) follows:

	1% Decrease 0.84%	Current Rate 1.84%	1% Increase 2.84%
Total pension liability (Asset)	\$ 907,388	\$ 829,479	\$ 761,612
Increase / (decrease)	77,909		(67,867)
% Change	9.39%		-8.18%
Net pension liability (Asset)	\$ (623,835)	\$ (701,744)	\$ (769,611)
Increase / (decrease)	77,909		(67,867)
% Change	-11.10%		9.67%

## Basis of Valuation

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

<b>Retiree Pension Benefit</b>	
<b>General</b>	
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.
<b>Service Retirement Benefit</b>	
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).
<b>Duty Disability Retirement Benefit</b>	
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.
<b>Non Duty Disability Retirement Benefit</b>	
Member	Eligibility: disabled after 90-day waiting period. Amount of benefit: 50% of salary, or service retirement benefit, if greater. Recovery: see Duty Disability Retirement. Limitations: no benefits payable if firefighter employed elsewhere when disabled.
Survivor	Eligibility: spouse or child Amount of benefit: 33.3% to widow or children only. 45.8% to widow and one child. 47.6% to widow and two children. 50.0% to widow and three children.

**Retiree Pension Benefit (Continued)**

<b>Death Benefit</b>	
Duty	<p>Eligibility: spouse or child</p> <p>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.</p>
Non-Duty	<p>Eligibility: spouse or child</p> <p>Amount of benefit: provisions the same as Survivor's Benefit under Non-Duty Disability Retirement</p>
<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
< 70	0	0	0	0
70 - 74	0	0	0	0
75 - 79	1	1	1	3
80 - 84	1	1	0	2
85 - 89	0	1	1	2
90 +	0	0	0	0
Total	2	3	2	7

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

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

## NOTE 9 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2022:

<b>Aggregate OPEB Amounts</b>	
<i>OPEB Liabilities</i>	\$ 6,378,071
<i>OPEB Assets</i>	-
<i>Deferred outflows of resources</i>	331,071
<i>Deferred inflows of resources</i>	-
<i>OPEB expenses/expenditures</i>	(1,141,088)

### Plan Description

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

### Benefits Provided

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

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

### Employees Covered by Benefit Terms

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

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

### Contributions

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

### Total OPEB Liability

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

### Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	December 31, 2020	December 31, 2021
Discount Rate	2.00%	1.84%
Inflation	2.50%	7.25%
Healthcare Cost Trend Rates	5.40%	4.80%
Salary Increases	n/a	n/a
Mortality Rates	Based on SOA Tables	

- Projections of the sharing benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington 2018 study.
- Inactive employees (retirees) pay 0% of the cost of benefits.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

The discount rate used to measure the total OPEB liability is 1.84%. 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 net OPEB liability to changes in the discount rates. 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 (0.84%) or one percentage point higher (2.84%) as follows:

	1% Decrease (0.84%)	Current Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB Liability	\$ 7,008,192	\$ 6,378,071	\$ 5,834,832
Increase (Decrease)	630,121		(543,239)
% Change	9.9%		-8.5%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 4.80% and decreased to 3.94% over 55 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.80%) or one percentage point higher (5.80%) than current healthcare cost trend rates as follows:

	1% Decrease (3.80%)	Current Healthcare Cost Trend Rate (4.8%)	1% Increase (5.80%)
Total OPEB Liability	\$ 5,871,797	\$ 6,378,071	\$ 6,950,591
Increase (Decrease)	(506,274)		572,520
% Change	-7.9%		9.0%

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

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance as of December 31, 2021	\$ 7,898,399	\$ -	\$ 7,898,399
Changes:			
Service Cost	-	-	-
Interest	154,176	-	154,176
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(1,163,334)	-	(1,163,334)
Changes of Assumptions	(131,930)	-	(131,930)
Contributions			
Employer - City's Contribution	-	-	-
Employer - Implicit Subsidy	-	-	-
Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(379,240)	-	(379,240)
Implicit Rate Subsidy Fulfilled	-	-	-
Administrative Expenses	-	-	-
Net Changes	(1,520,328)	-	(1,520,328)
<b>Balance as of December 31, 2022</b>	<b>\$ 6,378,071</b>	<b>\$ -</b>	<b>\$ 6,378,071</b>

For the year ended December 31, 2022, the City recognized an OPEB expense credit of \$(1,141,088).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Differences between expected and actual experience</i>	\$ -	\$ -
<i>Changes of assumptions</i>	-	-
<i>Contributions subsequent to the measurement date</i>	331,071	-
<b>Total</b>	<b>\$ 331,071</b>	<b>\$ -</b>

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

<b>Report Year Ending December 31:</b>	<b>Amount</b>
2023	\$ -
2024	-
2025	-
2026	-
2027	-
Remaining	-
	<b>Amount</b>
Current OPEB Liability	\$ 415,819
Non-Current OPEB Liability	5,962,252
Total OPEB Liability	<u>\$ 6,378,071</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 10 – LONG-TERM LIABILITIES**

### **Governmental Activities Long-Term Debt**

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

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

- 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.
- 2021C LTGO bonds were issued to refund the outstanding 2011 LTGO bonds, which were issued in 2011 to refund a portion of the 2003 bonds for the City's Arterial Streets program. The City issued \$1,072,300 of general obligation refunding bonds with an interest rate of 1.15% and a final maturity date of December 2023.

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

Special assessments outstanding at year-end are as follows:

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

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

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

Revenue bonds outstanding at year-end are as follows:

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

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

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

- 2004 loan to install new water, sewer, and surface water infrastructure in Allentown and Foster Point neighborhoods. Additionally, 2 new sewer lift stations with generators, 33 manholes and catch basins, and 15 new fire hydrants were installed.

- 2004 loan constructed an underground collection system in the Cascade View neighborhood.
- 2014 loan to install sewer liners in the City's commercial business district of Southcenter. Relining the sewer main avoids full excavation for a significant savings and has minimal impact to the roadway.

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

The schedules that follow summarize the long-term debt transactions of the City for the year ended December 31, 2022.

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

	GENERAL OBLIGATION	PRIVATE PLACEMENT	SPECIAL ASSESSMENT	COMPENSATED ABSENCES	DUE TO OTHER GOVERNMENTS	OTHER POST EMPLOY- MENT BENEFITS	LEASE LIABILITY	NET PENSION LIABILITY	TOTAL
Outstanding 01/01/2022	\$ 117,890,000	\$ 10,611,266	\$ 3,060,000	\$ 3,764,994	\$ 4,568,396	\$ 7,898,399	\$ -	\$ 1,041,894	\$ 148,834,949
Added	-	-	-	4,071,423	-	-	939,055	-	5,010,478
Retired / redeemed	(3,995,000)	(3,865,266)	(375,000)	(3,707,312)	(184,606)	(1,520,328)	(168,402)	1,438,376	(12,377,537)
Outstanding 12/31/2022	\$ 113,895,000	\$ 6,746,000	\$ 2,685,000	\$ 4,129,105	\$ 4,383,790	\$ 6,378,071	\$ 770,653	\$ 2,480,271	\$ 141,467,890
Add Premiums, Subtract Discounts									9,544,638
Total Long-Term Liabilities									\$ 151,012,528

### 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	
2023	\$ 4,300,000	\$ 4,360,600	\$ 1,494,000	\$ 133,569	\$ 191,836	\$ 185,040	\$ 400,000	\$ 144,188	\$ 11,209,232
2024	4,825,000	4,158,100	977,000	111,295	199,548	177,366	445,000	122,705	11,016,014
2025	5,175,000	3,929,650	477,700	94,853	207,742	169,384	445,000	98,808	10,598,137
2026	5,540,000	3,684,100	486,800	84,747	217,864	158,997	445,000	74,912	10,692,420
2027	5,930,000	3,422,775	496,900	74,444	228,950	148,104	445,000	51,015	10,797,188
2028-2032	35,625,000	13,131,175	2,325,700	209,748	1,327,428	557,049	505,000	27,119	53,708,218
2033-2037	43,460,000	5,915,375	487,900	19,840	1,644,584	239,631	-	-	51,767,330
2038-2042	9,040,000	335,150	-	-	365,838	10,976	-	-	9,751,964
Totals	\$ 113,895,000	\$ 38,936,925	\$ 6,746,000	\$ 728,495	\$ 4,383,790	\$ 1,646,547	\$ 2,685,000	\$ 518,745	\$ 169,540,502

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

ITEM	Interest		OUTSTANDING				OUTSTANDING	Due Within
	Rates	Maturity	Authorized	12/31/2021	ISSUED	REDEEMED	12/31/2022	One Year
GOVERNMENTAL ACTIVITIES:								
<u>Limited General Obligation (LTGO) Bonds Payable:</u>								
2015 LTGO-Interurban, BAR	2.25-3.00	12/01/35	5,825,000	4,415,000	-	260,000	4,155,000	270,000
2017 LTGO-42nd & 53rd Streets	3.00-3.50	12/01/37	8,180,000	6,905,000	-	340,000	6,565,000	355,000
2018 LTGO - Public Works Shops	4.00-5.00	12/01/38	18,365,000	18,365,000	-	730,000	17,635,000	765,000
2019 LTGO - Public Safety Plan	3.00-5.00	12/01/39	22,830,000	22,830,000	-	885,000	21,945,000	930,000
Total LTGO Bonds Payable			55,200,000	52,515,000	-	2,215,000	50,300,000	2,320,000
<u>Unlimited General Obligation (UTGO) Bonds Payable:</u>								
2016 UTGO - Public Safety	4.50-5.00	12/01/35	77,385,000	28,555,000	-	1,005,000	27,550,000	1,340,000
2019 UTGO - Public Safety	3.00-5.00	12/01/38	37,770,000	36,820,000	-	775,000	36,045,000	640,000
Total UTGO Bonds Payable			115,155,000	65,375,000	-	1,780,000	63,595,000	1,980,000
<u>Private Placement Bonds:</u>								
2013 LTGO-MPD Pool Improvement	2.00-4.00	12/01/22	1,000,000	109,766	-	109,766	-	-
2017 Refunding Line of Credit	2.60-3.00	12/01/22	2,276,000	2,276,000	-	2,276,000	-	-
2020 Refunding Streets (2010GO)	1.29	12/01/24	1,995,000	1,505,000	-	495,000	1,010,000	500,000
2021 Refunding (Ref 11/14GO & PWS)	1.15-2.70	12/01/34	6,720,500	6,720,500	-	984,500	5,736,000	994,000
Total Private Placement Bonds Payable			11,991,500	10,611,266	-	3,865,266	6,746,000	1,494,000
Issuance premiums			-	10,163,810	-	619,171	9,544,638	619,171
Net Bonds Payable			182,346,500	138,665,076	-	8,479,437	130,185,638	6,413,171
<u>Due to Other Governments</u>								
2019 SCORE Refunding	4.00-5.00	01/01/39	4,921,702	4,568,396	-	184,606	4,383,790	191,836
Total Due Other Governments			4,921,702	4,568,396	-	184,606	4,383,790	191,836
<u>Special Assessment Debt</u>								
Klickitat Urban Access Project	3.150-5.375	01/15/29	6,687,500	3,060,000	-	375,000	2,685,000	400,000
Total Special Assessment Debt			6,687,500	3,060,000	-	375,000	2,685,000	400,000
Other Post-Employment Benefits Liability				7,898,399	-	1,520,328	6,378,071	415,819
Net Pension Liability				1,041,894	-	(1,438,376)	2,480,271	-
Lease Liability				-	939,055	168,402	770,653	252,419
Compensated Absences:				3,764,994	4,071,423	3,707,312	4,129,105	258,645
Total Governmental Funds			\$ 193,955,702	\$ 158,998,759	\$ 5,010,478	\$ 12,996,708	\$ 151,012,528	\$ 7,931,890

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

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

	DIRECT PLACEMENT		PUBLIC WORKS		COMPENSATED		NET PENSION		TOTAL
	REVENUE	BONDS	TRUST FUND	LOANS	ABSENCES	LIABILITY			
Outstanding 01/01/2022	\$	840,235	\$	2,075,702	\$	334,419	\$	230,571	\$ 3,480,927
Added		-		-		431,713		-	431,713
Retired / redeemed		(162,531)		(599,468)		(363,310)		341,800	(783,509)
Outstanding 12/31/2022	\$	677,704	\$	1,476,234	\$	402,823	\$	572,370	\$ 3,129,131

**Debt Service to Maturity**

Following are schedules showing the debt service requirements to maturity for the City's long-term debt, excluding compensated absences and net pension liability.

<b>Business-Type Activities</b>					
Year Ended December 31	Direct Placement Revenue Bonds		Public Works Trust Fund Loans		Total
	Principal	Interest	Principal	Interest	
2023	\$ 162,560	\$ 15,858	\$ 573,417	\$ 7,381	\$ 759,217
2024	167,363	12,054	573,417	4,514	757,349
2025	171,830	8,138	41,175	1,647	222,790
2026	175,951	4,117	41,175	1,441	222,684
2027	-	-	41,175	1,235	42,410
2028-2032	-	-	205,875	3,088	208,963
Totals	\$ 677,704	\$ 40,168	\$ 1,476,234	\$ 19,307	\$ 2,213,413

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

ITEM	Interest		OUTSTANDING				OUTSTANDING	Due Within
	Rates	Maturity	Authorized	12/31/2021	ISSUED	REDEEMED	12/31/2022	One Year
BUSINESS-TYPE ACTIVITIES:								
<u>Direct Placement Revenue Bonds</u>								
2015 Water/Sewer/SWM Refunding	2.34	12/01/26	1,742,527	840,235	-	162,531	677,704	162,560
Total Bonds Payable			1,742,527	840,235	-	162,531	677,704	162,560
<u>Public Works Trust Fund Loans:</u>								
2003 Loan-Water/Sewer	0.50	06/01/21	273,870	14,454	-	14,454	-	-
2003 Loan-Surface Water	0.50	06/01/21	219,725	11,597	-	11,597	-	-
2004 Loan-Water/Sewer	0.50-2.00	06/01/24	5,016,000	818,659	-	272,886	545,773	272,886
2004 Loan-Surface Water	0.50-2.00	06/01/24	684,000	111,635	-	37,212	74,424	37,212
2004 Loan-Surface Water	1.00	06/01/24	4,196,056	666,432	-	222,144	444,288	222,144
2014 Loan-Sewer	0.5	06/01/32	750,000	452,925	-	41,175	411,750	41,175
Total Public Works Trust Fund Loans			11,139,651	2,075,702	-	599,468	1,476,234	573,417
Net Pension Liability				230,571	-	(341,800)	572,370	-
Compensated Absences				334,419	431,713	363,310	402,823	14,831
Total Business-Type Activities			\$ 12,882,178	\$ 3,480,927	\$ 431,713	\$ 783,509	\$ 3,129,131	\$ 750,808
TOTAL ALL FUNDS			\$ 206,837,880	\$ 162,479,686	\$ 5,442,191	\$ 13,780,218	\$ 154,141,659	\$ 8,682,698

**LONG-TERM LIABILITIES RECONCILIATION**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Balance 12/31/2022</b>
General Obligation Bonds	\$ 113,895,000	\$ -	\$ 113,895,000
General Obligation Bonds			
- Private Placement	6,746,000	-	6,746,000
Special assessment bonds	2,685,000	-	2,685,000
Revenue Bonds - Direct Placement	-	677,704	677,704
Public Works Trust Fund loans	-	1,476,234	1,476,234
Due to Other Governments	4,383,790	-	4,383,790
Employee leave benefits	4,129,105	402,823	4,531,928
Net Premiums/Discounts	9,544,638	-	9,544,638
Other Post-Employment Benefits	6,378,071	-	6,378,071
Lease Liability	770,653	-	770,653
Net Pension Liability	2,480,271	572,370	3,052,641
<b>Total long-term debt</b>	<b>\$ 151,012,528</b>	<b>\$ 3,129,131</b>	<b>\$ 154,141,659</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, 2022, 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	\$ 134,556,788	\$ 224,261,314	\$ 448,522,627	\$ 672,783,941
Outstanding Net Indebtedness	64,863,332	128,458,332	128,458,332	128,458,332
Margin Available	\$ 69,693,456	\$ 95,802,982	\$ 320,064,296	\$ 544,325,609

**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, 2022, \$860,000 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 ninth of 15 annual installments for the assessments was due by October 16, 2022.

As of December 31, 2022, all LID Special Assessments were current, nothing was delinquent. The City has sufficient funds in the LID No. 33 funds to meet debt service requirements in 2023.

**Estimated Arbitrage Rebate**

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt of over \$5 million to make payments to the United States Treasury of investment interest received at yields that exceed the issuer's tax-exempt borrowing rates. Payments of arbitrage rebate amounts due under these regulations must be made to the U.S. Treasury every five years. The City's estimated rebatable arbitrage amount as of December 31, 2022 is \$0 for its tax-exempt bond issues subject to the Tax Reform Act.

**Unused Lines of Credit**

As of the end of 2022, 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 11 – COMMITMENTS**

Construction Commitments. As of December 31, 2022, contractual obligations to contractors for construction projects total \$7,597,754.

Governmental Activities	Remaining Commitment
S 152nd Safe Routes to School	\$ 254,618
Public Works Shops	805,135
West Valley Highway	890,181
Green River Trail Improvements	261,912
42 Ave S Bridge Replacement	1,816,392
Allentown Truck Reroute	792,808
City Hall Siding Repairs	158,807
Transporation Element Comp Plan Overlay	196,609
	517,238
<b>Total Governmental Activities</b>	<b>\$ 5,693,700</b>
Business-Type Activities Projects	Remaining Commitment
Stormwater Quality Retrofit	\$ 199,923
152nd Street Waterline Replacement	110,662
Tukwila 205 Levee Certification	77,823
S 131st PI Drainage Improvements	285,697
CBD Sewer Rehab	36,560
Chinook Wind	70,068
Lift Station #9 - Abandon	10,126
Water, Sewer, Surface Water Comp Plan Update	316,271
Riverton Creek Flap Gate Removal	45,207
GIS	149,820
Duwamish	26,000
Green the Green - Shoreline Restoration	38,496
Gilliam Creek Fish Barrier Removal	196,356
Tukwila Parkway	332,715
Floodplain	8,329
<b>Total Business-Type Activities</b>	<b>\$ 1,904,054</b>
<b>Total Construction Commitments</b>	<b>\$ 7,597,754</b>



## NOTE 12 – POTENTIAL POLLUTION REMEDIATION AND OTHER LIABILITIES

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

The City of Tukwila is expected to share in potential liability under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") for sediment contamination within the Lower Duwamish Waterway Superfund site. In 2014, the Environmental Protection Agency estimated the total cost for the waterway cleanup to be \$342 million with as many as 120 or more parties sharing in the liability. While it is not possible to provide an estimate of the City's potential CERCLA liability at this time, the relatively small size of the City's storm water system within the Lower Duwamish Waterway Superfund site area, as well as the City's recent ownership of the system, which began in 1989, means the City's share of liability should be low compared to other liable parties. A multi-year confidential process to allocate Duwamish Waterway cleanup costs by the major liable parties remains ongoing. Once that process is completed and communicated to the City, which could occur in the fourth quarter of 2023, the City will be in a better position to estimate its potential liability for cleanup costs within the Lower Duwamish Waterway Superfund site.

## NOTE 13 – RISK MANAGEMENT

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 166 members.

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

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

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

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

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

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

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

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

The City self-insures for unemployment benefits. This is a budgeted expenditure each year and the City paid \$39,686 in unemployment in 2022. No reserves are allocated because of the limited liability and historical cost.

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

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

The following table reflects changes in the balances of claims liabilities for 2022 and 2021.

#### SUMMARY OF HEALTH CARE CLAIM LIABILITIES

	Active Employees		Retired Employees LEOFF I	
	2022	2021	2022	2021
Claim Liabilities at Beginning of Year	\$ 1,500,000	\$ 1,662,500	\$ 82,500	\$ 137,500
Claim expenses:				
Current year and changes in estimates	6,027,132	6,509,319	398,016	276,071
Claim payments and expenses	(6,021,632)	(6,671,819)	(411,016)	(331,071)
Claim Liabilities at End of Year	<u>\$ 1,505,500</u>	<u>\$ 1,500,000</u>	<u>\$ 69,500</u>	<u>\$ 82,500</u>

#### NOTE 14 – SUBSEQUENT EVENTS

On January 1, 2023, the City entered into a contract for services with the Puget Sound Regional Fire Authority (RFA) to provide fire, emergency medical services, and prevention & education services for the City of Tukwila. On January 1, 2023, employees of the fire department were terminated from employment with the City and were hired by the RFA. Additionally, all equipment and apparatus was transferred to the RFA as part of the contract.

CITY OF TUKWILA, WASHINGTON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 47,208,700	\$ 50,208,700	\$ 51,350,070	\$ 1,141,370
Licenses and permits	6,110,100	6,110,100	5,376,555	(733,545)
Intergovernmental	3,079,305	6,962,997	6,595,757	(367,240)
Charges for services	2,864,425	2,967,425	2,746,965	(220,460)
Fines and Foreitures	204,925	636,925	485,824	(151,101)
Investment earnings	140,107	140,107	(636,037)	(776,144)
Miscellaneous	146,000	118,000	340,042	222,042
<b>Total Revenues</b>	<b>59,753,562</b>	<b>67,144,254</b>	<b>66,259,176</b>	<b>(885,078)</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	8,624,685	9,631,877	9,052,551	579,326
Public safety	33,138,911	35,786,692	34,854,415	932,277
Utilities	-	-	-	-
Transportation	4,695,867	5,206,331	4,677,930	528,401
Natural and economic environment	5,051,443	6,532,204	5,619,921	912,283
Social services	-	-	-	-
Culture and recreation	4,332,416	5,057,108	4,849,369	207,739
Debt service:				
Principal	-	-	140,106	(140,106)
Interest	-	-	15,097	(15,097)
Capital outlay	530,000	730,000	387,843	342,157
<b>Total Expenditures</b>	<b>56,373,322</b>	<b>62,944,212</b>	<b>59,597,232</b>	<b>3,346,980</b>
<b>Excess of Revenues And Expenditures</b>	<b>3,380,240</b>	<b>4,200,042</b>	<b>6,661,943</b>	<b>2,461,902</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease proceeds	-	-	98,699	98,699
Transfers in	4,947,467	5,357,467	2,553,951	(2,803,516)
Transfers out	(7,912,941)	(10,719,291)	(10,064,760)	654,531
<b>Total Other Financing Sources And Uses</b>	<b>(2,965,474)</b>	<b>(5,361,824)</b>	<b>(7,412,111)</b>	<b>(2,050,286)</b>
Net change in fund balances	414,766	(1,161,782)	(750,167)	411,615
Fund balances - beginning	18,356,995	23,671,384	23,741,523	70,139
<b>Fund Balances - Ending</b>	<b>\$ 18,771,761</b>	<b>\$ 22,509,601</b>	<b>\$ 22,991,356</b>	<b>\$ 481,754</b>

## 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	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.135736%	\$ 7,100,255	\$ -	\$ 7,100,255	\$ 15,561,015	45.63%	59.10%
June 30, 2016	0.131354%	7,054,328	-	7,054,328	15,736,921	44.83%	57.03%
June 30, 2017	0.127058%	6,029,001	-	6,029,001	16,022,842	37.63%	61.24%
June 30, 2018	0.122630%	5,476,697	-	5,476,697	16,327,082	33.54%	63.22%
June 30, 2019	0.121291%	4,664,070	-	4,664,070	16,858,481	27.67%	67.12%
June 30, 2020	0.113704%	4,014,365	-	4,014,365	17,063,647	23.53%	68.64%
June 30, 2021	0.104195%	1,272,465	-	1,272,465	15,827,030	8.04%	88.74%
June 30, 2022	0.109635%	3,052,641	-	3,052,641	18,271,802	16.71%	76.56%

**PERS 2/3**

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.173592%	\$ 6,202,541	\$ -	\$ 6,202,541	\$ 15,406,589	40.26%	89.20%
June 30, 2016	0.166622%	8,389,286	-	8,389,286	15,579,718	53.85%	85.82%
June 30, 2017	0.161787%	5,621,325	-	5,621,325	15,861,514	35.44%	90.97%
June 30, 2018	0.156335%	2,669,281	-	2,669,281	16,228,608	16.45%	95.77%
June 30, 2019	0.154903%	1,504,635	-	1,504,635	16,843,895	8.93%	97.77%
June 30, 2020	0.146296%	1,871,042	-	1,871,042	17,053,352	10.97%	97.22%
June 30, 2021	0.132317%	(13,180,902)	-	(13,180,902)	15,827,030	-83.28%	120.29%
June 30, 2022	0.141085%	(5,232,534)	-	(5,232,534)	18,271,802	-28.64%	106.73%

**PSERS**

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.052748%	\$ 9,628	\$ -	\$ 9,628	\$ 154,426	6.23%	95.08%
June 30, 2016	0.048428%	20,581	-	20,581	157,203	13.09%	90.41%
June 30, 2017	0.455650%	8,928	-	8,928	161,328	5.53%	96.26%
June 30, 2018	0.025080%	311	-	311	98,474	0.32%	99.79%
June 30, 2019	0.032158%	(4,182)	-	(4,182)	147,556	-2.83%	101.85%
June 30, 2020	0.028557%	(3,929)	-	(3,929)	175,312	-2.24%	101.68%
June 30, 2021	0.026736%	(61,423)	-	(61,423)	181,231	-33.89%	123.67%
June 30, 2022	0.035312%	(25,248)	-	(25,248)	292,166	-8.64%	103.17%

**LEOFF 1**

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

**LEOFF 2**

Fiscal Year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.519159%	\$ (5,335,916)	\$ (2,123,832)	\$ (7,459,748)	\$ 15,113,237	-49.36%	111.67%
June 30, 2016	0.510663%	(2,970,169)	(1,936,334)	(4,906,503)	15,480,062	-31.70%	106.04%
June 30, 2017	0.503269%	(6,983,743)	(4,530,224)	(11,513,967)	15,743,133	-73.14%	113.36%
June 30, 2018	0.480347%	(9,752,091)	(6,314,295)	(16,066,386)	15,759,700	-101.95%	118.50%
June 30, 2019	0.473755%	(10,975,449)	(7,106,396)	(18,081,845)	16,581,465	-109.05%	119.43%
June 30, 2020	0.438096%	(8,936,519)	(5,714,227)	(14,650,746)	16,552,520	-88.51%	115.83%
June 30, 2021	0.420145%	(24,403,761)	(15,743,090)	(40,146,851)	16,037,465	-250.33%	142.00%
June 30, 2022	0.424099%	(11,525,730)	(7,466,117)	(18,991,847)	17,522,336	-108.39%	116.09%

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

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

## PERS 1

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Employee 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)	-	18,271,802	3.66%

## 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 Employee 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)	-	18,271,802	6.11%

## PSERS

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Employee 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)	-	292,162	6.28%

## LEOFF 2

Fiscal Year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered Employee Payroll	Contributions as a percentage of covered payroll
December 31, 2015	\$ 776,719	\$ (776,719)	\$ -	\$ 15,380,541	5.05%
December 31, 2016	787,110	(787,110)	-	15,586,296	5.05%
December 31, 2017	815,548	(815,548)	-	15,860,571	5.14%
December 31, 2018	855,040	(855,040)	-	16,132,860	5.30%
December 31, 2019	868,767	(868,767)	-	16,611,112	5.23%
December 31, 2020	831,485	(831,485)	-	16,054,647	5.18%
December 31, 2021	813,295	(813,295)	-	16,265,695	5.00%
December 31, 2022	872,391	(872,391)	-	17,522,336	4.98%

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

## FIREMEN'S PENSION TRUST FUND

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

<b>Total Pension Liability</b>	<b>2014</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>
Service cost	-	-	-	-	-	-	-	-	-
Interest	50,098	49,716	49,332	38,796	-	39,385	42,542	29,959	22,655
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected & actual experience	-	(2,442)	(311,190)	-	(2,810)	17,256	(31,990)	1,774	(220,445)
Changes of assumptions	-	-	(62,728)	-	(177,772)	(51,490)	(3,148)	75,346	(76,289)
Benefits payments, included refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)
<b>Net change in total pension liability</b>	<b>(11,765)</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>Total pension liability - beginning</b>	<b>1,852,693</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>Total pension liability - ending (a)</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>1,123,994</b>	<b>1,161,888</b>	<b>829,479</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	64,114	63,590	66,360	68,848	(139)	71,286	68,569	72,088	71,112
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	1,805	2,667	7,988	39,157	(39,477)	27,770	34,948	31,875	(20,255)
Benefit payments, including refunds of employee contributions	(61,863)	(58,277)	(59,988)	(69,186)	17,700	(80,468)	(60,172)	(69,186)	(58,330)
Administrative expense	-	(4,500)	(4,500)	(4,624)	1,124	-	-	-	-
Other	-	-	-	-	2,716	-	-	-	(500)
<b>Net change in plan fiduciary net position</b>	<b>4,056</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>Plan fiduciary net position - beginning</b>	<b>1,408,970</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>Plan fiduciary net position - ending (b)</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>1,504,418</b>	<b>1,539,196</b>	<b>1,531,223</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>427,902</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>Plan fiduciary net position as a percent of total pension liability</b>	<b>76.76%</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>Covered employee payroll</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>

**Schedule of Employer Contributions**

<b>Fiscal Year Ending</b>	<b>Less: Contributions in Relation to the</b>				
	<b>Statutorily Determined Contribution</b>	<b>Statutorily Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
December 31, 2012	52,249	52,249	-	-	n/a
December 31, 2013	56,962	56,962	-	-	n/a
December 31, 2014	64,114	64,114	-	-	n/a
December 31, 2015	63,590	63,690	(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

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>
2013	0.17%
2014	0.13%
2015	0.19%
2016	0.56%
2017	2.75%
2018	-2.68%
2019	1.93%
2020	2.39%
2021	2.12%
2022	-2.61%



**City of Tukwila**  
Schedule of Changes in Total OPEB Liability and Related Ratios  
LEOFF Plan 1  
For the year ended December 31, 2022  
Last 10 Fiscal Years\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Total OPEB liability - beginning</b>	\$26,383,115	\$14,694,242	\$12,700,180	\$ 7,622,718	\$ 7,898,399
Service cost	-	-	-	-	-
Interest	469,303	471,554	462,935	204,469	154,176
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,780,437)	(199,491)	(5,203,755)	(92,607)	(1,163,334)
Changes of assumptions	(7,947,448)	(1,896,319)	107,644	538,778	(131,930)
Benefit Payments	(430,291)	(369,806)	(444,286)	(374,959)	(379,240)
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>
<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

**Notes to Schedule:**

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

## Non-major Governmental Funds

### Special Revenue Funds

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

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

### Debt Service Funds

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

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

### Capital Project Funds

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

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

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

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
DECEMBER 31, 2022

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,421,749	\$ 1,144,854	\$ 5,823,315	\$ 9,389,918
Taxes receivable	122,249	85,305	77,305	284,858
Due from other governmental units	-	-	116,347	116,347
Restricted Assets:				
Cash and cash equivalents	149,702	-	-	149,702
Capital assets held for resale	-	-	2,007,410	2,007,410
<b>Total Assets</b>	<b>2,693,700</b>	<b>1,230,159</b>	<b>8,024,376</b>	<b>11,948,235</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
Current liabilities				
Accounts payable	38,325	-	221,493	259,817
Accrued wages and benefits	3,118	-	1,359	4,476
Customer deposit	14,618	-	32,277	46,895
<b>Total Liabilities</b>	<b>56,061</b>	<b>-</b>	<b>255,128</b>	<b>311,189</b>
Deferred inflow s of resources				
Unavailable revenue-property tax	-	77,182	-	77,182
<b>Total Deferred Inflow s of Resources</b>	<b>-</b>	<b>77,182</b>	<b>-</b>	<b>77,182</b>
Fund balances:				
Restricted	2,637,639	1,152,976	2,783,609	6,574,225
Assigned	-	-	4,752,475	4,752,475
Assigned - 1% arts	-	-	233,164	233,164
<b>Total Fund balances</b>	<b>2,637,639</b>	<b>1,152,976</b>	<b>7,769,248</b>	<b>11,559,864</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,693,700</b>	<b>\$ 1,230,159</b>	<b>\$ 8,024,376</b>	<b>\$ 11,948,235</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, 2022

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Project Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 897,202	\$ 4,455,157	\$ 493,514	\$ 5,845,873
Charges for services	-	-	762,269	762,269
Intergovernmental	44,409	-	825,102	869,511
Investment earnings	27,652	21,039	93,032	141,723
Miscellaneous	2,544	-	-	2,544
Total Revenues	971,806	4,476,196	2,173,917	7,621,919
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	133,249	133,249
Public safety	317,100	-	-	317,100
Transportation	-	-	369,827	369,827
Natural and economic environment	326,707	-	31,103	357,810
Culture and recreation	-	-	323,007	323,007
Debt service				
Principal	-	7,860,310	-	7,860,310
Interest	-	4,775,340	-	4,775,340
Capital Outlay	-	-	895,756	895,756
Total Expenditures	643,807	12,635,651	1,752,942	15,032,399
Excess (deficiency) of revenues Over (Under) Expenditures	328,000	(8,159,455)	420,975	(7,410,480)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	8,260,676	323,914	8,584,590
Transfers out	-	-	(3,226,996)	(3,226,996)
Gain/(loss) on sale of assets held for resale	-	-	1,500,000	1,500,000
Total Other Financing Sources And Uses	-	8,260,676	(1,403,082)	6,857,594
Net change in fund balances	328,000	101,221	(982,107)	(552,886)
Fund balances - beginning	2,309,639	1,051,756	8,751,355	12,112,750
Fund Balances - Ending	\$ 2,637,639	\$ 1,152,976	\$ 7,769,248	\$ 11,559,864

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
 DECEMBER 31, 2022

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 2,238,945	\$ 182,804	\$ 2,421,749
Taxes receivable	122,249	-	122,249
<b>Restricted Assets:</b>			
Cash and cash equivalents	-	149,702	149,702
<b>Total Assets</b>	<b>2,361,194</b>	<b>332,506</b>	<b>2,693,700</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Current liabilities			
Accounts payable	15,658	22,667	38,325
Accrued wages and benefits	3,118	-	3,118
Customer deposit	-	14,618	14,618
<b>Total Liabilities</b>	<b>18,775</b>	<b>37,285</b>	<b>56,061</b>
Fund balances:			
Restricted	2,342,419	295,220	2,637,639
<b>Total Fund balances</b>	<b>2,342,419</b>	<b>295,220</b>	<b>2,637,639</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,361,194</b>	<b>\$ 332,506</b>	<b>\$ 2,693,700</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, 2022

	Hotel/Motel Tax	Drug Seizure	Total Special Revenue Funds
<b>REVENUES:</b>			
Taxes	\$ 897,202	\$ -	\$ 897,202
Intergovernmental	-	44,409	44,409
Investment earnings	27,652	-	27,652
Miscellaneous	1,906	638	2,544
Total Revenues	926,759	45,047	971,806
<b>EXPENDITURES:</b>			
Current:			
Public safety	-	317,100	317,100
Natural and economic environment	326,707	-	326,707
Total Expenditures	326,707	317,100	643,807
Excess (deficiency) of revenues Over (Under) Expenditures	600,053	(272,053)	328,000
Net change in fund balances	600,053	(272,053)	328,000
Fund balances - beginning	1,742,366	567,273	2,309,639
Fund Balances - Ending	\$ 2,342,419	\$ 295,220	\$ 2,637,639

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR DEBT SERVICE FUNDS**  
 DECEMBER 31, 2022

	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	\$ 750,347	\$ 394,507	\$ -	\$ 1,144,854
Taxes receivable	-	85,305	-	85,305
<b>Total Assets</b>	<b>750,347</b>	<b>479,812</b>	<b>-</b>	<b>1,230,159</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	-	77,182	-	77,182
<b>Total Deferred Inflow s of Resources</b>	<b>-</b>	<b>77,182</b>	<b>-</b>	<b>77,182</b>
Fund balances:				
Restricted	750,347	402,630	-	1,152,976
<b>Total Fund balances</b>	<b>750,347</b>	<b>402,630</b>	<b>-</b>	<b>1,152,976</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 750,347</b>	<b>\$ 479,812</b>	<b>\$ -</b>	<b>\$ 1,230,159</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, 2022

	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	\$ -	\$ 4,455,157	\$ -	\$ 4,455,157
Investment earnings	11,884	9,155	-	21,039
Total Revenues	11,884	4,464,311	-	4,476,196
<b>EXPENDITURES:</b>				
Debt service				
Principal	-	1,780,000	6,080,310	7,860,310
Interest	-	2,594,975	2,180,365	4,775,340
Total Expenditures	-	4,374,975	8,260,676	12,635,651
Excess (deficiency) of revenues Over (Under) Expenditures	11,884	89,336	(8,260,676)	(8,159,455)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	8,260,676	8,260,676
Total Other Financing Sources And Uses	-	-	8,260,676	8,260,676
Net change in fund balances	11,884	89,336	-	101,221
Fund balances - beginning	738,462	313,293	-	1,051,756
Fund Balances - Ending	\$ 750,347	\$ 402,630	\$ -	\$ 1,152,976

CITY OF TUKWILA, WASHINGTON  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
DECEMBER 31, 2022

	Residential Street	Land Acq. Rec & Park Development	Urban Renew al	General Government Improvements	Fire Improvements	Total Nonmajor Capital Project Funds
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 694,577	\$ 3,108,250	\$ 1,404,242	\$ 616,246	\$ -	\$ 5,823,315
Taxes receivable	41,081	36,224	-	-	-	77,305
Due from other governmental units	116,347	-	-	-	-	116,347
Restricted Assets:						
Capital assets held for resale	-	-	2,007,410	-	-	2,007,410
<b>Total Assets</b>	<b>852,005</b>	<b>3,144,473</b>	<b>3,411,652</b>	<b>616,246</b>	<b>-</b>	<b>8,024,376</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
Current liabilities						
Accounts payable	91,240	74,670	-	55,582	-	221,493
Accrued wages and benefits	1,359	-	-	-	-	1,359
Customer deposit	25,000	-	-	7,277	-	32,277
<b>Total Liabilities</b>	<b>117,598</b>	<b>74,670</b>	<b>-</b>	<b>62,859</b>	<b>-</b>	<b>255,128</b>
Fund balances:						
Restricted	-	2,783,609	-	-	-	2,783,609
Assigned	734,407	53,030	3,411,652	553,386	-	4,752,475
Assigned - 1% arts	-	233,164	-	-	-	233,164
<b>Total Fund balances</b>	<b>734,407</b>	<b>3,069,803</b>	<b>3,411,652</b>	<b>553,386</b>	<b>-</b>	<b>7,769,248</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 852,005</b>	<b>\$ 3,144,473</b>	<b>\$ 3,411,652</b>	<b>\$ 616,246</b>	<b>\$ -</b>	<b>\$ 8,024,376</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, 2022

	Residential Street	Land Acq. Rec & Park Development	Urban Renewal	General Government Improvements	Fire Improvements	Total Nonmajor Capital Project Funds
<b>REVENUES:</b>						
Taxes	\$ -	\$ 493,514	\$ -	\$ -	\$ -	\$ 493,514
Charges for services	-	589,224	-	-	173,045	762,269
Intergovernmental	825,102	-	-	-	-	825,102
Investment earnings	11,064	46,330	27,036	8,603	-	93,032
<b>Total Revenues</b>	<b>836,165</b>	<b>1,129,068</b>	<b>27,036</b>	<b>8,603</b>	<b>173,045</b>	<b>2,173,917</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	133,249	-	133,249
Transportation	369,827	-	-	-	-	369,827
Culture and recreation	-	323,007	-	-	-	323,007
Natural and economic environment	-	-	31,103	-	-	31,103
Capital Outlay	757,303	138,453	-	-	-	895,756
<b>Total Expenditures</b>	<b>1,127,129</b>	<b>461,460</b>	<b>31,103</b>	<b>133,249</b>	<b>-</b>	<b>1,752,942</b>
Excess (deficiency) of revenues Over (Under) Expenditures	(290,964)	667,608	(4,068)	(124,647)	173,045	420,975
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	317,564	6,350	-	-	-	323,914
Transfers out	-	(500,000)	(2,553,951)	-	(173,045)	(3,226,996)
Gain/(loss) on sale of assets held for resale	-	-	1,500,000	-	-	1,500,000
<b>Total Other Financing Sources And Uses</b>	<b>317,564</b>	<b>(493,650)</b>	<b>(1,053,951)</b>	<b>-</b>	<b>(173,045)</b>	<b>(1,403,082)</b>
Net change in fund balances	26,600	173,958	(1,058,018)	(124,647)	-	(982,107)
Fund balances - beginning	707,806	2,895,845	4,469,671	678,033	-	8,751,355
<b>Fund Balances - Ending</b>	<b>\$ 734,407</b>	<b>\$ 3,069,803</b>	<b>\$ 3,411,652</b>	<b>\$ 553,386</b>	<b>\$ -</b>	<b>\$ 7,769,248</b>

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 1,600,000	\$ 1,700,000	\$ 2,685,927	\$ 985,927
Intergovernmental	1,040,000	6,540,000	2,925,751	(3,614,249)
Fire Impact Fees	161,000	161,000	486,594	325,594
Fines and Foreitures	-	-	9,687	9,687
Investment earnings	30,000	30,000	67,663	37,663
Miscellaneous	80,000	80,000	140,040	60,040
<b>Total Revenues</b>	<b>2,911,000</b>	<b>8,511,000</b>	<b>6,315,663</b>	<b>(2,195,337)</b>
<b>EXPENDITURES:</b>				
Current:				
Transportation	2,116,273	2,128,099	2,373,757	(245,658)
Capital outlay	1,279,000	7,179,000	3,389,600	3,789,400
<b>Total Expenditures</b>	<b>3,395,273</b>	<b>9,307,099</b>	<b>5,763,357</b>	<b>3,543,742</b>
<b>Excess of Revenues And Expenditures</b>	<b>(484,273)</b>	<b>(796,099)</b>	<b>552,305</b>	<b>1,348,404</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	400,000	1,700,000	1,300,000	(400,000)
<b>Total Other Financing Sources And Uses</b>	<b>400,000</b>	<b>1,700,000</b>	<b>1,300,000</b>	<b>(400,000)</b>
<b>Net change in fund balances</b>	<b>(84,273)</b>	<b>903,901</b>	<b>1,852,305</b>	<b>948,404</b>
Fund balances - beginning	942,956	3,682,187	3,682,187	-
<b>Fund Balances - Ending</b>	<b>\$ 858,683</b>	<b>\$ 4,586,088</b>	<b>\$ 5,534,493</b>	<b>\$ 948,404</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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special Assessment	\$ 445,000	\$ 445,000	\$ 381,172	\$ (63,828)
Investment earnings	136,000	136,000	135,033	(967)
Miscellaneous	-	-	501	501
<b>Total Revenues</b>	<b>581,000</b>	<b>581,000</b>	<b>516,706</b>	<b>(64,294)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	445,000	445,000	375,000	70,000
Interest	183,563	183,563	161,063	22,501
<b>Total Expenditures</b>	<b>628,563</b>	<b>628,563</b>	<b>536,063</b>	<b>92,501</b>
<b>Excess of Revenues And Expenditures</b>	<b>(47,563)</b>	<b>(47,563)</b>	<b>(19,356)</b>	<b>28,207</b>
Net change in fund balances	(47,563)	(47,563)	(19,356)	28,207
Fund balances - beginning	644,785	601,809	601,809	-
<b>Fund Balances - Ending</b>	<b>\$ 597,222</b>	<b>\$ 554,246</b>	<b>\$ 582,452</b>	<b>\$ 28,207</b>

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Fire Impact Fees	300,000	300,000	300,000	-
Investment earnings	-	-	6,522	6,522
<b>Total Revenues</b>	<b>800,000</b>	<b>800,000</b>	<b>806,522</b>	<b>6,522</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	219,000	1,519,000	998,578	520,423
<b>Total Expenditures</b>	<b>219,000</b>	<b>1,519,000</b>	<b>998,578</b>	<b>520,423</b>
<b>Excess of Revenues And Expenditures</b>	<b>581,000</b>	<b>(719,000)</b>	<b>(192,056)</b>	<b>526,944</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of capital assets	5,000,000	5,000,000	-	(5,000,000)
Transfers in	300,000	1,400,000	1,106,248	(293,752)
Transfers out	(2,171,467)	(2,171,467)	-	2,171,467
<b>Total Other Financing Sources And Uses</b>	<b>3,128,533</b>	<b>4,228,533</b>	<b>1,106,248</b>	<b>(3,122,285)</b>
Net change in fund balances	3,709,533	3,509,533	914,193	(2,595,340)
Fund balances - beginning	3,885,056	77,672	77,672	-
<b>Fund Balances - Ending</b>	<b>\$ 7,594,589</b>	<b>\$ 3,587,205</b>	<b>\$ 991,865</b>	<b>\$ (2,595,340)</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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 37,634	\$ 37,634
Total Revenues	-	-	37,634	37,634
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	126,051	(126,051)
Capital outlay	-	3,925,000	2,452,261	1,472,739
Total Expenditures	-	3,925,000	2,578,312	1,346,688
Excess of Revenues And Expenditures	-	(3,925,000)	(2,540,678)	1,384,322
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of capital assets	-	2,500,000	-	(2,500,000)
Transfers in	-	1,000,000	1,000,000	-
Total Other Financing Sources And Uses	-	3,500,000	1,000,000	(2,500,000)
Net change in fund balances	-	(425,000)	(1,540,678)	(1,115,678)
Fund balances - beginning	36,736	3,500,044	3,500,044	-
Fund Balances - Ending	\$ 36,736	\$ 3,075,044	\$ 1,959,366	\$ (1,115,678)

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 450,000	\$ 450,000	\$ 897,202	\$ 447,202
Investment earnings	6,000	6,000	27,652	21,652
Miscellaneous	-	-	1,906	1,906
Total Revenues	456,000	456,000	926,759	470,759
<b>EXPENDITURES:</b>				
Current:				
Natural and economic environment	1,013,209	1,016,298	326,707	689,591
Total Expenditures	1,013,209	1,016,298	326,707	689,591
Excess of Revenues And Expenditures	(557,209)	(560,298)	600,053	1,160,351
Net change in fund balances	(557,209)	(560,298)	600,053	1,160,351
Fund balances - beginning	1,047,063	1,742,366	1,742,366	-
Fund Balances - Ending	\$ 489,854	\$ 1,182,068	\$ 2,342,419	\$ 1,160,351



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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 44,409	\$ 44,409
Investment earnings	500	500	-	(500)
Miscellaneous	70,000	70,000	638	(69,362)
<b>Total Revenues</b>	<b>70,500</b>	<b>70,500</b>	<b>45,047</b>	<b>(25,453)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	40,000	145,000	317,100	(172,100)
Capital outlay	-	100,000	-	100,000
<b>Total Expenditures</b>	<b>40,000</b>	<b>245,000</b>	<b>317,100</b>	<b>(72,100)</b>
<b>Excess of Revenues And Expenditures</b>	<b>30,500</b>	<b>(174,500)</b>	<b>(272,053)</b>	<b>(97,553)</b>
Net change in fund balances	30,500	(174,500)	(272,053)	(97,553)
Fund balances - beginning	193,743	567,273	567,273	-
<b>Fund Balances - Ending</b>	<b>\$ 224,243</b>	<b>\$ 392,773</b>	<b>\$ 295,220</b>	<b>\$ (97,553)</b>

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 3,436,000	\$ 3,436,000	\$ 825,102	\$ (2,610,898)
Investment earnings	20,000	20,000	11,064	(8,936)
Total Revenues	3,456,000	3,456,000	836,165	(2,619,835)
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	400,000	369,827	30,173
Capital outlay	3,610,000	3,610,000	757,303	2,852,697
Total Expenditures	3,610,000	4,010,000	1,127,129	2,882,871
Excess of Revenues And Expenditures	(154,000)	(554,000)	(290,964)	263,036
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	400,000	317,564	(82,436)
Total Other Financing Sources And Uses	-	400,000	317,564	(82,436)
Net change in fund balances	(154,000)	(154,000)	26,600	180,600
Fund balances - beginning	334,810	707,806	707,806	-
Fund Balances - Ending	\$ 180,810	\$ 553,806	\$ 734,407	\$ 180,600

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 304,000	\$ 304,000	\$ 493,514	\$ 189,514
Charges for services	166,940	166,940	589,224	422,284
Investment earnings	5,000	5,000	46,330	41,330
Total Revenues	475,940	475,940	1,129,068	653,128
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation	79,000	79,000	323,007	(244,007)
Capital outlay	426,000	426,000	138,453	287,547
Total Expenditures	505,000	505,000	461,460	43,540
Excess of Revenues And Expenditures	(29,060)	(29,060)	667,608	696,668
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	6,350	6,350	-
Transfers out	-	(500,000)	(500,000)	-
Total Other Financing Sources And Uses	-	(493,650)	(493,650)	-
Net change in fund balances	(29,060)	(522,710)	173,958	696,668
Fund balances - beginning	1,609,722	2,895,845	2,895,845	-
Fund Balances - Ending	\$ 1,580,662	\$ 2,373,135	\$ 3,069,803	\$ 696,668

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ 10,000	\$ 10,000	\$ 27,036	\$ 17,036
Total Revenues	10,000	10,000	27,036	17,036
<b>EXPENDITURES:</b>				
Current:				
Natural and economic environment	10,000	10,000	31,103	(21,103)
Total Expenditures	10,000	10,000	31,103	(21,103)
Excess of Revenues And Expenditures	-	-	(4,068)	(4,068)
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of capital assets	1,850,000	1,850,000	1,500,000	(350,000)
Transfers out	(2,776,000)	(3,186,000)	(2,553,951)	632,049
Total Other Financing Sources And Uses	(926,000)	(1,336,000)	(1,053,951)	282,049
Net change in fund balances	(926,000)	(1,336,000)	(1,058,018)	277,982
Fund balances - beginning	1,010,169	2,462,261	4,469,671	2,007,410
Fund Balances - Ending	\$ 84,169	\$ 1,126,261	\$ 3,411,652	\$ 2,285,392

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ 500	\$ 500	\$ 8,603	\$ 8,103
Total Revenues	500	500	8,603	8,103
<b>EXPENDITURES:</b>				
Current:				
General Government	50,000	150,000	133,249	16,751
Capital outlay	150,000	150,000	-	150,000
Total Expenditures	200,000	300,000	133,249	166,751
Excess of Revenues And Expenditures	(199,500)	(299,500)	(124,647)	174,853
Net change in fund balances	(199,500)	(299,500)	(124,647)	174,853
Fund balances - beginning	560,521	678,033	678,033	-
Fund Balances - Ending	\$ 361,021	\$ 378,533	\$ 553,386	\$ 174,853

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, 2022**

	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	\$ 173,045	\$ (126,955)
Investment earnings	500	500	-	(500)
Total Revenues	300,500	300,500	173,045	(127,455)
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	300,500	300,500	173,045	(127,455)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(300,000)	(300,000)	(173,045)	126,955
Total Other Financing Sources And Uses	(300,000)	(300,000)	(173,045)	126,955
Net change in fund balances	500	500	-	(500)
Fund balances - beginning	9,759	-	-	-
Fund Balances - Ending	\$ 10,259	\$ 500	\$ -	\$ (500)

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, 2022**

	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	\$ 11,884	\$ 8,884
Total Revenues	3,000	3,000	11,884	8,884
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Excess of Revenues And Expenditures	3,000	3,000	11,884	8,884
Net change in fund balances	3,000	3,000	11,884	8,884
Fund balances - beginning	722,137	738,462	738,462	-
Fund Balances - Ending	\$ 725,137	\$ 741,462	\$ 750,347	\$ 8,884

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, 2022**

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 4,375,000	\$ 4,375,000	\$ 4,455,157	\$ 80,157
Investment earnings	-	-	9,155	9,155
Total Revenues	4,375,000	4,375,000	4,464,311	89,311
<b>EXPENDITURES:</b>				
Debt service:				
Principal	1,780,000	1,780,000	1,780,000	-
Interest	2,594,975	2,594,975	2,594,975	-
Total Expenditures	4,374,975	4,374,975	4,374,975	-
Excess of Revenues And Expenditures	25	25	89,336	89,311
Net change in fund balances	25	25	89,336	89,311
Fund balances - beginning	78,364	313,293	313,293	-
Fund Balances - Ending	\$ 78,389	\$ 313,318	\$ 402,630	\$ 89,311



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, 2022

	Original Budget (GAAP Basis)	Final Budget (GAAP Basis)	Actual Results	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment earnings	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Miscellaneous	377,030	377,030	-	(377,030)
Total Revenues	379,030	379,030	-	(379,030)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	6,264,916	6,264,916	6,080,310	184,606
Interest	2,378,088	2,378,088	2,180,365	197,723
Total Expenditures	8,643,004	8,643,004	8,260,676	382,329
Excess of Revenues And Expenditures	(8,263,974)	(8,263,974)	(8,260,676)	3,299
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,265,974	8,265,974	8,260,676	(5,299)
Total Other Financing Sources And Uses	8,265,974	8,265,974	8,260,676	(5,299)
Net change in fund balances	2,000	2,000	-	(2,000)
Fund balances - beginning	23,630	-	-	-
Fund Balances - Ending	\$ 25,630	\$ 2,000	\$ -	\$ (2,000)

## 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, 2022

	Equipment Rental	Insurance - Active Employees	Insurance - Leoff I Retirees	Total Internal Service Funds
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 4,335,255	\$ 3,895,419	\$ 254,476	\$ 8,485,150
Receivables	19,917	24,090	-	44,007
Inventory of materials and supplies	59,642	-	-	59,642
<b>Total Current Assets</b>	<b>4,414,814</b>	<b>3,919,509</b>	<b>254,476</b>	<b>8,588,799</b>
Noncurrent Assets:				
Net Pension asset	116,162	-	-	116,162
Capital Assets:				
Machinery and equipment	19,500,092	-	-	19,500,092
Leased Assets	583,965	-	-	583,965
Less: accumulated depreciation	(12,789,967)	-	-	(12,789,967)
<b>Total Capital Assets (Net Of A/D)</b>	<b>7,294,091</b>	<b>-</b>	<b>-</b>	<b>7,294,091</b>
<b>Total Noncurrent Assets</b>	<b>7,410,253</b>	<b>-</b>	<b>-</b>	<b>7,410,253</b>
<b>Total Assets</b>	<b>11,825,067</b>	<b>3,919,509</b>	<b>254,476</b>	<b>15,999,052</b>
Deferred Outflow s of Resources				
Deferred outflow pension earnings	115,132	-	-	115,132
<b>Total Deferred Outflow s Of Resources</b>	<b>115,132</b>	<b>-</b>	<b>-</b>	<b>115,132</b>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	186,747	42,312	10,422	239,481
Accrued wages and benefits	31,394	-	-	31,394
Accrued interest payable	1,622	-	-	1,622
Lease liability due w ithin one year	103,097	-	-	103,097
Claims incurred but not reported	-	602,200	27,800	630,000
<b>Total Current Liabilities</b>	<b>322,860</b>	<b>644,512</b>	<b>38,222</b>	<b>1,005,594</b>
Noncurrent liabilities:				
Reserve for unreported claims	-	903,300	41,700	945,000
Lease liability due in more than one year	452,573	-	-	452,573
Net pension liability	67,769	-	-	67,769
<b>Total Noncurrent Liabilities</b>	<b>520,341</b>	<b>903,300</b>	<b>41,700</b>	<b>1,465,341</b>
<b>Total Liabilities</b>	<b>843,201</b>	<b>1,547,812</b>	<b>79,922</b>	<b>2,470,935</b>
Deferred Inflow s of Resources				
Deferred inflow pension earnings	136,219	-	-	136,219
<b>Total Deferred Inflow s Of Resources</b>	<b>136,219</b>	<b>-</b>	<b>-</b>	<b>136,219</b>
<b>NET POSITION:</b>				
Investment in capital assets	6,738,421	-	-	6,738,421
Unrestricted	4,222,357	2,371,697	174,554	6,768,609
<b>Total Net Position</b>	<b>\$ 10,960,778</b>	<b>\$ 2,371,697</b>	<b>\$ 174,554</b>	<b>\$ 13,507,030</b>

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Equipment Rental	Insurance - Active Employees	Insurance- Leoff I Retirees	Total Internal Service Funds
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,569,471	\$ 7,552,637	\$ 303,512	\$ 10,425,620
Other operating revenue	2,080	188,835	-	190,916
Total Operating Revenue	2,571,551	7,741,472	303,512	10,616,536
<b>OPERATING EXPENSES:</b>				
Operations & maintenance	1,915,471	5,846,523	385,976	8,147,971
Administrative & general	333,707	180,609	12,040	526,356
Taxes	12	-	-	12
Depreciation	1,473,963	-	-	1,473,963
Total Operating Expenses	3,723,153	6,027,132	398,016	10,148,302
Operating Income (Loss)	(1,151,602)	1,714,340	(94,504)	468,234
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Investment earnings	64,384	59,565	4,800	128,749
Gain (loss) on disposal of capital assets	169,183	-	-	169,183
Interest Expense	(10,481)	-	-	(10,481)
Total Non-Operating Revenue (Expense)	223,086	59,565	4,800	287,451
Income (Loss)	(928,516)	1,773,905	(89,704)	755,685
Change In Net Position	(928,516)	1,773,905	(89,704)	755,685
Net position beginning of year	11,889,295	597,792	264,258	12,751,345
Net Position end of year	\$ 10,960,778	\$ 2,371,697	\$ 174,554	\$ 13,507,030

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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	\$ 2,549,609	\$ 7,741,472	\$ 303,512	\$ 10,594,593
Cash paid to suppliers	(1,191,565)	(11,076)	(7,595)	(1,210,236)
Cash paid for taxes	(12)	-	-	(12)
Cash paid to, or on behalf of, employees	(638,406)	(5,788,010)	(384,226)	(6,810,643)
Interfund activity - payments to other funds	(333,707)	(180,609)	(12,040)	(526,356)
Other cash received (paid)	2,025	-	-	2,025
Net Cash Provided (Used) By Operating Activities	387,943	1,761,776	(100,349)	2,049,371
<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	169,183	-	-	169,183
Purchase of capital asset	(1,614,044)	-	-	(1,614,044)
Proceeds from lease financing	555,670	-	-	555,670
Interest payment on debt	(8,859)	-	-	(8,859)
Net Cash Provided (Used) For Capital And Related Financing Activities	(898,051)	-	-	(898,051)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	64,384	59,565	4,800	128,749
Net Cash Provided (Used) In Investing Activities	64,384	59,565	4,800	128,749
Net Increase (Decrease) In Cash And Cash Equivalents	(445,724)	1,821,342	(95,549)	1,280,069
Cash and cash equivalents-beginning of year	4,780,978	2,074,077	350,025	7,205,081
Cash And Cash Equivalents-End Of Year	\$ 4,335,255	\$ 3,895,419	\$ 254,476	\$ 8,485,150
Cash at end of year consists of:				
Cash and cash equivalents	\$ 4,335,255	\$ 3,895,419	\$ 254,476	8,485,150
Total Cash	\$ 4,335,255	\$ 3,895,419	\$ 254,476	\$ 8,485,150

CITY OF TUKWILA, WASHINGTON  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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)	\$ (1,151,602)	\$ 1,714,340	\$ (94,504)	\$ 468,234
Adjustments to reconcile operating income to net cash Provided (used) by operating activities:				
Depreciation	1,473,963	-	-	1,473,963
Asset (increases) decreases:				
Accounts receivable	(19,917)	-	-	(19,917)
Inventory	(32,148)	-	-	(32,148)
Deferred outflow of resources (increase) decrease	(84,233)	-	-	(84,233)
Liability increases (decreases):				
Accounts payable	155,315	47,437	(5,845)	196,907
Wages and benefits payable	10,680	-	-	10,680
Deferred inflow of resources increase (decrease)	35,885	-	-	35,885
Total Adjustments	1,539,545	47,437	(5,845)	1,581,137
Net Cash Provided (Used) By Operating Activities	\$ 387,943	\$ 1,761,776	\$ (100,349)	\$ 2,049,371

**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, 2022

### Financial Trends Information

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

Schedule 1	Net Position by Component .....	138
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Schedule 3	Fund Balances, Governmental Funds.....	142
Schedule 4	Changes in Fund Balances of Governmental Funds .....	144
Schedule 5	General Governmental Tax Revenues by Source .....	146

### Revenue Capacity Information

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

Schedule 6	Property Tax Levies and Collections.....	147
Schedule 7	Assessed and Estimated Actual Value of Taxable Property .....	148
Schedule 8	Property Tax Rates-Direct and Overlapping Governments .....	149
Schedule 9	Principal Property Taxpayers .....	150
Schedule 10	Retail Sales Tax Collections by Sector .....	152
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### Debt Capacity Information

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

Schedule 12	Ratios of Outstanding Debt by Type .....	156
Schedule 13	Ratios of General Bonded Debt Outstanding.....	158
Schedule 14	Computation of Direct and Overlapping Debt .....	159
Schedule 15	Legal Debt Margin Information .....	160

### Demographic and Economic Information

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

Schedule 16	Demographic Statistics.....	162
Schedule 17	Principal Employers.....	163

### Operating Information

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

Schedule 18	Full-time Equivalent Employee by Department.....	164
Schedule 19	Operating Indicators by Function .....	165
Schedule 20	Capital Assets by Function.....	166

CITY OF TUKWILA  
**SCHEDULE 1**  
**NET POSITION BY COMPONENT<sup>(a)</sup>**  
 LAST TEN FISCAL YEARS

Page 1 of 2

	2013	2014	2015	2016
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 207,660,389	\$ 191,081,461	\$ 191,331,156	\$ 193,113,026
Restricted	3,480,002	3,973,726	5,446,074	8,996,183
Unrestricted	26,981,105	25,009,212	16,125,592	15,809,945
<b>Total governmental activities net position</b>	<b>\$ 238,121,496</b>	<b>\$ 220,064,399</b>	<b>\$ 212,902,822</b>	<b>\$ 217,919,155</b>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 55,955,595	\$ 57,677,764	\$ 59,483,424	\$ 60,807,030
Restricted	430,444	430,444	-	-
Unrestricted	12,964,539	13,839,529	14,658,912	17,240,620
<b>Total business-type activities net position</b>	<b>\$ 69,350,577</b>	<b>\$ 71,947,736</b>	<b>\$ 74,142,335</b>	<b>\$ 78,047,650</b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 263,615,984	\$ 248,759,225	\$ 250,814,581	\$ 253,920,056
Restricted	3,910,445	4,404,170	5,446,074	8,996,183
Unrestricted	39,945,644	38,848,741	30,784,504	33,050,565
<b>Total primary government net position</b>	<b>\$ 307,472,073</b>	<b>\$ 292,012,136</b>	<b>\$ 287,045,158</b>	<b>\$ 295,966,804</b>

## Notes:

(a) All amounts are reported on the accrual basis

## Source:

Tukwila Finance Department



Page 2 of 2

2017	2018	2019	2020	2021	2022
\$ 199,328,694	\$ 201,997,812	\$ 201,649,103	\$ 201,887,136	\$197,839,607	\$199,057,806
13,480,068	16,962,377	18,692,944	17,784,194	25,280,715	28,835,065
11,366,545	12,407,297	17,772,776	22,003,200	32,169,525	35,098,137
<u>\$ 224,175,306</u>	<u>\$ 231,367,487</u>	<u>\$ 238,114,823</u>	<u>\$ 241,674,530</u>	<u>\$255,289,848</u>	<u>\$262,991,008</u>
\$ 65,355,778	\$ 68,680,695	\$ 68,362,159	\$ 69,238,961	\$ 72,559,196	\$ 75,308,549
-	-	-	-	-	-
17,425,401	18,988,782	22,104,664	25,231,660	27,093,876	26,056,751
<u>\$ 82,781,179</u>	<u>\$ 87,669,477</u>	<u>\$ 90,466,823</u>	<u>\$ 94,470,621</u>	<u>\$ 99,653,072</u>	<u>\$101,365,300</u>
\$ 264,684,471	\$ 270,678,507	\$ 270,011,262	\$ 271,126,097	\$270,398,803	\$274,366,355
13,480,068	16,962,377	18,692,944	17,784,194	25,280,715	28,835,065
28,791,946	31,396,080	39,877,441	47,234,860	59,263,401	61,154,888
<u>\$ 306,956,485</u>	<u>\$ 319,036,964</u>	<u>\$ 328,581,646</u>	<u>\$ 336,145,151</u>	<u>\$354,942,919</u>	<u>\$364,356,308</u>

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

Page 1 of 2

	2013	2014	2015	2016
<b>Expenses</b>				
Governmental Activities <sup>(b)</sup>				
General government	\$ 10,195,049	\$ 10,289,399	\$ 8,042,254	\$ 9,662,207
Public safety	25,938,946	29,292,587	29,403,206	31,418,713
Physical environment	2,610,591	11,668,098	2,611,297	2,554,259
Transportation	7,658,280	2,479,533	11,069,605	11,188,189
Culture and recreation	5,635,347	5,336,659	5,125,227	5,431,324
Natural and economic environment	5,209,954	5,716,091	5,782,907	4,410,841
Interest on Long Term Debt	1,038,851	1,204,771	1,033,440	1,075,729
Total Governmental Activities	58,287,017	65,987,138	63,067,935	65,741,262
Business Type Activities				
Water/Sewer Utility	10,421,064	12,752,125	13,186,236	13,984,368
Foster Golf Course	1,707,993	1,945,789	2,086,586	2,077,536
Surface Water Utility	2,563,132	3,310,716	4,147,974	4,088,360
Total Business Type Activities	14,692,189	18,008,631	19,420,796	20,150,264
Total Primary Government Expenses	\$ 72,979,205	\$ 83,995,769	\$ 82,488,731	\$ 85,891,525
<b>Program Revenues</b>				
Governmental Activities <sup>(b)</sup>				
Charges for Services				
General government	\$ 1,495,438	\$ 3,858,862	\$ 3,794,134	\$ 3,742,937
Public safety	871,919	970,594	1,754,856	4,130,701
Physical environment	27,407	196,506	-	464
Transportation	287,956	8,425	206,065	454,525
Culture and recreation	744,014	2,793,185	644,283	1,140,558
Natural and economic environment	2,786,178	726,869	3,348,802	2,434,546
Operating Grants and Contributions	3,289,818	2,563,002	893,470	1,079,020
Capital Grants and Contributions	16,947,529	8,053,435	6,431,537	5,000,942
Total Governmental Activities Program Revenues	26,450,258	19,170,879	17,073,146	17,983,694
Business Type Activities				
Charges for Services				
Water/Sewer Utility	13,146,131	14,308,945	15,572,709	15,661,118
Foster Golf Course	1,404,264	1,406,440	1,482,288	1,426,385
Surface Water Utility	3,913,184	4,168,313	5,286,233	5,875,343
Operating Grants and Contributions	-	-	-	25,000
Capital Grants and Contributions	338,943	1,548,280	2,039,890	767,732
Total Business Type Activities Program Revenues	18,802,521	21,431,978	24,381,122	23,755,578
Total Primary Government Program Revenues	45,252,779	40,602,857	41,454,268	41,739,272
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(31,836,759)	(46,816,260)	(45,994,789)	(47,757,566)
Business Type Activities	4,110,332	3,423,348	4,960,326	3,605,314
Total Primary Government Net Expense	\$ (27,726,426)	\$ (43,392,912)	\$ (41,034,463)	\$ (44,152,252)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes				
Property Tax	\$ 14,510,241	\$ 14,870,621	\$ 14,320,085	\$ 14,562,501
Retail Sales and Use Tax	16,316,398	17,105,322	19,334,152	18,908,190
Natural Gas Use Tax	204,457	-	-	-
Hotel/Motel Tax	526,832	596,781	677,971	710,267
Utility Tax	3,879,992	3,855,544	4,019,288	4,045,916
Interfund Utility Taxes	1,686,859	1,851,013	2,061,098	2,146,515
Business Tax	2,570,111	2,555,999	2,749,140	2,716,257
Excise Tax	2,745,475	3,512,894	5,321,281	6,508,665
Unrestricted Investment Earnings	102,486	444,282	475,345	559,733
Miscellaneous	2,166,215	1,915,031	2,124,185	2,915,859
Transfers	1,060,650	(600,000)	-	(300,000)
Total Governmental Activities	45,769,716	45,769,716	51,082,546	52,773,904
Business Type Activities				
Transfers	(1,056,843)	(1,060,650)	600,000	-
Total Business Type Activities	(1,056,843)	(1,060,650)	600,000	-
Total Primary Government	\$ 44,712,873	\$ 44,709,066	\$ 51,682,546	\$ 52,773,904
Change in Net Position Before Special Item	16,986,447	1,316,154	10,648,083	8,621,652
Special item	-	-	(1,995,000)	(956,798)
<b>Change in Net Position</b>	16,986,447	1,316,154	8,653,083	7,664,855
Governmental Activities	13,932,957	13,932,957	(2,703,772)	3,830,958
Business Type Activities	3,053,489	3,049,682	4,023,348	5,260,326
Total Primary Government	\$ 16,986,447	\$ 16,982,640	\$ 1,319,576	\$ 9,091,285

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

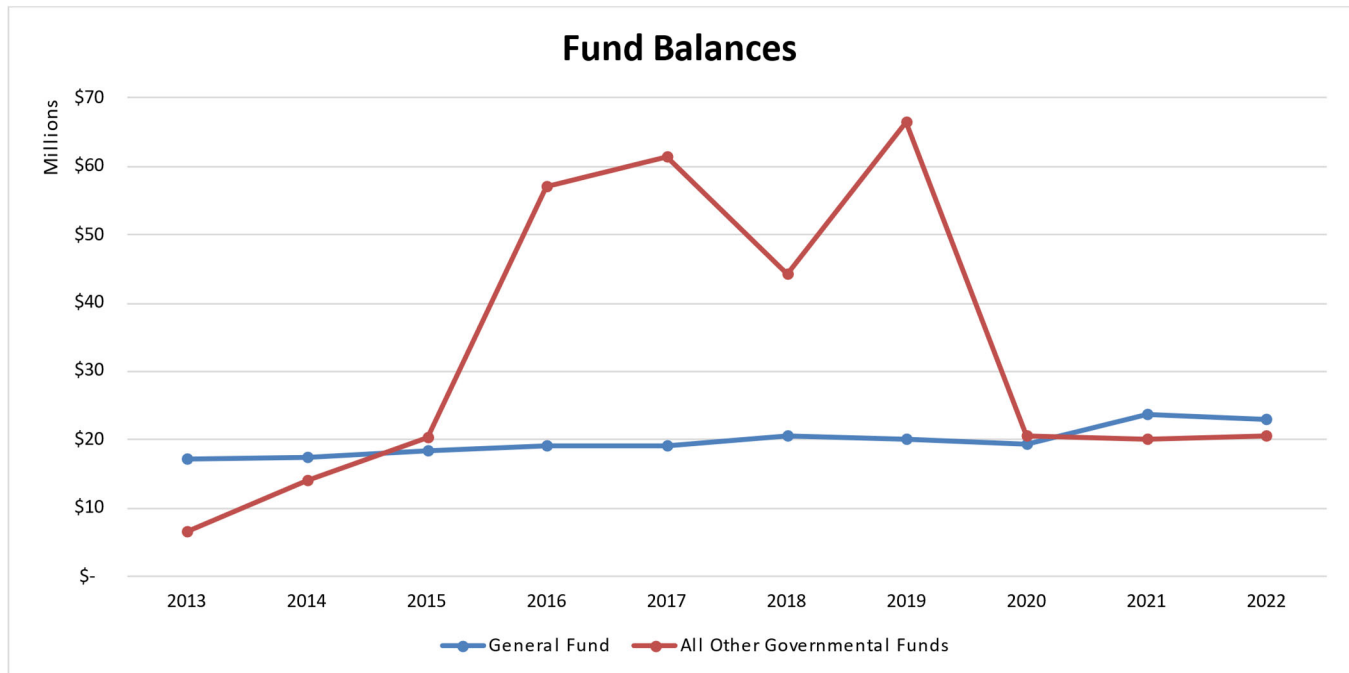
Page 2 of 2

2017	2018	2019	2020	2021	2022
\$ 9,835,290	\$ 10,763,025	\$ 11,105,119	\$ 10,792,736	\$ 12,227,100	\$ 14,314,373
31,190,347	17,097,372	27,402,906	25,090,275	24,840,036	35,503,893
2,545,144	2,645,577	-	-	-	-
12,236,551	15,871,018	18,442,230	12,757,271	12,760,187	13,805,883
5,582,038	5,591,213	6,076,219	5,522,907	4,814,194	6,147,791
4,523,596	4,411,719	4,515,516	4,426,553	5,062,727	5,598,778
2,481,559	2,748,854	3,009,268	4,927,364	4,443,170	4,303,091
68,394,526	59,128,779	70,551,259	63,517,106	64,147,415	79,673,810
14,305,425	14,861,448	15,957,397	14,111,179	14,227,351	15,457,196
1,989,972	2,091,981	2,128,042	1,908,023	2,175,885	2,415,066
4,209,325	4,464,319	6,166,267	4,991,110	4,327,427	5,945,272
20,504,722	21,417,748	24,251,707	21,010,311	20,730,662	23,817,535
\$ 88,899,247	\$ 80,546,527	\$ 94,802,966	\$ 84,527,417	\$ 84,878,077	\$ 103,491,345
\$ 4,144,986	\$ 5,989,077	\$ 6,565,339	\$ 7,481,748	\$ 6,342,118	\$ 9,058,384
1,540,863	1,970,331	2,543,188	2,037,444	1,972,485	2,334,165
-	-	-	-	-	-
2,206,908	2,261,577	106,958	890,982	371,646	1,257,366
1,315,740	1,415,827	1,914,795	654,085	456,787	968,738
2,270,759	3,099,692	3,533,733	2,671,049	2,416,865	2,349,959
2,445,998	1,733,308	794,371	1,567,067	1,796,702	2,771,490
6,126,880	9,942,224	2,578,046	1,415,931	1,289,853	3,469,016
20,052,136	26,412,036	18,036,429	16,718,306	14,646,454	22,209,119
16,580,965	17,203,158	17,831,892	14,857,183	16,227,339	16,627,591
1,313,871	1,563,320	1,610,152	1,906,355	2,268,908	2,205,500
6,200,589	6,417,368	6,797,683	6,956,702	7,029,502	7,411,371
8,435	54,697	228,755	121,754	61,630	363,540
834,392	767,504	280,570	1,405,464	1,709,678	174,795
24,938,251	26,006,046	26,749,053	25,247,459	27,297,057	26,782,796
44,990,386	52,418,082	44,785,482	41,965,764	41,943,511	48,991,915
(48,342,390)	(32,716,743)	(52,514,829)	(46,798,800)	(49,500,960)	(57,464,691)
4,433,529	4,588,299	2,497,346	4,237,148	6,566,394	2,965,262
\$ (43,908,861)	\$ (28,128,445)	\$ (50,017,483)	\$ (42,561,653)	\$ (42,934,566)	\$ (54,499,429)
\$ 17,667,590	\$ 18,008,738	\$ 18,390,051	\$ 19,839,475	\$ 21,275,135	\$ 21,852,111
18,807,201	20,603,617	20,687,748	17,102,061	20,148,103	21,977,177
-	-	-	-	-	-
736,784	833,990	819,095	292,358	540,329	897,202
4,175,013	3,866,859	3,644,470	4,286,358	3,605,314	3,949,799
2,265,747	2,334,522	2,358,608	2,153,573	2,322,420	2,404,685
2,698,352	1,246,798	1,299,085	407,877	2,074,857	2,683,592
5,380,662	5,091,447	5,336,066	3,323,814	7,400,723	6,609,500
838,630	1,508,334	1,247,003	680,094	297,953	(107,223)
2,328,565	2,240,045	5,377,939	2,039,548	4,067,501	3,645,976
(300,000)	(300,000)	102,100	233,350	1,383,944	1,253,033
54,598,542	55,434,351	59,262,164	50,358,508	63,116,277	65,165,852
300,000	300,000	300,000	(233,500)	(1,383,944)	(1,253,033)
300,000	300,000	300,000	(233,500)	(1,383,944)	(1,253,033)
\$ 54,898,542	\$ 55,734,351	\$ 59,562,164	\$ 50,125,008	\$ 61,732,334	\$ 63,912,819
10,989,681	27,605,906	9,544,681	7,563,355	18,797,768	9,413,389
-	-	-	-	-	-
10,989,681	27,605,906	9,544,681	7,563,355	18,797,768	9,413,389
5,016,337	6,256,152	22,717,608	3,559,708	13,615,317	7,701,161
3,905,314	4,733,529	4,888,299	4,003,648	5,182,451	1,712,229
\$ 8,921,651	\$ 10,989,681	\$ 27,605,906	\$ 7,563,355	\$ 18,797,768	\$ 9,413,389

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

Page 1 of 2

	2013	2014	2015	2016
<b>General Fund</b>				
Nonspendable	\$ 1,743,362	\$ 1,544,022	\$ 1,340,914	\$ 1,141,484
Assigned	225,000	5,771,471	6,078,648	6,277,929
Unassigned	15,317,624	10,181,057	10,911,244	11,612,330
<b>Total general fund</b>	<b>\$ 17,285,986</b>	<b>\$ 17,496,550</b>	<b>\$ 18,330,806</b>	<b>\$ 19,031,744</b>
<b>All other governmental funds</b>				
Nonspendable	\$ -	\$ 7,370,000	\$ 7,645,000	\$ 7,645,000
Restricted	3,480,001	3,973,726	5,446,074	45,986,463
Assigned	4,510,623	4,076,803	7,221,870	3,389,139
Unassigned	(1,566,175)	(1,360,218)	-	-
<b>Total all other governmental funds</b>	<b>\$ 6,424,449</b>	<b>\$ 14,060,311</b>	<b>\$ 20,312,943</b>	<b>\$ 57,020,602</b>



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2017	2018	2019	2020	2021	2022
\$ 927,373	\$ 718,190	\$ 508,447	\$ 292,498	\$ 70,139	\$ -
105,000	181,078	397,736	660,425	491,143	527,347
18,040,352	19,718,745	19,233,980	18,469,248	23,180,241	22,464,009
<u>\$ 19,072,725</u>	<u>\$ 20,618,013</u>	<u>\$ 20,140,163</u>	<u>\$ 19,422,170</u>	<u>\$ 23,741,523</u>	<u>\$ 22,991,356</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51,236,443	32,531,984	48,694,929	5,483,785	7,231,746	8,448,840
10,282,709	11,819,299	17,705,991	15,110,785	12,742,716	12,179,200
-	-	-	-	-	-
<u>\$ 61,519,152</u>	<u>\$ 44,351,283</u>	<u>\$ 66,400,920</u>	<u>\$ 20,594,569</u>	<u>\$ 19,974,462</u>	<u>\$ 20,628,040</u>

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

page 1 of 2

	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$42,402,070	\$44,441,783	\$48,548,116	\$ 49,588,492
Licenses and Permits	2,013,875	2,114,638	2,242,256	2,129,221
Intergovernmental	7,190,325	14,298,126	11,839,883	10,067,413
Charges for Services	3,747,646	3,838,531	3,935,248	3,911,473
Fines and Forfeitures	242,638	264,934	261,457	318,459
Investment Income	151,911	479,219	475,345	541,299
Special Assessments	2,788,350	701,723	650,415	542,180
Miscellaneous	427,368	354,395	332,268	957,158
Total Revenues	58,964,183	66,493,348	68,284,989	68,055,695
<b>Expenditures</b>				
General Government	9,303,742	7,505,173	7,708,394	9,405,989
Public Safety	25,720,884	27,254,312	29,035,165	29,366,198
Physical Environment	1,935,895	1,807,993	1,935,228	1,955,031
Transportation	3,111,493	5,820,601	5,792,668	5,238,468
Natural and Economic Environment	5,224,964	5,226,832	5,832,384	4,493,210
Culture and Recreation	4,386,392	4,680,651	4,350,052	4,543,339
Debt Service				
Principal	5,024,991	2,288,988	2,480,507	2,602,782
Interest	1,162,649	961,457	1,125,609	1,093,584
Capital Outlay	5,854,962	10,150,912	11,426,274	8,358,450
Total Expenditures	61,725,970	65,696,921	69,686,279	67,057,051
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,761,786)	796,428	(1,401,291)	998,643
<b>Other Financing Sources (Uses)</b>				
Transfers In	20,918,983	7,300,080	5,633,846	4,025,831
Transfers In - Assessment	2,788,350	-	-	-
Transfers Out	(23,301,516)	(7,900,080)	(5,933,846)	(4,325,831)
Lease financing	-	-	-	-
Sale of Capital Assets	5,493	-	-	-
General Obligation Bonds Issued	1,000,000	3,850,000	8,075,000	32,990,000
Refunding of General Obligation Bonds	-	-	-	-
LID Bonds Assessment	6,687,500	-	-	-
Premium on General Obligation Debt	-	-	309,758	3,719,954
Total Other Financing Sources (Uses)	8,098,809	3,250,000	8,084,758	36,409,954
<b>Change in Fund Balance Before Special Item</b>	5,337,023	4,046,428	6,683,467	37,408,597
Special Item	-	(1,995,000)	(956,798)	-
<b>Net Change in Fund Balances</b>	<b>\$ 5,337,023</b>	<b>\$ 2,051,428</b>	<b>\$ 5,726,669</b>	<b>\$ 37,408,597</b>
Ratio of Debt Service Expenditures To Total Non-Capital Expenditures	11.07%	6.70%	6.30%	6.30%

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

Source:

Tukwila Finance Department

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2017	2018	2019	2020	2021	2022
\$51,655,075	\$ 51,988,591	\$ 52,686,247	\$ 47,560,434	\$ 57,281,494	\$ 60,381,870
2,749,137	4,875,454	5,554,899	6,738,212	5,341,662	5,376,555
12,739,774	15,919,377	7,495,781	6,647,587	7,603,637	10,391,018
5,767,228	6,801,719	7,442,843	3,540,211	3,213,504	4,295,828
325,216	291,604	245,748	209,551	302,358	495,511
826,864	1,538,534	1,258,493	680,094	297,953	(247,462)
478,838	415,660	515,266	377,132	375,889	381,172
942,784	407,151	515,923	560,804	632,087	483,127
75,484,915	82,238,092	75,715,199	66,314,025	75,048,583	81,557,620
9,585,551	10,491,432	8,777,726	8,620,827	8,455,383	9,311,851
30,899,412	34,331,520	32,586,415	31,792,303	32,513,800	36,170,093
1,733,400	1,805,457	-	-	-	-
6,532,195	10,015,938	9,717,429	6,346,303	6,612,101	7,421,513
4,614,027	4,686,528	4,752,115	4,659,575	5,917,214	5,977,731
4,664,129	4,852,138	5,328,994	4,551,092	4,614,034	5,172,376
3,713,928	4,092,196	4,238,521	2,486,461	3,000,560	8,375,416
2,603,869	2,977,523	4,060,086	5,445,543	5,097,555	4,951,500
14,761,715	47,601,490	51,397,863	48,834,614	10,381,479	7,125,461
79,108,226	120,854,221	120,859,149	112,736,719	76,592,127	84,505,941
(3,623,311)	(38,616,129)	(45,143,950)	(46,422,694)	(1,543,543)	(2,948,321)
6,354,496	7,742,669	7,233,686	8,867,680	9,904,409	14,544,789
-	3,119,513	-	-	-	-
(6,654,496)	(8,042,669)	(7,131,586)	(8,634,330)	(8,520,466)	(13,291,756)
-	-	-	-	-	98,699
(100,000)	-	-	-	1,129,345	1,500,000
10,456,000	18,365,000	60,600,000	1,995,000	6,720,500	-
-	-	-	(2,330,000)	(3,991,000)	-
-	-	-	-	-	-
356,839	1,809,036	6,013,637	-	-	-
10,412,839	22,993,549	66,715,737	(101,650)	5,242,789	2,851,732
6,789,528	(15,622,580)	21,571,787	(46,524,344)	3,699,245	(96,589)
-	-	-	-	-	-
\$ 6,789,528	\$ (15,622,580)	\$ 21,571,787	\$ (46,524,344)	\$ 3,699,245	\$ (96,589)
9.80%	9.65%	11.95%	12.41%	12.23%	17.22%

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
2013	14,510,241	16,316,398	3,879,992	2,745,475	2,570,111	2,418,148	42,440,365
2014	14,870,621	17,105,322	3,855,544	3,512,894	2,555,999	2,447,794	44,348,175
2015	14,320,085	19,334,152	4,019,288	5,321,280	2,749,140	2,739,070	48,483,015
2016	14,562,501	18,908,190	4,045,916	6,508,665	2,716,257	2,856,782	49,598,312
2017	17,667,590	18,807,201	4,175,013	5,380,662	2,698,352	3,002,531	51,731,348
2018	18,008,738	20,603,617	3,866,859	5,091,447	1,246,798	2,334,522	51,151,981
2019	18,390,051	20,687,748	3,644,470	5,336,066	1,299,085	3,177,703	52,535,122
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
Change 2013-2022	50.6%	34.7%	1.8%	140.7%	4.4%	36.5%	42.3%

Notes:

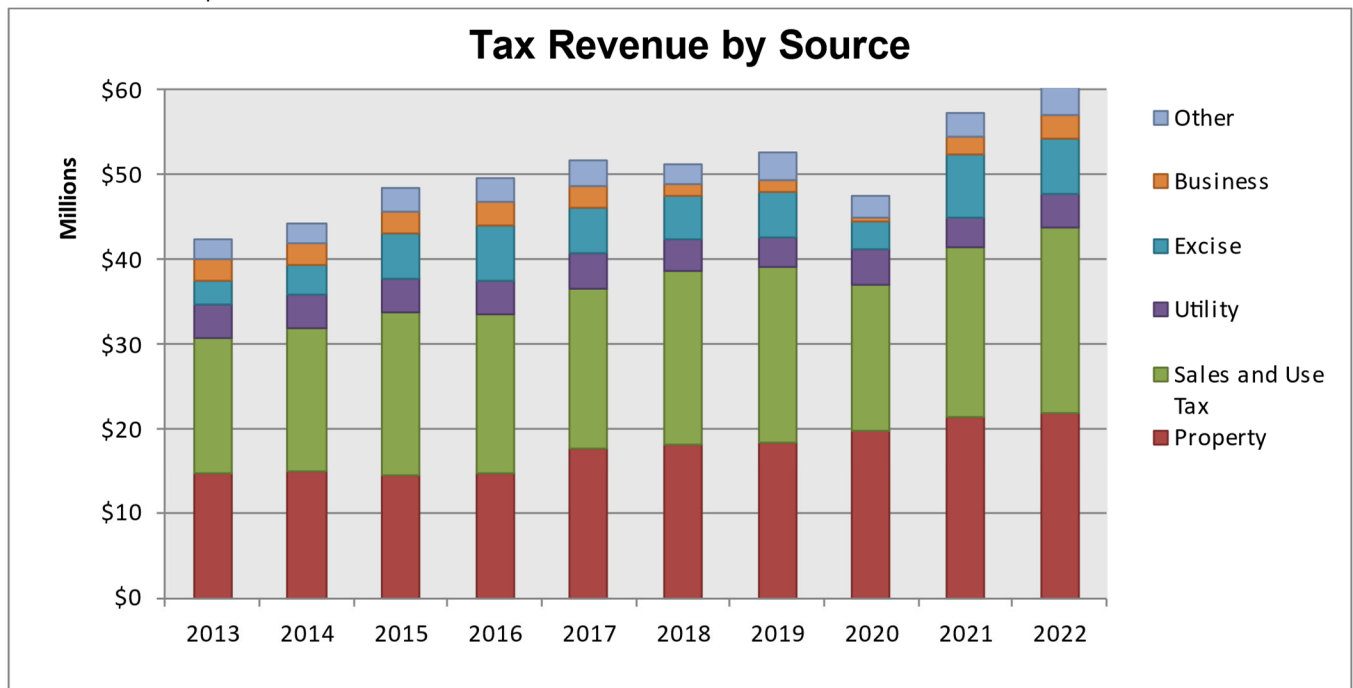
(a) Beginning in 2017, property tax includes a voter approved excess levy for public safety facilities.

(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





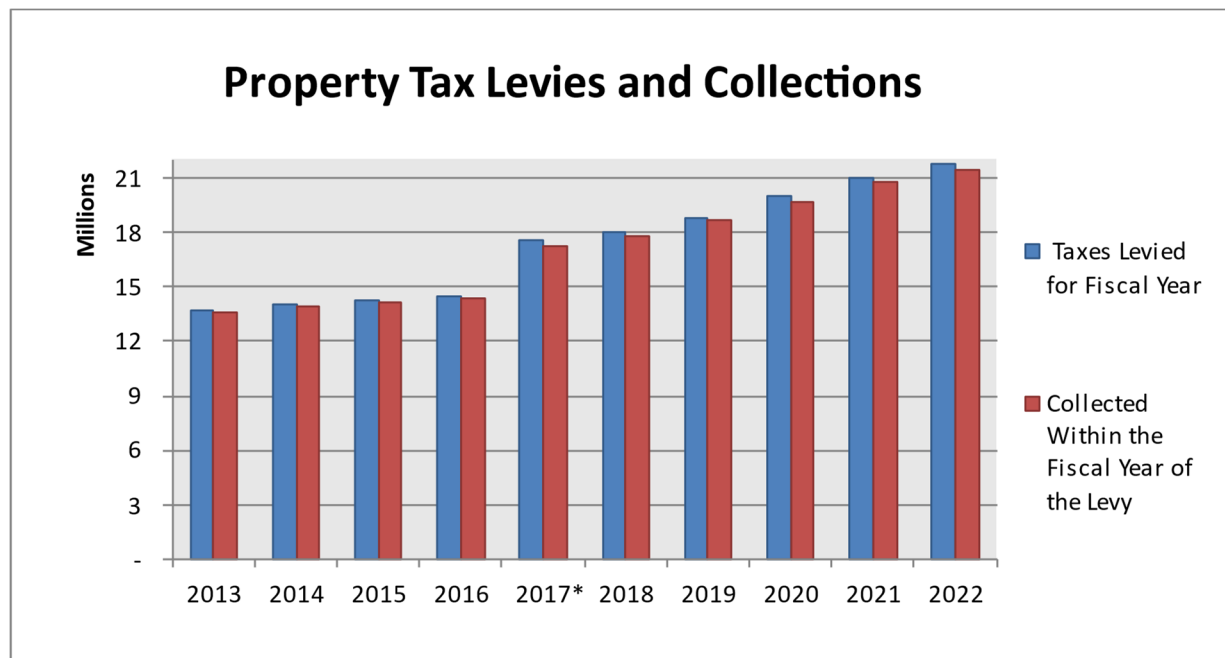
**CITY OF TUKWILA, WASHINGTON**  
**SCHEDULE 6**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

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
2013	13,740,076	13,549,525	98.61%	190,550	13,740,076	100.00%
2014	14,047,317	13,916,718	99.07%	130,599	14,047,317	100.00%
2015	14,245,846	14,113,739	99.07%	124,991	14,238,729	99.95%
2016	14,516,623	14,375,358	99.03%	140,384	14,515,742	99.99%
2017*	17,551,561	17,262,965	98.36%	288,596	17,551,561	100.00%
2018	18,006,677	17,844,087	99.10%	136,345	17,980,432	99.85%
2019	18,796,071	18,648,149	99.21%	134,186	18,782,335	99.93%
2020	20,044,161	19,705,761	98.31%	305,964	20,011,724	99.84%
2021	21,049,466	20,796,453	98.80%	178,190	20,974,643	99.64%
2022	21,727,448	21,466,630	98.80%	-	21,466,630	98.80%

\*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
2013	3,824,448,044	779,103,146	152,822,498	4,756,373,688	2.97799
2014	4,146,952,417	744,616,273	162,510,057	5,054,078,747	2.84188
2015	4,409,931,075	810,422,092	174,971,951	5,395,325,118	2.71073
2016	4,763,568,175	849,695,435	150,386,219	5,763,649,829	3.05735
2017	5,242,264,743	780,938,084	161,740,436	6,184,943,263	2.91864
2018	5,823,887,746	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

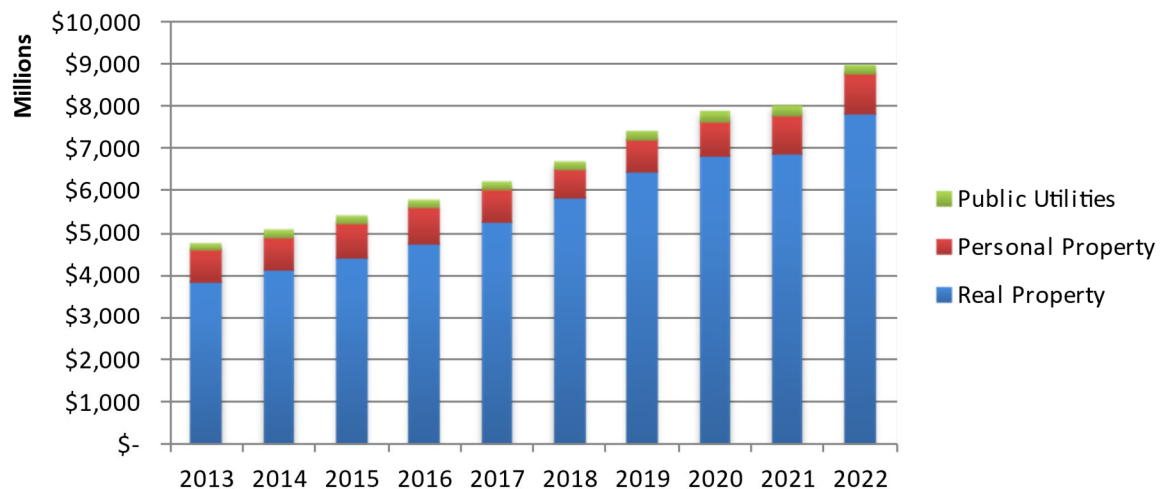
Note:

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

Source:

King County Department of Assessments

### Assessed Value By Type



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

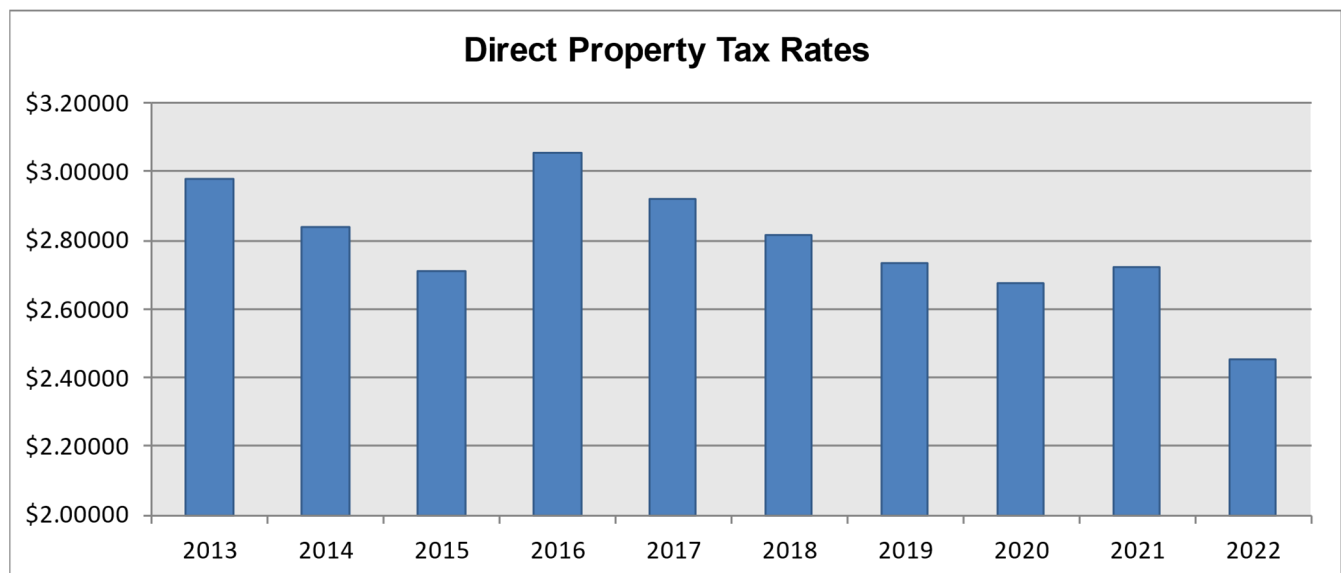
-----CITY OF TUKWILA-----													Central Puget Sound Regional Transit Authority
Fiscal Year	General Levy	Special Levy	Total	WA State	King County <sup>(a)</sup>	Port of Seattle	Emergency Medical Service	Tukw ila School Dist #406	Flood Control	Tukw ila Pool Metropolitan Park District	Hospital District #1		Total
2013	2.97799	-	2.97799	2.47044	2.08129	0.21533	0.33500	5.89098	0.15369	0.14944	0.50000	-	14.77416
2014	2.84188	-	2.84188	2.28514	1.84798	0.18885	0.30217	5.50160	0.13860	0.14962	0.50000	-	13.75584
2015	2.71073	-	2.71073	2.16898	1.95741	0.16954	0.28235	5.22858	0.12980	0.14853	0.50000	-	13.29592
2016	2.58592	0.47143	3.05735	2.03205	1.83412	0.15334	0.26305	5.36954	0.11740	0.15653	0.50089	0.25000	13.48427
2017	2.46285	0.45579	2.91864	2.91820	1.73925	0.13518	0.23940	5.17356	0.10708	0.15513	0.45689	0.22745	14.07078
2018	2.39148	0.42657	2.81805	2.62922	1.60359	0.12266	0.21762	3.39103	0.09660	0.15767	0.41673	0.20700	11.66017
2019	2.26293	0.47123	2.73416	3.02799	1.59993	0.11944	0.26500	3.42786	0.09199	0.15341	0.40069	0.19937	12.01984
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

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	2022 Assessed Valuation	Percent of 2022 Total Assessed Value <sup>(a)</sup>	2013 Assessed Valuation	Percent of 2013 Total Assessed Value <sup>(b)</sup>
Boeing	Airplane company	\$ 447,566,300	4.99%	\$ 422,762,422	8.89%
Property Tax Resources LLC	Commercial Properties	212,202,500	2.37%		
Segale Properties	Commercial Properties	185,579,700	2.07%	165,317,953	3.48%
Prologis	Real Estate Development	155,729,800	1.74%		
LIT Industrial LTD Partnership	Commercial Properties	154,890,800	1.73%		
Sabey Corporation	Real Estate Development	137,988,200	1.54%		0.00%
Westfield Property	Department Stores	126,758,191	1.41%		0.00%
LIT Kent Valley	Commercial Properties	109,254,600	1.22%		
BKM Management Company	Commercial Properties	92,836,400	1.03%		
KIR Tukwila	Credit Union	91,780,200	1.02%	82,015,900	1.72%
WEA Southcenter LLC	Department Stores			298,510,135	6.28%
E Property Tax Dept	Commercial Properties			119,869,800	2.52%
Qwest Corporation (US West Communications)	Telephone Utility			78,499,861	1.65%
CWWA Tukwila 1 LLC	Investment Property			40,938,100	0.86%
Costco Wholesale	Cash & Carry Warehouse			37,164,419	0.78%
Sea-Tuk Warehouse LLC	Food Distribution			34,302,000	0.72%
Wig Properties LLC (JC Penny)	Department Stores			33,924,982	0.71%
<b>TOTALS</b>		<b>\$ 1,714,586,691</b>	<b>19.11%</b>	<b>\$ 1,313,305,572</b>	<b>27.61%</b>

**Notes:**

(a) In 2022 the total assessed property value in the City of Tukwila was \$ 8,970,452,548

(b) In 2013 the total assessed property value in the City of Tukwila was \$ 4,756,373,688

**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	2013	2014	2015	2016
Construction and Contracting	\$ 1,212,594	\$ 829,073	\$ 1,255,650	\$ 1,383,624
Finance, Insurance & Real Estate	174,705	141,010	163,161	175,060
Manufacturing	386,964	322,189	281,501	269,117
Transportation, Communications & Utilities	475,688	549,126	743,746	746,115
Wholesale - Durable/Non-durable Goods	1,108,771	1,592,613	2,016,722	1,295,141
Retail Trade - General Merchandise	2,154,523	2,137,256	2,205,778	2,202,158
Retail Trade - Home Furnishings/Electronics	1,405,274	1,431,965	1,527,377	1,623,926
Retail Trade - Miscellaneous	1,870,200	1,973,478	1,954,150	2,032,967
Retail Trade - Clothing & Accessories	2,070,198	2,013,796	2,159,647	2,089,128
Retail Trade - Restaurants	1,529,101	1,611,860	1,703,187	1,751,724
Retail Trade - Automotive/Gas	690,691	765,765	825,143	743,468
Retail Trade - Building Materials	565,734	600,610	683,485	733,928
Service Industries - Business	968,996	1,073,511	1,265,789	1,467,620
Service Industries - Hotels	502,721	562,130	626,822	650,270
Service Industries - Other	246,802	274,497	273,514	253,089
All Other Categories	525,133	468,547	978,142	845,209
<b>Total Retail Sales Tax Collections</b>	<b>\$ 15,888,089</b>	<b>\$ 16,347,426</b>	<b>\$ 18,663,814</b>	<b>\$ 18,262,544</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.

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	2017	2018	2019	2020	2021	2022
\$	1,413,773	\$ 1,623,112	\$ 2,218,910	\$ 2,389,360	\$ 1,664,634	\$ 1,704,697
	125,978	143,696	65,075	112,453	126,652	130,194
	177,788	262,700	238,694	221,232	222,561	223,090
	721,413	1,016,226	1,055,296	789,886	905,716	1,057,456
	1,176,868	1,309,170	1,153,607	1,101,801	1,292,657	1,355,512
	2,131,267	2,187,854	2,167,481	1,836,829	1,886,826	1,739,575
	1,613,643	1,649,843	1,715,419	1,419,767	1,866,419	1,875,690
	2,077,239	2,131,804	2,089,854	1,994,491	2,897,074	2,856,649
	2,066,858	2,084,482	1,996,280	1,186,857	1,920,971	1,837,386
	1,886,139	2,009,051	2,080,421	1,273,300	1,815,023	2,160,843
	800,580	1,385,284	1,063,607	560,743	743,240	837,554
	805,324	813,656	835,211	996,994	1,080,480	1,080,097
	1,436,825	2,051,035	2,039,153	1,684,693	1,767,313	1,980,165
	650,332	717,341	744,823	251,581	473,028	775,911
	267,544	394,128	346,020	340,104	373,547	391,768
	812,656	115,128	106,610	150,053	143,845	843,726
\$	18,164,227	\$ 19,894,510	\$ 19,916,461	\$ 16,310,144	\$ 19,179,986	\$ 20,850,313

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

	2013	2014	2015	2016	2017 <sup>(b)</sup>	2018	2019	2020	2021 <sup>(c)</sup>	2022
<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%	0.25%	0.25%	0.35%	0.35%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	0.90%	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>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>

## Notes:

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

## 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

	2013	2014	2015	2016	2017
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
General Obligation Bonds <sup>(c)</sup>	\$ 21,727,609	\$ 23,851,376	\$ 30,084,437	\$ 64,589,264	\$ 69,576,786
Special Assessment <sup>(d)</sup>	6,687,500	6,687,500	6,082,500	5,412,500	4,805,000
Total Governmental Activities	28,415,109	30,538,876	36,166,937	70,001,764	74,381,786
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
Revenue Bonds	3,075,000	2,580,000	1,742,527	1,597,704	1,454,422
Public Works Trust Fund Loans	6,063,071	5,742,866	5,646,458	5,046,900	4,447,522
Total Business-Type Activities	9,138,071	8,322,866	7,388,985	6,644,604	5,901,944
<b>TOTAL PRIMARY GOVERNMENT<sup>(a)</sup></b>	<b>\$ 37,553,180</b>	<b>\$ 38,861,742</b>	<b>\$ 43,555,922</b>	<b>\$ 76,646,368</b>	<b>\$ 80,283,729</b>
Population <sup>(b)</sup>	19,765	19,920	19,300	19,540	19,660
Per Capita Personal Income <sup>(b)</sup>	\$ 66,692	\$ 72,696	\$ 76,226	\$ 79,323	\$ 84,598
Percentage of Personal Income	2.85%	2.68%	2.96%	4.95%	4.83%
Debt Per Capita	\$ 1,900	\$ 1,951	\$ 2,257	\$ 3,923	\$ 4,084

Notes:

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

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

(c) Includes amounts Due to Other Governments.

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

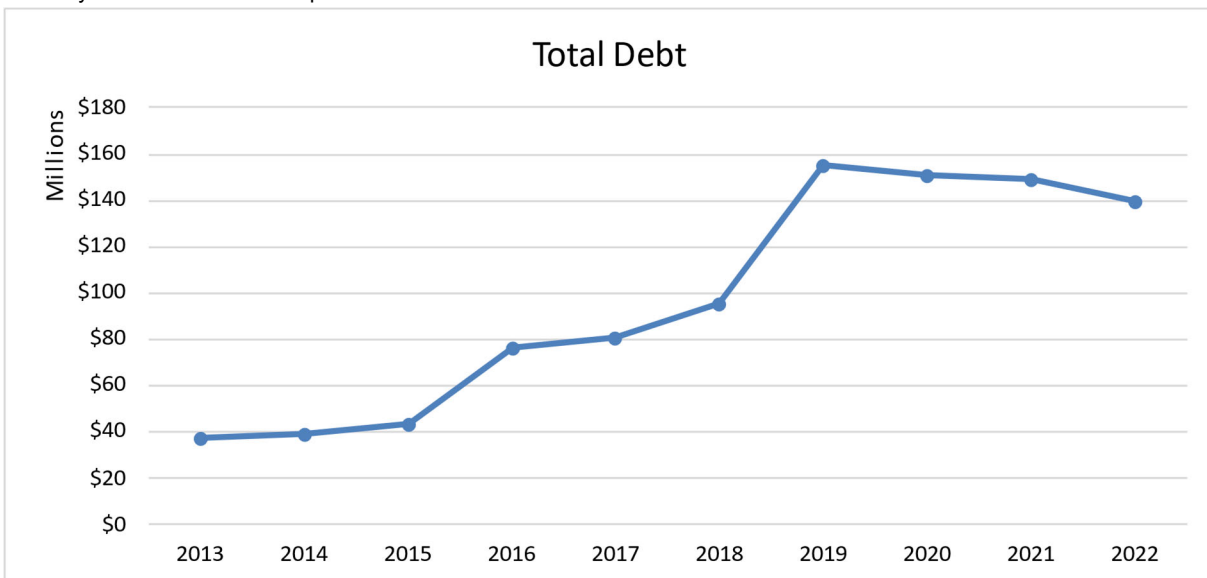
\*\*\* Data not available at time of publication.

Sources:

U.S. Census Bureau

WA State Office of Financial Management

City of Tukwila Finance Department



Page 2 of 2

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

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
2013	19,765	\$ 4,756,373,688	\$ 21,727,609	\$ 6,687,500	\$ 696,346	\$ 21,031,263	0.44%	\$ 1,064
2014	19,920	5,054,078,747	23,851,376	6,687,500	1,687,497	28,851,379	0.57%	1,448
2015	19,300	5,395,325,118	30,084,437	6,082,500	1,910,940	34,255,997	0.63%	1,775
2016	19,540	5,763,649,829	64,589,264	5,412,500	1,962,497	68,039,267	1.18%	3,482
2017	19,660	6,155,826,776	69,576,786	4,805,000	1,855,519	72,526,267	1.18%	3,689
2018	19,800	6,685,919,176	85,625,504	4,320,000	1,903,729	88,041,775	1.32%	4,447
2019	20,930	6,673,839,922	147,210,840	3,910,000	1,995,748	149,125,092	2.23%	7,125
2020	21,360	7,883,057,562	144,037,716	3,430,000	1,353,344	146,114,372	1.85%	6,841
2021	21,798	8,010,892,032	143,233,473	3,060,000	1,653,564	144,639,909	1.81%	6,635
2022	22,620	8,970,452,548	134,569,428	2,685,000	1,727,306	135,527,122	1.51%	5,991

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.

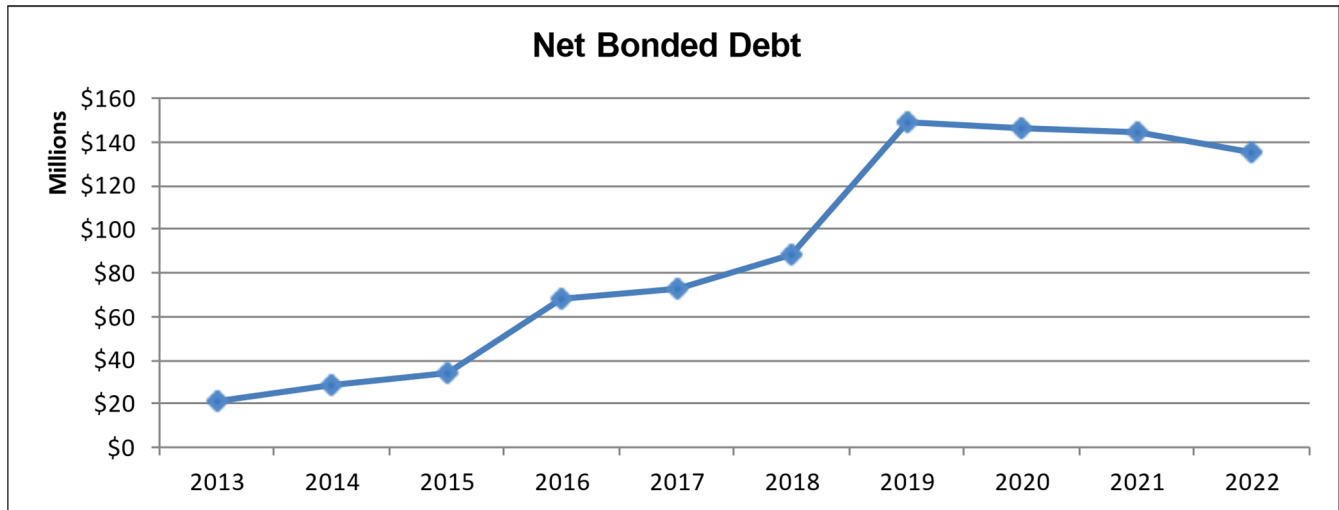
Sources:

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, 2022

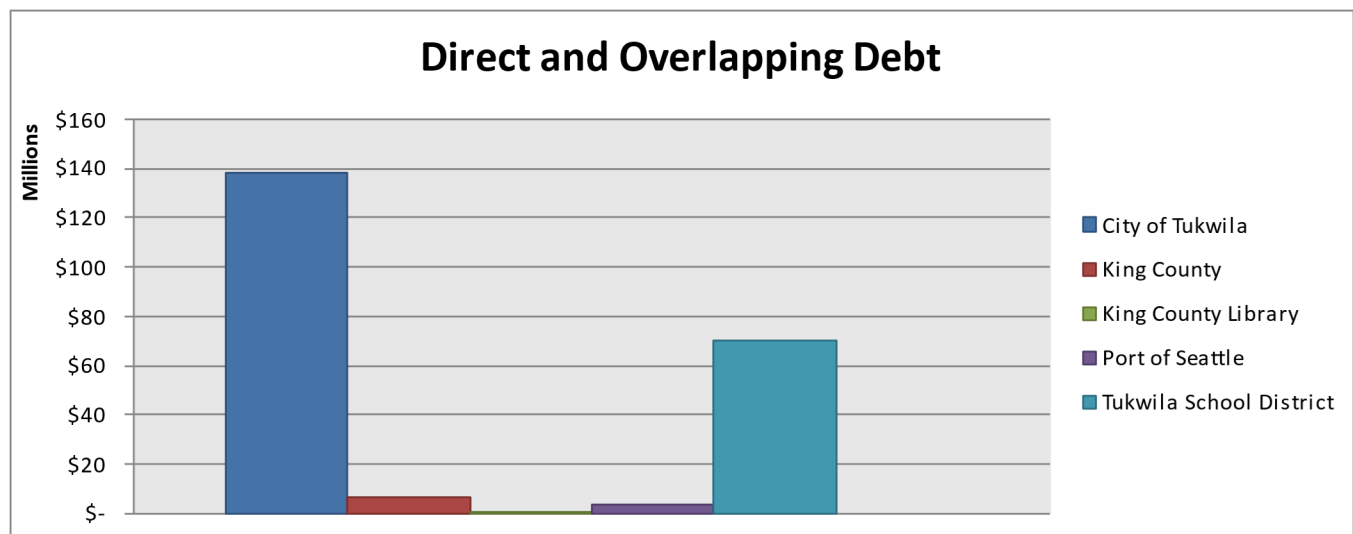
Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to Tukwila <sup>(1)</sup>	Estimated Applicable to Tukwila
Direct:			
City of Tukwila	\$ 138,025,081	100.00%	\$ 138,025,081
Overlapping:			
King County	564,752,000	1.11%	6,268,747
King County Library	28,812,125	1.81%	521,499
Port of Seattle	336,890,000	1.11%	3,739,479
Tukwila School District #406	70,620,441	99.80%	70,479,200
Total Overlapping Debt:	<u>1,001,074,566</u>		<u>81,008,926</u>
Total Direct and Overlapping Debt:	<u>\$ 1,139,099,647</u>		<u>\$ 219,034,007</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

	2013	2014	2015	2016
Debt Limit	\$ 348,689,348	\$ 356,728,027	\$ 379,055,906	\$ 432,273,737
Total net debt applicable to limit	25,752,600	21,727,609	23,288,621	60,208,532
Legal debt margin	\$ 322,936,748	\$ 335,000,418	\$ 355,767,285	\$ 372,065,205
Total net debt applicable to the limit as a percentage of debt limit	7.39%	6.09%	6.14%	13.93%
Assessed Value as of December 31, 2022	\$ 8,970,452,548			
Debt Limit (7.5% of assessed value)	672,783,941			
Debt applicable to limit:				
General obligation bonds	141,383,534			
Other long-term debt	-			
	531,400,407			
Less: Amount set aside for repayment of general obligation debt and contracts payable				
Total net debt applicable to limit	141,383,534			
Legal debt margin	\$ 531,400,407			

Source:

Tukwila Finance Department

Page 2 of 2

2017	2018	2019	2020	2021	2022
\$ 404,649,384	\$ 461,687,008	\$ 500,537,994	\$ 591,229,317	\$ 600,816,902	\$ 672,783,941
63,662,386	79,701,909	135,668,490	136,578,098	136,149,662	141,383,534
\$ 375,326,470	\$ 396,558,104	\$ 369,794,206	\$ 452,046,114	\$ 462,151,827	\$ 531,400,407
7.25%	14.11%	26.12%	23.54%	23.08%	21.01%

**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>
2013	19,765	66,692	1,318,167	3,915	4,094	2,882	5.2%
2014	19,920	72,696	1,448,104	3,920	4,103	2,978	4.1%
2015	19,300	76,226	1,471,162	3,940	4,103	2,910	4.5%
2016	19,540	79,323	1,549,971	3,969	4,103	2,873	4.2%
2017	19,660	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	***	***	4,269	4,912	2,595	2.8%

Notes:

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

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

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

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

Sources:

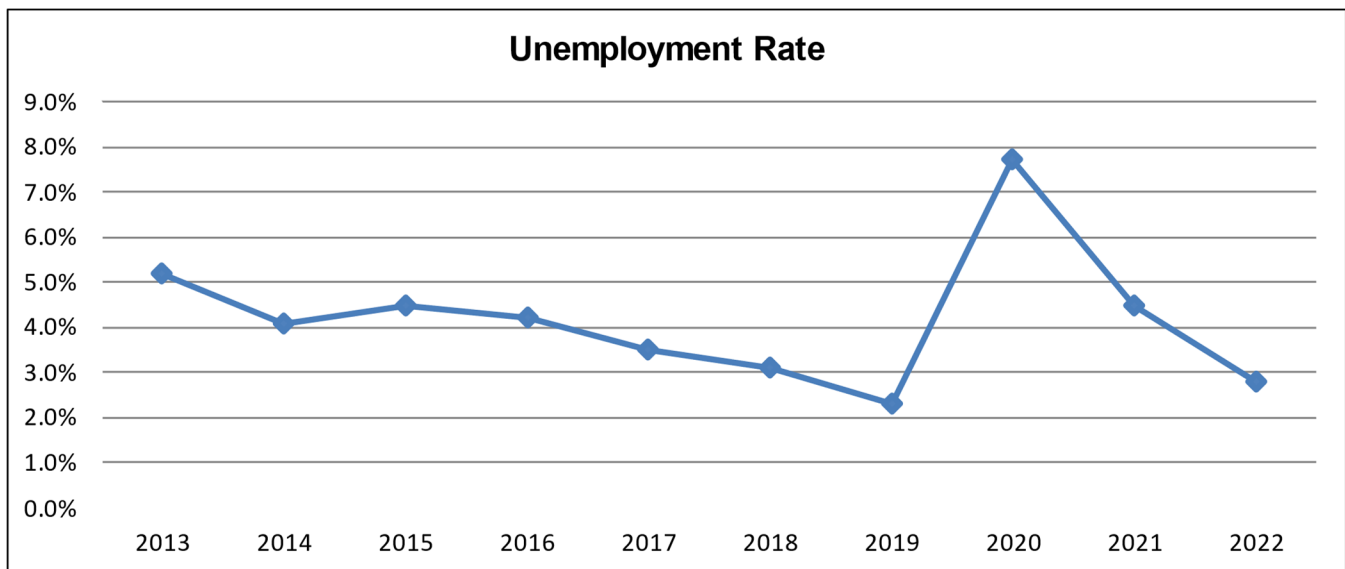
Tukwila Planning Division, Department of Community Development

State of Washington Office of Financial Management

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

Tukwila School District #406

US Bureau of Economic Analysis





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

Name of Company/Employer	Product or Business	2022 Full & Part-Time Employment <sup>(a)</sup>	Percentage of Total City Employees		2013 Full & Part-Time Employment <sup>(b)</sup>	Percentage of Total City Employees	
			Rank			Rank	
Boeing Employee's Credit Union	Credit Union	1,063	1	3.76%	4	566	1.44%
KC Dept of Natural Resources	Government	701	2	2.48%			0.00%
Boeing Company	Aircraft Manufacturing	587	3	2.08%	1	7,799	19.80%
Prime Now LLC	Electronic Shopping	569	4	2.02%			0.00%
King County Housing Authority	Housing Assistance	519	5	1.84%			0.00%
Nordstrom, Inc	Department Stores	465	6	1.65%	6	523	1.33%
Costco Wholesale Corp	Warehouse Club	419	7	1.48%	3	727	1.85%
Cascade Behavioral Hospital LLC	Healthcare	325	8	1.15%			0.00%
Amazon.Com Services LLC	E Commerce	315	9	1.12%			0.00%
Sound	Healthcare	288	10	1.02%			0.00%
King County Metro	Transit				2	800	2.03%
Group Health Cooperative	Data Ctr/Lab/Pharmacy/Mfg.				5	561	1.42%
Red Dot Corporation	Heater/air Conditioning Equipment				7	447	1.13%
Macy's	Department Stores				8	382	0.97%
United Parcel Service	Postal Delivery Service				9	329	0.84%
Hartung Glass Industries Inc	Manufacturing				10	275	0.70%
Sub-total - Major Employers		5,251				12,409	
All Other Employment		22,986				26,983	
<b>TOTAL EMPLOYMENT</b>		<b>28,237</b>				<b>39,392</b>	

Source:

<sup>(a)</sup> Washington State Department of Revenue - Business Licenses<sup>(b)</sup> Tukwila Finance Department - Business Licenses

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>DEPARTMENT</b>										
Administrative Services <sup>(a), (b)</sup>	-	-	-	-	-	-	10.00	10.00	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>	16.75	20.00	19.00	16.00	16.00	13.00	10.00	10.00	5.00	5.00
Human Resources <sup>(a)</sup>	4.00	4.00	4.00	4.00	4.00	4.00	-	-	-	-
Finance <sup>(c)</sup>	12.00	12.00	12.00	12.00	11.00	11.00	12.00	12.00	12.00	13.00
Recreation	16.25	16.00	16.75	17.25	16.25	16.00	16.25	16.50	14.25	15.00
Community Development	22.13	21.63	21.00	23.75	23.00	25.00	24.00	22.00	29.00	28.75
Court	9.00	9.10	8.10	11.00	11.00	11.00	11.00	10.25	10.65	10.65
Police	87.50	89.00	93.00	93.75	92.75	97.00	98.00	84.00	86.00	81.00
Fire	67.00	67.00	70.00	71.00	72.00	73.00	66.00	64.00	61.00	64.00
Information Technology <sup>(b)</sup>	7.00	6.00	6.00	7.00	9.00	9.00	9.00	7.00	-	-
Public Works	31.00	31.00	32.00	32.00	27.00	27.00	27.20	22.00	27.00	24.00
Parks	6.00	7.00	7.00	8.00	8.00	9.00	9.00	7.00	9.75	9.75
Street	12.50	11.50	10.00	12.00	11.50	11.50	11.50	7.50	12.00	10.00
Water	7.00	7.00	6.00	7.00	7.50	7.50	7.40	7.50	6.00	6.00
Sewer	2.00	2.00	2.00	2.00	4.50	4.50	4.40	3.50	3.00	4.00
Golf	9.25	8.25	8.25	7.75	8.75	9.00	8.75	8.00	9.75	10.50
Surface Water	8.00	8.00	9.00	9.00	11.50	11.50	12.50	12.50	7.00	8.00
Equipment Rental	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00	5.00	5.00
Metropolitan Park District Pool <sup>(d)</sup>	2.00	2.00	2.00	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>332.38</b>	<b>334.48</b>	<b>339.10</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>

## Notes:

*Based on filled positions not budgeted positions.*

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

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

*(c) Finance added a temporary full-time position specific to ARPA compliance. Position expires when funds are fully spent.*

*(d) On September 12, 2011, the Board of Commissioners approved the formation of the Tukwila Metropolitan Park District (MPD) Pool. For the comprehensive annual financial report years of 2011 and 2012, the MPD Pool was treated as a discretely presented component unit. In 2013 and 2014, the MPD presented as a blended component unit. Effective in 2015, the MPD is no longer a component unit.*

## Sources:

Tukwila Finance Department

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>FUNCTION</b>										
<b>Police</b>										
Number of Calls for Service	31,355	29,840	32,946	34,229	33,123	33,288	32,465	30,079	31,338	34,345
<b>Fire</b>										
Number of Responses	4,604	5,156	5,549	5,754	5,840	5,734	5,724	5,284	6,869	7,527
Total Fire Loss	\$343,495	\$2,738,080	\$1,926,944	\$2,821,016	\$1,142,486	\$527,687	\$742,362	\$3,187,074	\$12,317,319	\$1,482,921
Total Inspections	3,389	3,850	2,331	1,860	1,951	2	7	5	927	611
<b>Parks and Recreation</b>										
Class Participants	52,319	45,514	68,970	64,782	83,030	73,906	78,435	27,741	26,000	38,407
Community Ctr Admissions	114,748	132,397	136,984	141,218	143,872	143,160	175,311	24,804	20,726	38,507
Rounds of Golf Played	47,757	47,267	51,017	47,595	43,568	49,357	50,561	58,028	64,203	58,856
Pool Attendance	71,233	79,537	-	-	-	-	-	-	-	-
<b>Street</b>										
Miles	79	79	79	79	79	79	79	79	79	79
Hours Maintaining	16,767	8,627	4,716	4,836	4,936	5,120	5,028	3,764	2,866	3,548
Signalized Intersections	62	62	62	64	66	74	68	74	74	74
Hours Maintaining	8,815	3,012	2,408	2,135	2,986	2,415	2,701	1,810	2,113	2,393
<b>Water Utility Services</b>										
Total Customers	2,118	2,126	2,145	2,160	2,176	2,185	2,195	2,205	2,215	2,208
Total Gallons/Water(in thousands)	645,982	668,740	697,147	655,472	697,210	672,700	618,194	543,468	597,831	605,637
<b>Sanitary Sewer</b>										
Total Customers	1,742	1,752	1,775	1,789	1,808	1,836	1,845	1,860	1,872	1,876
<b>Surface Water</b>										
Total Customers	5,226	5,239	5,242	5,249	5,282	5,286	5,289	5,261	5,278	5,282
<b>Licenses</b>										
Business Licenses	1,877	2,208	2,220	1,909	2,120	2,078	1,976	2,132	2,218	2,322
Outside Contractors	1,132	1,216	1,215	945	1,437	1,319	1,688	2,081	2,532	2,719
<b>Permits</b>										
Building Permits	374	347	277	311	348	381	371	262	266	262
Mechanical Permits	221	216	154	192	198	169	193	165	166	173
Electrical Permits	1,337	1,223	1,119	1,175	1,047	1,046	1,059	875	928	933
Plumbing Permits	167	184	140	185	165	161	176	133	138	121
Public Works Permits	155	152	163	175	136	152	153	249	242	257
<b>Libraries</b>										
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Total Circulation	313,571	284,667	214,520	184,492	157,168	180,155	151,578	125,609	132,695	157,962

Sources:

Tukwila Departments, King County Library System

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	81	89	89	93	93	80	88	88	88	89
Fire:										
Number of Fire Stations	4	4	4	4	4	4	4	4	4	4
Number of Engines/Rescue Trucks/Ladders	7	9	9	9	8	8	11	8	8	8
Number of Medical Aid Vehicles	1	1	1	1	1	1	1	1	1	2
Number of Hazardous Materials Trailer Units	2	2	2	2	2	1	1	1	1	1
<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	64.8	64.8	65.0	65.0	66	66	66
Number of Traffic Signals	63	63	63	74	76	74	74	74	74	74
Number of Streetlights Ow ned by Seattle City Light	901	902	902	902	902	908	910	910	910	910
Number of Streetlights Ow ned by Puget Sound Energy	187	187	187	187	187	187	187	187	187	187
Number of Streetlights Ow ned by City of Tukw ila	1,216	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	175.6	175.6	190	190	191	191	191	193	193	193
Number of Parks	19	19	19	19	20	20	20	21	21	21
Golf Course Acreage	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26	77.26
Maintained Trails (miles)	15	15	15	15	15	15	15	13	13	13
Number of Playgrounds	11	11	11	11	11	11	11	11	11	11
Swimming Pool	-	-	-	-	-	-	-	-	-	-
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)	41	49	49	49	49	49	49	49	49	49.5
Maximum Daily Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Number of Fire Hydrants (Ow ned by City of Tukw ila)	576	576	577	577	579	579	589	601	601	603
Vehicles	8	9.05	9	9	9	8	8	8	8	8
<b>Sewer</b>										
Sanitary Sew ers (miles)	37	37	37	37	39	39	39	39	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	5	4.25	4	5	5	3	3	3	3	3
<b>Surface Water</b>										
Storm Drains (miles)	70	70	71	71	97.4	97.4	97.4	97.4	111.0	111.0
Vehicles	4	8.35	8	8	8	9	9	8	8	8
Sources:										
Various City of Tukw ila departments										