



2024

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024





CITY OF AUBURN  
WASHINGTON

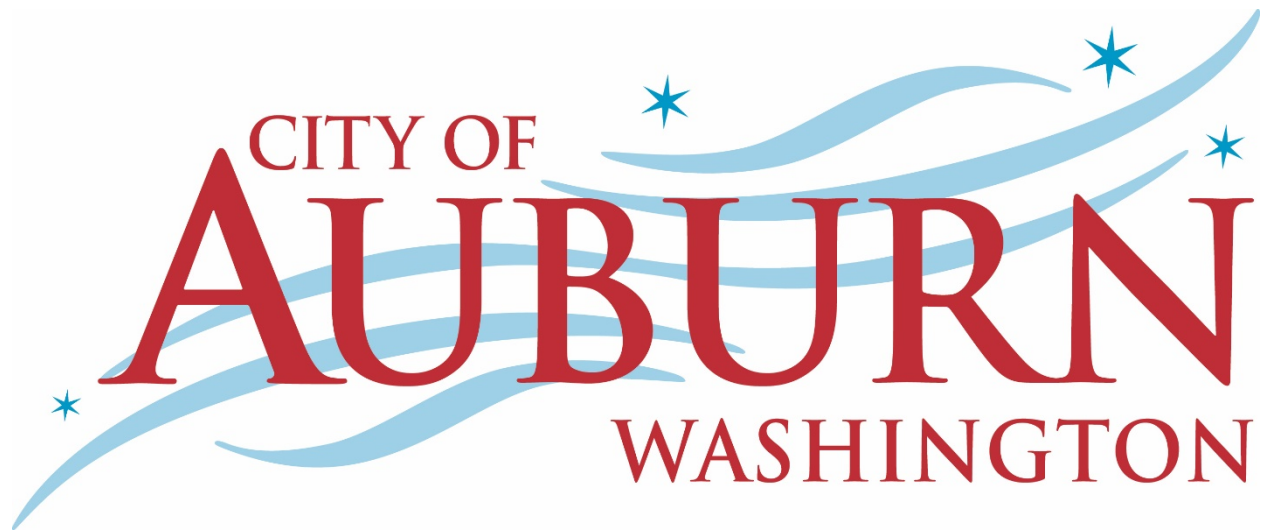
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

Fiscal Year January 1, 2024 through December 31, 2024



Prepared by

City of Auburn Finance Department  
Jamie Thomas, Finance Director



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## For the Year Ended December 31, 2024

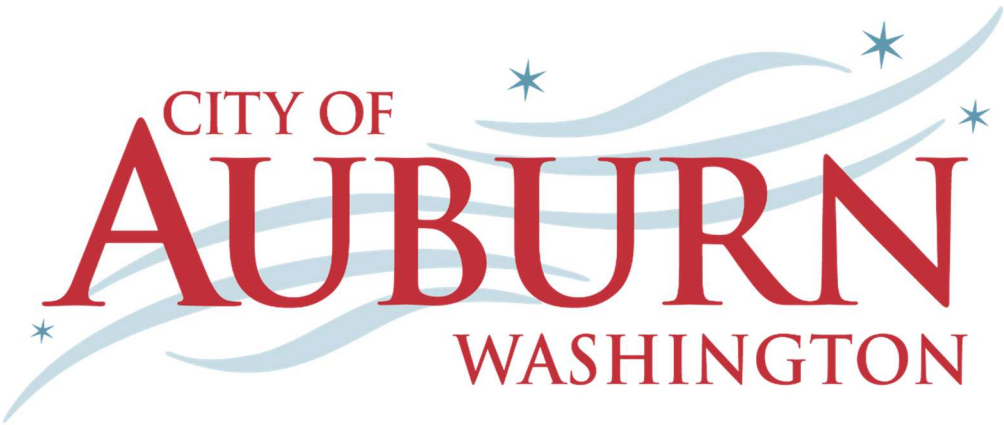
### TABLE OF CONTENTS

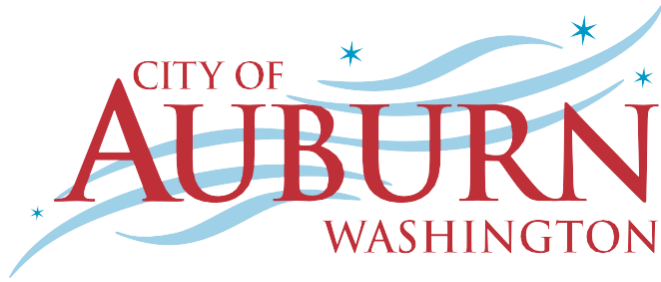
<b>I. INTRODUCTORY SECTION</b>	<b><u>Page</u></b>
Title Page	
Table of Contents .....	i
City Officials .....	1
Organizational Chart .....	2
Letter of Transmittal .....	3
Certificate of Achievement .....	10
 <b>II. FINANCIAL SECTION</b>	
<b>Auditor's Report</b> .....	11
<b>Management's Discussion and Analysis</b> .....	15
<b>Basic Financial Statements</b>	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position .....	32
Statement of Activities .....	33
<u>Fund Financial Statements:</u>	
<b>Governmental Funds</b>	
Balance Sheet .....	36
Reconciliation of Balance Sheet of Government Funds to the Statement of Net Position .....	37
Statement of Revenues, Expenses and Changes in Fund Balances .....	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities .....	39
Statement of Revenues, Expenses and Changes in Fund Balances – Budget to Actual:	
General Fund .....	40
American Rescue Plan Act (ARPA) Fund .....	41
Arterial Street Fund .....	42
<b>Proprietary Funds:</b>	
Statement of Net Position .....	44
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	45
Statement of Cash Flows .....	46
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position .....	50
Statement of Changes in Fiduciary Net Position .....	51
<u>Notes to the Financial Statements</u> .....	53
<b>Required Supplemental Information</b>	
Schedule of Proportionate Share of the Net Pension Liability PERS 1 .....	113
Schedule of Proportionate Share of the Net Pension Liability PERS 2/3 .....	113
Schedule of Proportionate Share of the Net Pension Liability LEOFF 1 .....	113
Schedule of Proportionate Share of the Net Pension Liability LEOFF 2 .....	113
Schedule of Employer Contributions PERS 1 .....	115
Schedule of Employer Contributions PERS 2/3 .....	115
Schedule of Employer Contributions LEOFF 2 .....	115
Schedule of Changes in Total Pension Liability and Related Ratios .....	116
Schedule of Changes in Total OPEB Liability and Related Ratios .....	117

	<u>Page</u>
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
<b>Managerial Funds</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:	
Cumulative Reserve Fund .....	120
Fire Pension Fund .....	121
<b>Non-Major Government Funds:</b>	
Combining Balance Sheet .....	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	125
<b>Non-Major Special Revenue Funds:</b>	
Combining Balance Sheet .....	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	129
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:	
Arterial Street Preservation Special Revenue Fund.....	130
Drug Forfeiture Special Revenue Fund.....	131
Hotel/Motel Tax Special Revenue Fund .....	132
Housing & Community Development Special Revenue Fund .....	133
Local Street Special Revenue Fund.....	134
Mitigation Fees Special Revenue Fund.....	135
Recreation Trails Special Revenue Fund.....	136
<b>Non-Major Debt Service Funds:</b>	
Combining Balance Sheet .....	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	139
<b>Capital Project Funds:</b>	
Combining Balance Sheet .....	142
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance .....	143
<b>Permanent Fund:</b>	
Balance Sheet.....	146
Statement of Revenues, Expenditures and Changes in Fund Balance .....	147
<b>Internal Service Funds:</b>	
Combining Statement of Net Position .....	150
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	151
Combining Statement of Cash Flows .....	152

**III. STATISTICAL SECTION**

	<u>Schedule</u>	<u>Page</u>
Net Position by Components .....	1	156
Changes in Net Positions.....	2	157
Fund Balances, Government Funds.....	3	158
Changes in Fund Balances, Government Funds .....	4	159
Tax Revenues by Source, Government Funds .....	5	160
Assessed Value by Type.....	6	161
Property Tax Data .....	7	162
Property Tax Levies and Collections .....	8	164
Principal Taxpayers – Property Taxes .....	9	165
Retail Tax Collections by Sector .....	10	167
Ratios of Outstanding Debt by Type .....	11	168
Computation of Legal Debt Margin.....	12	169
Legal Debt Margin Ratios.....	13	169
Computation of Net Direct and Estimated Overlapping Debt .....	14	170
Ratios of Net General Bonded Debt to Assessed Value.....	15	171
Pledged Revenue Bond Coverages .....	16	172
Population, Income and Housing Trends.....	17	173
Major Employers .....	18	174
Staffing Levels by Department.....	19	175
Operating Indicators by Department .....	20	176
Capital Asset Indicators by Department .....	21	177
Utility Customers by Customer Class .....	22	178





Mayor Nancy Backus  
Serving as Mayor since 2014  
City Council 2004-2014

## AUBURN CITY COUNCIL



Cheryl Rakes  
Deputy Mayor  
Serving since 2023



Clinton Taylor  
Serving since 2024



Hanan Amer  
Serving since 2024



Kate Baldwin  
Serving since 2021



Tracy Taylor-Turner  
Serving since 2024



Lisa Stirgus  
Serving since 2025

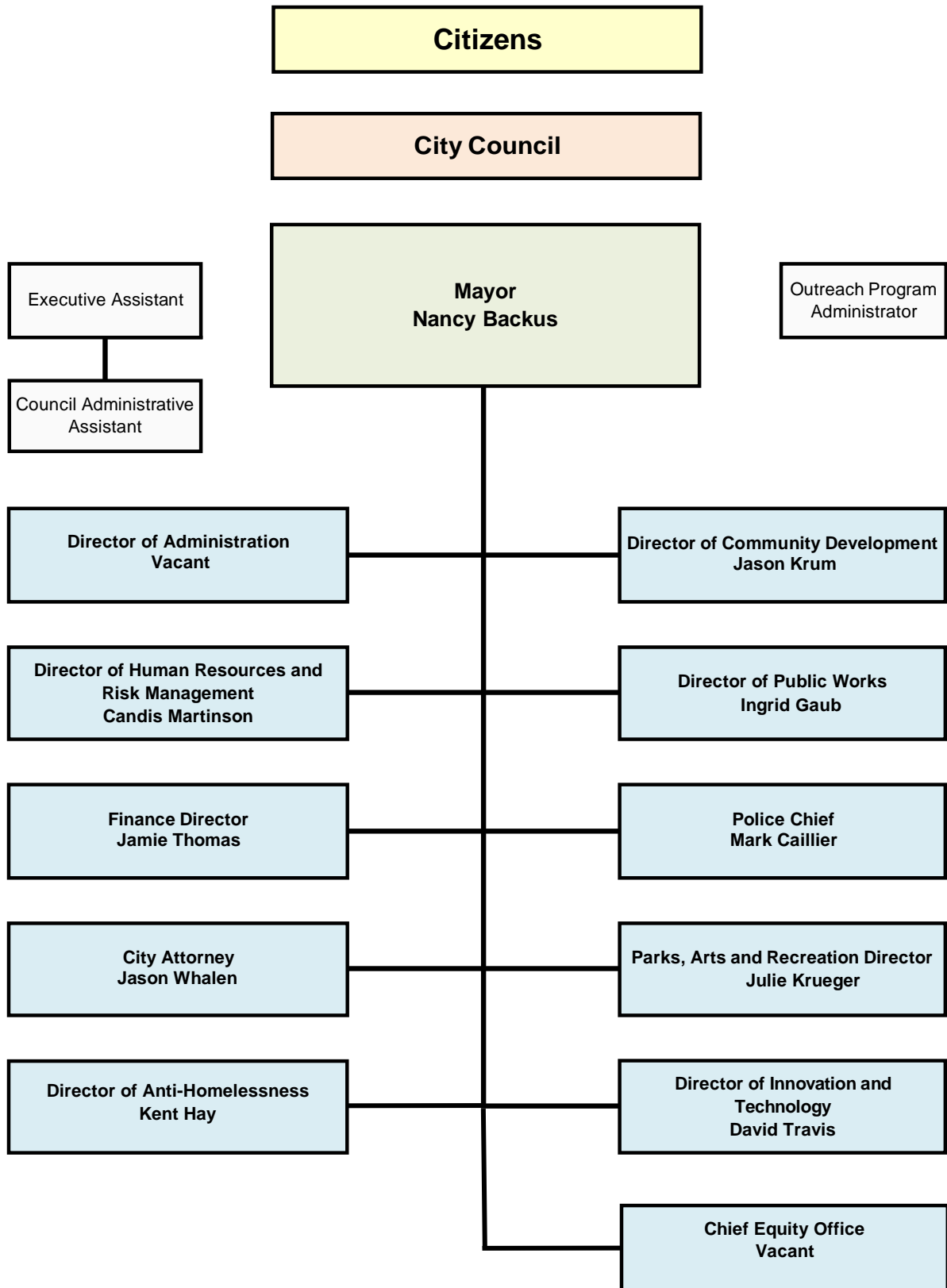


Yolanda Trout-Manuel  
Serving since 2014

## DEPARTMENT DIRECTORS

Administration | Vacant  
Anti-Homelessness | Kent Hay  
Chief Equity Office | Vacant  
City Attorney | Jason Whalen  
Community Development | Jason Krum  
Finance | Jamie Thomas

Human Resources | Candis Martinson  
Innovation and Technology | David Travis  
Parks, Arts & Recreation | Julie Krueger  
Police | Mark Caillier  
Public Works | Ingrid Gaub



July 14, 2025

Honorable Nancy Backus, Mayor  
Members of the Auburn City Council  
Citizens of the City of Auburn  
25 W Main Street  
Auburn, WA 98001

We are pleased to present the City's Annual Comprehensive Financial Report for the year ended December 31, 2024. We publish this financial statement in conformity with generally accepted accounting principles (GAAP). It has been audited in accordance with generally accepted auditing standards by the Washington State Auditor's Office.

Therefore, we issue and transmit to you the City of Auburn's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This transmittal letter provides an overview of the report and the financial condition of the City. It also provides insight into the history of the City and the economic conditions affecting it, and describes the systems and controls employed by the Finance department.

The Annual Comprehensive Financial Report has several significant uses. First, it provides a general overview of the City's finances to the general public and taxpayers. Second, it is referenced by bond buyers and rating agencies to evaluate the City's fiscal stability and creditworthiness. Finally, the Annual Comprehensive Financial Report 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 biennial budget.

## **I. INTRODUCTION**

### **A. Management Representation**

The Auburn Finance Department prepared the report and accepts complete 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 all significant information necessary for an understanding of the affairs and financial condition of the City has been disclosed. The report has been prepared in conformance with generally accepted accounting principles 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 protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh the benefits, the City's internal control structure is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

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

## **B. Organization of the Report**

The report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains the table of contents, a list of the City's principal officials, an organizational chart, this letter of transmittal, and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association of the United States and Canada for the 2023 Annual Comprehensive Financial Report. The Financial Section contains the Washington State Auditor's Report, completed by the Washington State Auditor, Management's Discussion and Analysis, Government-Wide Financial Statements, the Fund Financial Statements, Notes to the Financial Statements and Other Required Combining and Supplemental Information. The Statistical Section, which is unaudited, contains a range of statistical tables and charts that present various financial, economic, social, and demographic data about the City. This information depicts various trends that have affected the fiscal condition of the City over the last ten years. The data presented in this section complies with the requirements of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

## **C. Reporting Entity**

The City of Auburn was incorporated in 1891 and currently operates as a non-charter Code City under the laws of the State of Washington. Code City status in Washington provides "home rule" authority to cities. Auburn has a Mayor/Council form of government; the Mayor is elected and is the full-time Chief Administrator. The seven-member City Council is elected at large, rather than by district. Members of the City Council are responsible for establishing the general direction and policies for the City and for providing the resources necessary to carry out those policies. As the City's chief administrator, the Mayor is responsible for carrying out the policy and direction set by the City Council. This includes the enforcement of laws and ordinances, the execution of contracts and agreements, and maintenance of peace and order in the city. The City is located primarily in southern King County and a small northeastern portion of Pierce County. These are the two most populous counties in the State of Washington, comprising over 41% of the state-wide population. The City is strategically located in relation to the labor and consumer markets of the two largest cities in the area: Seattle in King County and Tacoma in Pierce County. Auburn currently serves approximately 88,950 people within its incorporated limits.

The City provides a wide range of services, both beneficial and necessary to its residents as well as to the adjacent area. These services include police protection; parks and recreational facilities that include a senior center, gymnasium, community and teen center, golf course and museum; land use management and development regulation; infrastructure construction and maintenance; water, sanitary sewage collection, storm drainage, and solid waste services; a general aviation airport; and a municipal cemetery. The City is a member/owner of Valley Communications providing emergency 911 services and South Correctional Entity (SCORE) providing jail facilities. Both these organizations provide services to other owner/member governments and other non-owner/member governments as well through interlocal agreements.

## II. ECONOMIC CONDITION

### A. Summary of Local Economy

Auburn began as a small rural community founded on agriculture and the railroad, which maintained a significant switching and repair facility. The City has grown significantly since World War II, both as a residential community and as a commercial and industrial location. Auburn has become a significant area for automobile sales and has also developed a substantial manufacturing and distribution base with the largest employer being The Boeing Co., which employs approximately 3,935 people at its Auburn facility. Boeing is a worldwide supplier of aircraft and related products. At the start of 2024, Auburn was providing approximately 42,009 jobs with an unemployment rate of 3.8%. By the end of 2024 the unemployment rate had risen to 4.3%, which is below both the national and state figures, but an indication of slowing economic growth.

Auburn has enjoyed steady residential and industrial growth over the years as development has moved outward from the major cities. Auburn is currently home to about 8,500 businesses and is the center of the largest industrial complex in the Pacific Northwest. The City has a growing array of manufacturing facilities, as well as distribution, wholesale, and retail operations. Auburn's transit-oriented district is home to the MultiCare Auburn Medical Center, with a Trauma Level III emergency facility. This location serves the local geographic area and employs approximately 900 people.

The City's total assessed property valuation has increased by 115% in 10 years from \$8.4 billion in 2015 to \$17.9 billion in 2024. However, in the State of Washington property tax is limited to 1% growth year over year, despite the rising assessed valuations. The total property tax rate has decreased from \$2.09 per 1,000 in assessed valuation in 2014 to \$1.40 per 1,000 in assessed valuation in 2024.

Sales tax revenue, excluding criminal justice and annexation sales tax credits, remained the same at \$23.0 million in both 2023 and 2024, making 2024 the first year since 2009 with flat or declining revenue. Sales tax revenue constitutes about 21% of total General Fund revenue. The City remains diligent knowing that increasing operating costs are not sustainable when 21% of the revenue base is not increasing at the same rate as costs.

Despite economic cycles, the City has continually focused on enhancing the quality of life in the community and focusing on maintaining and redeveloping its aging infrastructure. For example, the City's Local Street program is partially funded by dedicating 2.5% of utility taxes toward local roadway improvements. The Arterial Street Program is funded by .1% sales and use tax enacted by the Transportation Benefit District (TBD) ordinance.

The City's budgeting process is based on financial policies directed at conserving fiscal resources while supporting programmatic strategies. Budget recommendations reflect a long-range analysis of fiscal trends. These policies and practices have not only averted serious funding problems in the past but have enabled the General Fund to remain on a firm financial footing during the most recent recession.

The City maintains a stable financial condition by managing expenditure budgets to available revenue streams. All funds contain adequate balances, and the City's debt is manageable. The General fund contains a satisfactory balance along with a reserve fund for stabilization, a significant Insurance fund has been set aside for contingencies, and the Equipment Rental fund is adequate for vehicle replacement. The Proprietary and Fiduciary funds are in satisfactory condition. The City completed a review of the City's

water, sewer, and stormwater utility rates in 2022 and established rates to fund operating and capital needs through 2024. A new rate study is underway for 2025-2026.

## **B. Future Economic Outlook**

Auburn is in a continuous process of both short-term and long-term financial planning. Short-term financial planning is inherent in the development of the City's biennial budget. Concurrent with the biennial budget is the review of the City's long-term capital needs. Funding sources are assessed with the development of the six-year Capital Facilities Plan. The capital facility plan is a component of the Comprehensive Master Plan, which outlines how the City should look and function in twenty years and creates a vision that can be realistically implemented. An integral part of this vision is determining how to allocate the City's financial resources to achieve the desired goals.

The City has several long-term municipal planning and capital projects underway. These include reconstruction of aged utility infrastructure and street improvements that include rehabilitation of local neighborhood streets. These projects will improve mobility, will contribute to the restoration of a North/South arterial corridor, and provide for greater recreational opportunities for the community. These municipal projects, coupled with the new private sector developments described earlier, will help ensure local economic growth continues, albeit not at the rate experienced in the late 1990s. The challenge is to control costs that grow at a faster rate than revenue. Areas of concern are health care costs, pension costs, other post-employment benefits (OPEB), and public safety costs related to incarceration and labor contracts. Continuing to maintain service level in these sectors will draw valuable resources from other areas such as infrastructure replacement and capital programs. As Auburn moves forward, economic conditions will be continually monitored and adjustments to city spending, and services made to maintain the City's financial health. Long-term plans will be focused on ensuring the City continues to be an economically strong and viable city.

## **C. Tax Abatements**

The multi-family property tax exemption program was codified as RCW 84.14 to incentivize residential development in urban centers. Chapter 3.94 of the City Code defines the purpose of the program, application procedure, project eligibility, and other processes to administer the exemption.

The program is set to accomplish goals and benefits such as:

- Encouraging the residential opportunities,
- Stimulating new construction for housing,
- Directing the future population growth into the City's downtown core,
- Achieving development densities that enhance the use of the community's mass transit opportunities, and
- Promoting the community development and downtown core revitalization in fulfillment of the city's downtown plan.

The Community Development department oversees the compliance with requirements regarding the multi-family housing property tax exemption. The following provides information over the last 5 years on the exemption amounts and the number of units available in return for the exemption:

Year	Number of Exempted Units	Property Tax Abated
2024	355	\$123,867
2023	481	146,190
2022	481	148,754
2021	255	77,838
2020	255	80,734

A use tax exemption was established for the aerospace industry under the Washington State tax legislation. Washington State Department of Revenue administers the state tax programs including use tax and its exemptions. The Joint Legislative Audit and Review Committee, JLARC, reviews and evaluates aerospace tax preferences. By law, the evaluation includes whether a preference achieves the Legislature's objectives, who benefits, how much they save, and other factors. Per the Legislative Auditor's conclusion, the program objectives have been met in three areas, including reducing the cost of doing business, encouraging the continued presence of the industry, and providing jobs with good wages and benefits. However, per the conclusion, it is unclear if the objective to maintain and grow Washington's aerospace industry workforce has been met. Please refer to JLARC page at [leg.wa.gov](http://leg.wa.gov) to obtain more information about the program evaluation.

### III. FINANCIAL INFORMATION

#### A. Cash Management

The City invests in U.S. Treasury and Agency Issues, Prime Bankers Acceptances, Time Deposits, and Repurchase Agreements. Investment policies and procedures, established by the Mayor and adopted by the City Council, require the City to establish a trustee to take delivery of all investment transactions at time of payment. The City has contracted with the Bank of New York to provide delivery versus payment trustee services on all government agency investments. The State of Washington maintains an investment pool to provide economies of scale in investing to smaller- and medium-sized cities in the State. The City uses this service for all funds not invested in longer-term securities. The pool operates under the same legal restrictions that apply to all municipalities in the State and, consequently, uses the same instruments as listed above. The State also takes delivery of all investment transactions.

The City has adopted a comprehensive investment policy statement to guide City investment practices. These policies are closely patterned after the recommendations in *Investing Public Funds* published by the Government Finance Officers Association (GFOA). Investments are restricted to less than five years in order to maintain liquidity on all investments in all funds yet enable the City to take advantage of the yield curve. Fiduciary funds, which involve long-term reserves and require minimal liquidity, are invested for longer time periods. The City undertakes repurchase agreements only with financial institutions that offer the City full protection in the event of default, by providing the delivery of the underlying security to the City.

**B. Risk Management**

The City participates in the Washington Cities' Insurance Authority (an insurance pool of over 160 members) and the City actively pursues risk reduction in the operation of its programs.

The Washington Cities' Insurance Authority not only provides a sharing of risk by pooling of losses, but it also provides an extensive array of professional services in risk management. The pool monitors the City's management practices and damage claims. The City follows the guidelines provided by the pool in an effort to minimize risk exposure in the day-to-day operations of the City's programs. The City also maintains an extensive employee safety program managed by the Human Resources department.

The City purchases, with employee participation, most of its health insurance for its employees through commercial policies administered by Brown and Brown. Employees represented by the outside Teamsters Union have insurance through the Teamsters organization and employees represented by the inside Teamsters Union have insurance policies administered by the Association of Washington Cities. Beginning in 2014, the City created its own worker's compensation program and pool. Prior, the City participated in the Washington State Workers' Compensation program.

To keep its long-term options open and to provide for any uninsured losses that might occur, the City has elected to build an insurance reserve (the Insurance fund). The Insurance fund supplements various insurance coverages maintained by the City. This fund is also used to self-insure some limited exposures, the most significant of which is accidental loss to City-owned vehicles.

**IV. OTHER RELEVANT INFORMATION****A. Independent Audit**

State law requires an annual audit of all City books of accounts and financial records by the Office of the State Auditor, which is headed by an independently elected State official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits are considered equal to audits by certified public accounting firms. The 2024 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in this audit. The City has been given an unmodified opinion for 2024. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept.

**B. Awards**

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 Auburn for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. This was the thirty-eight consecutive year that the City 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.

**C. Acknowledgments**

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated staff of the Finance department and various other City employees who assisted in its production. Further appreciation is extended to the Mayor and City Council for their encouragement, interest, and support in conducting the financial affairs of the City in a sound and progressive manner. The assistance of the auditors from the Washington State Auditor's Office is also greatly appreciated.

Respectfully submitted,



Jamie Thomas  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Auburn  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

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 Auburn  
Auburn, 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 Auburn as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Auburn, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, American Rescue Plan Act (ARPA) and Arterial Street funds 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 19 to the financial statements, in 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 101, Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund 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 sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 14, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

July 14, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Auburn's (the "City") discussion and analysis is designed to:

- Assist the reader in focusing on significant financial issues.
- Provide an overview of the City's financial activity.
- Identify changes in the City's financial position (its ability to meet future years' challenges)
- Identify any material deviations from the approved budget.
- Identify individual fund issues or concerns.

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts. Therefore, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

### Financial Highlights

- Total government-wide net position – the difference between assets plus deferred outflows and liabilities plus deferred inflows – equals \$931.7 million, an increase of \$63.5 million or 7.3%. Of this, a total of \$629.6 million, or 67.6% of total net position, represents net investment in capital assets and includes assets such as utility systems, streets, buildings, land, vehicles and equipment. An additional \$8.3 million of net position is restricted for purposes of endowment and debt service. Of the remaining \$293.8 million of net position, \$37.2 million is legally restricted, restricted by City policy for specific purposes, or is restricted for use by the City's utilities. \$16.3 million in net pension assets are restricted, as required by GASB 68, and the remaining \$240.3 million is unrestricted.
- The net increase in government-wide net position during 2024 was \$63.5 million. City-owned net investment in capital assets increased by \$33.1 million, restricted net position decreased by \$1.0 million, and unrestricted net position increased by \$31.4 million.
- Business-type net position increased by \$17.3 million to \$335.2 million during 2024 mainly due to increase in net investments in capital assets.
- Governmental fund balances at year-end totaled \$152.9 million. Of this amount, \$88.60 million, or 57.9%, is unassigned and available to fund ongoing activities. Compared to 2023, total governmental fund balances increased by \$20.8 million, most of which is accounted for in unassigned fund balance. This increase reflects the excess of revenues over expenditures during 2024.
- Total City debt payments for the year—excluding compensated absences, lease liabilities, subscription liabilities, pension liabilities, and other post-employment benefits—amounted to \$4.1 million. As of December 31, 2024, total long-term liabilities stood at \$95.2 million, reflecting a net decrease of \$8.9 million from 2023. During the year, the City repaid \$3.2 million in bond principal and incurred \$3.6 million in new loan obligations. A \$4.0 million reduction in lease liabilities was recognized due to a lease termination. Pension and OPEB liabilities declined by \$2.1 million, while both subscription liabilities and amounts due to other governments decreased by \$0.7 million each. Refer to Note 7 for additional details on long-term liability activity.

### Overview of the 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

These statements report on the City's net position and changes during the reporting year. The net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Other supplementary information, in addition to the basic financial statements, is also contained in this report. This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

## Government-wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the City. The focus of the *Statement of Net Position* is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, long-term obligations and deferred inflows of resources. Over time, increases or decreases in net position may be one indicator of improvement or deterioration in the City's overall financial health.

The *Statement of Activities* is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenditures for those functions to show how much each function either 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 expenditures are reported when they are incurred, regardless of when cash is received or disbursed.

Governmental activities of the City include general government (executive, finance, legal, human resources, and contracted court), public safety (police), physical environment, economic environment, transportation, health and human services, and culture and recreation. The City's business-type activities include water, sanitary sewer, storm water and solid waste utilities as well as the operations of an airport and cemetery. Governmental activities are primarily supported by taxes, charges for services, and grants, while business-type activities are self-supporting through user fees and charges.

## Fund Financial Statements

The Fund Financial Statements are the traditional reporting format for governments. 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. While the government-wide statements present the City's finances based on the type of activity (general government vs. business type), the Fund Financial Statements are presented by fund type, such as the general fund, special revenue funds and proprietary funds, with the focus on major 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 government major fund is presented utilizing the "sources and uses of liquid resources" basis. This is the manner in which the budget is typically developed. The basis of accounting is different between the governmental fund statements and the government-wide financial statements. The governmental fund statements focus on the near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenditures. 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 basis of accounting is different between the governmental fund statements and the government-wide financial statements, reconciliations are provided. The reconciliation between the governmental fund Balance Sheets and the government-wide Statement of Net Position is found directly following the governmental funds' Balance Sheet; the reconciliation between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities is found directly following the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances.

The City maintains seventeen individual governmental funds. Of these, four are considered major (the general fund, the American Rescue Plan Act fund, the arterial street fund, and the capital improvement projects fund) and are presented separately in the governmental fund Balance Sheet and the governmental fund 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 the other governmental funds can be found in the combining statements later in 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. Budgetary comparison statements are presented for the general and arterial street funds as part of the basic financial statements. Other budgetary comparison statements are included following the other government funds' combining statements.

*Proprietary funds* are used by governments to account for their business-type activities and use the same basis of accounting 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.

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 four utilities (water, sanitary sewer, storm water, and solid waste) as well as the City-owned airport and cemetery.

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, maintenance and operation of facilities, computer hardware and software services, employee costs related to occupational injury or illness, and insurance premiums. Internal service funds benefit both governmental and business-type activities and are allocated accordingly in the government-wide statement of activities.

*Fiduciary funds* account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

## 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 at the end of the Basic Financial Statements section.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget vs. actual reports of the City's general fund and major special revenue funds. The budget vs. actual required supplementary information can be found on pages 40 through 42. The pension benefit and other postemployment benefit required supplementary information is found in the required supplemental information section.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented in the section titled "Fund Financial Statements and Schedules".

In accordance with the provisions of GASB Statement No. 100, certain prior period amounts were corrected in this report. These corrections relate to lease accounting under GASB Statement No. 87, the timing of interest expense recognition under the accrual basis, and the application of revenue availability criteria under the modified accrual basis. As a result, beginning balances have been restated to reflect the appropriate accounting treatment. For additional detail regarding the nature and impact of these corrections, refer to Note 19 of the financial statements.

## Government-wide Financial Analysis

The statement of net position may serve as a useful indicator of the City's financial position. The overall financial position has improved for the City of Auburn over the prior year. Changes in Net Position from 2023 to 2024 show an increase in total net position of \$63.5 million or 7.3%. The following is a condensed version of the government-wide statement of net position with a comparison to 2023:

### STATEMENT OF NET POSITION Comparative Analysis of 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	As of 12/31/2023	As of 12/31/2024	As of 12/31/2023	As of 12/31/2024	As of 12/31/2023	As of 12/31/2024
Current and other assets	\$ 225,231,760	\$ 251,637,205	\$ 103,163,738	\$ 109,024,432	\$ 328,395,498	\$ 360,661,637
Capital asset, net of accumulated Depreciation	398,590,841	405,384,906	263,095,510	278,855,884	661,686,351	684,240,790
Total Assets	<u>623,822,600</u>	<u>657,022,111</u>	<u>366,259,249</u>	<u>387,880,316</u>	<u>990,081,849</u>	<u>1,044,902,427</u>
Deferred Outflows of Resources	<u>12,668,302</u>	<u>16,827,281</u>	<u>2,403,397</u>	<u>2,723,436</u>	<u>15,071,698</u>	<u>19,550,717</u>
Long-term liabilities	55,974,971	50,303,628	32,506,957	33,180,499	88,481,928	83,484,128
Other Liabilities	21,211,763	20,055,938	9,446,721	9,099,433	30,658,484	29,155,372
Total Liabilities	<u>77,186,734</u>	<u>70,359,567</u>	<u>41,953,678</u>	<u>42,279,932</u>	<u>119,140,412</u>	<u>112,639,500</u>
Deferred Inflows of Resources	<u>8,957,973</u>	<u>7,012,432</u>	<u>8,828,523</u>	<u>13,119,453</u>	<u>17,786,496</u>	<u>20,131,886</u>
Net Position						
Net Investment in Capital Assets	368,081,520	386,069,275	228,344,433	243,501,045	596,425,952	629,570,320
Restricted	55,148,194	53,241,188	7,703,800	8,545,059	62,851,994	61,786,246
Unrestricted	<u>127,116,481</u>	<u>157,166,929</u>	<u>81,832,212</u>	<u>83,158,264</u>	<u>208,948,693</u>	<u>240,325,193</u>
Total Net Position	<u>\$ 550,346,195</u>	<u>\$ 596,477,392</u>	<u>\$ 317,880,445</u>	<u>\$ 335,204,367</u>	<u>\$ 868,226,639</u>	<u>\$ 931,681,759</u>

The largest component of the City's net position, \$629.6 million or 67.6%, is its net investment in capital assets. This balance is broken down by governmental activities (\$386.1 million) and business type activities (\$243.5 million). Governmental capital assets, such as streets, parks, trails, and vehicles and equipment related to police and public works, are used to provide services to the citizens; business-type capital assets account for the utility systems infrastructure (water and sewer transmission/distribution lines, wells, pump stations, lift stations, storm retention ponds, etc.). As a result, these assets are necessary for providing existing levels of service and are not for sale and are therefore not available to fund current and future City obligations. Total net investment in capital assets increased by \$33.1 million over 2023.

The City elected the GASB 34 reporting option to include all general infrastructure of the City acquired or substantially renovated since 1980.

The second largest component of the City's net position is unrestricted net position, \$240.3 million. This balance is broken down by: governmental activities (\$157.1 million), which may be used for functions such as public safety employee salaries and supplies, parks and road maintenance, and other general governmental services; and business-type activities (\$83.1 million) which may only be spent on activities related to one of the four City utilities (water, sanitary sewer, storm water and solid waste) or to the City-owned ventures (airport and cemetery). Examples of utility activities include maintenance of water/sewer mains, pump and lift stations, storm drain flushing, water meter reading, and garbage collection. Activities related to the other City-owned ventures include maintenance of hangars and runways at the airport and grooming and landscaping at the cemetery.

Restricted governmental net position is \$53.2 million and is restricted for purposes such as contractual obligations on capital project construction, revenue sources with external restrictions, debt service, opioid settlement, drug investigation and enforcement, pension assets, and the cemetery endowment fund.

### Changes in Net Position

The change in net position represents the increase or decrease in City net position resulting from its various activities.

The City's total net position increased by \$63.5 million over 2023.

- Governmental activities contributed \$46.1 million to the total increase in City net position. The largest factor in this increase was an increase in unrestricted net position by \$30.0 million, which mainly resulted from an increase in the unassigned fund balance for the general fund. The second largest factor was an increase in net investment in capital assets by \$18.0 million.
- Governmental activity expenses increased by a net \$3.5 million compared to 2023. The primary drivers of this increase were higher expenditures in the economic environment and general government functions. In contrast, health and human services expenditures declined by \$2.0 million
- The business-type net position totaled \$335.2 million, reflecting an increase of \$17.3 million (5.4%) over 2023. Business-type revenues rose by \$13.6 million, including a \$5.8 million increase in charges for services, largely due to higher service fees related to a renewed contract with the City's solid waste hauler. Capital grants and contributions increased by \$5.1 million from 2023 as a result of a significant contribution from an external developer. Other revenues increased by \$2.7 million mainly due to an increase in FAA direct federal grant. Business-type expenses increased by \$6.4 million, primarily due to higher costs associated with the utility funds.

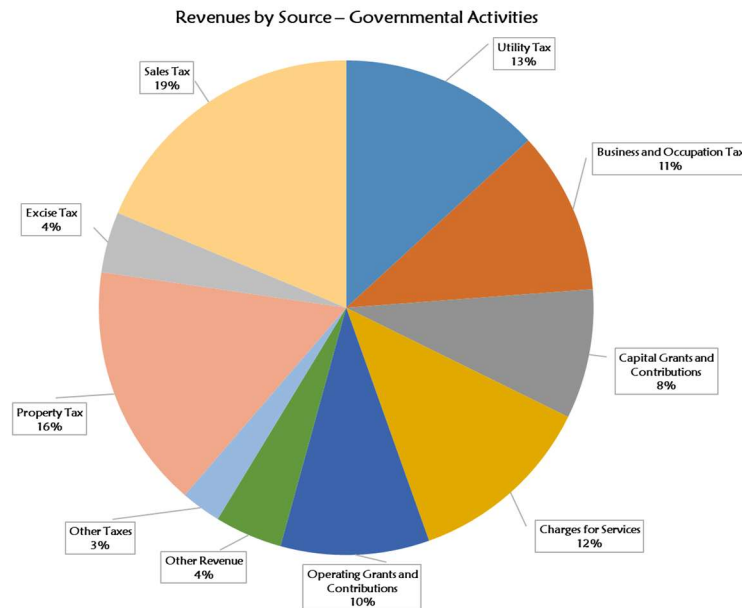
The following table is a condensed version of the City's changes in net position. The table shows the revenues, expenditures, and related changes in net position for both governmental-type and business-type activities:

**CHANGES IN NET POSITION**  
**Comparative Analysis of 2023 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 19,701,594	\$ 19,285,675	\$ 92,817,104	\$ 98,699,146	\$ 112,518,698	\$ 117,984,821
Operating Grants and Contributions	10,836,967	15,256,510	-	-	10,836,967	15,256,510
Capital Grants and Contributions	4,831,617	13,300,835	2,102,419	7,222,402	6,934,036	20,523,237
General Revenues	-	-	-	-	-	-
Property Tax	24,597,118	25,096,500	-	-	24,597,118	25,096,500
Sales Tax	29,676,876	29,410,605	-	-	29,676,876	29,410,605
Interfund Utility Tax	7,771,366	8,633,995	-	-	7,771,366	8,633,995
Utility Tax	13,071,264	12,049,461	-	-	13,071,264	12,049,461
Excise Tax	3,597,878	6,227,996	-	-	3,597,878	6,227,997
Business and Occupation Tax	12,198,944	16,691,650	-	-	12,198,944	16,691,650
Other Taxes	4,827,213	4,115,378	-	-	4,827,213	4,115,378
Investment Earnings	6,960,578	6,764,555	3,937,300	3,843,490	10,897,878	10,608,044
Other Revenue	799,586	157,991	1,547,056	4,302,800	2,346,642	4,460,791
Total Revenues	138,870,999	156,991,150	100,403,879	114,067,838	239,274,878	271,058,988
<b>Expenses</b>						
Culture and Recreation	16,735,629	17,541,128	-	-	16,735,629	17,541,128
Economic Environment	5,251,455	6,769,342	-	-	5,251,455	6,769,342
General Government	17,796,126	19,661,280	-	-	17,796,126	19,661,280
Health and Human Services	3,432,638	1,368,619	-	-	3,432,638	1,368,619
Interest on Long-Term Debt	731,092	667,390	-	-	731,092	667,390
Physical Environment	4,631,448	5,099,970	-	-	4,631,448	5,099,970
Public Safety	38,871,123	39,509,957	-	-	38,871,123	39,509,957
Transportation	19,075,820	19,444,504	-	-	19,075,820	19,444,504
Water	-	-	16,460,821	17,093,085	16,460,821	17,093,085
Sewer	-	-	28,027,531	31,779,474	28,027,531	31,779,474
Solid Waste	-	-	29,377,682	30,333,559	29,377,682	30,333,559
Storm	-	-	11,444,327	12,474,341	11,444,327	12,474,341
Airport	-	-	2,317,741	2,318,882	2,317,741	2,318,882
Cemetery	-	-	1,793,070	1,844,622	1,793,070	1,844,622
Total Expenses	106,525,331	110,062,190	89,421,172	95,843,964	195,946,504	205,906,154
Increase in net position before transfers	32,345,668	46,928,960	10,982,706	18,223,874	43,328,374	65,152,834
Transfers	1,151,660	555,540	(1,151,660)	(555,540)	-	-
Change in net position	33,497,328	47,484,499	9,831,046	17,668,334	43,328,374	65,152,834
Net Position, January 1, as Previously Reported	516,960,973	550,346,195	306,838,044	317,880,445	823,799,018	868,226,639
Change in Accounting Principle	-	(1,353,302)	-	(344,412)	-	(1,697,714)
Error Corrections	(112,106)	-	1,211,354	-	1,099,248	-
Net Position, January 1, Restated	516,848,867	548,992,893	308,049,398	317,536,033	824,898,265	866,528,925
Net position, December 31	550,346,195	596,477,392	\$ 317,880,445	\$ 335,204,367	\$ 868,226,639	\$ 931,681,759

## Governmental Activities

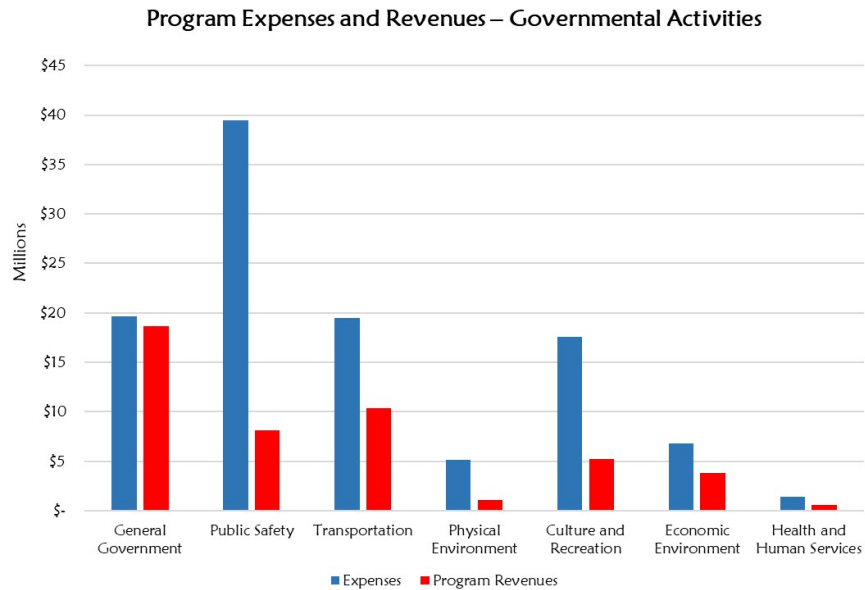
The chart below summarizes the governmental activity revenue by source.



The City's primary sources of governmental revenue are taxes (65%), charges for services (12%), and grants and contributions (8%). Overall, governmental revenues increased by \$18.8 million, or 13.6%, compared to 2023. Charges for services remained relatively stable year over year; however, several other revenue categories experienced significant growth:

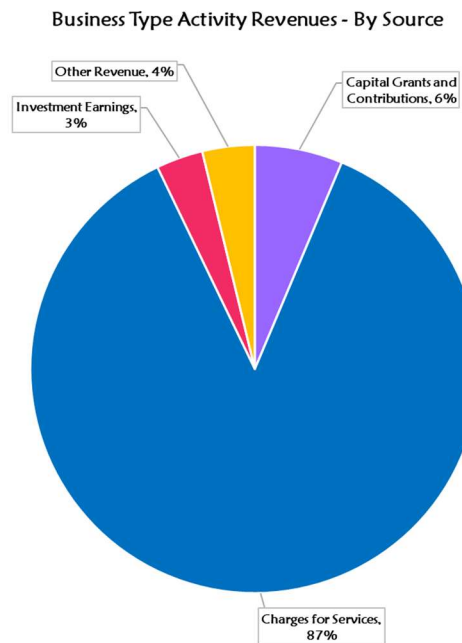
- Capital grants and contributions increased by \$8.5 million or 175% due to several large grants that were received in 2024. These included grants from King County totaling \$1.2 million for a new park (Cedar Lanes Pump Track) and the purchase of property for open space, \$1.5 million for the Washington State Department of Commerce for the purchase of a consolidated resource center, \$4.2 million in grants for various transportation projects, and \$1.6 million in infrastructure acquired through a newly annexed area,
- Operating grants and contributions rose by \$4.4 million or 41% due to a \$6.1 million settlement received from Sound Transit for the condemnation of City parking space. This settlement is offset by a \$1.7 million reduction in ARPA funds that were earned in 2024 compared to 2023.
- Business and occupation tax grew by \$4.5 million or 37%, which is the result of the first year of enforcement and compliance efforts after implementing the new tax in 2022.
- Excise tax revenues increased by \$2.6 million or 74% which is related to higher real estate excise tax collected in 2024 over 2023. This tax is collected on 0.5% of real estate sales and is restricted to the use of specific governmental capital acquisition, construction, and rehabilitation.

The following chart identifies the specific programs' revenues and related expenses for the various activities of the City. Gaps between specific programs' revenues and their related expenses are funded through general tax revenues.



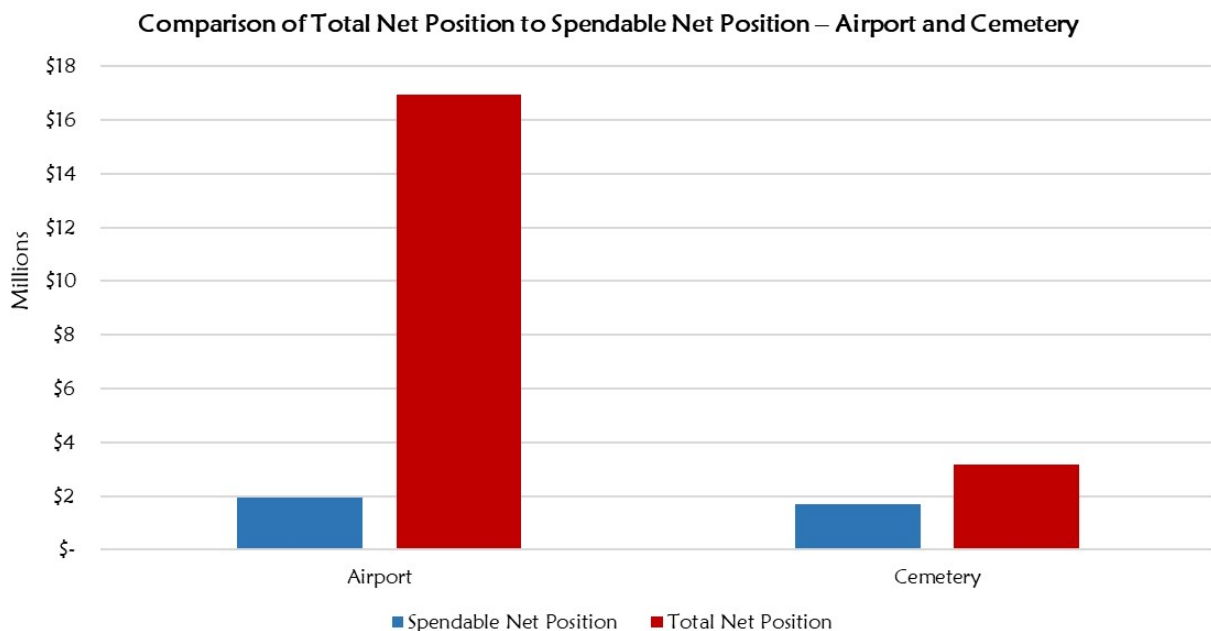
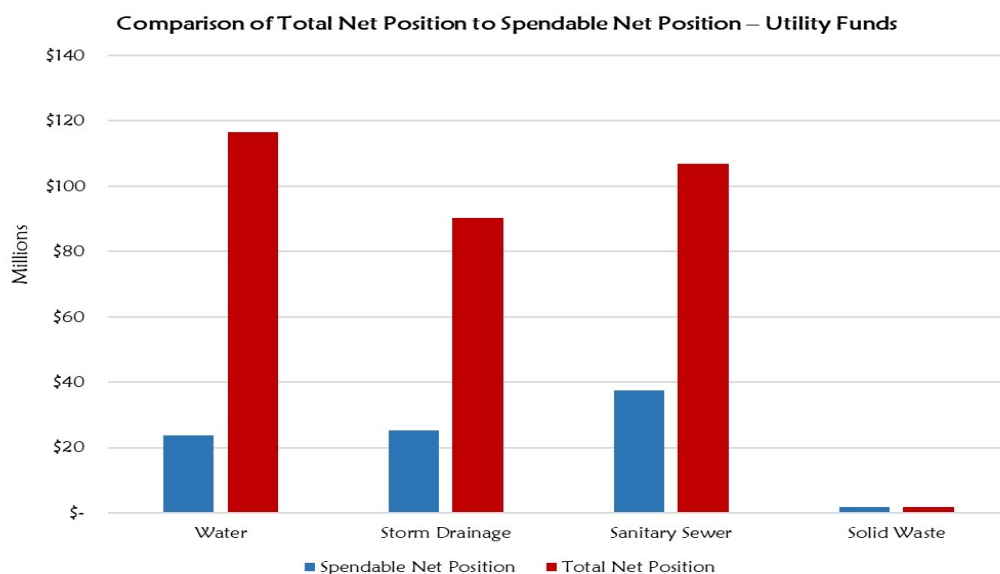
### Business-Type Activities

The following chart shows the funding sources for the business-type activities, broken down by source:

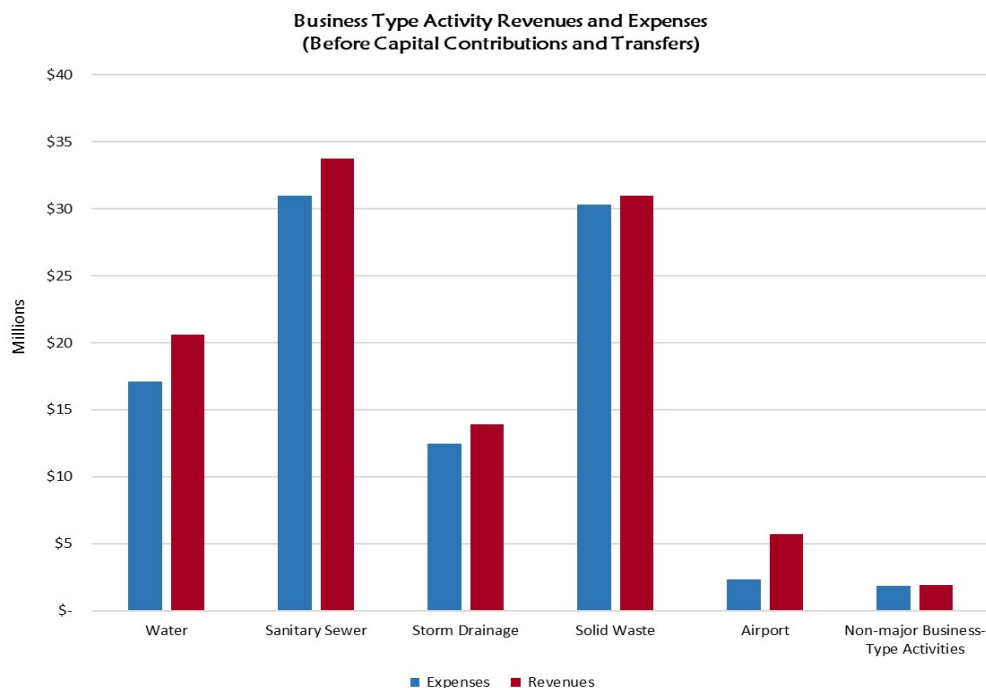


The most significant revenue source is charges for services (\$98.6 million in 2024). Revenue is collected into these funds via user fees and consumption charges. Rates for these fees are established taking into consideration the ongoing maintenance and operating costs for the systems they support, as well as the long-term capital investments and improvements that are necessary in the short and long term. These activities also rely on capital grants and contributions (\$7.2 million in 2024) to help fund infrastructure projects.

The following are two charts that contrast the total net position to the spendable portion of net position for each enterprise fund:

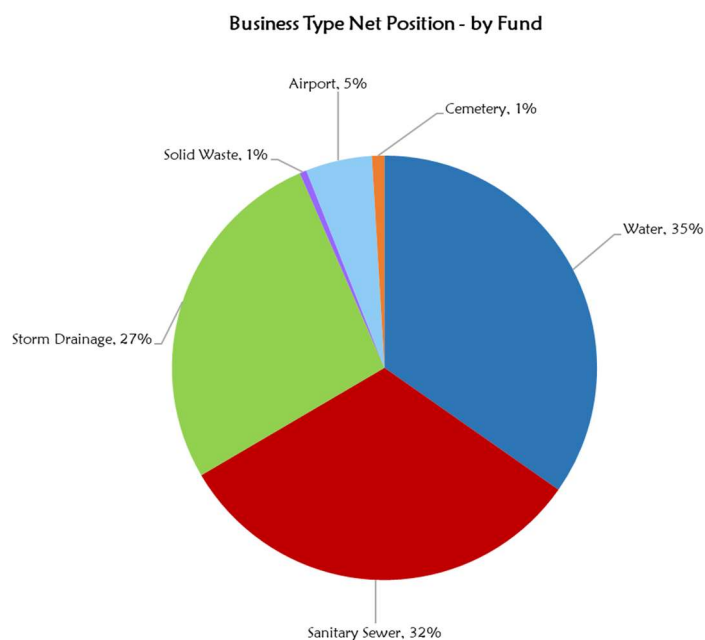


The following chart shows how each utility fund program revenue and expenses compare:



Generally, revenue collected from user fees of the City's utility systems exceed expenses. A full cost recovery model was in effect for 2024.

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



The majority of the City's enterprise net position in enterprise funds relates to capital asset infrastructure, such as water and sewer mains and the airport runway. As such, most of the net position is not available to support the ongoing

expenditures of the funds. Additionally, some activities such as water, sewer, and storm serve a greater number of customers and have significantly more expensive infrastructure needs, therefore their net position typically remains higher to properly fund future investments.

### Financial Analysis of Governmental Funds

The purpose of the City's governmental funds is to report on near-term revenues/financial resources and expenditures. This information will help determine the City's financial requirements in the near future. Specifically, fund balance is a good indicator of the City's financial resources.

As of December 31, 2024, the City's governmental funds had combined fund balances of \$152.9 million, an increase of \$20.8 million or 15.8% over the previous year. This change was primarily a result of changes in fund balances in the City's general fund (\$16.9 million).

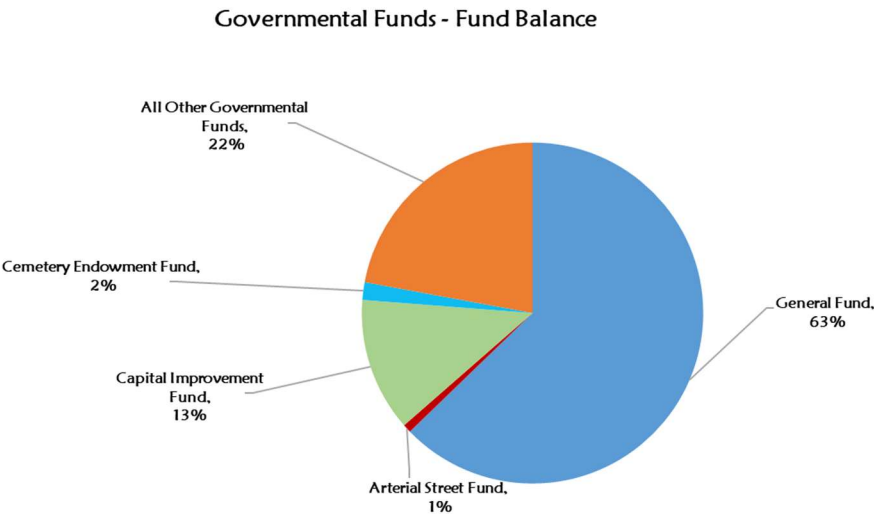
The following table shows the changes in fund balance between 2024 and 2023:

	<b>2024</b>	<b>2023</b>	<b>Difference</b>
General Fund	\$ 95,988,840	\$ 79,037,228	\$ 16,951,612
Arterial Street fund	1,214,831	2,316,385	(1,101,553)
Capital Improvements Fund	19,389,938	15,669,290	3,720,648
Cemetery Endowment Fund	2,548,886	2,390,209	158,677
All Other Governmental Funds	33,789,805	32,675,326	1,114,479
<b>Total</b>	<b>\$152,932,300</b>	<b>\$132,088,437</b>	<b>\$ 20,843,863</b>

Of the total governmental fund balances, \$88.6 million is unassigned. The remaining \$64.3 million consists of nonspendable, restricted, committed, and assigned fund balances, allocated as follows:

- \$21.2 million is restricted, committed, or assigned for capital projects
- \$32.7 million resides in special revenue funds and is restricted, committed, or assigned for specific purposes
- \$7.4 million is nonspendable, restricted, committed, or assigned within the General Fund
- \$0.5 million is assigned for debt service funds
- \$2.2 million represents nonspendable principal balances in the endowment (permanent) fund

The following chart shows how the total \$152.9 million governmental fund balances are allocated, by relative fund:



The General Fund is the primary operating fund of the City, which accounts for 62.8% of all governmental fund balances. All receipts and payments of ordinary City operations are processed through it unless they are required to be accounted for in another fund.

At the end of 2024, the general fund had a fund balance of \$96.0 million, \$7.2 million of which is assigned or restricted, and \$88.6 million is unassigned. This increase of \$16.9 million in fund balance over 2023 is attributed to the excess of revenues over expenditures in 2024 by the same amount. The most significant contributors to the revenues of the City’s general fund were:

- |                               |                 |
|-------------------------------|-----------------|
| • Retail Sales and Use Tax    | \$ 26.5 million |
| • Property Tax                | 24.7 million    |
| • Business and Occupation Tax | 11.6 million    |
| • Utility tax                 | 10.7 million    |
| • Charges for Services        | 10.7 million    |

General Fund revenues exceeded budget expectations and largely recovered from the impact of COVID-19. Overall, General Fund revenues recognized through 2024 totaled \$109 million as compared to an annual budget of \$94.8 million, and were \$14.2 million, or 15% above budget expectations. The largest contributor to this outcome was Business and Occupation (B&O) tax revenue exhibiting an increase of \$4.6 million over the budget. The second largest contributor to this performance was retail sales and use tax showing an increase of \$2.9 million or 12.5% above the budgeted amount.

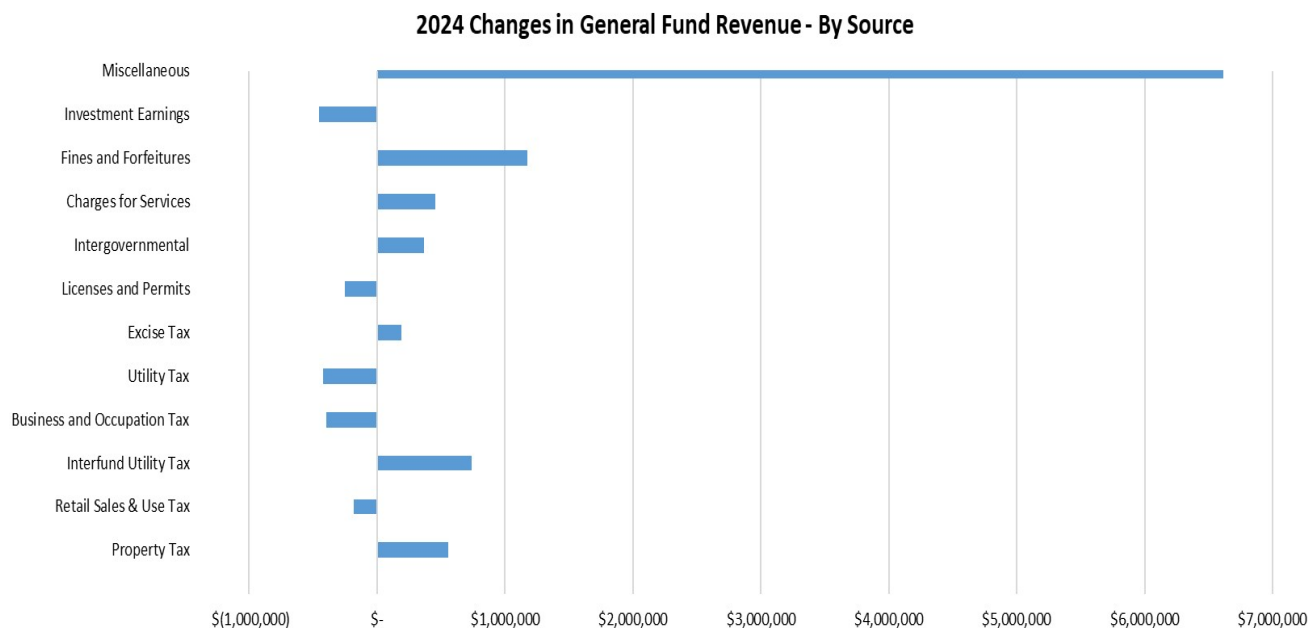
Overall, the favorable variance to the annual expense budget is \$11 million. At the close of the year all departments operated within their annual budgets, with some variances due to a decrease in professional services expenditures. Also contributing to the favorable variance was a savings in salaries and benefits expenses as there were vacant regular full-time positions in the City.

Other funds that had significant fund balances include:

- \$1.2 million in the Arterial Street fund, used specifically for major street improvement projects. Most of these projects are funded with state and federal grants, motor vehicle excise tax, Transportation Benefit District (TBD)

sales tax, and impact mitigation fees. The fund revenues and expenditures increased by 69% and 87% respectively compared to the last year due to an increase in construction activity for the projects throughout the year. There were 26 active projects in this fund in 2024.

- \$19.4 million in the Capital Improvement fund, used for various governmental capital asset projects. The fund balance increased by \$3.7 million due to the collection of Real Estate Excise Tax that exceeds capital spending. REET revenues in 2024 totaled \$5.3 million which is \$2.4 million more than 2023. According to King County assessed valuations of property taxes, the City has increased in property value by 2.3%. Accompanied with lower interest rates currently, the current climate for real estate sales is favorable for citizens within the State of Washington. This is a sign of recovery after two years of declining annual REET revenues.
- \$36.3 million in all other government funds:
  - \$16.0 million of this fund balance is in the mitigation fund, which accounts for the collection of park and traffic impact and mitigation fees that are ultimately used for capital projects. The fund balance decreased by \$0.35 million between 2023 and 2024 due to lower collections of developer impact fees, but continued spend down for budgeted capital items.
  - The remaining \$20.3 million of this fund balance is comprised of the City's arterial and local street preservation funds, cemetery maintenance, hotel/motel tax, community development, local revitalization, drug forfeiture, recreational trails, and municipal parks construction fund. These funds – in aggregate – increased by about \$1.6 million largely due to lower-than-expected spending on street projects.
- General fund revenue increased by \$8.4 million, sources of which are shown in the chart below. Property taxes increased by \$0.5 million, and excise taxes increased by \$0.2 million from 2023. Over the same period, utility tax decreased by \$0.4 million, and B&O tax decreased by \$0.4 million. Sales tax and interfund utility tax increased by \$0.5 million. Intergovernmental revenues increased by \$0.4 million. However, licenses and permits declined by \$0.3 million, charges for services increased by \$0.5 million, fines & forfeitures increased by \$1.2 million, investment earnings decreased by \$0.5 million and miscellaneous revenues increased by \$6.6 million mainly due to a \$6.1 million Sound Transit settlement.



## 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.

## General Fund Budgetary Highlights

The City budgets biennially by adopting two single-year budgets at the end of each even-numbered year and then making adjustments as necessary via budget amendments throughout the biennium. Major amendments to the 2023 budget included:

- Budgeted general fund expenditures and transfers out increased from \$101.3 million to \$115.4 million. Major changes include an increase in expenditures associated with the economic environment and transfers out.

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

- Actual General Fund revenues totaled \$113.9 million, which is 4.4% above budget. Significant areas of favorable variance include business and occupation tax, which exceeded budget by \$4.6 million; sales and use taxes, which exceeded budget by \$2.9 million; investment earnings, which were \$1.5 million higher than the budget; fines and forfeitures, which were \$2.7 above the budget; and utility taxes, which were \$1.4 million above budget. All areas of favorable variance included inflation, higher rates of return on investments, and new revenue sources. Areas of unfavorable variance include interfund intergovernmental revenues, which were \$0.4 million below budget and transfers in, which were \$9.4 million under budget.
- Actual general fund expenditures, including transfers out, totaled \$99.7 million and were under budget by \$15.6 million. Departments experienced savings due to lower than anticipated salary and benefit payments due to continued vigilance in monitoring city-wide expenditures, as well as employee attrition. Significant areas of under-expenditure include reduced personnel costs – largely due to vacancies – and reduced professional services contracts and other miscellaneous expenditures.

## Capital Asset and Debt Administration

### Capital Assets

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2024, totaled \$684.2 million (net of accumulated depreciation), an increase of \$22.5 million from 2023. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, utility transmission/distribution systems, roads, bridges, and other infrastructure.

Major capital asset changes during the year include:

- The increase in land is associated with governmental activities. Major additions are related to:
  - The acquisition of property from Feenix Parkside LLC, with land valued at \$1.6 million.
  - A \$0.7 million land purchase related to the CFT property acquired from 125 E Main, LLC.
  - \$0.4 million in demolition costs associated with the Auburn Theatre site.
  - An increase of \$1.1 million for right-of-way land and permanent easement parcels related to the Auburn Way South project.
- \$5.9 million net increase in construction projects related to governmental activities is attributable to the completion of work in progress under twelve projects, which had a beginning balance of \$2.1 million, along with \$8 million in expenditures across forty ongoing projects.

- \$1.7 million net decrease in construction in progress related to business-type activities reflects \$2.8 million increase in construction expenses under twenty-five projects, offset by \$4.5 million in completed work across seventeen projects.
- Acquisition of property from Feenix Parkside LLC, with building valued at \$4.6 million.
- \$1.9 million of hangar upgrades related to Airport under the business-type activities.
- \$15 million increase in improvements is primarily related to business-type activities. The additions result from the completion of prior year capital improvement projects (CIP) in 2024, as well as developer contributions.
- \$0.9 million of increase in intangibles is mainly associated with the water rights recorded under the business-type activities.
- The decrease in lease assets by \$4.2 is primarily the result of terminating the lease agreement with Feenix Parkside LLC following the purchase of the property from the lessor.
- The net decrease of \$0.8 million in the book value of subscription assets is mainly due to an increase in accumulated depreciation resulting from recognition of the depreciation expense for the reporting period.

A summary of the City's capital assets follows:

**Summary of Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/2024	As of 12/31/2023	As of 12/31/2024	As of 12/31/2023	As of 12/31/2024	As of 12/31/2023
Land	114,819,789	\$ 110,906,160	\$ 13,177,445	\$ 13,177,445	\$ 127,997,234	\$ 124,083,605
Construction in progress	15,926,714	10,027,639	4,638,741	6,371,353	20,565,455	16,398,992
Buildings	47,200,063	44,130,932	3,238,649	1,381,726	50,438,711	45,512,658
Improvements other than buildings	9,794,928	9,418,951	246,995,857	232,310,805	256,790,785	241,729,756
Machinery and equipment	13,176,473	11,445,145	176,810	160,603	13,353,282	11,605,749
Intangibles	494,587	499,523	10,628,383	9,693,578	11,122,970	10,193,101
Infrastructure	200,403,476	203,535,801	-	-	200,403,476	203,535,801
Lease Assets	120,803	4,332,770	-	-	120,803	4,332,770
Subscription Assets	3,448,073	4,293,919	-	-	3,448,073	4,293,919
	<u>\$ 405,384,905</u>	<u>\$ 398,590,842</u>	<u>\$ 278,855,884</u>	<u>\$ 263,095,510</u>	<u>\$ 684,240,789</u>	<u>\$ 661,686,352</u>

More detailed information on capital assets is provided in Note 6.

## Long-term Debt

Long-term debt levels remained relatively stable during the year. The City continues to manage its obligations prudently and maintains an AA+ credit rating from Standard & Poor's for its general obligation debt. During the year, the City entered into two new Public Works loans: \$825,000 from the Washington State Department of Transportation to support airport projects, and \$2,817,191 from the Washington State Department of Health to fund water system improvements.

Additionally, the City's lease agreement with Feenix Parkside LLC ended following the purchase of the underlying leased asset, resulting in a \$4.2 million reduction in lease liabilities. Additional information, including outstanding balances, statutory debt limitations, and lease disclosures, is provided in Notes 3 and 7 to the financial statements.

## Economic Factors

The past year realized small growth over 2023. Most positive economic impacts were seen in consistent sales and retail taxes, which were much greater than budgeted due to inflationary costs of goods resulting in steady sales and use tax revenue collections. Building permit activity and developer investments showed a decline for the third year in row in 2024 and indicates a decline in capital development. Real property values, which have fully recovered to pre-recession levels by 2016, continued to grow and assessed valuation grew an additional 6.1% in 2024.

While the economy remained consistent in 2024 following a moderate 2023 and 2022, there are continued concerns of an impending recession, fueled by high rates of inflation triggered by increasing labor costs, scarcity of goods, and continued increases by the federal reserve. The City is considering the consistent revenue activity and budget savings in 2024 as short-term and will be leveraging the increased revenue towards one-time uses. Prior to experiencing the strong economic conditions of 2021, the City was facing a fiscal imbalance (expenditure growth outpacing revenue growth) in the next two biennium. While 2021 and 2022 have provided a slight reprieve, this imbalance is expected to return if smart fiscal policies and spending are not adhered to and/or new funding sources are not considered. Therefore, the City remains cautious and continues to vigilantly monitor and control its expenditures in order to live within the City's means.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Auburn'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 Auburn, 25 West Main Street, Auburn WA 98001-4998.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City presents two government-wide financial statements.

### **The Statement of Net Position**

This statement provides information all on city assets, liabilities, and deferred outflows/inflows of resources with the net difference reported as net position.

### **The Statement of Activities**

This statement is focused on both the gross and net cost of various functions, including both governmental and business-type activities. The governmental activities are principally supported by taxes and intergovernmental revenues. The business-type activities are intended to recover all, or a significant portion, of their costs through user fees and charges.

City of Auburn, Washington  
**STATEMENT OF NET POSITION**  
December 31, 2024

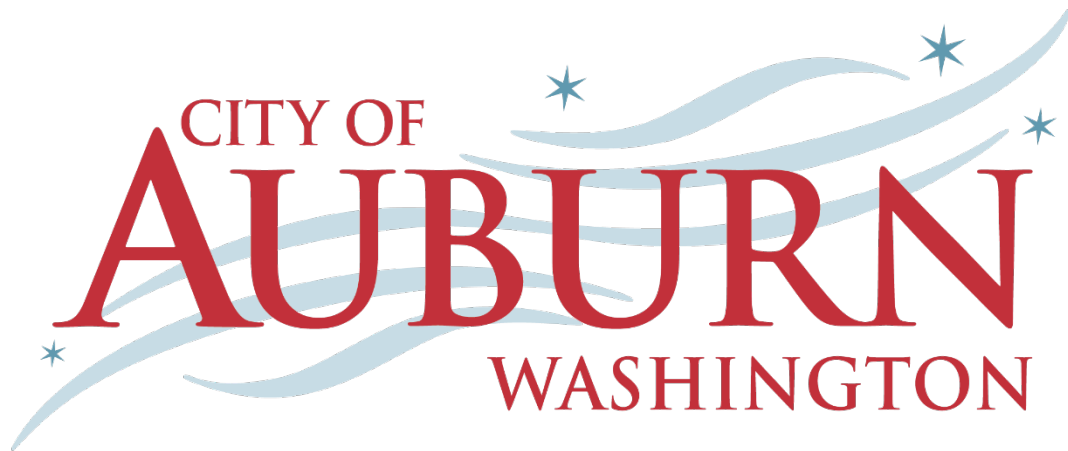
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 71,713,473	\$ 40,364,765	\$ 112,078,238
Investments	66,243,002	35,918,090	102,161,092
Receivables:			
Taxes	12,293,350	-	12,293,350
Customer Accounts	5,220,016	9,826,771	15,046,787
Other Receivables	1,056,636	581,913	1,638,550
Due From Other Governmental Unit	5,561,151	1,107,959	6,669,110
Internal Balances	286,883	(286,883)	-
Materials and Supplies Inventory	527,300	476,676	1,003,976
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	22,749,104	6,497,309	29,246,414
Due From Other Governmental Units	3,908,473	-	3,908,473
Permanently Restricted:			
Cash and Cash Equivalents	524,690	-	524,690
Investment	1,699,408	-	1,699,408
Prepaids	386,952	-	386,952
Long-Term Contracts, Leases and Notes	3,880,174	12,120,971	16,001,145
Net Pension Asset	13,853,939	2,416,861	16,270,800
Investment in Joint Ventures	41,732,653	-	41,732,653
Depreciable Assets (Net of Accumulated Depreciation)	274,638,403	250,411,315	525,049,718
Non-Depreciable Assets	130,746,503	28,444,569	159,191,072
Total Assets	<u>657,022,111</u>	<u>387,880,316</u>	<u>1,044,902,427</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows from Bond Refunding	456,274	77,627	533,901
Deferred Outflows Related to Pensions	16,371,007	2,645,809	19,016,816
Total Deferred Outflows of Resources	<u>16,827,281</u>	<u>2,723,436</u>	<u>19,550,717</u>
<b>LIABILITIES:</b>			
Accounts Payable	8,555,308	3,564,478	12,119,786
Other Liabilities Payable	438,820	-	438,820
Payable From Restricted Assets:			
Accrued Interest	-	110,538	110,538
Deposits	-	275,359	275,359
Unearned Revenue	4,465,456	-	4,465,456
Net Pension Liability	1,375,377	1,665,912	3,041,289
Employee Leave Benefits-Compensated Absences:			
Due Within One Year	2,067,010	453,710	2,520,720
Due in More Than One Year	3,517,270	772,041	4,289,311
Bonds and Other Debt Payable:			
Due Within One Year	1,413,535	3,029,436	4,442,971
Due in More Than One Year	19,463,868	32,408,458	51,872,326
Lease and SBITA Payable:			
Due Within One Year	682,475	-	682,475
Due in More Than One Year	2,832,856	-	2,832,856
Due to Other Governmental Units:	14,470,401	-	14,470,401
Total OPEB Liability			
Due Within One Year	305,000	-	305,000
Due in More Than One Year	8,151,529	-	8,151,529
Other Non-Current Liabilities:			
Total Firemen's Pension Liability	2,620,662	-	2,620,662
Total Liabilities	<u>70,359,567</u>	<u>42,279,932</u>	<u>112,639,499</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Leases	3,717,143	11,583,392	15,300,535
Deferred Inflows Related to Pensions	3,295,290	1,536,061	4,831,351
Total Deferred Inflows of Resources	<u>7,012,432</u>	<u>13,119,453</u>	<u>20,131,886</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	386,069,275	243,501,045	629,570,320
Restricted:			
Capital Projects	35,328,293	-	35,328,293
Nonexpendable Permanent Endowment	2,224,098	-	2,224,098
Debt Service	-	6,128,198	6,128,198
Tourist Promotion	459,003	-	459,003
Drug Investigation and Enforcement	829,915	-	829,915
Community Development Block Grant Program	54,699	-	54,699
Pension Asset	13,853,939	2,416,861	16,270,800
Opioid Settlement	491,241	-	491,241
Unrestricted	157,166,929	83,158,264	240,325,193
Total Net Position	<u>\$ 596,477,392</u>	<u>\$ 335,204,367</u>	<u>\$ 931,681,759</u>

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

City of Auburn, Washington  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Fines	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>FUNCTIONS / PROGRAMS:</u></b>							
Primary Government							
Governmental Activities							
General Government	\$ 19,661,280	\$ 6,588,668	\$ 781,520	\$ 11,303,961	\$ (987,131)	\$ -	\$ (987,131)
Public Safety	39,509,957	5,035,623	14,867	3,098,247	(31,361,220)	-	(31,361,220)
Transportation	19,444,504	1,911,610	8,438,561	-	(9,094,333)	-	(9,094,333)
Physical Environment	5,099,970	532,839	517,759	-	(4,049,371)	-	(4,049,371)
Culture and Recreation	17,541,128	3,624,514	1,327,691	236,438	(12,352,486)	-	(12,352,486)
Economic Environment	6,769,342	1,592,420	1,626,043	615,848	(2,935,031)	-	(2,935,031)
Health and Human Services	1,368,619	-	594,394	2,016	(772,209)	-	(772,209)
Interest on Long-Term Debt	667,390	-	-	-	(667,390)	-	(667,390)
Governmental Activities Total	<u>110,062,190</u>	<u>19,285,675</u>	<u>13,300,835</u>	<u>15,256,510</u>	<u>(62,219,171)</u>	<u>-</u>	<u>(62,219,171)</u>
Business-Type Activities							
Water	17,093,085	19,302,872	2,183,574	-	-	4,393,361	4,393,361
Sewer	31,779,474	32,372,867	1,027,006	-	-	1,620,399	1,620,399
Storm	12,474,341	12,675,854	4,011,822	-	-	4,213,335	4,213,335
Solid Waste	30,333,559	30,650,181	-	-	-	316,622	316,622
Airport	2,318,882	1,884,176	-	-	-	(434,706)	(434,706)
Non-major (Cemetery)	1,844,622	1,813,196	-	-	-	(31,427)	(31,427)
Business-Type Activities Total	<u>95,843,964</u>	<u>98,699,146</u>	<u>7,222,402</u>	<u>-</u>	<u>-</u>	<u>10,077,584</u>	<u>10,077,584</u>
Total Primary Government	<u>\$ 205,906,154</u>	<u>\$ 117,984,821</u>	<u>\$ 20,523,237</u>	<u>\$ 15,256,510</u>	<u>\$ (62,219,170)</u>	<u>\$ 10,077,584</u>	<u>\$ (52,141,586)</u>
					Governmental Activities	Business-Type Activities	Total
General Revenues:							
Taxes:							
Business and Occupation					\$ 16,691,649	\$ -	\$ 16,691,649
Excise					6,227,997	-	6,227,997
Interfund Utility					8,633,995	-	8,633,995
Fuel, Liquor, Marijuana & Other					4,115,378	-	4,115,378
Property					25,096,500	-	25,096,500
Retail Sales & Use					29,410,605	-	29,410,605
Utility					12,049,461	-	12,049,461
Gain on Sale of Capital Assets					106,653	-	106,653
Investment Earnings					6,764,555	3,843,490	10,608,045
Other Revenues					(21,452)	4,302,800	4,281,348
Contributions to Endowment Funds					72,790	-	72,790
Transfers					555,540	(555,540)	-
Total General Revenues, Contributions, Special Items, and Transfers					<u>109,703,670</u>	<u>7,590,750</u>	<u>117,294,420</u>
Net Change in Net Position					<u>47,484,500</u>	<u>17,668,334</u>	<u>65,152,834</u>
Net Position, January 1, As Previously Presented					549,770,028	316,765,420	866,535,447
Change in Accounting Principles					(1,353,302)	(344,412)	(1,697,714)
Error Corrections					<u>576,167</u>	<u>1,115,025</u>	<u>1,691,192</u>
Net Position - January 1, Restated					<u>548,992,893</u>	<u>317,536,033</u>	<u>866,528,925</u>
Net Position- Ending					<u>\$ 596,477,392</u>	<u>\$ 335,204,367</u>	<u>\$ 931,681,759</u>

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



## MAJOR GOVERNMENTAL FUNDS

### General Fund

The general fund accounts for all of 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. As noted in the statements that follow, the general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.

The general fund is accounted for on a modified accrual basis. Biennial budgets are adopted with appropriations lapsing at the end of each year of the biennium.

### American Rescue Plan Act Fund

The fund was created to track Federal funding from the coronavirus rescue package designed to facilitate the recovery from the devastating economic impacts and public health emergency effects of the COVID-19 pandemic.

### Arterial Street Fund

This fund is supported by the State of Washington's motor vehicle fuel tax and by various grants and is used for major street construction.

### Capital Improvement Projects Fund

This fund accounts for major capital acquisitions, and streets and parks construction projects.

City of Auburn, Washington  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2024

	General Fund	American Rescue Plan	Arterial Street	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 37,350,927	\$ -	\$ 109,882	\$ 16,201,374	\$ 23,302,008	\$ 76,964,192
Investments	50,436,763	-	-	4,884,200	11,650,358	66,971,320
Receivables:						
Taxes	12,151,013	-	-	-	142,337	12,293,350
Customer Accounts	2,079,215	-	849,936	1,574,078	637,819	5,141,048
Other Receivables	719,699	-	-	97,410	222,910	1,040,020
Interfund Receivable	454,284	-	58,541	90,981	11,815	615,620
Inventories	48,295	-	-	-	-	48,295
Due From Other Governmental Units	5,519,502	-	1,148,813	1,239,625	1,549,184	9,457,124
Long-Term Notes and Contracts	2,363,402	-	58,368	-	1,458,405	3,880,174
Prepays	152,326	-	-	-	-	152,326
Total Assets	<u>111,275,426</u>	<u>-</u>	<u>2,225,541</u>	<u>24,087,668</u>	<u>38,974,834</u>	<u>176,563,469</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Current Payables	3,485,242	-	952,341	697,730	671,628	5,806,941
Customer Deposits	58,764	-	-	-	-	58,764
Interfund Payable	90,981	-	-	-	508,541	599,522
Other Liabilities Payable	246,286	-	-	-	-	246,286
Unearned Revenue	-	-	58,368	-	-	58,368
Total Liabilities	<u>3,881,273</u>	<u>-</u>	<u>1,010,709</u>	<u>697,730</u>	<u>1,180,169</u>	<u>6,769,881</u>
<b>Deferred Inflow of Resources:</b>						
Unavailable Revenues-Other	8,861,414	-	-	4,000,000	282,731	13,144,145
Deferred Inflows Related to Leases	2,543,899	-	-	-	1,173,244	3,717,143
Total Deferred Inflow of Resources	<u>11,405,313</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>1,455,974</u>	<u>16,861,288</u>
<b>Fund Balance:</b>						
Nonspendable	200,621	-	-	-	2,224,098	2,424,720
Restricted	2,339,920	-	1,214,831	17,413,766	18,043,312	39,011,830
Committed	-	-	-	-	12,710,633	12,710,633
Assigned	4,825,162	-	-	1,976,172	3,360,648	10,161,982
Unassigned	88,623,136	-	-	-	-	88,623,136
Total Fund Balance	<u>95,988,840</u>	<u>-</u>	<u>1,214,831</u>	<u>19,389,938</u>	<u>36,338,691</u>	<u>152,932,300</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 111,275,426</u>	<u>\$ -</u>	<u>\$ 2,225,541</u>	<u>\$ 24,087,668</u>	<u>\$ 38,974,834</u>	<u>\$ 176,563,469</u>

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

City of Auburn, Washington  
**RECONCILIATION OF BALANCE SHEET OF GOVERNMENT FUNDS TO THE STATEMENT OF NET POSITION**  
 December 31, 2024

Total governmental fund balances as reported on this statement funds are included in governmental activities in the statement of net position.	\$ 152,932,300
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of general government not reported on fund financial statements, net of depreciation	391,442,052
Other non-current assets used in governmental activities not reported on fund financial statements	
Accrual receivables such as interest	5,999
Investment in joint venture	41,732,653
Net pension asset	<u>12,930,870</u>
	54,669,522
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the governmental funds:	
Unavailable revenue beyond the city's 30-day measurable and available period	8,737,056
Accrued obligations not normally recorded in governmental funds	
Bonds and loans payable including bond premium	(20,877,403)
Compensated absences payable	(5,022,985)
Deferred amount on bond refunding	456,274
Due to other governments	(14,470,401)
Firemen's Pension Liability	(2,620,662)
Lease and subscription liability	(2,907,791)
Net deferred amounts related to pension	12,954,741
Net pension liability	(506,583)
OPEB liability	(8,456,529)
Other liabilities such as interest accruals	<u>(121,223)</u>
	(41,572,562)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet maintenance and information technology, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.	30,269,024
Net position of government activities as reported on the statement of net position	<u>\$596,477,392</u>

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

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2024

	General Fund	American Rescue Plan	Arterial Street	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes:						
Business and Occupation	\$ 11,652,656	\$ -	\$ -	\$ -	\$ -	\$ 11,652,656
Excise	682,529	-	-	5,365,118	180,350	6,227,997
Interfund Utility	6,757,040	-	-	-	1,876,956	8,633,995
Property	24,756,748	-	-	-	345,483	25,102,231
Retail Sales & Use	26,523,039	-	-	-	2,887,566	29,410,605
Utility	10,702,008	-	-	-	1,347,452	12,049,461
Charges for Services	10,689,350	-	39,839	37,971	1,351,058	12,118,218
Fines and Forfeitures	3,749,253	-	-	-	177,400	3,926,653
Intergovernmental	7,073,804	4,218,477	3,720,621	2,674,960	2,673,153	20,361,016
Investment Earnings	3,454,171	-	103,526	819,702	1,526,252	5,903,651
Licenses and Permits	2,598,043	-	45,000	-	-	2,643,043
Judgments, Settlements, Rents, and Other	8,198,424	-	-	110,315	81,478	8,390,217
Total Revenues	<u>116,837,065</u>	<u>4,218,477</u>	<u>3,908,987</u>	<u>9,008,066</u>	<u>12,447,148</u>	<u>146,419,742</u>
<b>EXPENDITURES:</b>						
Current:						
Culture and Recreation	16,676,839	-	-	-	-	16,676,839
Economic Environment	6,204,437	-	-	-	1,025,489	7,229,926
General Government	19,560,955	-	-	-	-	19,560,955
Health and Human Services	1,230,553	-	-	-	-	1,230,553
Physical Environment	5,869,441	-	-	-	-	5,869,441
Security of Persons and Property	42,003,861	-	-	-	339,255	42,343,117
Transportation	4,778,279	-	6,250,342	-	6,268,653	17,297,275
Debt Service:						
Principal	589,396	-	197,376	-	1,167,317	1,954,089
Interest and Other Costs	152,893	-	7,274	-	710,947	871,115
Capital Outlay	52,052	-	-	8,696,153	3,352,381	12,100,585
Total Expenditures	<u>97,118,705</u>	<u>-</u>	<u>6,454,993</u>	<u>8,696,153</u>	<u>12,864,042</u>	<u>125,133,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,718,360</u>	<u>4,218,477</u>	<u>(2,546,006)</u>	<u>311,913</u>	<u>(416,894)</u>	<u>21,285,849</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Insurance Recoveries	113,283	-	-	-	-	113,283
Sales of Capital Assets	8,125	-	-	-	-	8,125
Transfers In (Note 4)	4,527,665	-	1,444,453	4,708,525	3,776,760	14,457,402
Transfers Out (Note 4)	(7,415,820)	(4,218,477)	-	(1,299,790)	(2,086,710)	(15,020,797)
Total Other Financing Sources (Uses)	<u>(2,766,748)</u>	<u>(4,218,477)</u>	<u>1,444,453</u>	<u>3,408,735</u>	<u>1,690,050</u>	<u>(441,986)</u>
Net Change in Fund Balance	<u>16,951,612</u>	<u>-</u>	<u>(1,101,553)</u>	<u>3,720,648</u>	<u>1,273,156</u>	<u>20,843,863</u>
Fund Balance, January 1, As Previously Presented	78,479,689	-	2,279,131	15,669,290	35,084,160	131,512,270
Error Corrections	557,538	-	37,254	-	(18,625)	576,167
Fund Balance, January 1, Restated	<u>79,037,228</u>	<u>-</u>	<u>2,316,385</u>	<u>15,669,290</u>	<u>35,065,535</u>	<u>132,088,437</u>
Fund Balance - Ending	<u>\$ 95,988,840</u>	<u>\$ -</u>	<u>\$ 1,214,831</u>	<u>\$ 19,389,938</u>	<u>\$ 36,338,691</u>	<u>\$ 152,932,300</u>

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

City of Auburn, Washington  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2024

Net change in governmental fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 20,843,863
Amount reported as change in net position in the Statement of Activities are different because:	
Government funds record capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is amount by which capital exceeds depreciation:	
Capital outlay	12,100,585
Health and human resources capital outlay	119,830
Transportation capital outlay	12,090,242
Depreciation expense not recorded in governmental funds	<u>(18,949,014)</u>
	5,361,643
Governmental funds report sales of assets as other financing sources while the Statement of Activities reports only the gain or loss on sales of capital assets.	92,242
Certain capital and joint venture activities that do not use or provide current financial resources but increase net position.	2,240,437
Payment of principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position:	
Payment of bonded debt and other liabilities	1,364,693
Subscription liability	356,404
Lease liability	<u>232,991</u>
	1,954,089
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Amortization of bond premium	190,426
Business and occupation taxes	5,038,993
Interest receivable	(3,095)
Other unavailable revenue	380,820
Property taxes	<u>(5,731)</u>
	5,601,412
Developer contributions and annexation of infrastructure assets are reported as revenue in the statement of activities, but do not provide current financial resources and are not reported as fund revenue.	4,227,582
Some expenses recoded in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in accrued interest payable	13,299
Change in compensated absences payable	(42,537)
Change in net pension liability or asset	4,205,631
Change in OPEB liability	<u>850,814</u>
	5,027,207
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	2,136,024
Total Transition Entries	<u>26,640,637</u>
Change in Net Position of Governmental Activities as reported on the Statement of Activities	<u>\$ 47,484,500</u>

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

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Taxes:				
Excise	\$ 550,635	\$ 550,635	\$ 682,529	\$ 131,894
Interfund Utility	6,959,667	5,989,667	6,757,040	767,373
Property	24,486,386	24,486,386	24,756,748	270,362
Retail Sales & Use	23,585,287	23,585,287	26,523,039	2,937,752
Utility	8,759,940	9,319,940	10,702,008	1,382,068
Business and Occupation	5,629,750	7,029,750	11,652,656	4,622,906
Charges for Services	9,411,337	11,082,070	10,689,350	(392,720)
Fines and Forfeitures	431,819	1,071,819	3,749,253	2,677,434
Intergovernmental	6,136,802	7,410,275	6,954,288	(455,987)
Investment Earnings	315,000	315,000	1,880,045	1,565,045
Licenses and Permits	2,568,898	2,568,898	2,598,043	29,145
Judgments, Settlements, Rents, and Other	1,342,180	1,423,180	2,096,424	673,244
Total Revenues	<u>90,177,701</u>	<u>94,832,907</u>	<u>109,041,423</u>	<u>14,208,516</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	15,902,772	16,919,864	16,676,839	243,025
Economic Environment	4,679,641	8,296,130	6,204,437	2,091,693
General Government	20,142,475	21,689,692	19,560,955	2,128,737
Health and Human Services	3,680,379	3,406,531	1,230,553	2,175,978
Physical Environment	5,515,682	6,013,322	5,869,441	143,881
Security of Persons and Property	45,887,001	46,525,952	41,792,801	4,733,151
Transportation	4,839,339	5,014,872	4,778,279	236,593
Debt Service:				
Principal	-	-	589,396	(589,396)
Interest and Other Costs	-	-	152,893	(152,893)
Capital Outlay	10,000	90,900	52,052	38,848
Total Expenditures	<u>100,657,289</u>	<u>107,957,263</u>	<u>96,907,646</u>	<u>11,049,617</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,479,588)</u>	<u>(13,124,356)</u>	<u>12,133,778</u>	<u>25,258,134</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance Recoveries	25,000	82,210	113,283	31,073
Sales of Capital Assets	-	-	8,125	8,125
Transfers In (Note 4)	11,719,188	14,203,054	4,790,709	(9,412,345)
Transfers Out (Note 4)	<u>(715,635)</u>	<u>(7,458,010)</u>	<u>(2,814,338)</u>	<u>4,643,672</u>
Total Other Financing Sources (Uses)	<u>11,028,553</u>	<u>6,827,254</u>	<u>2,097,778</u>	<u>(4,729,476)</u>
Net Change in Fund Balance	<u>548,965</u>	<u>(6,297,102)</u>	<u>14,231,556</u>	<u>20,528,658</u>
Fund Balance - Beginning	<u>9,475,710</u>	<u>45,719,546</u>	<u>45,719,546</u>	<u>-</u>
Error Corrections	-	-	557,538	557,538
Fund Balance - January 1, restated	<u>9,475,710</u>	<u>45,719,546</u>	<u>46,277,084</u>	<u>557,538</u>
Fund Balance - Ending	<u>\$ 10,024,675</u>	<u>\$ 39,422,444</u>	<u>\$ 60,508,641</u>	<u>\$ 21,086,197</u>

The Cumulative Reserve Fund is combined with  
the General Fund for purposes of GASB Statement 54  
The Fire, Relief & Pension Fund is combined with  
the General Fund for purposes of GASB Statement 73  
Fund Balance - Ending (GAAP)

33,631,520

1,848,679

\$95,988,840

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

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**AMERICAN RESCUE PLAN ACT (ARPA) FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 4,246,866	\$ 4,246,866	\$ 4,218,477	\$ (28,389)
Total Revenues	<u>4,246,866</u>	<u>4,246,866</u>	<u>4,218,477</u>	<u>(28,389)</u>
<b>EXPENDITURES:</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,246,866</u>	<u>4,246,866</u>	<u>4,218,477</u>	<u>(28,389)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>(4,246,866)</u>	<u>(4,246,866)</u>	<u>(4,218,477)</u>	<u>28,389</u>
Total Other Financing Sources (Uses)	<u>(4,246,866)</u>	<u>(4,246,866)</u>	<u>(4,218,477)</u>	<u>28,389</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ARTERIAL STREET FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Charges for Services	\$ -	\$ 20,000	\$ 39,839	\$ 19,839
Intergovernmental	4,170,350	13,388,374	3,720,621	(9,667,753)
Investment Earnings	8,000	23,000	103,526	80,526
Licenses and Permits	-	-	45,000	45,000
Miscellaneous	125,000	125,000	-	(125,000)
Total Revenues	<u>4,303,350</u>	<u>13,556,374</u>	<u>3,908,987</u>	<u>(9,647,387)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	11,764,000	25,416,264	6,250,342	19,165,922
Debt Service:				
Principal	197,400	197,400	197,376	24
Interest and Other Costs	<u>7,400</u>	<u>7,400</u>	<u>7,274</u>	<u>126</u>
Total Expenditures	<u>11,968,800</u>	<u>25,621,064</u>	<u>6,454,993</u>	<u>19,166,071</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,665,450)</u>	<u>(12,064,690)</u>	<u>(2,546,006)</u>	<u>9,518,684</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Debt	-	3,000,000	-	(3,000,000)
Transfers In (Note 4)	<u>7,003,800</u>	<u>7,004,370</u>	<u>1,444,453</u>	<u>(5,559,917)</u>
Total Other Financing Sources (Uses)	<u>7,003,800</u>	<u>10,004,370</u>	<u>1,444,453</u>	<u>(8,559,917)</u>
Net Change in Fund Balance	<u>(661,650)</u>	<u>(2,060,320)</u>	<u>(1,101,553)</u>	<u>958,767</u>
Fund Balance - Beginning	<u>690,081</u>	<u>2,279,131</u>	<u>2,279,131</u>	<u>-</u>
Error Corrections	-	-	37,254	37,254
Fund Balance - January 1, restated	<u>690,081</u>	<u>2,279,131</u>	<u>2,316,385</u>	<u>37,254</u>
Fund Balance - Ending	<u>\$ 28,431</u>	<u>\$ 218,811</u>	<u>\$ 1,214,831</u>	<u>\$ 996,020</u>

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

## MAJOR PROPRIETARY FUNDS

### ENTERPRISE FUNDS

The City's enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations. The goods and services these funds provide to the general public are primarily financed by service charges. Enterprise funds are self-supporting and use the accrual method of accounting. Auburn has five major enterprise funds.

#### **The Water Fund**

This fund accounts for all maintenance, construction, and debt service requirements associated with Auburn's water system.

#### **The Sanitary Sewer Fund**

This fund accounts for maintenance, construction, and debt requirements for Auburn's sanitary sewer system.

#### **The Storm Drainage Fund**

This fund accounts for the maintenance, construction and debt service requirements of Auburn's storm drainage system.

#### **The Solid Waste Fund**

Garbage collection services for the City are accounted for in this fund, supported almost entirely by garbage collection fees. Expenses include payment to the City's garbage contractor and other service charges.

#### **The Airport Fund**

Provides accounting of the activities of the Auburn Municipal Airport. Sources of income for the fund are leases, rentals, fuel charges, investment interest, and grant funding as available.

City of Auburn, Washington  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2024

	Enterprise Funds						Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-Major Enterprise Funds (Cemetery)	Total Enterprise Funds	Internal Service Funds
<b>ASSETS:</b>								
Current Assets								
Cash and Cash Equivalents	\$ 7,401,949	\$ 21,586,029	\$ 7,162,289	\$ 2,579,960	\$ 462,673	\$ 1,171,866	\$ 40,364,765	\$ 18,023,075
Investments	10,085,150	9,936,500	14,925,350	-	485,545	485,545	35,918,090	971,090
Restricted Cash:								
Bond Payments and Customer Deposits	2,343,951	414,201	662,733	-	139,374	-	3,560,259	-
Bond Reserve	2,058,758	290,549	587,743	-	-	-	2,937,050	-
Customer Accounts	2,553,462	4,615,635	1,943,057	714,399	218	-	9,826,771	78,969
Other Receivables	74,826	152,133	65,125	-	279,211	10,618	581,913	10,618
Due From Other Governmental Units	162,240	-	130,000	-	815,719	-	1,107,959	12,500
Due From Other Funds	-	-	-	-	59,369	-	59,369	-
Inventories	398,818	14,105	9,499	-	43,176	11,077	476,676	479,005
Prepays	-	-	-	-	-	-	-	234,626
Total Current Assets	<u>25,079,154</u>	<u>37,009,152</u>	<u>25,485,796</u>	<u>3,294,358</u>	<u>2,285,285</u>	<u>1,679,106</u>	<u>94,832,853</u>	<u>19,809,882</u>
Noncurrent Assets								
Long-Term Contracts and Notes	-	578,400	-	-	11,542,571	-	12,120,971	-
Net Pension Asset	812,014	458,097	819,650	-	113,275	213,825	2,416,861	923,069
Capital Assets Not Being Depreciated:								
Land	1,283,524	1,695,023	5,937,014	-	3,919,049	342,836	13,177,445	-
Construction in Progress	2,398,101	1,054,177	817,010	-	276,712	92,742	4,638,741	344,959
Intangible - Water Rights	10,628,383	-	-	-	-	-	10,628,383	-
Total Capital Assets Not Being Depreciated	<u>14,310,008</u>	<u>2,749,200</u>	<u>6,754,024</u>	<u>-</u>	<u>4,195,760</u>	<u>435,578</u>	<u>28,444,569</u>	<u>344,959</u>
Capital Assets Being Depreciated:								
Buildings and Equipment	2,509,599	1,343,980	282,112	496,618	5,008,045	981,840	10,622,193	36,759,749
Improvements Other Than Buildings	184,154,392	116,184,107	103,092,642	-	17,735,537	1,761,837	422,928,515	670,476
Right of Use (Leases)	-	-	-	-	-	-	-	216,734
Right of Use (Subscriptions)	-	-	-	-	-	-	-	1,111,077
Accumulated Depreciation	(80,716,468)	(48,363,628)	(40,748,344)	(496,618)	(11,121,575)	(1,692,761)	(183,139,393)	(25,160,141)
Total Capital Assets Being Depreciated	<u>105,947,523</u>	<u>69,164,459</u>	<u>62,626,411</u>	<u>(0)</u>	<u>11,622,007</u>	<u>1,050,915</u>	<u>250,411,315</u>	<u>13,597,894</u>
Total Noncurrent Assets	<u>121,069,545</u>	<u>72,950,156</u>	<u>70,200,085</u>	<u>(0)</u>	<u>27,473,613</u>	<u>1,700,317</u>	<u>293,393,716</u>	<u>14,865,923</u>
Total Assets	<u>146,148,700</u>	<u>109,959,308</u>	<u>95,685,881</u>	<u>3,294,358</u>	<u>29,758,898</u>	<u>3,379,424</u>	<u>388,226,569</u>	<u>34,675,805</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>								
Deferred Outflow from Bond Refunding	42,625	19,058	15,945	-	-	-	77,627	-
Deferred Outflow Related to Pensions	1,009,823	635,319	732,304	70,567	53,594	144,202	2,645,809	985,303
Total Deferred Outflow Of Resources	<u>1,052,448</u>	<u>654,377</u>	<u>748,249</u>	<u>70,567</u>	<u>53,594</u>	<u>144,202</u>	<u>2,723,436</u>	<u>985,303</u>
<b>LIABILITIES:</b>								
Current Liabilities								
Current Payables	805,820	396,629	603,553	1,493,323	187,614	77,539	3,564,478	1,332,914
Claims Liabilities	-	-	-	-	-	-	-	1,428,000
Loans Payable - Current	546,857	180,418	-	-	77,161	-	804,436	-
Employee Leave Benefits	124,854	112,877	175,534	-	15,659	24,786	453,710	207,762
Leases and SBITA Payable - Current	-	-	-	-	-	-	-	316,018
Revenue Bonds Payable - Current	1,456,720	281,098	487,183	-	-	-	2,225,000	-
Accrued Interest Payable	13,725	902	-	-	7,586	-	22,213	-
Due to Other Funds	6,666	-	64,518	-	-	-	71,184	4,284
Payable From Restricted Assets:								
Accrued Interest	66,048	7,933	14,344	-	-	-	88,325	-
Liabilities- Deposits	94,652	37,911	3,422	-	139,374	-	275,359	-
Total Current Liabilities	<u>3,115,342</u>	<u>1,017,767</u>	<u>1,348,555</u>	<u>1,493,323</u>	<u>427,394</u>	<u>102,325</u>	<u>7,504,705</u>	<u>3,288,977</u>
Noncurrent Liabilities								
Employee Leave Benefits	212,454	192,073	298,693	-	26,645	42,176	772,041	353,533
Leases and SBITA Payable	-	-	-	-	-	-	-	291,522
Loans Payable - Noncurrent	6,076,023	180,418	-	-	747,839	-	7,004,280	-
Net Pension Liability	1,304,782	221,098	42,874	97,158	-	-	1,665,912	868,794
Revenue Bonds Payable	19,449,843	2,024,153	3,930,182	-	-	-	25,404,178	-
Total Noncurrent Liabilities	<u>27,043,102</u>	<u>2,617,742</u>	<u>4,271,749</u>	<u>97,158</u>	<u>774,484</u>	<u>42,176</u>	<u>34,846,411</u>	<u>1,513,849</u>
Total Liabilities	<u>30,158,443</u>	<u>3,635,509</u>	<u>5,620,304</u>	<u>1,590,481</u>	<u>1,201,878</u>	<u>144,501</u>	<u>42,351,116</u>	<u>4,802,825</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>								
Deferred Inflow Related to Leases	-	-	-	-	11,583,392	-	11,583,392	-
Deferred Inflow related to Pensions	504,809	259,921	478,705	14,456	73,434	204,736	1,536,061	864,327
Total Deferred Inflow Of Resources	<u>504,809</u>	<u>259,921</u>	<u>478,705</u>	<u>14,456</u>	<u>11,656,826</u>	<u>204,736</u>	<u>13,119,453</u>	<u>864,327</u>
<b>NET POSITION:</b>								
Net Investment in Capital Assets	92,773,694	69,267,963	64,980,129	-	14,992,767	1,486,492	243,501,045	13,335,314
Restricted:								
Debt Service	4,239,028	657,574	1,231,595	-	-	-	6,128,198	-
Pension	812,014	458,097	819,650	-	113,275	213,825	2,416,861	923,069
Unrestricted	<u>18,713,159</u>	<u>36,334,621</u>	<u>23,303,747</u>	<u>1,759,988</u>	<u>1,847,745</u>	<u>1,474,072</u>	<u>83,433,332</u>	<u>15,735,572</u>
Total Net Position	<u>\$ 116,537,895</u>	<u>\$ 106,718,255</u>	<u>\$ 90,335,121</u>	<u>\$ 1,759,988</u>	<u>\$ 16,953,787</u>	<u>\$ 3,174,389</u>	<u>\$ 335,479,435</u>	<u>\$ 29,993,956</u>

Adjustment to reflect the consolidation  
of internal service funds related to  
enterprise funds

(275,068)

Net position of business-type activities

\$ 335,204,367

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

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2024

	Enterprise Funds						Governmental Activities
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-Major Enterprise Funds (Cemetery)	Internal Service Funds
<b>OPERATING REVENUES:</b>							
Charges for Services	\$ 19,302,872	\$ 32,372,867	\$ 12,675,854	\$ 30,650,181	\$ 727,631	\$ 1,813,196	\$ 20,374,258
Rental and Other Revenues	-	-	-	-	1,156,545	-	110,072
Total Operating Revenues	<u>19,302,872</u>	<u>32,372,867</u>	<u>12,675,854</u>	<u>30,650,181</u>	<u>1,884,176</u>	<u>1,813,196</u>	<u>20,484,330</u>
<b>OPERATING EXPENSES:</b>							
Administration	7,348,504	4,513,043	4,866,693	4,251,782	415,154	659,040	2,515,599
Depreciation / Amortization	3,948,621	2,527,560	2,054,781	-	577,673	34,283	2,997,374
Operations & Maintenance	4,897,816	23,679,581	5,145,603	26,081,778	1,308,423	1,125,319	15,842,874
Other Operating Expenses	-	-	-	-	3,449	23,376	-
Total Operating Expenses	<u>16,194,940</u>	<u>30,720,184</u>	<u>12,067,077</u>	<u>30,333,559</u>	<u>2,304,699</u>	<u>1,842,017</u>	<u>21,355,847</u>
Operating Income or Loss	<u>3,107,932</u>	<u>1,652,683</u>	<u>608,777</u>	<u>316,622</u>	<u>(420,523)</u>	<u>(28,822)</u>	<u>(871,517)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>							
Gain (Loss) on Lease Termination	-	-	-	-	(2,551)	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	(4,046)	(2,605)	6,285
Interest Expense	(612,115)	(59,020)	(126,537)	-	(7,586)	-	(21,272)
Interest Revenue	972,213	1,394,326	917,291	236,298	235,117	88,245	866,291
Other Non-Operating Expenses	(286,030)	(171,787)	(280,727)	-	-	-	-
Grants, Insurance Recoveries, and Other	297,468	1,317	336,898	56,946	3,605,681	4,491	208,821
Total Non-Operating Revenue (Expense)	<u>371,535</u>	<u>1,164,836</u>	<u>846,925</u>	<u>293,244</u>	<u>3,826,614</u>	<u>90,131</u>	<u>1,060,125</u>
Income (Loss) Before Contributions and Transfers	<u>3,479,467</u>	<u>2,817,518</u>	<u>1,455,702</u>	<u>609,866</u>	<u>3,406,091</u>	<u>61,309</u>	<u>188,608</u>
<b>CONTRIBUTIONS &amp; TRANSFERS:</b>							
Capital Contribution	2,183,574	1,027,006	4,011,822	-	-	-	-
Transfers In (Note 4)	-	-	-	-	-	-	1,710,059
Transfers Out (Note 4)	(160,505)	(160,517)	(234,519)	-	-	-	(591,124)
Total Contributions & Transfers	<u>2,023,069</u>	<u>866,489</u>	<u>3,777,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,935</u>
Change in Net Position	<u>5,502,536</u>	<u>3,684,007</u>	<u>5,233,006</u>	<u>609,866</u>	<u>3,406,091</u>	<u>61,309</u>	<u>1,307,543</u>
Net Position - January 1, As Previously Presented	110,309,117	103,006,296	85,004,440	1,150,764	13,557,015	3,135,769	28,831,467
Change in Accounting Principles	(89,978)	(79,562)	(93,616)	(641)	(9,319)	(22,689)	(145,054)
Error Corrections	816,220	107,514	191,291	-	-	-	-
Net Position, January 1, Restated	<u>111,035,359</u>	<u>103,034,247</u>	<u>85,102,115</u>	<u>1,150,123</u>	<u>13,547,696</u>	<u>3,113,080</u>	<u>28,686,413</u>
Net Position - Ending	<u>\$ 116,537,895</u>	<u>\$ 106,718,255</u>	<u>\$ 90,335,121</u>	<u>\$ 1,759,988</u>	<u>\$ 16,953,787</u>	<u>\$ 3,174,389</u>	<u>\$ 29,993,956</u>
Change in net position from this statement							18,496,816
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(828,482)
Change in net position of business-type activities							<u>\$ 17,668,334</u>

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

City of Auburn, Washington  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2024

Page 1 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-Major Enterprise Funds (Cemetery)	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Cash Received from Users	\$ 19,134,294	\$ 32,253,510	\$ 12,633,271	\$ 30,064,584	\$ 1,247,614	\$ 1,813,196	\$ 97,146,468	\$ 20,476,258
Cash Paid to Suppliers for Goods & Services	(8,408,058)	(25,476,579)	(5,364,247)	(30,159,970)	(1,408,956)	(873,558)	(71,691,367)	(11,048,428)
Cash Paid to Employees	(4,371,238)	(2,818,015)	(4,827,661)	(23,452)	(499,911)	(906,085)	(13,446,362)	(6,796,822)
Cash Paid for Taxes	-	-	-	-	-	(23,376)	(23,376)	-
Other Cash Paid	(286,030)	(171,787)	(280,727)	-	-	-	(738,545)	-
Other Cash Received	297,468	1,317	11,148	-	19,833	4,491	334,257	198,821
Net Cash Provided (Used) by Operating Activities	<u>6,366,435</u>	<u>3,788,444</u>	<u>2,171,785</u>	<u>(118,838)</u>	<u>(641,420)</u>	<u>14,668</u>	<u>11,581,075</u>	<u>2,829,829</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
Operating Grant	134,889	-	3,472	96,857	3,585,847	-	3,821,066	-
Transfers In	-	-	-	-	-	-	-	1,710,059
Transfers Out	(160,505)	(160,517)	(234,519)	-	-	-	(555,540)	(591,124)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(25,615)</u>	<u>(160,517)</u>	<u>(231,047)</u>	<u>96,857</u>	<u>3,585,847</u>	<u>-</u>	<u>3,265,525</u>	<u>1,118,935</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY:</b>								
Purchase of Capital Assets	(9,383,429)	(793,506)	(3,778,672)	-	(4,901,925)	(266,042)	(19,123,575)	(4,261,788)
Proceeds from Sales of Capital Assets	-	-	-	-	-	-	-	89,068
Proceeds from Insurance Settlements	-	-	-	-	-	-	-	10,000
Capital Contribution	390,304	773,803	283,742	-	-	-	1,447,850	-
Debt Proceeds	2,817,191	-	-	-	825,000	-	3,642,191	-
Debt Principal Payment	(1,768,728)	(557,084)	(466,413)	-	-	-	(2,792,226)	(359,313)
Interest Payment on Debt	(905,520)	(111,879)	(193,034)	-	-	-	(1,210,433)	(24,305)
Lease Principal Receipts	-	-	-	-	190,663	-	190,663	-
Lease Interest Receipts	-	-	-	-	131,431	-	131,431	-
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(8,850,182)</u>	<u>(688,667)</u>	<u>(4,154,376)</u>	<u>-</u>	<u>(3,754,831)</u>	<u>(266,042)</u>	<u>(17,714,098)</u>	<u>(4,546,339)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>								
Purchase of Investments	-	-	-	-	(486,203)	(486,203)	(972,405)	(972,405)
Interest Received	1,042,526	1,439,042	748,086	236,298	56,456	78,284	3,600,692	856,987
Net Cash Provided (Used) in Investing Activities	<u>1,042,526</u>	<u>1,439,042</u>	<u>748,086</u>	<u>236,298</u>	<u>(429,746)</u>	<u>(407,918)</u>	<u>2,628,287</u>	<u>(115,418)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(1,466,837)	4,378,303	(1,465,553)	214,318	(1,240,149)	(659,292)	(239,210)	(712,993)
Cash and Cash Equivalents - Beginning of Year	13,271,494	17,912,477	9,878,318	2,365,642	1,842,196	1,831,158	47,101,285	18,736,068
Cash and Cash Equivalents - End of Year	<u>\$ 11,804,658</u>	<u>\$ 22,290,780</u>	<u>\$ 8,412,765</u>	<u>\$ 2,579,960</u>	<u>\$ 602,047</u>	<u>\$ 1,171,866</u>	<u>\$ 46,862,075</u>	<u>\$ 18,023,075</u>
<b>CASH AT END OF YEAR CONSIST OF:</b>								
Cash and Cash Equivalents	7,401,949	21,586,029	7,162,289	2,579,960	462,673	1,171,866	40,364,765	18,023,075
Restricted Cash:								
Bond Payments and Customer Deposits	2,343,951	414,201	662,733	-	139,374	-	3,560,259	-
Bond Reserve	2,058,758	290,549	587,743	-	-	-	2,937,050	-
Total Cash	<u>\$ 11,804,658</u>	<u>\$ 22,290,780</u>	<u>\$ 8,412,765</u>	<u>\$ 2,579,960</u>	<u>\$ 602,047</u>	<u>\$ 1,171,866</u>	<u>\$ 46,862,075</u>	<u>\$ 18,023,075</u>

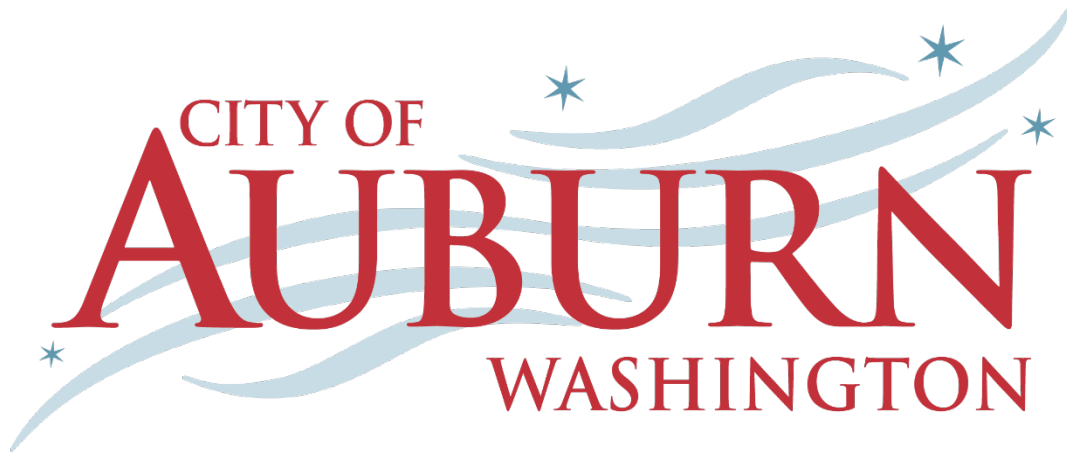
The notes to the basic financial statements are an integral part of this statement.

City of Auburn, Washington  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2024

Page 2 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-Major Enterprise Funds (Cemetery)	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>								
Operating Income or Loss	\$ 3,107,932	\$ 1,652,683	\$ 608,777	\$ 316,622	\$ (420,523)	\$ (28,822)	\$ 5,236,669	\$ (871,517)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>								
Change in Accounting Principles	\$ (89,978)	\$ (79,562)	\$ (93,616)	\$ (641)	\$ (9,319)	\$ (22,689)	\$ (295,805)	\$ (145,054)
Depreciation and Amortization	3,948,621	2,527,560	2,054,781	-	577,673	34,283	9,142,918	2,997,374
Lease Revenue Classified as Operating Income and Financing Cash Flow	-	-	-	-	(190,663)	-	(190,663)	-
Non-Operating Revenue (Expense)	11,437	(170,471)	(269,579)	-	17,282	4,491	(406,839)	198,821
Assets (Increases) Decreases								
Customer Accounts	(160,531)	(95,742)	(42,583)	(585,598)	10,369	-	(874,084)	(12,587)
Due From Other Governmental Units	-	-	-	-	(376,388)	-	(376,388)	4,515
Inventory	(40,331)	(5,494)	1,120	-	(340)	(2,959)	(48,003)	9,363
Lease Receivables	-	-	-	-	(4,656,572)	-	(4,656,572)	-
Other Receivables	-	-	-	-	(37,753)	-	(37,753)	-
Pension Asset	175,591	117,060	-	-	-	-	292,651	39,020
Pension Deferred Outflows	(230,672)	(154,057)	-	-	-	-	(384,729)	(51,162)
Prepays	-	-	-	-	-	-	-	(234,626)
Liability Increases (Decreases)								
Current Payables	(122,030)	128,367	(181,261)	155,459	(194,618)	4,576	(209,508)	531,556
Employee Leave Benefits	56,735	73,811	94,145	(4,680)	22,436	25,787	268,234	188,741
Pension Liability	(88,568)	(54,034)	-	-	-	-	(142,602)	(21,463)
Claims Payables	-	-	-	-	-	-	-	236,000
Lease Deferred Inflows	-	-	-	-	4,612,715	-	4,612,715	-
Pension Deferred Inflows	(193,723)	(128,061)	-	-	-	-	(321,784)	(43,436)
Payable from Restricted Assets	(8,048)	(23,615)	-	-	4,281	-	(27,382)	-
Due to Other Funds	-	-	-	-	-	-	-	4,284
Total Adjustments	<u>3,258,503</u>	<u>2,135,762</u>	<u>1,563,007</u>	<u>(435,460)</u>	<u>(220,897)</u>	<u>43,490</u>	<u>6,344,406</u>	<u>3,701,346</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,366,435</u>	<u>\$ 3,788,444</u>	<u>\$ 2,171,785</u>	<u>\$ (118,838)</u>	<u>\$ (641,420)</u>	<u>\$ 14,668</u>	<u>\$ 11,581,075</u>	<u>\$ 2,829,829</u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>								
Capital Assets Acquired by Contributed Capital	1,793,270	253,203	3,728,080	-	-	-	5,774,553	-
Capital Assets Acquired on Credit	6,666	-	64,518	-	-	-	71,184	-
Increase (Decrease) in Fair Value of Investment	(71,650)	(45,850)	364,150	-	(658)	(658)	245,335	(1,315)
Total Non Cash Investing, Capital and Financing Activities	<u>\$ 1,728,286</u>	<u>\$ 207,353</u>	<u>\$ 4,156,748</u>	<u>\$ -</u>	<u>\$ (658)</u>	<u>\$ (658)</u>	<u>\$ 6,091,071</u>	<u>\$ (1,315)</u>

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



## FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City of Auburn as a trustee or agent. Fiduciary funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governmental units.

### FIDUCIARY FUNDS

#### **Custodial Fund**

This fund accounts for the funds over which the City strictly acts in a custodial capacity.

City of Auburn, Washington  
**STATEMENT OF FIDUCIARY NET POSITION**  
 December 31, 2024

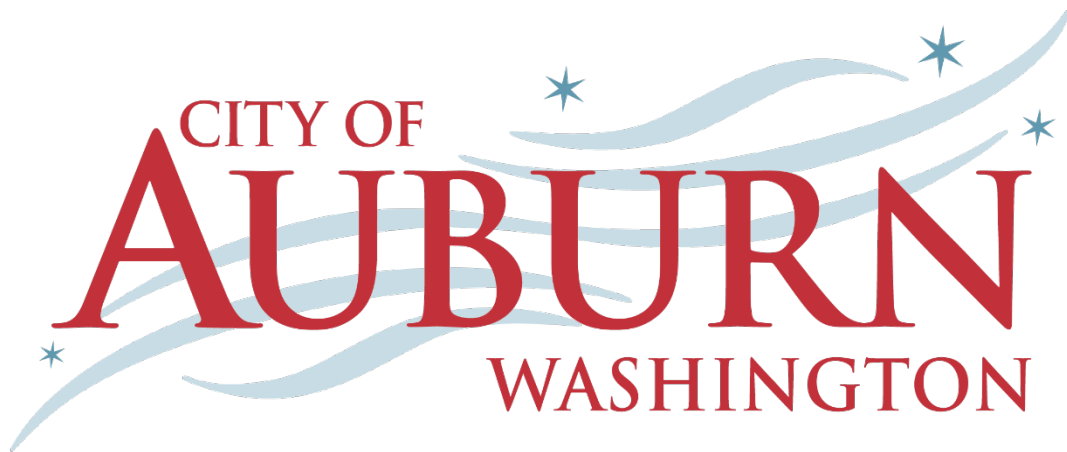
	Custodial
	Fund
<hr/>	
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 13,394,120
Receivables:	
Customer Accounts	15,191
Due from Other Governmental Units	12,209
Total Assets	<u>13,421,520</u>
<b>LIABILITIES:</b>	
Current Payables	<u>92,149</u>
Total Liabilities	<u>92,149</u>
<b>NET POSITION</b>	
Restricted for Other Governments & Organizations	<u>13,329,371</u>
Total Net Position	<u>\$ 13,329,371</u>

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

City of Auburn, Washington  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
 For the Year Ended December 31, 2024

	Custodial Funds
<b>ADDITIONS:</b>	
Contributions:	
Other Governments	\$ 4,328,453
Tax, Fines, Permits Collection for Other Governments	1,452,476
Amounts collected for other organizations and individuals	27,339
Investment Interest	<u>540,377</u>
Total Additions	<u>6,348,645</u>
<b>DEDUCTIONS:</b>	
Administrative Expenses	\$ 37,014
Payment to City for Services	314,072
Tax, Fines, Permits & Misc distributed to other governments	1,540,673
Distributions to other organizations and individuals	<u>28,091</u>
Total Deductions	<u>1,919,850</u>
Change in Net Position	<u>4,428,795</u>
Net Position - January 1	<u>8,900,576</u>
Net Position - December 31st	<u>\$ 13,329,371</u>

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



## City of Auburn

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	54
A. Reporting Entity .....	54
B. Basic Financial Statements.....	54
C. Measurement Focus, Basis of Accounting and Basis of Presentation.....	55
D. Budget and Budgetary Accounting .....	58
E. Assets, Liabilities, and Fund Balance .....	59
1. Deposits and Investments .....	59
2. Receivables .....	60
3. Interfund Receivables and Payables.....	60
4. Amounts Due From Other Governmental Units .....	60
5. Inventories and Prepaid Expenses .....	60
6. Restricted Assets .....	60
7. Interfund Transactions .....	61
8. Capital Assets .....	61
9. Pensions .....	61
10. Deferred Outflows/Inflows of Resources .....	62
11. Compensated Absences .....	62
12. Unearned Revenues.....	62
13. Net Position Components – Government-wide and Proprietary Funds .....	63
14. Fund Balance Components – Governmental Funds.....	63
NOTE 2 – DEPOSITS AND INVESTMENTS.....	65
A. Deposits .....	65
B. Investments.....	65
NOTE 3 – PROPERTY TAXES.....	67
NOTE 4 – INTERFUND ACTIVITY .....	69
NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS .....	72
NOTE 6 – CAPITAL ASSETS AND RIGHT TO USE ASSETS.....	73
NOTE 7 – LONG-TERM LIABILITIES .....	77
NOTE 8 – LEASES (LESSORS).....	83
NOTE 9 – PENSION PLANS .....	88
NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS.....	98
NOTE 11 – ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST (“Trust”) .....	100
NOTE 12 – CONSTRUCTION COMMITMENTS.....	101
NOTE 13 – CEMETERY ENDOWED CARE FUND.....	102
NOTE 14 – JOINT VENTURES / RELATED PARTY .....	102
NOTE 15 – JOINTLY GOVERNED ORGANIZATION / RELATED PARTY .....	106
NOTE 16 – CONTINGENCIES AND LITIGATIONS .....	107
NOTE 17 – RISK MANAGEMENT & INSURANCE.....	107
NOTE 18 – TAX ABATEMENTS.....	108
NOTE 19 – ACCOUNTING CHANGES AND ERROR CORRECTIONS.....	109
NOTE 20 – SUBSEQUENT EVENTS.....	112

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Auburn, King County, Washington, was incorporated in 1891. It operates under the laws of the State of Washington applicable to a Non-Charter Code City under a Mayor/Council form of government. A full-time mayor and seven part-time council members administer Auburn, all elected at large to four-year terms. The City provides a range of municipal services authorized by state law, including water services, sanitary sewer collection, solid waste collection, storm drainage, a general aviation airport, a municipal cemetery, and a municipal golf course.

The financial statements of the City of Auburn have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Effective for fiscal year 2024, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB).

- GASB Statement No. 100 –Accounting Changes and Error Corrections. An amendment to statement 62, the standard clarifies practice by providing guidance for the classification and financial reporting treatment of various accounting changes and error corrections. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, and consistent, and comparable information for making decisions and assessing accountability.
- GASB Statement No. 101 – Compensated Absences. This statement supersedes statement 16, Accounting for Compensated Absences, the updated guidance unifies the accounting for all types of compensated absences under one model. The objective is to better meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences and refine the related disclosure requirements. It establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB).

### A. Reporting Entity

In accordance with the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB), the City's Annual Comprehensive Financial Report includes all funds controlled by the City.

*Joint Ventures* - Based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14 as modified by GASB Statements No. 34 and 61, the Valley Communications Center and South Correctional Entity Facility (SCORE) are included in the accompanying government-wide statement of net position as a joint venture. (Refer to Notes 7 and 14).

*Jointly Governed Organizations* - The cities of Auburn, Algona and Pacific formed the Valley Regional Fire Authority (VRFA) effective January 1, 2007. The VRFA is a separate municipal corporation of the State of Washington, organized as a regional fire protection service authority under RCW 52.26. The VRFA is not financially accountable to the member cities, none of the participating cities has an ongoing financial interest in the VRFA, and the VRFA is not financially dependent upon any member city. The VRFA imposes its own property tax levy and fire benefit charge. As such, the VRFA is not included in the City of Auburn's financial reporting entity. (Refer to Note 14)

### B. Basic Financial Statements

The City's basic financial statements consist of government-wide financial statements and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, summarize the entire operation of the City. The governmental fund financial statements, which include the balance sheet, statement of revenues, expenditures and changes in fund balance, and statements of revenues, expenditures, and changes in fund balance budget and actual, provide a more detailed level of reporting. The proprietary fund financial statements, which include statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows, provide a more detailed level of reporting.

The government-wide financial statements report information on all the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been eliminated from these statements. Because governmental activities are normally supported by taxes and intergovernmental revenue, while business-type activities are generally supported through user fees and charges, governmental activities are reported separately from business-type activities on all government-wide financial statements.

The Statement of Net Position reports the assets, deferred outflows of resources, deferred inflows, and liabilities of the primary government. The net position section of this statement represents the residual amount of assets and their associated liabilities, deferred outflow, and deferred inflows of resources. The net position section is divided into three categories. The first category is *Net Investment in Capital Assets*, which includes all capital assets, net of accumulated depreciation, less the outstanding balances of any borrowing (bonds, loans) used for acquisition, construction, or improvement of those assets. Capital assets cannot readily be sold and converted into cash. The second category is *Restricted Net Position*, which includes those assets, net of their related debt that have a constraint placed on their use. The constraints are either: 1) externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The final section is *Unrestricted Net Position*, and this represents net position that generally can be used for any purpose. However, they are not necessarily in a spendable form, such as cash.

The statement of activities demonstrates the degree to which the direct expenses of various functions and activities of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. The City's policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items that are not properly included among function or activity revenues are instead reported as general revenues.

Separate financial statements are included for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

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

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 comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenue, and expenditures or expenses, as appropriate. The City resources are allocated to, and accounted for in, individual funds according to the purpose for which they are spent and how they are controlled.

The *basis of accounting* refers to the timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The *modified accrual basis* of accounting is followed in all governmental funds of the City. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Revenues are generally considered available if they are collected within the current period or soon enough thereafter to pay current liabilities. The City considers property taxes as available if they are collected within 30 days after the year end. For derived tax revenues, such as sales tax and utility business and occupation taxes, revenues are recognized in the period when the underlying

exchange has occurred. For imposed non-exchange taxes, such as property taxes, revenues are recognized when the use of resources is permitted, or when resources are available. Grant revenue is recognized in the period in which the expenditure occurs, and the eligibility requirements have been met. Non-exchange transactions, such as contributions, are recognized when the donation eligibility requirements have been satisfied. Those specific major revenue sources accrued are:

*Property Taxes* – King County and Pierce County collect property taxes and remit to the City daily or monthly.

*Sales Tax Revenues* – The State of Washington collects all sales taxes. Auburn's portion is remitted to the City by the State monthly. The Sales and Use Tax revenue portion received from the state in January of the following year is accrued in the current year since it is considered a material value and because of when the underlying transaction occurred, and the resources are considered to be measurable and available.

*Grant Revenues* – On cost reimbursement grants, grant revenue is recognized when the eligible expenditure is incurred. Grant revenues in governmental funds are recognized when all eligibility requirements are met and the revenues are considered available, defined as collectible within 120 days after year-end.

Under the modified accrual basis, expenditures are recorded when the fund liability is incurred, except for the unmatured interest and principal on general long-term debt, which is recognized when due, and for compensated absences which are recorded as expenditures when liquidated from expendable available fund resources.

Purchases of capital assets from governmental funds are reported as expenditures during the year incurred and the asset is capitalized and reported on the government-wide statement of net position. Long-term liabilities, including compensated absences not currently due and payable, are also reported on the government-wide statement of net position.

The *accrual basis* of accounting is followed in all proprietary and custodial funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. For the city, operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Transfers between government and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities' column are eliminated, as are transfers between funds reported in the business-type activities column.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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.

The three broad fund categories and nine fund types presented in this report are described below:

### **1. Governmental Fund Types**

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities and deferred inflow of resources generally are included on these balance sheets. Reported fund balance is considered a measure of "available spendable resources". Governmental fund

operating statements focus on measuring cash flows rather than net income; and present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current net assets.

The City reports the following major governmental funds:

**General Fund-** This is the City's general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**American Rescue Plan Act Fund-** The fund was created to track federal funding from the coronavirus rescue package designed to facilitate the recovery from the devastating economic impacts and public health emergency effects of the COVID-19 pandemic.

**Arterial Street Fund-** This fund is supported by the State of Washington's motor vehicle fuel tax and by various grants and is used for major street construction.

**Capital Improvement Fund-** This fund accounts for major capital acquisitions, and street and parks construction projects, which are dependent on the real estate excise taxes, state, and federal grant programs.

The City reports the following fund groups as non-major governmental funds:

- a. **Special Revenue funds** – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.
- b. **Debt Service funds** – These funds account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest, and related costs.
- c. **Capital Projects funds** – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.
- d. **Permanent funds** – These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes of supporting a specific City program. The city has one permanent fund, Cemetery Endowment.

## **2. Proprietary Fund Types**

Financial statements for proprietary funds use the economic resources measurement focus and the accrual basis of accounting. This means that all assets and all liabilities (whether current or non-current) associated with proprietary fund activity are included in the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. The economic resources measurement focus is applied in the determination of financial position, net income, and cash flow.

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 revenue of the City's utility funds, other enterprise funds, and internal service funds are charges to customers for sales and services, vehicle and computer replacement, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, or as capital contributions. Substantially all proprietary fund operating revenues are used as security for revenue bonds.

Enterprise funds are used to account for services to the general public where all or most of the costs, including depreciation, are to be financed or recovered from users of such services. Utilities provided to residents are accounted for in the water fund, sanitary sewer fund, storm drainage fund, and the solid waste fund.

The City reports the following major enterprise funds:

The Water Fund- This fund accounts for all revenues, expenses, maintenance, construction, and debt service requirements associated with Auburn's water system.

The Sanitary Sewer Fund- This fund accounts for all revenues, expenses, maintenance, construction, and debt requirements for Auburn's sanitary sewer system.

The Storm Drainage Fund- This fund accounts for all revenues, maintenance, construction, and debt service requirements of Auburn's storm drainage system.

The Solid Waste Fund- Garbage collection services for the City are accounted for in this fund, supported almost entirely by garbage collection fees. Expenses include payment to the City's garbage contractor and other service charges.

The Airport Fund- Provides accounting of the activities of the Auburn Municipal Airport. Sources of income for the fund are leases, rentals, fuel charges, investment interest, and grant funding as available.

The City reports the Cemetery fund as a non-major enterprise fund.

The Internal Service funds are used to account for the financing of goods and services provided to other funds, departments, or governments on a cost reimbursement basis. The City uses internal service funds to account for its fleet of vehicles, its maintenance and operation of facilities, the City-wide provision of computer hardware and software services, the cost of employees affected by an occupational injury or illness, and its insurance premiums. The City's internal service funds are comprised of the Insurance, Work Compensation Self Insurance, Facilities, Information Services, and Equipment Rental funds.

### **3. Fiduciary Fund Types**

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds use the economic resources measurement focus. The Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support city programs. The City's custodial funds function primarily as a clearing mechanism for cash resources which are collected by the City, held for a period of time and then disbursed to authorized recipients.

## **D. Budget and Budgetary Accounting**

The City of Auburn budgets in accordance with the Revised Code of Washington (RCW) 35A.33 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 the biennial budgeted governmental funds only. Budgets established for proprietary and trust funds are "flexible budgets" used as managerial tools, and are not legally required to be reported and, as such, are not reported in the Annual Comprehensive Financial Report (ACFR).

The biennial budget is proposed by the Mayor and adopted by the City Council with legal budgetary control at the fund level; expenditures and other financing sources may not exceed budgeted appropriations at the fund level. The Mayor may authorize transfers within funds; however, the City Council must approve by ordinance any amendments that increase the total for the fund. At fiscal year-end any unexpended appropriation balances automatically carry forward subject to the rules established in the enabling ordinance.

The City prepares the biennial budget on the modified accrual basis, which conforms to Generally Accepted Accounting Principles (GAAP). The Annual Comprehensive Financial Report includes budgetary comparisons for those governmental

funds with legally adopted budgets. Budget amounts include the adopted current year budget appropriations, and any revisions made during the year.

State law establishes the budget process and the time limits under which a budget must be developed. The City follows the procedures outlined below to establish its biennial budget:

- a. Sixty days prior to each odd numbered fiscal year, the Mayor submits to the City Council a preliminary budget for the biennium commencing the following January 1<sup>st</sup>. The operating budget includes proposed expenditures and funding sources.
- b. Public hearings are conducted at the Auburn City Council Meetings to obtain taxpayer comments.
- c. Prior to December 31<sup>st</sup>, the budget is legally enacted through passage of an ordinance.
- d. The final operating budget as adopted is published and distributed after adoption. Copies of the budget are made available to the public.

#### ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS

	Original Budget	Revisions	Final Budget
<b>Governmental Funds:</b>			
General Fund	\$ 101,372,924	\$ 14,042,349	\$ 115,415,273
Total Governmental Funds	101,372,924	14,042,349	115,415,273
<b>Special Revenue Funds:</b>			
American Rescue Plan Act (Arpa) Fund	4,246,866	-	4,246,866
Arterial Street Fund	11,968,800	13,652,264	25,621,064
Arterial Street Preservation Fund	5,250,000	5,537,176	10,787,176
Drug Forfeiture Fund	404,917	-	404,917
Hotel/Motel Tax Fund	177,100	85,000	262,100
Housing & Community Development Fund	650,000	216,057	866,057
Local Street Fund	1,951,300	3,936,738	5,888,038
Mitigation Fees Fund	7,003,800	3,927,989	10,931,789
Recreational Trails Fund	-	66,210	66,210
Total Special Revenue Funds	31,652,783	27,421,434	59,074,217
Total Budgeted Funds	\$ 133,025,707	\$ 41,463,783	\$ 174,489,490

For managerial purposes, the City of Auburn treats the General Fund, Cumulative Reserve Fund, and Fire Pension Fund separately. However, for reporting purposes, these funds are presented in combination with the general fund. The General Fund Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual compares only the General Fund as adopted in the budget along with the related revenues and expenditures. It does not include the budget or actual data for the Cumulative Reserve Fund and the Fire Pension Fund. The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual is also presented for the Cumulative Reserve Fund and Fire Pension Fund under the section Funds Financial Statements and Schedules.

## E. Assets, Liabilities, and Fund Balance

### 1. Deposits and Investments

It is the City's policy to invest all temporary cash surplus. At December 31, 2024, the Washington State Local Government Investment Pool (LGIP) was holding \$132,130,243 in short-term investments. This amount is classified on the Statement of Net Position as part of the line-item cash and cash equivalents. The interest on these investments is prorated to the various funds based upon ownership of investments. For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on deposit with financial institutions in both demand and time deposit accounts, and amounts invested in the Local Government Investment Pool, administered by the State Treasurer's Office. The State Finance Committee is the administrator of the statute that created the pool and adopts appropriate rules. The State Treasurer's Office is responsible for establishing the investment policy for the pool and reviews it annually. Any proposed changes are reviewed by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

The City, by state law, is authorized to purchase certificates of deposit issued by Washington State depositories that participate in Washington Public Deposit Protection Commission (WPDP), U.S. Treasury and Agency securities, banker's acceptances, and repurchase agreements. The City purchases repurchase agreements only from institutions that use authorized securities for collateral. The City of Auburn also has signed a "master repurchase agreement" with its primary bank, Key Bank.

For purposes of the statement of cash flows, all proprietary fund types and similar trust funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value or amortized cost. Adjustments are made to the cost for investments amortized over the period to maturity in accordance with GASB Statement No. 31. The investment in the state investment pool is valued at amortized cost.

## **2. Receivables**

*Taxes receivable* consist of property taxes (see Note 3). Accrued interest receivable consists of amounts earned on notes and contracts at the end of the year.

*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.

*Special assessments* are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable consists of current assessments, which are due within one-year, delinquent assessments remaining unpaid after the due date, and unearned, uncollected assessments, which have been levied, but are not due within one year.

*Other receivables* include utility taxes due from private organizations, city assessed business and occupation tax, and customer accounts receivable, which consist of amounts owed from private individuals or organizations for goods and services, including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

## **3. Interfund Receivables and Payables**

These accounts include all interfund receivables and payables. A separate schedule of interfund activity is furnished in Note 4.

## **4. Amounts Due From Other Governmental Units**

This account includes amounts due from other governments for grants, entitlements, and charges for services. A schedule by fund of amounts due from other governmental units is presented in Note 5.

## **5. Inventories and Prepaid Expenses**

Government fund types recognize the cost of inventory items and prepaid expenses (expenses that benefit future periods) as assets at the time of purchase. Once the inventory items have been consumed or goods and services associated with the prepaid items have been received, expenditure is recognized. In enterprise and internal service funds, inventories are valued at cost using the weighted average costing method.

## **6. Restricted Assets**

In accordance with the utility bond ordinances, state law, or other agreements, separate restricted assets have been established. These assets are restricted for specific purposes including the establishment of bond reserve funds,

financing the ongoing capital improvement programs of the various utilities, customer deposits, nonexpendable permanent cemetery endowment and other purposes.

## 7. Interfund Transactions

During normal operations, the City has numerous transactions between City funds. Interfund services provided and used, such as buying goods and services, are recorded as revenues in the internal service funds and expenditures in the paying fund. Transfers between funds are included as “other financing sources or uses” in governmental fund types and as other items in proprietary fund types.

## 8. Capital Assets

Capital assets are recorded at historical cost when known or at estimated historical cost when actual costs are not known. Infrastructure, such as roads, bridges, and water mains, is reported in the applicable government or business-type activities columns in the government-wide statement of net position. All infrastructure costs have been calculated and are reported. Government donated capital assets are stated at their acquisition value on the date donated.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets.

Capital assets of enterprise and internal service funds are recorded at cost. The capital assets of the airport are carried at cost and include those acquired with capital contributed by the Federal Government.

Capital assets of all funds are depreciated, and are calculated on the straight-line method using estimated lives as follows:

Asset	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building	\$5,000	Straight-line	10 - 50 years
Other Improvements	\$5,000	Straight-line	10 - 50 years
Equipment/Machinery	\$5,000	Straight-line	3 - 20 years
Infrastructure	\$5,000	Straight-line	5 - 75 years
Utility Plant	\$5,000	Straight-Line	25 - 50 years

Depreciation for intangibles is computed on the straight-line method over the estimated useful life of 3 - 50 years. At the inception of leases at the government fund reporting level, the net present value of future minimum lease payments allocable to the capital asset is reflected as expenditures and an “other financing source” of an equal amount.

## 9. 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 they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

The net pension assets, deferred outflows, net pension liabilities and deferred inflows of the various pension plans are allocated on the proprietary fund statements and government-wide statements based on the number of City

employees by fund participating in the plans. Since PERS 1 and LEOFF1 are closed plans, PERS 1 is allocated using the PERS 2/3 allocation percentages. LEOFF 1 is 100percent police.

Related restricted net position of the net pension asset is calculated using the GASB preferred method which is equal to the net pension asset balance, excluding deferred inflows and deferred outflows.

## 10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow (expense/expenditure) until that future period. The City of Auburn reports two items in this category:

- **Deferred outflows related to pensions**, which include differences between expected and actual experience, changes in assumptions, and differences between projected and actual returns on pension plan investments. These amounts are deferred and amortized in accordance with GASB Statement No. 68.
- **Deferred amounts on bond refunding**, which represent the difference between the carrying amount of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows 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 of Auburn reports the following items in this category:

- **Deferred inflows related to pensions**, which include differences between expected and actual experience, changes in assumptions, and other elements outlined under GASB Statement No. 68.
- **Deferred inflows related to leases**, which result from lease agreements accounted for under GASB Statement No. 87 and represent lease revenue to be recognized in future periods.

## 11. Compensated Absences

City employees accrue vacation leave at a variable rate based on years of service. In general, employees are allowed to accumulate vacation leave up to what would be earned in two years.

Unaffiliated employees accrue sick leave at the rate of eight hours per month up to 960 hours. Sick leave accumulations over 960 hours at year-end are paid at 25%. Sick leave is not paid upon termination except in some instances upon separation in good standing, where employees hired before 12/31/1984 can be reimbursed at their current rate for unused sick leave up to a maximum of 960 hours, at a rate based on years of service. The City's union contracts have varied sick leave accruals and payout options.

In general, non-exempt employees can accrue up to 80 hours of compensatory time. The City reports compensated absences as liabilities in the government-wide statement of net position and in proprietary funds. Vacation, compensatory time, and sick leave are calculated separately for each employee using the rules described above. The reporting format is in compliance with GASB statement No. 101.

Governmental funds recognize expenditures for vacation, sick, and compensatory time when paid. Proprietary funds recognize the expense and accrue a liability for vacation and sick leave pay as the leave is earned. All compensated absence liabilities include salary-related payments, where applicable.

## 12. Unearned Revenues

This account reflects the amounts of taxes and other long-term receivables for which the revenue recognition criteria have not been met. It also reflects prepayments on accounts and grants received in advance.

### 13. Net Position Components – Government-wide and Proprietary Funds

In proprietary funds, net position is generally restricted in connection with restricted assets or for legal segregation. These restrictions are identified on the statement of net position of each fund type. In order to calculate the amounts to be reported as restricted net position and unrestricted net position a flow assumption is made. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

The City holds and administers a Utility System Rate Stabilization Fund. The City may, by ordinance, withdraw from the Rate Stabilization Fund for inclusion in the net revenue of the Utility System at any time for any current fiscal year of the Utility System, except that the total amount withdrawn from the Rate Stabilization Fund in any fiscal year may not exceed the total debt service of the Utility System in that year.

In the government-wide financial statements, including both governmental and business-type activities, it is the City's policy to use restricted net position before unrestricted net position when an expense is incurred for purposes for which both are available.

### 14. Fund Balance Components – Governmental Funds

Fund balance is presented in the governmental fund financial statements and represents the difference between assets and liabilities reported within the governmental fund. Beginning with the most restrictive constraints, fund balance amounts are reported in the following categories:

- a. Nonspendable fund balance represents amounts that are not available for spending. This includes items that are not in a spendable form, such as inventories and prepaid amounts, as well as amounts that are legally or contractually required to be maintained intact.
- b. Restricted fund balance is externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
- c. Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority, namely, Mayor and City Council. Mayor and City Council approval by ordinance is required to commit, modify, or rescind resources.
- d. 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. It is the City's policy that the Finance Director shall have the authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the City Council, which is often adopted by City Council in the biennial budget ordinance. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not restricted or committed.
- e. Unassigned fund balance is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

When expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When expenditures are incurred for purposes, for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's policy to spend committed resources first, then assigned and unassigned, in that order.

The following shows the composition of the fund balance of the governmental funds for the fiscal year ended December 31, 2024:

*City of Auburn, Washington*  
**Governmental Funds Balance Details**  
December 31, 2024

	Major			Other	Total
	General	Arterial	Capital	Governmental	Governmental
	Fund	Street	Improvements	Funds	Funds
<b>Nonspendable</b>					
Inventory and Prepaids	\$ 200,621	\$ -	\$ -	\$ -	\$ 200,621
Permanent Cemetery Endowment	-	-	-	2,224,098	2,224,098
Total Nonspendable	<u>200,621</u>	<u>-</u>	<u>-</u>	<u>2,224,098</u>	<u>2,424,720</u>
<b>Restricted</b>					
Arterial Street Preservation Fund	-	-	-	759,948	759,948
City Tourism Promotion	-	-	-	459,003	459,003
Community Development Block Grant Program	-	-	-	54,699	54,699
Drug Investigation and Enforcement	-	-	-	829,915	829,915
Fire Pension	1,848,679	-	-	-	1,848,679
Major Street Construction	-	1,214,831	-	-	1,214,831
Opioid Settlement	491,241	-	-	-	491,241
Recreational Trail Development	-	-	-	49,511	49,511
REET 1 Allowable Projects	-	-	8,609,609	-	8,609,609
REET 2 Allowable Projects	-	-	8,804,157	-	8,804,157
Street and Fire Service Mitigation Fees	-	-	-	15,890,236	15,890,236
Total Restricted	<u>2,339,920</u>	<u>1,214,831</u>	<u>17,413,766</u>	<u>18,043,312</u>	<u>39,011,830</u>
<b>Committed</b>					
Arterial Street Preservation Fund	-	-	-	4,402,991	4,402,991
Local Street Improvements	-	-	-	8,307,642	8,307,642
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,710,633</u>	<u>12,710,633</u>
<b>Assigned</b>					
Subsequent Year's Expenditures	4,825,162	-	-	-	4,825,162
Arterial Street Preservation Fund	-	-	1,976,172	228,101	2,204,273
Cemetery Capital Enhancement and Maintenance	-	-	-	324,788	324,788
City Tourism Promotion	-	-	-	25,543	25,543
Debt Service	-	-	-	489,284	489,284
Downtown Infrastructure Improvements	-	-	-	368,009	368,009
Drug Investigation and Enforcement	-	-	-	58,667	58,667
Local Street Improvements	-	-	-	317,996	317,996
Parks and Trails Construction Projects	-	-	-	1,428,786	1,428,786
Recreation Trail Development	-	-	-	4,732	4,732
School Administration Fees	-	-	-	114,742	114,742
Total Assigned	<u>4,825,162</u>	<u>-</u>	<u>1,976,172</u>	<u>3,360,648</u>	<u>10,161,982</u>
<b>Unassigned</b>					
Unassigned	<u>88,623,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,623,136</u>
Total Unassigned	<u>88,623,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,623,136</u>
Total	<u>\$ 95,988,840</u>	<u>\$ 1,214,831</u>	<u>\$ 19,389,938</u>	<u>\$ 36,338,691</u>	<u>\$ 152,932,300</u>

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

On December 31, 2024, the carrying amount of the City's cash demand deposits with Key Bank totaled \$11,270,605 while the bank balance was \$17,884,935. In addition, the balance of the City's interest-bearing checking account with Pacific Premier Bank totaled \$ 11,825,014. Furthermore, there was \$17,600 in petty cash (\$10,000 in the Drug Forfeiture Fund to be used for enforcements purposes, \$7,600 in various petty cash and cashier change funds).

#### *Custodial Credit Risk*

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.

The Federal Deposit Insurance Corporation (FDIC) insures the City's deposits up to \$250,000. The Washington Public Deposit Protection Commission (WPDPC) (established under Chapter 39.58 of the Revised Code of Washington) constitutes a multiple financial institution collateral pool. Pledged securities under the WPDPC collateral pool are held by the WPDPC's agent in the name of the collateral pool.

### B. Investments

As required by State law, all investments of the City's funds are obligations of the U.S. Government, or deposits with Washington State banks that participate in the WPDPC. Pension and permanent funds are not subject to these limitations.

#### *Investments that are not Measured at Fair Value*

On December 31, 2024, the City had the following investments amortized, at cost:

Investment Type	Amortized Cost
State investment pool (LGIP)	\$ 132,130,243
	<u>\$ 132,130,243</u>

The City participates in the Local Government Investment Pool (LGIP). The LGIP meets the maturity, quality, diversification, and liquidity requirements as set forth in GASB Statement 79. The LGIP is an unrated external investment pool, and was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. All temporary investments such as the State Investment Pool are stated at amortized cost.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

#### *Investments Measured at Fair Value*

The city measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other quoted prices that are not observable.
- Level 3 – Unobservable inputs for an asset or liability.

As of December 31, 2024, the City had the following investments measured at fair value:

Investments by Fair Value Level	12/31/2024	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)
U.S. Agency	\$ 69,923,600	\$ 69,923,600	\$ -	\$ -
U.S. Treasury	33,936,900	33,936,900	-	-
Total Investments by Fair Value Level	<u>\$ 103,860,500</u>	<u>\$ 103,860,500</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a reconciliation of the City's total cash and investments to the Government-Wide Statement of Net Position as of December 31, 2024:

Cash and Investments	
Reconciliation to the Government-Wide Statement of Net Position	
Cash and Cash Equivalents	\$ 112,078,238
Investments	102,161,092
Temporarily Restricted:	
Cash and Cash Equivalents	29,246,414
Permanently Restricted:	
Cash and Cash Equivalents	524,690
Investments	1,699,408
<b>Total</b>	<b><u>\$ 245,709,842</u></b>
Bank Deposits	\$ 23,095,619
Investments not measured at fair value	132,130,243
Investments measured at fair value	103,860,500
Petty Cash Funds	17,600
Less: cash held in custodial funds	(13,394,120)
<b>Total</b>	<b><u>\$ 245,709,842</u></b>

#### Interest Rate Risk

The 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 the maximum maturity of an investment to not greater than five years, unless an investment is matched to an anticipated future cash flow. The segmented time distribution presented in the schedule of investments by maturity above indicates how the City has managed its 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 law and the City's investment policy limit the instruments in which the City may invest. These include:

1. US Treasury obligations
2. US Government Agency obligations and US Government Sponsored Enterprises (GSE's) which may include but are not limited to Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Government National

Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Student Loan Marketing Corporation (SLMA), and/or Tennessee Valley Authority (TVA).

3. Non-negotiable Certificates of Deposit of financial institutions which are qualified public depositories as defined by RCW 39.58.010(2) and in accordance with the restrictions therein.
4. Bonds of the State of Washington and any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment, the bonds must have a rating of AA- from S&P or Aa3 from Moody's, or higher. In the case of a split rating, the lower rating of these two rating agencies will be used.
5. Washington Local Government Investment Pool (LGIP) managed by the Washington State Treasurer's Office.
6. Other investments authorized by law.
7. Time deposits and savings account deposits with Washington State Public Deposit Protection Commission (PDPC) approved banks.

#### *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 diversifies its investments by security type and institution. City investment policy restricts security holdings to 25 - 40% of the City's total investment portfolio in a single security type. This restriction excludes US Treasury obligations, US Agency Securities and the Washington State Local Government Investment Pool which may comprise 100% of the total investment portfolio.

#### *Other information*

Effective 2002, the City has established arrangements with Bank of New York for safekeeping of all investments.

The following is a schedule of investments by fund type:

	State Investment Pool	Bond Investments	Total
Governmental Funds	\$ -	\$ 66,971,320	\$ 66,971,320
Enterprise Funds	-	36,889,180	36,889,180
Local Government Investment Pool	132,130,243	-	132,130,243
Total	<u>\$ 132,130,243</u>	<u>\$ 103,860,500</u>	<u>\$ 235,990,743</u>

### **NOTE 3 – PROPERTY TAXES**

Property taxes received during tax year 2024 were \$25,102,231 including collection of prior year delinquent assessments. Property taxes assessed for collection in tax year 2024 were based on a regular tax levy of \$1.39068 per \$1,000 on a total 2023 assessed value of \$17,869,840,473.

For the levy year 2024, to be received in 2025, the City's regular tax levy is \$1.39696 per \$1,000 on a 2024 assessed valuation of \$19,438,866,350 as of December 31, 2024, for a total regular levy of \$25,607,602. State law provides that debt cannot be incurred in excess of the following percentages of the taxable property of the City.

1.50% of assessed value	without a vote of the people
2.50% of assessed value	with a vote of the people

The City has additional authority to incur the following debt as a percentage of total valuation.

2.50% of assessed value	with a vote of the people, indebtedness is for utilities
2.50% of assessed value	with a vote of the people, indebtedness is for parks, or open space development

At December 31, 2024, the debt limits for the City were as follows:

Item	Without a Vote 1.50%	With a Vote			Total Capacity
		General Purposes 1.00%	For Utilities 2.50%	For Parks or Open Space Development 2.50%	
Legal Limit	\$ 291,582,995	\$ 194,388,664	\$ 485,971,659	\$ 485,971,659	\$ 1,457,914,977
Outstanding indebtedness	(32,421,975)	-	-	-	(32,421,975)
Margin available	\$ 259,161,020	\$ 194,388,664	\$ 485,971,659	\$ 485,971,659	\$ 1,425,493,002

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior May 31. The County assesses property at 100% of fair market value. A revaluation of all property is required every year, and a physical inspection is required at least once every six years.

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 installments if the total amount exceeds \$50. 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. No allowance for uncollectable taxes is established because delinquent taxes are considered fully collectable.

At year-end, property taxes are recorded as a receivable. During the year, property tax revenues are recognized when cash is received.

1. The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit.
2. Washington State law in RCW 84.55.010 limits the annual growth of regular property taxes to the lesser of 1% or the rate of inflation. With a vote of the majority of the voters within a taxing district, the 1% levy limitation can be "lifted" and additional taxes may be levied.
3. The City may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

Property taxes are recorded as receivables when levied. In the governmental fund financial statements, revenues are recognized when they become measurable and available; amounts not available at year-end are reported as deferred inflows of resources. Since state law allows for the sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

**NOTE 4 – INTERFUND ACTIVITY**

Transfers are legally authorized transfers of resources from a fund receiving revenue to the fund through which resources are to be expended. The principal purposes for interfund transfers include interfund subsidies and transfers into capital project and debt service funds, and to transfer special revenues towards allowable projects and programs. All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Interfund transfers for the year ended December 31, 2024, were as follows:

	Transfer To					Total
	General Fund	Capital Improvement Fund	Arterial Street Fund	Non-major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 4,414,401	\$ 52,050	\$ 1,522,235	\$ 1,427,133	\$ 7,415,820
Capital Improvement Fund	-	-	17,258	1,116,479	166,053	1,299,790
American Rescue Plan Act Fund	4,218,477	-	-	-	-	4,218,477
Non-major Governmental Funds	-	273,769	1,375,144	437,796	-	2,086,710
Water Fund	78,396	-	-	50,000	32,109	160,505
Sanitary Sewer	78,395	-	-	50,000	32,122	160,517
Storm Drainage	152,397	-	-	50,000	32,122	234,519
Internal Service Funds	-	20,354	-	550,250	20,520	591,124
Total	<u>\$ 4,527,665</u>	<u>\$ 4,708,525</u>	<u>\$ 1,444,453</u>	<u>\$ 3,776,760</u>	<u>\$ 1,710,059</u>	<u>\$ 16,167,461</u>

The City made the following transfers during the year ending December 31, 2024:

**General Fund:**

- \$3,831,686 from the General Fund (Cumulative Reserve) to the Capital Improvements Fund for the ACRC project (\$3,800,000), the Auburn Arts & Culture Center project (\$27,000), and parking lot replacement design (\$4,686).
- \$878,972 to the Local Revitalization fund for downtown infrastructure improvements (\$578,972) and the Auburn Avenue Theater demolition (\$300,000).
- \$582,715 to the Capital Improvements fund for 2024 Neighborhood improvements (\$456,190), the Auburn Arts & Culture Center project (\$100,000), and traffic calming (\$26,525).
- \$533,417 from the General Fund (Cumulative Reserve) to the Equipment Rental Capital projects fund for the police patrol vehicle fleet expansion (\$527,760) and the M&O Facility Improvements project (\$5,657).
- \$374,264 to the 2016 Combined Refunding fund for Golf/Cemetery debt service payments.
- \$180,273 to the Innovation and Technology Capital Projects fund for Multimedia upgrades for Council chambers.
- \$162,464 to the Local Street fund for the 2023 Local Street Preservation project (\$114,297) and the D St SE & 23<sup>rd</sup> St storm improvements project (\$48,167).
- \$161,952 to the Innovation & Technology fund for security camera updates (\$68,937), to support an IT Security Engineer position (\$91,395) as well as additional personnel costs for the City's B&O program (\$1,070) and a DEI Analyst (\$550).
- \$143,274 to the Equipment Rental Capital Projects fund for the police vehicle fleet expansion program (\$143,052) as well as M&O facility improvements (\$222).
- \$116,450 from the General Fund (Cumulative Reserve) to the Innovation and Technology fund for process improvements to the City's HR system (\$102,050) and for the City's Financial ERP system replacement (\$14,400).
- \$106,536 to the Municipal Parks Construction fund for Forest Villa Park improvements (\$99,936), and Les Gove Spray Park improvements (\$6,600).
- \$79,844 from the General Fund (Cumulative Reserve) to the Innovation and Technology Capital Projects fund for police patrol vehicle fleet expansion.
- \$79,729 to the Equipment Rental fund to support a new Mechanic position.
- \$92,109 to the Facilities fund for duct cleaning.
- \$52,050 to the Arterial Streets fund for the Auburn Way S Roundabout project.

- \$40,085 from the General Fund (Cumulative Reserve) to the Facilities fund for the Golf Course security cameras.

Capital Improvement Fund:

- \$17,258 to the Arterial Street fund for the Lea Hill ITS Expansion.
- \$386,928 to the Local Street fund to support the 2023 Local Street Preservation project.
- \$699,000 to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$30,551 to the Municipal Parks Construction fund to support the Fairway Drainage Improvement project (\$30,000) and the 12<sup>th</sup> Street Parking Lot Improvement project (\$551).
- \$160,645 to the Facilities fund for the Justice Center roof replacement.
- \$5,408 to the Equipment Rentals Capital Projects fund for the M&O Facilities Improvements project.

American Rescue Plan Act Fund:

- \$4,218,477 to the General Fund to mitigate public safety expenses.

Mitigation Fund:

- \$1,375,144 to the Arterial Streets fund to support multiple capital projects.
- \$371,586 to the Municipal Parks Construction fund for multiple capital projects.
- \$273,769 to the Capital Improvement fund for multiple capital projects.

Non-major Governmental Funds:

- \$66,210 from the Recreational Trails fund to the Municipal Parks Construction fund for the Game Farm Trail Connections project.

Water Fund:

- \$78,396 to the General Fund to support multiple new positions in the City.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$15,005 to the Innovation and Technology fund to support a new IT Security Engineer position.
- \$13,090 to the Equipment Rental fund to support a new Mechanic position.
- \$4,014 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Sanitary Sewer:

- \$78,395 to the General Fund to support multiple new positions in the City.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$15,005 to the Innovation and Technology fund to support a new IT Security Engineer position.
- \$13,090 to the Equipment Rental fund to support a new Mechanic position.
- \$4,027 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Storm Drainage:

- \$152,397 to the General Fund to support multiple new positions in the City (\$78,397), and for median maintenance (\$74,000).
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$15,005 to the Innovation and Technology fund to support a new IT Security Engineer position.
- \$13,090 to the Equipment Rental fund to support a new Mechanic position.
- \$4,027 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Internal Service Funds:

- \$550,250 from the Facilities fund to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$20,520 from the Innovation and Technology fund to the Facilities fund for surveillance cameras at the Golf Course.
- \$20,354 from the Facilities fund to the Capital Improvements fund for the M&O HVAC replacement.

Loans between funds are classified as interfund receivable and payable. Interfund Loans do not affect total fund balance or net position.

		Due From					Total
		General Fund	Arterial Street	Capital Improvements	Other Governmental Funds	Airport	
Due To	General Fund	-	-	90,981	-	-	90,981
	Other Governmental Funds	450,000	58,541	-	-	-	508,541
	Water	-	-	-	6,666	-	6,666
	Storm Drainage	-	-	-	5,149	59,369	64,518
	Internal Service	4,284	-	-	-	-	4,284
		454,284	58,541	90,981	11,815	59,369	674,989

All interfund loans are considered short-term cash loans.

\$450,000 of the interfund loan to Housing & Community Development was paid to cover authorized expenditures while the City waited for reimbursement of federal Community Development Block Grant monies.

**NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS**

As of December 31, 2024, the City had receivables due from other governmental units as follows:

General Fund:	
Auburn School District	30,997
Cascade Bicycle Club	19,272
King County District Court	1,543,038
King County Parks - Grants	43,132
King County Real Estate Excise Taxes	1,088,321
Pierce County - Real Estate Excise Taxes	22,803
WA State Criminal Justice Training	60,000
WA State Treasurer -Misc. Taxes	642,876
WA State Treasurer - Sales & Use Taxes	1,870,930
WA State Treasurer - Utility Taxes	173,583
Other (Four Items)	24,550
Total General Fund	5,519,502
Arterial Street Fund:	
WA State Treasurer - Motor Vehicle Sales Tax	39,429
WA Dept. of Transportation - Grants	878,279
WA Public Works Board - Grants	231,105
Total Arterial Street Fund	1,148,813
Hotel/Motel Tax Fund:	
WA State Treasurer - Lodging Taxes	11,977
Total Hotel/Motel Tax Fund	11,977
Arterial Street Preservation Fund:	
WA Dept. of Transportation - Grant	129,350
WA State Treasurer - Public Transportation Tax	219,344
Total Arterial Street Preservation Fund	348,693
Drug Forfeiture Fund:	
City of Puyallup -TNET	6,114
Pierce County Sheriff's Department -TNET	9,953
Total Drug Forfeiture Fund	16,066
Housing & Comm. Development:	
HUD - Grant	82,854
	82,854
Recreational Trails:	
WA State Treasurer - LRF Sales Tax	520
	520
2020 LTGO A&B Refunding Bonds Fund:	
WA State Treasurer - LRF Sales Tax Credit	29,149
Total Hotel/Motel Tax Fund	29,149
Municipal Park Construction:	
King County Dept of Natural Resources - Grants	700,000
King County Parks - Grants	359,925
Total Municipal Park Construction Fund	1,059,925
General Government Capital Improvements:	
Pierce County - Real Estate Excise Taxes	26,317
WA Dept. of Transportation - Grants	384,547
WA State Historical Society - Grant	828,761
Total General Government Capital Improvements Fund	1,239,625
Storm Drainage Fund:	
WA State Dept of Ecology	130,000
Total Storm Drainage Fund	130,000
Water Fund:	
WA State Military Dept - Grant	162,240
Total Storm Drainage Fund	162,240
Airport Fund:	
Federal Aviation Administration - Grant	793,397
WA Dept. of Transportation - Grant	22,321
Total Airport Capital fund	815,719
Facilities Fund:	
City of Federal Way	12,500
Total Airport Capital fund	12,500
Total	10,577,582

**Reconciliation to government-wide statement of net position:**

Total above due from other governmental units	10,577,582
Total due from other governmental units, government-wide statement of net position	10,577,582

**NOTE 6 – CAPITAL ASSETS AND RIGHT TO USE ASSETS**

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

<b>Schedule of Asset Activity</b>				
	Capital Assets			
	Balance 1/1/24	Increases	Decreases/ Adjustments	Balance 12/31/24
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 110,906,160	\$ 3,913,629	\$ -	114,819,789
Construction in progress	10,027,639	13,980,116	(8,081,041)	15,926,714
Total capital assets, not being depreciated	120,933,799	17,893,745	(8,081,041)	130,746,503
Capital assets, being depreciated:				
Buildings	73,650,993	4,569,533	(430,434)	77,790,092
Improvements other than buildings	29,201,516	1,332,072	(118,385)	30,415,203
Machinery and equipment	38,388,887	4,768,443	(1,320,433)	41,836,897
Intangibles	564,093	-	-	564,093
Infrastructure	463,853,787	12,690,986	(11,815)	476,532,958
Lease Assets	4,901,859	-	(4,685,125)	216,734
Subscription Assets	4,910,310	-	(174,494)	4,735,816
Total capital assets being depreciated	615,471,445	23,361,034	(6,740,686)	632,091,793
Less: accumulated depreciation for:				
Buildings	(29,520,061)	(1,500,403)	430,435	(30,590,029)
Improvements other than buildings	(19,782,565)	(955,596)	117,885	(20,620,275)
Machinery and equipment	(26,943,741)	(2,585,746)	869,063	(28,660,424)
Intangibles	(64,570)	(4,936)	-	(69,506)
Infrastructure	(260,317,986)	(15,811,496)	-	(276,129,482)
Lease Assets	(569,089)	(300,533)	773,690	(95,932)
Subscription Assets	(616,391)	(787,680)	116,328	(1,287,743)
Total accumulated depreciation	(337,814,403)	(21,946,389)	2,307,401	(357,453,391)
Total capital assets, being depreciated, net	277,657,042	1,414,644	(4,433,285)	274,638,401
Governmental activities capital assets, net	\$ 398,590,841	\$ 19,308,389	\$ (12,514,326)	\$ 405,384,905
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	13,177,445	-	-	13,177,445
Water Rights	9,693,578	934,805	-	10,628,383
Construction in progress	6,371,353	20,001,077	(21,733,689)	4,638,741
Total capital assets, not being depreciated	29,242,377	20,935,882	(21,733,690)	28,444,569
Capital assets, being depreciated:				
Buildings	6,085,435	1,955,958	-	8,041,393
Improvements other than buildings	399,371,328	23,771,440	(214,253)	422,928,515
Machinery and equipment	2,598,714	39,800	(57,714)	2,580,800
Total capital assets being depreciated	408,055,478	25,767,197	(271,967)	433,550,708
Less: accumulated depreciation for:				
Buildings	(4,703,710)	(99,035)	-	(4,802,745)
Improvements other than buildings	(167,060,523)	(9,021,869)	149,733	(175,932,659)
Machinery and equipment	(2,438,111)	(22,015)	56,136	(2,403,990)
Total accumulated depreciation	(174,202,344)	(9,142,918)	205,869	(183,139,394)
Total capital assets, being depreciated, net	233,853,133	16,624,280	(66,098)	250,411,314
Business-type activities capital assets, net	\$ 263,095,510	\$ 37,560,162	\$ (21,799,788)	\$ 278,855,884

For the year ended 12/31/2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

### Lease Assets by Category

	Balance 1/1/24	Increases	Decreases/ Adjustments	Balance 12/31/24
<b>Governmental activities:</b>				
Lease assets, being amortized:				
Buildings	\$ 4,685,125	\$ -	\$ (4,685,125)	\$ -
Machinery and equipment	216,734	-	-	216,734
Total lease assets being amortized	<u>4,901,859</u>	<u>-</u>	<u>(4,685,125)</u>	<u>216,734</u>
Less: accumulated amortization for:				
Buildings	(515,794)	(257,897)	773,690	-
Machinery and equipment	(53,295)	(42,636)	-	(95,931)
Total accumulated amortization	<u>(569,089)</u>	<u>(300,533)</u>	<u>773,690</u>	<u>(95,931)</u>
Total lease assets, being amortized, net	<u>4,332,770</u>	<u>(300,533)</u>	<u>(3,911,435)</u>	<u>120,803</u>
Governmental activities lease assets, net	<u>\$ 4,332,770</u>	<u>\$ (300,533)</u>	<u>\$ (3,911,435)</u>	<u>\$ 120,803</u>

No lessee-type activity is qualified to be recognized as a lease asset under the business-type activities.

The following discloses additional information for the lease agreements classified under governmental activities:

	<b>Lessor:</b>		Total
	Feenix Parkside LLC <sup>(1)</sup>	Sharp Business Systems	
<b>Asset Information:</b>			
Value of the Right to Use Asset	\$ -	\$ 216,734	\$ 216,734
Accumulated Amortization	-	(95,931)	(95,931)
Book Value	<u>\$ -</u>	<u>\$ 120,803</u>	<u>\$ 120,803</u>
<b>Liability Information:</b>			
Lease Liability (Note 7)	\$ -	\$ 122,303	\$ 122,303
Payment	22,866	40,024	
Non-lease Portion	-	18,864	
Interest Rate	1.481%	2.157%	
<b>Other Information:</b>			
Underlying Asset	Building	Equipment	
Payment Frequency	Monthly	Semi Annual	
Lease Contract Date	January 2020	May 2022	
Lease Commencement Date	February 2020	May 2022	
Lease Description	22,308 square feet of rentable area	Right to use copy machines	

1) Lease agreement terminated in 2024.

There were no commitments under leases before the commencement of the lease terms.

For the year ended 12/31/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. As of 12/31/2024, the City of Auburn had 11 active subscriptions. No subscription activity is qualified to be recognized as an asset under the business-type activities.

Note 7 provides the details of subscription liabilities associated with the subscription assets.

The following two tables provide the details of the subscription terms and assets:

Subscription	Fund	Contract Commencement Date	Subscription Start Date	Subscription End Date	Internal Borrowing Rate
ADManager Plus	Information Services	10/22/2023	10/22/2023	02/21/2028	3.53%
Autodesk Subscription	Information Services	01/15/2023	01/15/2023	01/14/2027	2.68%
Axon Software	General	12/01/2021	01/01/2023	11/30/2031	2.80%
Core HR Subscription	Information Services	01/01/2023	01/01/2023	12/31/2025	2.66%
eForms Subscription	Information Services	01/01/2023	01/01/2023	12/31/2025	2.66%
Flock Proprietary Software	Information Services	08/31/2023	08/31/2023	07/31/2025	3.02%
MyBuildingPermit.com (MBP)	General	01/01/2023	01/01/2023	12/31/2033	2.95%
PowerPolicy Subscription	Information Services	01/01/2023	01/01/2023	12/31/2025	2.66%
RNI and Analytics Subscriptions	Information Services	08/01/2018	01/01/2023	07/31/2028	2.70%
SeeClickFix OMS Plus	Information Services	09/23/2023	09/23/2023	09/22/2026	2.90%
Time & Attendance Subscription	Information Services	01/01/2023	01/01/2023	12/31/2025	2.66%

## Subscription Assets

	Balance 1/1/24	Increases	Decreases/ Adjustments	Balance 12/31/24
<b>Governmental activities:</b>				
Subscription Assets:				
ADManager Plus	\$ 159,247	\$ -	\$ -	\$ 159,247
Autodesk Subscription	145,635	-	-	145,635
Axon Software	3,068,114	-	-	3,068,114
Core HR Subscription	116,168	-	(116,168)	-
Flock Proprietary Software	122,242	-	-	122,242
MyBuildingPermit.com (MBP)	556,626	-	-	556,626
PowerPolicy Subscription	42,959	-	-	42,959
RNI and Analytics Subscriptions	194,539	-	-	194,539
SeeClickFix OMS Plus	403,495	-	-	403,495
Time & Attendance Subscription	58,326	-	(58,326)	-
eForms Subscription	42,959	-	-	42,959
Total Software Subscription Assets	<u>4,910,310</u>	<u>-</u>	<u>(174,494)</u>	<u>4,735,816</u>
Subscription Accumulated Amortization:				
ADManager Plus	(7,043)	(36,749)	-	(43,792)
Autodesk Subscription	(34,993)	(36,409)	-	(71,402)
Axon Software	(344,088)	(344,088)	-	(688,176)
Core HR Subscription	(38,721)	(38,723)	77,444	-
Flock Proprietary Software	(21,406)	(63,686)	-	(85,092)
MyBuildingPermit.com (MBP)	(50,602)	(50,602)	-	(101,204)
PowerPolicy Subscription	(14,320)	(14,320)	-	(28,640)
RNI and Analytics Subscriptions	(34,843)	(34,843)	-	(69,686)
SeeClickFix OMS Plus	(36,613)	(134,498)	-	(171,111)
Time & Attendance Subscription	(19,442)	(19,442)	38,884	-
eForms Subscription	(14,320)	(14,320)	-	(28,640)
Total Software Subscription Accumulated Amortization	<u>(616,391)</u>	<u>(787,680)</u>	<u>116,328</u>	<u>(1,287,743)</u>
Total subscription assets, being amortized, net	<u>\$ 4,293,919</u>	<u>\$ (787,680)</u>	<u>\$ (58,166)</u>	<u>\$ 3,448,073</u>

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

<b>Governmental activities:</b>	
General Government	\$ 1,192,413
Public Safety	1,322,957
Transportation	14,734,760
Health and Human Services	257,897
Culture and Recreation	1,440,987
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	2,997,374
Total depreciation/amortization expense - governmental activities	<u>\$ 21,946,388</u>
<b>Business-type activities:</b>	
Water	\$ 3,948,621
Sanitary Sewer	2,527,560
Storm Water	2,054,781
Airport	577,673
Cemetery	34,283
Total depreciation expense - business-type activities	<u>\$ 9,142,918</u>

## NOTE 7 – LONG-TERM LIABILITIES

**General Obligation Bonds** are the 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 none, would be funded by special property tax levies. Debt service for City Council authorized bonds, also called councilmanic bonds, is funded from regular property taxes or general revenues, and is generally paid from debt service funds but can be paid from other designated funds.

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

- 2016 Limited Tax General Obligation Refunding Bonds were issued for the primary purposes of (a) refunding on a current basis the 2005 Limited Tax General Obligation Refunding Bonds and (b) refunding on an advance basis the 2006A Limited Tax General Obligation Bonds. As a result of these transactions, the 2005 and 2006A bonds are considered to be defeased and the liability for those bonds has been removed from the City's financial statements. The remaining balance of outstanding defeased debt as of December 31, 2024, is \$366,159.
- 2020 Limited Tax General Obligation Series A Refunding Bonds were issued in the principal amount of \$15,010,000 on October 22, 2020, for the purpose of refunding on a current basis the 2010 Limited Tax General Obligation Series B Bonds of which \$17,560,000 was outstanding. The bonds were issued at a premium of \$3,124,761 and bear a fixed interest rate of 4-5% through maturity. The net proceeds of \$17,973,858 (after payment of \$160,903 in issuance costs) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the 2010 B Bonds on the October 23, 2020, redemption date. As a result of this transaction, the 2010 B bonds are considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The refunding transaction reduced the City's total debt service payments by \$3,898,891 through the final maturity of December 1, 2039, and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$3,391,515.
- 2020 Limited Tax General Obligation Series B Refunding Bonds were issued in the principal amount of \$4,470,000 on October 22, 2020, for the purpose of refunding on a current basis the 2010 Limited Tax General Obligation Series D Bonds of which \$5,160,000 was outstanding. The bonds were issued at a premium of \$864,988 and bear a fixed interest rate of 2-5% through maturity. The net proceeds of \$5,287,071 (after payment of \$47,917 in issuance costs) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the 2010 D Bonds on the October 23, 2020, redemption date. As a result of this transaction, the 2010 D bonds are considered to be defeased and the liability for those bonds have been removed from the City's

financial statements. The refunding transaction reduced the City's total debt service payments by \$1,003,626 through the final maturity of December 1, 2034, and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$903,068.

**Revenue Bonds** are payable from water, sewer and storm drainage utility revenues generated by those enterprise funds.

- 2013 Utility System Revenue Bonds were issued in par amount of \$11,415,000 to finance water and storm utility system improvements. The bonds are being repaid by the revenues generated by the Water and Storm Drainage funds.
- 2020 Utility System Revenue Bonds were issued in the par amount of \$12,030,000 to finance water utility system improvements. The bonds are being repaid by the revenues generated by the Water fund.
- 2020 Utility System Revenue Refunding Bonds were issued in the principal amount of \$11,835,000 for the purpose of advance refunding the 2010 Utility System Revenue Bonds of which \$15,675,000 was outstanding. The bonds were issued at a premium of \$2,997,541 and bear a fixed interest rate of 5% through maturity. The net proceeds of \$14,933,747 (after payment of \$129,168 in issuance costs and the City's reserve account contribution of \$1,175,010) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the December 1, 2020, redemption date. As a result of this transaction, the 2010 Revenue Bonds are considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The refunding transaction reduced the City's total debt service payments by \$2,728,553 through the final maturity of December 1, 2030, and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,552,622.

**State of Washington Public Works Trust Fund and Drinking Water State Revolving Fund Loans** are a direct responsibility of the City. Auburn currently has nine outstanding loans with a remaining total balance of \$10,119,133. Six of the loans are for water and sewer construction projects. The loans are being repaid from water and sewer fund revenues over a 20-year period that begins upon each project completion (PWTF 2004, PWTF 2006, PWTF 2013, DWSRF 2016, DWSRF 2020, DWL26020). The two loans are for arterial street improvements and are being repaid from arterial street fund revenues over a 20-year period that began in 2009 upon project completion (PWTF 2008) and over a 29-year period that began in 2013 upon project completion (PWTF 2012). One loan (GCB3652) is being repaid from the Airport fund for two hangers.

**Compensated Absences** are paid by those funds that have employees. These are mostly payable by the General fund and enterprise funds. This liability is recognized in accordance with GASB statement No. 101. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

**Pension and OPEB liabilities** are generally liquidated by funds that have employees.

**Lease liabilities** are recognized in accordance with GASB statement No. 87. This Statement requires lessees to recognize and measure transactions as leases, including recognition of a lease liability at the present value of future lease payments expected to be made during the lease term, which represent the obligations of the lessee under the lease contract. As of December 31, 2024, the lease liabilities were limited only to governmental activities.

**Subscription liabilities** are measured and recognized according to the requirements of GASB statement No. 96. Subscription liability equals the present value of future subscription payments for the subscription period. As of December 31, 2024, these liabilities are limited to governmental activities.

**Debt to Other Governments** results from the City's participation in the South Correctional Entity (SCORE), a governmental administrative agency formed under an interlocal agreement with five other cities to construct and operate a regional correctional facility. To finance this facility, the SCORE Public Development Authority (SCORE PDA), chartered by the City of Renton, issued general obligation bonds in 2009, which were refunded in 2019 through the issuance of Refunding Bonds, Series 2019. Under the amended 2019 interlocal agreement, the City is contractually obligated to pay 34.94% of the associated debt service, representing an unconditional full faith and credit pledge. This obligation is being repaid from the General Fund and is not recorded as a direct bond of the City but is disclosed as a long-term obligation due to another government.

The following schedules summarize the long-term debt transactions of the City for the year ended December 31, 2024. The first table summarizes all debt transactions for Auburn, while the second provides information on debt requirements to maturity. Additional schedules provide detailed information on all long-term debt.

#### CHANGES IN LONG-TERM LIABILITIES SUMMARY

	Long-term liabilities payable 12/31/23	Additions	Reductions	Long-term liabilities payable 12/31/24	Due Within One Year	Due Within More Than One Year
<b>Governmental Activities</b>						
General Obligation	\$ 16,808,476	\$ -	\$ (1,167,317)	\$ 15,641,159	\$ 1,216,159	\$ 14,425,000
Premium	3,145,333	-	(219,504)	2,925,829	-	2,925,829
Public Works Trust Fund Loans	2,507,791	-	(197,375)	2,310,416	197,376	2,113,040
Bonds and Other Debt Payable	22,461,600	-	(1,584,196)	20,877,404	1,413,535	19,463,869
Lease Liability	4,406,022	-	(4,283,719)	122,303	39,897	82,406
Subscription Liability	4,127,051	-	(734,023)	3,393,028	642,578	2,750,450
Lease and Subscription Liability	8,533,073	-	(5,017,742)	3,515,331	682,475	2,832,856
Due To Other Governments (Backed by Full Faith and Credit of the City)	15,193,659	-	(723,258)	14,470,401	752,957	13,717,444
Employee Leave Benefit	5,498,055	2,573,399	(2,487,175)	5,584,279	2,067,010	3,517,269
Other Post Employment Benefits	9,307,343	294,867	(1,145,681)	8,456,529	305,000	8,151,529
Net Pension Liability	2,190,148	-	(814,771)	1,375,377	1,375,377	-
Firemen's Pension Liability	2,915,957	91,126	(386,421)	2,620,662	-	2,620,662
Total Governmental Activities	66,099,835	2,959,392	(12,159,244)	56,899,983	6,596,354	50,303,629
<b>Business-Type Activities</b>						
Revenue Bonds	25,540,000	-	(2,125,000)	23,415,000	2,225,000	21,190,000
Premium	4,683,146	-	(468,969)	4,214,177	-	4,214,177
Public Works Trust Fund & Drinking Water Loans	4,833,751	3,642,191	(667,224.76)	7,808,717	804,436	7,004,281
Bonds and Other Debt Payable	35,056,897	3,642,191	(3,261,194)	35,437,894	3,029,436	32,408,459
Employee Leave Benefits	1,253,320	564,862	(592,431)	1,225,751	453,710	772,041
Net Pension Liability	1,808,514	-	(142,602)	1,665,912	1,665,912	-
Total Business-Type Activities	38,118,731	4,207,053	(3,996,226)	38,329,558	5,149,058	33,180,500
Total Primary Government	\$ 104,218,566	\$ 7,166,445	\$ (16,155,471)	\$ 95,229,541	\$ 11,745,412	\$ 83,484,129

As of December 31, 2024, the principal and interest requirements to maturity are as follows:

### Debt Service Requirement To Maturity

#### Governmental Activities

Year	General Obligation Bonds <sup>(1)</sup>		Loans	
	Principal	Interest	Principal	Interest
2025	\$ 1,969,116	\$ 1,278,685	\$ 197,376	\$ 6,580
2026	1,674,644	1,192,532	197,376	5,885
2027	1,754,825	1,108,800	197,376	5,191
2028	1,850,006	1,021,060	197,376	4,497
2029	1,933,681	928,560	116,993	3,802
2030 - 2034	11,032,446	3,249,334	584,966	14,624
2035 - 2039	9,896,842	1,018,674	584,966	7,312
2040 - 2044			233,987	877
Total	<u>\$ 30,111,560</u>	<u>\$9,797,645</u>	<u>\$ 2,310,415</u>	<u>\$ 48,769</u>

<sup>(1)</sup> Includes Due to Other Governments.

#### Business Type Activities

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2025	\$ 2,225,000	\$ 1,059,900	\$ 804,436	\$ 86,031
2026	2,325,000	954,650	803,940	102,268
2027	2,435,000	844,600	579,210	93,215
2028	2,550,000	729,300	580,774	85,712
2029	2,660,000	608,550	582,369	78,177
2030 - 2034	7,080,000	1,539,650	2,559,836	277,194
2035 - 2039	4,140,000	509,800	1,562,365	111,362
2040 - 2044	-	-	335,787	8,764
Total	<u>\$ 23,415,000</u>	<u>\$6,246,450</u>	<u>\$7,808,716</u>	<u>\$842,723</u>

### Maturity Schedule of Lease and Subscription Liabilities

#### Governmental Activities:

Year	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 39,897	\$2,424	\$ 642,579	\$ 97,058
2026	40,762	1,559	481,859	77,460
2027	41,644	675	457,753	63,703
2028			432,070	50,564
2029			409,588	38,416
2030 - 2034			969,179	45,688
	<u>\$ 122,303</u>	<u>\$4,658</u>	<u>\$3,393,028</u>	<u>\$372,889</u>

## CHANGES IN LONG-TERM LIABILITIES

Issue Name	Interest Rates	Maturity Date	Original Amount <sup>(1)</sup>	Principal Installments	Balance 12/31/23	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<b>GOVERNMENTAL DEBT</b>									
<u>General Obligation Bonds:</u>									
LTGO Refunding 2016	1.64 -1.64%	12/01/2025	\$ 3,166,930	\$71,470 - \$366,159	\$ 728,476	\$ -	\$ (362,317)	\$ 366,159	\$ 366,159
LTGO Refunding 2020A (LTGO 2010B)	4.00-5.00%	12/01/2039	15,010,000	\$480,000 - \$1,045,000	12,630,000	-	(555,000)	12,075,000	585,000
LTGO Refunding 2020B (LTGO 2010D)	4.00-5.00%	12/01/2034	4,470,000	\$71,470 - \$366,159	3,450,000	-	(250,000)	3,200,000	265,000
Total General Obligation Bonds			22,646,930		16,808,476	-	(1,167,317)	15,641,159	1,216,159
<u>Subscription Liability</u>									
ADManager Plus	3.529%	02/21/2028	159,247		107,484	-	-	107,484	33,765
Autodesk Subscription	2.676%	01/14/2027	145,635		107,772	-	(34,979)	72,793	35,916
Axon Software	2.798%	11/30/2031	3,068,114		2,751,076	-	(311,600)	2,439,476	320,318
Flock Proprietary Software	3.018%	07/31/2025	118,242		58,242	-	(58,242)	-	-
MyBuildingPermit.com (MBP)	2.946%	12/31/2033	556,626		513,118	-	(44,802)	468,316	46,138
PowerPolicy Subscription	2.656%	12/31/2025	38,159		29,405	-	(12,350)	17,055	17,055
eForms Subscription	2.656%	12/31/2025	38,159		29,405	-	(12,350)	17,055	17,055
Time & Attendance Subscription <sup>(1)</sup>	2.656%	12/31/2025	43,206		43,206	-	(43,206)	-	-
Core HR Subscription <sup>(1)</sup>	2.656%	12/31/2025	55,688		55,688	-	(55,688)	-	-
RNI and Analytics Subscriptions	2.702%	07/31/2028	194,539		159,952	-	(30,308)	129,644	31,127
SeeClickFix OMS Plus	2.901%	09/22/2026	403,495		271,703	-	(130,498)	141,205	141,204
Total Subscription Liability			4,821,110		4,127,051	-	(734,023)	3,393,028	642,578
<u>Leases:</u>									
Feenix Parkside LLC <sup>(1)</sup>	1.481%	2/29/2040 <sup>(1)</sup>	4,685,125		4,244,669		(4,244,669)	-	-
Sharp Business Systems	2.157%	10/31/2027	216,609		161,353	-	(39,050)	122,303	39,897
Total Lease Liability			4,901,734		4,406,022	-	(4,283,719)	122,303	39,897
<u>Employee Leave Benefits:</u>									
Compensated absences <sup>(2)</sup>					5,498,055	2,573,399	(2,487,175)	5,584,279	2,067,010
<u>Other Post Employment Benefits:</u>									
LEOFF 1					9,307,343	294,867	(1,145,681)	8,456,529	305,000
<u>Pensions:</u>									
Net Pension Liability					2,190,148	-	(814,771)	1,375,377	1,375,377
Firemen's Pension Liability					2,915,957	91,126	(386,421)	2,620,662	-
<u>Public Works Trust Fund Loans:</u>									
PWTF 2008	0.50%	07/01/2028	1,527,273	\$80,382	401,914	-	(80,382)	321,532	80,383
PWTF 2012	0.50%	06/01/2041	3,284,857	\$116,993	2,105,877	-	(116,993)	1,988,884	116,993
Total Public Works Trust Fund Loans			4,812,130		2,507,791	-	(197,375)	2,310,416	197,376
Premium Related to Debt					3,145,333	-	(219,504)	2,925,828	-
<b>Total Governmental Activities</b>			<b>\$ 32,280,170</b>		<b>\$ 50,906,176</b>	<b>\$ 2,959,392</b>	<b>\$ (11,435,986)</b>	<b>\$ 42,429,581</b>	<b>\$ 5,843,397</b>
<b>BUSINESS-TYPE DEBT</b>									
<u>Revenue Bonds:</u>									
Utility sys refunding bonds 2020 (2010 Bonds)	5%	12/01/2030	11,835,000	\$950,000 - \$1,450,000	8,850,000	-	(1,095,000)	7,755,000	1,145,000
Utility sys bonds 2020 <sup>(3)</sup>	4.00-5.00%	12/01/2039	12,030,000	\$175,000 - \$895,000	10,610,000	-	(455,000)	10,155,000	480,000
Utility sys bonds 2013 <sup>(3)</sup>	0.38-4.00%	12/01/2032	11,415,000	\$335,000 - \$785,000	6,080,000	-	(575,000)	5,505,000	600,000
Total Revenue Bonds			35,280,000		25,540,000	-	(2,125,000)	23,415,000	2,225,000
<u>Employee Leave Benefits:</u>									
Compensated absences <sup>(2)</sup>					1,253,320	564,862	(592,431)	1,225,751	453,710
<u>Net Pension Liability</u>									
					1,808,514	-	(142,602)	1,665,912	1,665,912
<u>Public Works Trust Fund &amp; Drinking Water Loans:</u>									
GCB3652	2.00%	6/30/2034	825,000	\$77,160-\$89,825	-	825,000	-	825,000	77,161
DWL26020 <sup>(2)</sup>	1.75%	10/1/2041	Up to 3,737,000	\$167,894	37,000	2,817,191		2,854,191	167,894
PWTF 2004	0.50%	7/1/2024	2,049,036	\$107,844	107,844	-	(107,844)	-	-
PWTF 2006	0.50%	7/1/2026	3,325,000	\$180,418	541,254	-	(180,418)	360,836	180,418
PWTF 2013	2.00%	6/1/2032	3,325,000	\$188,538	1,696,846	-	(188,538)	1,508,307	188,538
DWSRF 2016 <sup>(4)</sup>	1.50%	10/1/2026	248,066	\$30,262	137,537	-	(45,845)	91,692	45,846
DWSRF 2020	1.75%	10/1/2039	3,030,000	\$5,999	2,313,270	-	(144,579)	2,168,690	144,579
Total Public Works Trust Fund & Drinking Water Loans			12,802,102		4,833,751	3,642,190.94	(667,225)	7,808,717	804,436
Premium Related to Debt					4,683,146	-	(468,969)	4,214,177	-
<b>Total Business Type Activities</b>			<b>\$ 48,082,102</b>		<b>\$ 38,118,731</b>	<b>\$ 4,207,053</b>	<b>\$ (3,996,226)</b>	<b>\$ 38,329,558</b>	<b>\$ 5,149,058</b>
<b>Total Primary Government</b>			<b>\$ 80,362,272</b>		<b>\$ 89,024,907</b>	<b>\$ 7,166,445</b>	<b>\$ (15,432,213)</b>	<b>\$ 80,759,139</b>	<b>\$ 10,992,455</b>

<sup>(1)</sup> Agreement terminated on December 31, 2024.<sup>(2)</sup> The beginning balances have been restated to comply with GASB Statement No. 100.<sup>(3)</sup> Subject to federal arbitrage compliance rules.<sup>(4)</sup> The original authorized loan amount was reduced from \$1,353,400 in concert with a reduction in project scope (limited to design costs only).

### Due to Other Governments

- SCORE Public Development Authority issued General Obligation bonds in 2009 to acquire, construct, improve, and equip a consolidated correctional facility located in Des Moines, Washington. These bonds were subsequently refunded in December 2019 and will mature in 2038. The city is contracted to pay 34.94% of the debt service. This debt is paid from the General fund.

#### CHANGES IN LONG-TERM LIABILITIES DUE TO OTHER GOVERNMENTS

Issue Name	Interest Rates	Maturity Date	Original Amount	Principal Installments	Balance 12/31/23	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<b>GOVERNMENTAL DEBT:</b>									
<u>General Obligation Bonds:</u>									
SCORE Refunding Bonds 2019	3.00-5.00%	12/1/2038	17,838,617	\$637,655 - \$1,325,973	15,193,659	-	(723,258)	14,470,401	752,957
<b>Total General Obligation Bonds Due Other Governments</b>			<u>\$ 17,838,617</u>		<u>\$ 15,193,659</u>	<u>\$ -</u>	<u>\$ (723,258)</u>	<u>\$ 14,470,401</u>	<u>\$ 752,957</u>

### Revenue Bond Debt Service Coverage

The required debt service coverage for the 2013 utility revenue, 2020 utility revenue, and 2020 utility revenue refunding bonds is 1.25. Debt service coverage for 2024 was 4.45. The ratio indicates the direction and degree to which the revenue stream exists to meet the current debt burden. The ratio is calculated by dividing the net revenue available by debt service requirements.

The restricted rate stabilization fund for the utility revenue bonds was established to minimize the effect on rates of revenue fluctuations between years. By transferring cash into this stabilization fund, adjusted net revenue available for debt service, as defined, would be decreased by the amount of the transfer. Conversely, transfers out of the account would increase adjusted net revenue available for debt service.

### 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 arbitrage rebate as of December 31, 2024, is \$0 for its tax-exempt bond issues.

**NOTE 8 – LEASES (LESSORS)**

Lease receivables are recognized in accordance with GASB statement 87. The statement requires the lessor to recognize a lease receivable at the present value of lease payments anticipated to be received during the lease term. The city as of December 31, 2024, has lease receivables for both governmental and business type activities.

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2024	Additions	Reductions	Balance as of December 31, 2024
Deferred Inflow of Resources				
Buildings				
Airport East Room	\$ 120,930	\$ -	\$ 120,930	\$ -
Rainier Flight Services Airport East Room and Offices 1, 2, and 3	-	158,146	5,101	153,044
S50 Hangars LLC - Airport	167,141	-	8,888	158,253
Total Building Deferred Inflow of Resources	288,071	158,146	134,919	311,297
Land				
Auburn Condo Hangars Assoc (ACHA)	1,800,820	933,642	75,153	2,659,309
Auburn Flyers Condo I - Airport	233,096	123,641	9,434	347,303
Auburn Flyers Condo II - Airport	496,768	264,650	19,081	742,338
Auburn Flyers Condo III - Airport	555,744	296,602	20,249	832,097
Auburn Hangars Owners Assoc (AHOA)	1,840,388	973,102	76,551	2,736,939
Cascade Helicopter Services - Airport	1,546,846	-	34,826	1,512,021
Jim Jacobsen - Airport	208,944	105,216	8,417	305,743
S50 Hangars, LLC Airport Land Lease and Development	-	2,153,814	17,470	2,136,344
Total Land Deferred Inflow of Resources	6,682,606	4,850,667	261,181	11,272,094
Total Deferred Inflow of Resources	\$ 6,970,677	\$ 5,008,813	\$ 396,100	\$ 11,583,391
<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of January 1, 2024	Additions	Reductions	Balance as of December 31, 2024
Deferred Inflow of Resources				
Buildings				
Auburn Food Bank	\$ 591,124	\$ -	\$ 36,754	\$ 554,370
Auburn Professional Plaza-Parking Stalls	804,354	-	19,579	784,775
Phonomenton LLC Restaurant Lease	-	234,258	90	234,168
Taqueria El Taco Maestro 2, LLC Restaurant Lease Agreement	-	157,347	83	157,264
WEBB Laundry Enterprises Lease Agreement	-	573,356	79	573,277
We Care Daily Clinics	124,946	-	25,851	99,095
Total Building Deferred Inflow of Resources	1,520,424	964,961	82,436	2,402,949
Easements				
A Street Easement Area	-	198,700	57,750	140,950
Total Easement Deferred Inflow of Resources	-	198,700	57,750	140,950
Infrastructure				
Seattle SMSA Lmt'd Partnership - Verizon	359,969	-	17,348	342,621
Total Infrastructure Deferred Inflow of Resources	359,969	-	17,348	342,621
Land				
SBA 2012 TC Assests LLC - Sprint <sup>(1)</sup>	869,407	-	38,784	830,623
Total Land Deferred Inflow of Resources	869,407	-	38,784	830,623
Total Deferred Inflow of Resources	\$ 2,749,800	\$ 1,163,661	\$ 196,318	\$ 3,717,143

<sup>(1)</sup> Beginning balance is restated.

As of December 31, 2024, future lease receivable principal and interest payments are as follows:

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2024	Additions	Reductions	Balance as of December 31, 2024
Lease Receivable				
Buildings				
Airport East Room	\$ 122,732	\$ -	\$ 122,732	\$ -
Rainier Flight Services Airport East Room and Offices 1, 2, and 3	-	158,146	5,108	153,038
550 Hangars LLC - Airport	169,484	-	6,086	163,398
Total Building Lease Receivable	292,216	158,146	133,926	316,436
Land				
Auburn Condo Hangars Assoc (ACHA)	1,827,666	933,642	53,505	2,707,803
Auburn Flyers Condo I - Airport	236,521	123,641	6,635	353,527
Auburn Flyers Condo II - Airport	504,531	264,650	13,312	755,869
Auburn Flyers Condo III -Airport	563,812	296,602	13,788	846,626
Auburn Hangars Owners Assoc (AHOA)	1,868,439	973,102	52,670	2,788,871
Cascade Helicopter Services - Airport	1,568,256	-	23,553	1,544,703
Jim Jacobsen - Airport	209,995	105,216	7,102	308,110
550 Hangars, LLC Airport Land Lease and Development	-	2,143,814	-	2,143,814
Total Land Lease Receivable	6,779,220	4,840,667	170,565	11,449,323
Total Lease Receivable	\$ 7,071,436	\$ 4,998,813	\$ 304,491	\$ 11,765,759
<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of January 1, 2024	Additions	Reductions	Balance as of December 31, 2024
Lease Receivable				
Buildings				
Auburn Food Bank	\$ 598,975	\$ -	\$ 33,230	\$ 565,745
Auburn Professional Plaza-Parking Stalls	816,387	-	13,697	802,690
Phonomenton LLC Restaurant Lease	-	234,258	-	234,258
Taqueria El Taco Maestro 2, LLC Restaurant Lease Agreement	-	157,347	-	157,347
WEBB Laundry Enterprises Lease Agreement	-	573,356	-	573,356
We Care Daily Clinics	132,081	-	26,024	106,057
Total Building Lease Receivable	1,547,443	964,961	72,951	2,439,453
Infrastructure				
Seattle SMSA Lmted Partnership - Verizon	373,903	-	10,542	363,361
Total Infrastructure Lease Receivable	373,903	-	10,542	363,361
Land				
SBA 2012 TC Assests LLC - Sprint <sup>(1)</sup>	874,944	-	25,218	849,726
Total Land Lease Receivable	874,944	-	25,218	849,726
Total Lease Receivable	\$ 2,796,290	\$ 964,961	\$ 108,711	\$ 3,652,540

<sup>(1)</sup> Beginning balance is restated.

The following provides the total amount of inflows including lease revenue and interest revenue for the year 2024:

	Lease Revenue	Interest Revenue	Total
Governmental Activities	\$ 196,317	\$ 63,041	\$ 259,358
Business-type Activities	284,825	168,700	453,524
Total	\$ 481,142	\$ 231,741	\$ 712,883

As of December 31, 2024, future lease receivable principal and interest payments are as follows:

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 183,907	\$ 86,966	\$ 270,873	\$ 223,188	\$ 167,027	\$ 390,215
2026	189,097	85,217	274,314	256,873	162,638	419,511
2027	195,593	80,921	276,514	56,460	447,662	504,122
2028	196,936	76,465	273,401	322,664	247,553	570,217
2029	179,516	72,013	251,529	328,994	241,222	570,216
2030 - 2034	732,358	300,924	1,033,282	1,572,587	1,116,018	2,688,605
2035 - 2039	766,627	208,419	975,046	1,731,682	956,922	2,688,604
2040 - 2044	649,646	108,880	758,526	1,880,277	780,273	2,660,550
2045 - 2049	189,488	39,295	228,783	2,030,503	593,361	2,623,864
2050 - 2054	111,816	27,597	139,413	1,196,206	415,816	1,612,022
2055 - 2059	122,039	17,374	139,413	519,531	325,207	844,738
2060 - 2064	133,196	6,216	139,412	578,162	242,488	820,650
2065 - 2069	2,320	3	2,323	594,996	145,181	740,177
2070 - 2074	-	-	-	473,635	45,681	519,316
Total	<u>\$ 3,652,539</u>	<u>\$ 1,110,290</u>	<u>\$ 4,762,829</u>	<u>\$ 11,765,758</u>	<u>\$5,887,049</u>	<u>\$ 17,652,807</u>

The following provides the description, terms, and additional information for the lease agreements in which City of Auburn is the lessor:

Page 1 of 2

Lessee	Lease Description	Fund	Leased Asset	Contract Date	Commencement Date	Lease End Date	Incremental Borrowing Rate
Auburn Condo Hangars Association <sup>(1)</sup>	Land situated at 2509 "E" Street N E, Auburn, WA	Airport	Land	June-2001	June-2001	June-2051	1.7%
NW Hangars LLC <sup>(1)</sup>	Auburn Flyers Condo I: 12,273 square feet of land	Airport	Land	June-2002	June-2002	June-2052	1.8%
NW Hangars LLC <sup>(1)</sup>	Auburn Flyers Condo II: 24,948 square feet of land	Airport	Land	January-2004	January-2004	January-2054	1.8%
NW Hangars LLC <sup>(1)</sup>	Auburn Flyers Condo III: 26,765 square feet of land	Airport	Land	August-2005	August-2005	August-2055	1.8%
Auburn Hangars Owners Association (AHOA) <sup>(1)</sup>	98,326 square feet	Airport	Land	September-2001	September-2001	September-2051	1.8%
Cascade Helicopter Services	Certain premises, facilities and rights on Auburn Airport	Airport	Land	February-1978	June-1978	May-2068	1.8%
James (Jim) Jacobsen <sup>(1)</sup>	10,296 square feet of land located at Auburn Airport	Airport	Land	June-2002	June-2002	June-2052	4.3%
S50 Hangars LLC	Commercial office and shop space	Airport	Building	October-2022	October-2022	October-2042	4.1%
SpanaFlight LLC <sup>(2)</sup>	672 square feet in Airport east room	Airport	Building	January-2023	February-2023	12/1/2033 <sup>(2)</sup>	2.9%
Sprint Spectrum L.P. (SBA)	900 square feet of land and 720 square feet of building exterior space	Municipal Parks Construction	Land	April-2006	June-2006	May-2046	3.8%
Auburn Food Bank	6,647 square feet of rentable area	General	Buildings	October-2020	November-2020	January-2040	1.5%
Auburn Professional Plaza	Parking space	General	Building	December-2008	February-2010	January-2065	1.8%
We Care Daily Clinics	1,960 square feet of rentable area located on North Auburn Way and exclusive use of two parking stalls	General	Building	October-2021	November-2021	October-2028	1.0%
Seattle SMSA Lmt'd Partnership - Verizon	Athena facility and tower space in Fulmer Park	Municipal Parks Construction	Infrastructure	September-2014	October-2014	September-2044	1.7%
S50 Hangars, LLC	Airport land lease and development	Airport	Land	August-2024	August-2024	August-2074	4.0%
Phonomenton LLC	Restaurant Lease	General	Building	December-2024	December-2024	March-2032	2.5%
Taqueria El Taco Maestro 2, LLC	Restaurant Lease	General	Building	December-2024	December-2024	03/31/2030	2.4%
WEBB Laundry Enterprises	Laundromat	General	Building	December-2024	December-2024	02/28/2045	3.4%
Central Puget Sound Regional Transit Authority	A Street Easement Area	General	Easement Area	January-2024	March-2024	December-2026	0.0%
Rainier Flight Services	Airport East Room and Offices 1, 2, and 3	Airport	Building	October-2024	November-2024	12/31/2029	2.4%

1) An amendment was signed in 2024 which required lease modification according to GASB Statement No. 87. The amendment determined the monthly lease payments for 2025 through 2027.

2) Lease was terminated in October 2024. \$2,551 of loss on termination has been recognized.

Lessee	Purchase Option	Payment Type	Index	Payment Amount (\$)	Payment Frequency
Auburn Condo Hangars Association <sup>(1)</sup>	None	Fixed and variable	CPI	8,481	Monthly
NW Hangars LLC <sup>(1)</sup>	None	Fixed and Variable	CPI	1,709	Monthly
NW Hangars LLC <sup>(1)</sup>	None	Fixed and Variable	CPI	2,139	Monthly
NW Hangars LLC <sup>(1)</sup>	None	Fixed and Variable	CPI	2,309	Monthly
Auburn Hangars Owners Association (AHOA) <sup>(1)</sup>	None	Fixed and Variable	CPI	8,454	Monthly
Cascade Helicopter Services	None	Variable	CPI	4,245	Monthly
James (Jim) Jacobsen <sup>(1)</sup>	None	Fixed and Variable	CPI	747	Monthly
550 Hangars LLC	None	Variable	CPI	1,079	Monthly
SpanaFlight LLC <sup>(2)</sup>	None	Variable	Maximum of CPI or 5 percent	1,182	Monthly
Sprint Spectrum L.P. (SBA)	None	Variable	CPI	4,839	Monthly
Auburn Food Bank	None	Fixed	N/A	3,490	Monthly
Auburn Professional Plaza	None	Variable	CPI	2,324	Monthly
We Care Daily Clinics	None	Fixed	N/A	2,250	Monthly
Seattle SMSA Lmt'd Partnership - Verizon	None	Fixed	N/A	16,721	Annual
550 Hangars, LLC	None	Fixed and variable	CPI adjustment from January 2030	* \$10,000 at commencement * \$9,442 monthly payments from 37th month	One-time payment Monthly
Phonomenton LLC	None	Fixed	N/A	2,797	Monthly
Taqueria El Taco Maestro 2, LLC	None	Fixed	N/A	2,523	Monthly
WEBB Laundry Enterprises	None	Fixed	N/A	2,721	Monthly
Central Puget Sound Regional Transit Authority	None	Fixed	N/A	198,700	One-time payment
Rainier Flight Services	None	Fixed	N/A	2,708	Monthly

## NOTE 9 – PENSION PLANS

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

Aggregate Pension Amounts - All State Administered Plans	
Pension liabilities	\$ (3,041,289)
Pension assets	\$ 16,270,800
Deferred outflows of resources	\$ 19,016,816
Deferred inflows of resources	\$ (4,831,351)
Pension expense/expenditures	\$ 28,226

### State Sponsored Pension Plans

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

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

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

### Public Employees' Retirement System (PERS)

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

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL). The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

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

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

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

Contributions

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

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

The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January - June 2024:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Employee PERS Plan 3		Varies: 5%-15%
<b>Total</b>	<b>9.53%</b>	
July - August 2024:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%	
Employee PERS Plan 3		Varies: 5%-15%
<b>Total</b>	<b>9.03%</b>	
September – December 2024:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	.20%	
Employee PERS Plan 3		Varies: 5%-15%
<b>Total</b>	<b>9.11%</b>	

The City's actual PERS plan contributions were \$967,966 to PERS Plan 1 and \$2,242,174 to PERS Plan 2/3 for the year ended December 31, 2024.

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

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

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are 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-paid consecutive 24 months within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

#### Contributions

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

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

### Contributions

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

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

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

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

The City's actual contributions to the plan were \$831,347 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2024, the state contributed \$96,422,231 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$530,581.

### **Actuarial Assumptions**

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

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

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

- **Investment rate of return:** 7.00%

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

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

### Discount Rate

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

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

### Long-Term Expected Rate of Return

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

### Estimated Rates of Return by Asset Class

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

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

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

The table below presents the City's proportionate share\* of the net pension liability calculated using the discount rate of 7%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
PERS 1	\$ 4,473,660	\$ 3,041,289	\$ 1,785,066
PERS 2/3	13,175,624	(7,308,865)	(24,132,349)
LEOFF 1	(2,387,132)	(2,712,416)	(2,996,081)
LEOFF 2	\$ 4,140,391	\$ (6,249,519)	\$ (14,748,152)

### Pension Plan Fiduciary Net Position

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

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

At June 30, 2024, the City reported its proportionate share of net pension liabilities and assets as follows:

	Liability (Asset)
PERS 1	\$ (3,041,289)
PERS 2/3	7,308,865
LEOFF 1	2,712,416
LEOFF 2	\$ 6,249,519

The amount of the assets reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City 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 were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (2,712,416)	\$ (6,249,519)
State's proportionate share of the net pension asset associated with the employer	(18,346,715)	(4,055,606)
TOTAL	\$ (21,059,131)	\$ (10,305,124)

At June 30, 2024, the City's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.175170%	0.171163%	(0.004007%)
PERS 2/3	0.225923%	0.221711%	(0.004212%)
LEOFF 1	0.093198%	0.095377%	0.002179%
LEOFF 2	0.352947%	0.333709%	(0.019238%)

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2024. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% percent of employer contributions. LEOFF 1

is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2024, the state of Washington contributed 39% percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% percent of employer contributions.

### Pension Expense

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

	Pension Expense
PERS 1	\$ (144,370)
PERS 2/3	(363,029)
LEOFF 1	(27,177)
LEOFF 2	562,802
TOTAL	\$ 28,226

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

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

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (243,356)
Contributions subsequent to the measurement date	452,935	
TOTAL	\$ 452,935	\$ (243,356)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,153,053	\$ (16,922)
Net difference between projected and actual investment earnings on pension plan investments		(2,094,512)
Changes of assumptions	4,035,969	(463,088)
Changes in proportion and differences between contributions and proportionate share of contributions	269,898	(112,228)
Contributions subsequent to the measurement date	1,125,959	
TOTAL	\$ 9,584,879	\$ (2,686,751)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (102,522)
TOTAL	\$	\$ (102,522)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,599,528	\$ (47,561)
Net difference between projected and actual investment earnings on pension plan investments		(1,028,208)
Changes of assumptions	2,572,687	(525,306)
Changes in proportion and differences between contributions and proportionate share of contributions	1,385,219	(197,646)
Contributions subsequent to the measurement date	421,568	
TOTAL	\$ 8,979,002	\$ (1,798,722)

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, 2025. 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	PERS 2/3	LEOFF 1	LEOFF 2
2025	(402,736)	(1,611,569 )	(172,379)	(653,471)
2026	206,906	3,214,009	89,307	1,756,645
2027	(21,907)	1,429,233	(8,571)	824,275
2028	(25,619)	1,422,284	(10,878)	891,446
2029	0	721,863	0	1,052,466
Thereafter	\$ 0	\$ 596,350	\$ 0	\$ 2,887,351

### City of Auburn Fire Relief and Pension Plan

The City is the administrator of the Firemen's Pension Plan (Plan), which is a closed, single-employer defined benefit pension plan that was established in conformance with RCW Chapters 41.16 and 41.18. This plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established. The City's obligation under the Firemen's Pension Plan consists of paying all benefits, including payments to beneficiaries and healthcare, for firefighters who retired prior to March 1, 1970, and excess pension and healthcare benefits of LEOFF for covered firefighters who retired after March 1, 1970. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the Plan. The Plan does not issue a separate financial report. Membership of the Firemen's Pension Plan consisted of 11 eligible inactive employees or their beneficiaries, of which 10 received city paid benefits. There are no active employees in this plan.

Under state law, the Firemen's Pension Plan is provided an allocation of 25% of all monies received by the state from taxes on fire insurance premiums (which is not considered a special funding situation), interest earnings, member contributions made prior to the inception of LEOFF, and City contributions required to meet projected future pension obligations. In 2024, \$119,516 was received from the state from taxes on fire insurance premiums, and \$71,539 was received from interest earnings. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenditures/expenses during the period. Administrative costs, such as City staff time and actuarial valuation costs are funded from interest earnings or City contributions.

The City has determined that *GASB Statement No. 67 – Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25* does not apply to the City's single-employer Fire Relief and Pension Fund as there are no assets accumulated in a qualifying trust, and it does not meet the criteria applicability set by the statement as the contributions to that fund are not irrevocable. Plan assets may be used to cover medical expenses which are outside of the scope of the pension plan benefits. Therefore, the Fire Relief and Pension Fund has been presented in conformance with *GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

The following table represents the plan aggregate pension amounts for 2024:

Aggregate Pension Amounts – Fire Relief and Pension Plan	
Pension liabilities	\$ 2,620,662
Pension expense/expenditures	\$ (188,857)

### Service Retirement Benefit

The amount of a member's benefit is based upon the rank of the firefighter at the time of retirement and amounts to 50% of salary plus an additional 2% for each year of service in excess of 25 years, to a maximum benefit of 60% of salary. An annual post-retirement increase is determined based upon 2 factors:

- escalation by salary in proportion to the current salary of rank from which the firefighter retired (RCW 41.18.040), and
- increase proportionate to the annual increase in the Seattle-area CPI and regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year. (RCW 41.18.104)

### Assumptions and Other Inputs to the Total Pension Liability

GASB Statement 73 requires a schedule of changes in Total Pension Liability from year to year. Both the December 31, 2023, and the December 31, 2024, amounts are based on the below specified actuarial valuation (the valuation date) and then projected forward to the measurement date. The measurement date is the date as of which the total pension liability is determined.

The discount rate and other key actuarial assumptions utilized are noted below:

Fire Relief and Pension Plan	December 31, 2023	December 31, 2024
Discount Rate – municipal bond rate (average rating AA/Aa or higher)	3.25%	4.00%
Valuation Date	January 1, 2023	January 1, 2023
Measurement Date	December 31, 2023	December 31, 2024
Inflation	2.50%	2.50%
Salary Increases Including Inflation	3.50%	3.50%
Mortality	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

**Total Pension Liability**

The following table represents the changes in the total pension liability for 2024:

<b>Fire Relief and Pension Plan</b>	<b>Increase (Decrease) Total Pension Liability</b>
Balances as of December 31, 2023	\$ 2,915,957
Changes for the year:	
Interest on total pension liability	91,126
Effect of economic/demographic gains or losses	0
Effect of assumptions, changes or inputs	(160,467)
Benefit payments *	(225,954)
Balances as of December 31, 2024	\$ 2,620,662

\* Benefit payments are estimated based on expected payouts.

**Sensitivity Analysis**

The following table presents the total pension liability of the City, calculated using the discount rate of 4%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3%) or 1 percentage point higher (5%) than the current rate.

<b>1% Decrease (3%)</b>	<b>Current Discount Rate (4%)</b>	<b>1% Increase (5%)</b>
\$ 2,838,357	\$ 2,620,662	\$ 2,430,074

**Pension Expense**

The amount of pension expense recognized by the City for the reporting period is as follows:

<b>Fire Relief and Pension Plan</b>	<b>January 1, 2023, to December 31, 2023</b>	<b>January 1, 2024, to December 31, 2024</b>
Interest on Total Pension Liability	\$ 89,534	\$ 91,126
Contributions From State Fire Insurance Premium Tax	(114,235)	(119,516)
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of Economic/Demographic Gains/Losses	373,785	0
Recognition of Assumption Changes or Inputs	177,785	(160,467)
Pension Expense	\$ 526,869	\$ (188,857)

**Deferred Outflows/Inflows of Resources**

As of December 31, 2024, there are no deferred outflows and inflows of resources.

## NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

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

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 8,456,529
OPEB expense/expenditures	\$ (378,006)

### Plan Description

The city is the administrator of the Law Enforcement Officer and Fire Fighter (LEOFF) 1 employees plan providing lifetime medical care. The plan is a single employer, defined benefit, other post-employment benefit plan (OPEB). The plan does not issue a separate standalone financial report.

### Benefits Provided

Effective March 1, 1970, the LEOFF plan was established by the Legislature under Revised Code of Washington (RCW) Chapter 41.26. LEOFF members who joined the system by September 30, 1977, are Plan 1 members. In addition, the City is required to pay post-employment benefits in accordance with RCW Chapter 41.16 and 41.18; all medical and long-term care as long as a disability exists are covered for any active firefighter hired prior to March 1, 1970. For any retired firefighter hired prior to March 1, 1970, medical and long-term care are covered at the discretion of the Retirement Board. Members retired prior to 1961 for reasons other than duty disability are not eligible for medical benefits during retirement.

The City OPEB plan provides medical, prescription drug, dental, Medicare Part B premiums, long-term care, and vision expenses for retirees. The plan does not cover dependent spouses and children. The City's cost is reduced by any amounts retirees receive from Medicare or other health plans.

### Funding Policy

The plan is funded on a pay-as-you-go basis from the General Fund and there are no assets accumulated in a qualifying trust.

### Membership

As of December 31, 2024, there are 32 retirees and 0 active employees meeting the eligibility requirements of a LEOFF 1 member. This is considered a closed group with no new members.

Retirees currently receiving benefits	32
Total	32

### OPEB Liability

The actuarial valuation date is January 1, 2023. This is the date as of which the actuarial valuation was performed. The measurement date is December 31, 2024. This is the date as of which the total OPEB liability under GASB 75 is determined. The Reporting Date is the Plan's and City's fiscal year ending date, December 31, 2024.

### Assumptions and Other Inputs

Several assumptions are used in development of the OPEB plan actuarial valuation as discussed below.

GASB 75 requires the discount rate used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method) to be a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years is 4% as of December 26, 2024. Rounding this to the nearest ¼% results in a discount rate of 4% as of the December 31, 2024, measurement date.

A medical (healthcare) and dental trend rate of 6% along with a long-term care inflation rate of 4.75% and Medicare Part B trend rate of 7.70% were used in calculating the December 31, 2024, OPEB Liability.

Mortality assumptions are based on the Pub-2010 Safety Mortality Table (headcount-weighted) with generational projection using the ultimate rates in Projection Scale MP-2017, with ages set back one year for males. For disabled members, mortality assumptions are based on Pub-2010 Safety Disability Mortality Table with generational projection using the ultimate rates in Projection Scale MP-2017.

#### Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total December 31, 2024 OPEB Liability	\$ 7,635,510	\$ 8,456,529	\$ 9,396,542

The following presents the total OPEB liability of the City calculated using the discount rate of 4%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3%) or one percentage point higher (5%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total December 31, 2024 OPEB Liability	\$ 9,372,554	\$ 8,456,529	\$ 7,674,985

The following table represents the changes in total OPEB liability for 2024:

OPEB LEOFF Plan 1	Increase (Decrease) Total OPEB Liability
Balance as of December 31, 2023	\$ 9,307,343
Changes for the Year:	
Interest on Total OPEB Liability	294,867
Effect of economic/demographic (gains) or losses	0
Effect of Assumptions, Changes or Inputs	(672,873)
Expected Benefit Payments	(472,808)
Balance as of December 31, 2024	\$ 8,456,529

For the year ended December 31, 2024, the City recognized an OPEB expense of \$ (378,006).

Changes in assumptions that affected measurement of the total OPEB liability since the prior measurement date include changes in premiums and claims, mortality, and trends.

The City reported no deferred outflows of resources, and no deferred inflows of resources related to OPEB.

**NOTE 11 – ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST (“Trust”)**Trust Description

The City of Auburn is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

As of December 31, 2024, 268 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2024, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interests to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

## NOTE 12 – CONSTRUCTION COMMITMENTS

As of December 31, 2024, the City had the following contractual obligations on construction projects:

### SCHEDULE OF OUTSTANDING CONSTRUCTION OBLIGATIONS

Project Title	Governmental Funds			Enterprise Funds					Total
	Arterial Street	Capital Improvements	Other Governmental Funds	Water	Sanitary Sewer	Storm Drainage	Airport	Internal Service Funds	
Regional Growth Center Access	\$ 2,608,788			\$ 6,520	\$ 42,961	\$ 98,518			\$ 2,756,786
EVH Widening	1,522,321								1,522,321
2024 Neighborhood Improvements		1,245,987			106,954				1,352,941
Reservoirs 4 and 8 Seismic Retrofits				1,094,136					1,094,136
R Street SE/29th Street SE Intersection Improvements	419,086			49,239	36,169	118,817			623,310
D St SE & 23rd St SE Storm Improvements	36,457			46,398	54	536,313			619,222
10th St NW & A St NW Intersection Improvements	591,622								591,622
Lea Hill Rd & 104th Ave SE Roundabout	417,810			134,219					552,029
M St NE Widening	292,952			9,697	24,243	73,608			400,500
2024 Neighborhood Traffic Calming	112,061	262,854							374,915
Citywide Uncontrolled Crossing Enhancements		324,969							324,969
R St SE Preservation (33rd St SW to 37th St SE)	195,855			18,108	4,000	64,324			282,287
Rainier Ridge Pump Station Project					237,963				237,963
M&O Facility Improvements-Phase 1								218,016	218,016
Well 4 Facility Improvements				207,450					207,450
Downtown Infrastructure Improvements			184,321						184,321
West Main St Pump Station Upgrade						184,275			184,275
Well 4 Electrical Improvements				182,444					182,444
R St and 21st St Roundabout	135,532			14,967					150,498
2025 Local Streets Preservation	61,198			29,466		22,666			113,330
112th Pl SE Water Main Replacement				107,584		4,630			112,214
Runway and Taxiway Improvements and RSA Grading							73,281		73,281
49th St NE	58,322								58,322
Jornada Park Utility Access Improvements					20,849	35,533			56,382
Lea Hill Safe Routes to School		49,248							49,248
Coal Creek Springs Rehabilitation				13,015					13,015
S 277th (c222a) Environmental Monitoring	12,452								12,452
Auburn Way South Roundabout Enhancement	7,704								7,704
Garden Avenue Re-Alignment	7,271								7,271
AWOS, Beacon & Emergency Generator							2,545		2,545
2023 Local Street Preservation	1,743								1,743
AWOS Imp. -Hemlock St SE to Poplar St SE	1,065								1,065
Total	\$ 6,482,238	\$ 1,883,057	\$ 184,321	\$ 1,913,242	\$ 473,193	\$ 1,138,683	\$ 75,826	\$ 218,016	\$ 12,368,576

## NOTE 13 – CEMETERY ENDOWED CARE FUND

The City maintains one permanent fund known as the cemetery endowed care fund. Paid into this fund is 10% of the base, pre-tax sales price of each grave, niche, or crypt. This fund is irreducible in principal and no part of the income of this fund shall ever be used for purposes other than those specified upon the creation of the fund.

RCW 68.44.020 restricts the use of endowment net appreciation to endowment care “stipulated in the instrument by which the fund was established”. For the City, the instrument that established the fund is Auburn City Code section 3.04.080, and section 3.040.120 governs the use of the fund.

ACC 3.04.120 restricts net interest or income from investments to the care of the lots and in the improvement or embellishment of the cemetery or the erection or preservation of any buildings or structures, fences, or walks, or for the repair, preservation, erection or renewal of any tomb, monument, grave, stone, fence, railing, or other erection in or around the cemetery. The funds may also be used for planting and cultivating trees, shrubs, flowers, or plants in or around the cemetery. All expenditures of income from the fund must first be authorized by the City Council.

For 2024 of the \$85,886 net appreciation on investments, all was available for expenditures. Amounts that are available for expenditure are reflected as assigned fund balance.

## NOTE 14 – JOINT VENTURES / RELATED PARTY

### Valley Communications Center

The “Valley Communications Center,” hereafter referred to as ValleyCom, was established August 20, 1976, when an Interlocal Agreement was entered into by four participating municipal corporations: Auburn, Kent, Renton, and Tukwila. The provisions and terms of the “Interlocal Cooperation Act”, pursuant to RCW 39.34, sanction the agreement. On August 4, 1999, the Administration Board of ValleyCom voted to include the City of Federal Way as a full participating member city as of January 1, 2000. The five participating municipal corporations that include the cities of Auburn, Federal Way, Kent, Renton, and Tukwila on April 17, 2000, entered into a new Interlocal Agreement, pursuant to RCW 39.34, et seq. This agreement reaffirmed ValleyCom as a governmental administration agency pursuant to RCW 39.34.030 (3) (b). The initial duration of the agreement was five years and thereafter is automatically extended for consecutive five-year periods, unless terminated as provided by the agreement.

Any Member City may withdraw its membership and terminate its participation in this agreement by providing written notice and serving that notice on the other Member Cities on or before December 31 in any one year. After providing appropriate notice such termination shall then become effective on the last day of the year following delivery and service of notice to all other Member Cities. Three or more Member Cities may call for a complete termination of ValleyCom, upon supermajority vote ValleyCom will be directed to wind up business and a date will be set for final termination. Final termination shall be at least one year from the date of the vote to terminate this agreement. The agreement shall not terminate until all bonds issued by the Valley Communications Center Development Authority have been paid and retired.

The purpose of the ValleyCom joint operation 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, which include Public Safety Partners, Fire and EMS Partners and Emergency Backup Facilities. The subscribing agencies include City of Algona, City of Black Diamond, City of Des Moines, City of Pacific, Enumclaw Fire, King County Airport, King County Fire Districts #2, #20, #44, #47, King County Medic One, Puget Sound Regional Fire Authority, North Highline Fire Department, Renton Regional Fire Authority, South King Fire and Rescue, Valley Regional Fire Authority, Vashon Island Fire and Rescue and King County Sheriff’s Office. Separate agreements between ValleyCom and the subscribing agencies have been executed, which set forth condition of services and rates charged.

The participating cities provide the majority of revenues to ValleyCom. The method of allocating revenue source was changed in 1990 to a basis of prior year's calls with actual first and second quarter and estimated third and fourth quarter calls. 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 actual and estimated dispatched calls, for the period for January 1 through December 31. The percentages are applied to the current approved budget, less revenue from subscribing agencies and all other sources. The 2024 cost distribution for the five participating cities is as follows:

	Dispatchable Calls	Percent of Total *
Auburn	64,168	19.75%
Federal Way	69,670	21.44%
Kent	89,716	27.61%
Renton	68,801	21.17%
Tukwila	32,611	10.04%
Total	324,966	100.00%

\*Distribution of current year net income is based on these budgeted percentages.

*SOURCE: ValleyCom - 2024 Owner Equity Allocation*

ValleyCom is served by an Administration Board composed of the Mayors or designated representatives from the five participating cities of Auburn, Kent, Renton, Tukwila, and Federal Way. In 2019, 3 nonvoting members were added to the Administration Board, one for each of the 3 disciplines VCC serves: law enforcement, fire, and paramedics. The Administration Board is responsible for the following functions: 1) Reviews and approves the Valley Com budget; 2) Appoints and supervises the Executive Director; 3) Approves administrative and personnel policies; 4) Reviews and approves contracts and agreements; 5) Reviews and approves disbursement of funds by ValleyCom; 6) Approves or disapproves recommendations from the Executive Director and the Operations Board; and 7) Sets the long-term strategic vision for the organization.

In addition, an Operations Board provides operational guidance and support to ValleyCom. The Operations Board is comprised of 2 members of each participating Member City's Public Safety Department(s), including the head of those Department(s) and/or their designee(s), one appointed representative from Police contract agencies, and one appointed representative from Fire contract agencies. In 2019, the Chief of King County Medic One was added as a member of the Board. The Operations Board performs the following functions: 1) Responsible for operational policies and procedures; 2) assists staff and the Administration Board with strategic planning; 3) Makes recommendations on the selection of the Executive Director; and 4) Members serve on supporting groups including the Finance Committee and The Advisory Committee on Technology (ACT).

The Director presents a proposed budget to the Operations Board on or before August 15 of each year. Said budget is then presented to the Administration Board by September 1 of each year. The Administration Board can make changes to the proposed ValleyCom 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.

In August 1993, ValleyCom entered into an Interlocal Cooperation Agreement, pursuant to Chapter 39.34 RCW, with the sub-regions of King County, Seattle, and Eastside Public Safety Communications Agency (EPSCA). This agreement governs the development, acquisition, and installation of the 800 MHz emergency radio communications system (system) funded by the \$57 million King County levy, King County Emergency Trunked Radio System (KCETRS). This agreement provides that upon voluntary termination of any sub-region participation in the system, it surrenders its radio frequencies, relinquishes its equipment, and transfers any unexpended levy proceeds and association equipment replacement reserves to another sub-region or consortium of sub-regions. The Puget Sound Emergency Radio Network

(PSERN), of which ValleyCom is a stakeholder, is a regional effort underway to replace KCETRS. ValleyCom will maintain the functionality of their portion of KCETRS until it is replaced. They will continue to have 800 MHz fund expenses into 2024 as the old system is disassembled as well as incurring new radio charges from PSERN.

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

Item	Auburn	Federal Way	Kent	Renton	Tukwila	Total
Restated Equity Dec 31, 2023	\$ 9,706,974	\$ 8,498,305	\$ 12,693,899	\$ 9,518,721	\$ 4,547,773	\$ 44,965,672
Current year change	1,021,978	1,109,598	1,428,863	1,095,758	519,382	5,175,579
Equity Dec 31, 2024	<u>\$ 10,728,952</u>	<u>\$ 9,607,903</u>	<u>\$ 14,122,762</u>	<u>\$ 10,614,479</u>	<u>\$ 5,067,155</u>	<u>\$ 50,141,251</u>
% of equity	21.40%	19.16%	28.17%	21.17%	10.11%	
% of 2024 distribution	19.75%	21.44%	27.61%	21.17%	10.04%	

SOURCE: ValleyCom - 2024 Owner Equity Allocation

Liabilities are the responsibility of the five participating cities in direct proportion to their equity position. Complete audited financial statements for ValleyCom can be obtained from Valley Communications Center, 27519 108th Ave SE, Kent, WA 98030, telephone 253-372-1300 or [www.valleycom.org](http://www.valleycom.org).

### 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 Interlocal Formation Agreement. SCORE, 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 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 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 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 - Refunding Bonds, 2019 (Ref 2009A & 2009B)									
Debt Service Schedule				Debt Service Allocation to Owner Cities					
Year	Principal	Interest	Total	Auburn 34.94%	Burien 4.82%	Des Moines 6.02%	Renton 40.96%	SeaTac 3.62%	Tukwila 9.64%
2025	2,155,000	1,757,100	3,912,100	1,366,889	188,563	235,508	1,602,396	141,618	377,126
2026	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861
2027	2,375,000	1,536,350	3,911,350	1,366,626	188,527	235,463	1,602,089	141,591	377,054
2028	2,490,000	1,417,600	3,907,600	1,365,315	188,346	235,238	1,600,553	141,455	376,693
2029	2,615,000	1,293,100	3,908,100	1,365,490	188,370	235,268	1,600,758	141,473	376,741
2030-2034	15,090,000	4,460,600	19,550,600	6,830,979	942,339	1,176,946	8,007,926	707,732	1,884,678
2035-2038	14,430,000	1,206,850	15,636,850	5,463,516	753,696	941,338	6,404,854	566,054	1,507,392
Totals	\$ 41,415,000	\$ 13,320,950	\$ 54,735,950	\$ 19,124,742	\$ 2,638,272	\$ 3,295,104	\$ 22,419,846	\$ 1,981,441	\$ 5,276,545

The City of Auburn reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets.

The following summary of the Capital Contributions for the 2019 Bonds is condensed (unaudited) financial information reported as of December 31, 2024, in relation to SCORE:

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

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

Since the obligation to fund future joint venture-related debt is separately reported as due to other governments, the investment in joint ventures is reported as a combination of this debt with the current reported equity in joint ventures as follows:

#### Investment in Joint Ventures

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024
SCORE Public Development Authority	\$ 15,193,659	\$ -	\$ (723,258)	\$ 14,470,401
Due to Other Governments	15,193,659	-	(723,258)	14,470,401
Valley Communications Center	9,851,365	877,588	-	10,728,953
South Correctional Entity (SCORE)	15,314,840	1,218,459	-	16,533,299
Equity Share	25,166,205	2,096,047	-	27,262,252
Total Investment in Joint Ventures				<u>\$ 41,732,653</u>

## NOTE 15 – JOINTLY GOVERNED ORGANIZATION / RELATED PARTY

Residents of the cities of Auburn, Algona and Pacific approved in the November 7, 2006, general election the creation of a regional fire authority pursuant to RCW 52.26. The new regional fire protection service authority, called the Valley Regional Fire Authority (VRFA), provides first responder fire and emergency medical services to residents of Auburn, Algona, and Pacific. The VRFA is a new municipal corporation, with its own Governing Board, and is legally separate from the three cities it serves. The Governing Board of the VRFA consists of the Mayors of the three cities within the VRFA service area, as well as two Councilmembers from each city. Membership on the Governing Board is made by appointment from the city council of the respective member cities. Effective January 1, 2007, all personnel, assets, equipment, and contractual obligations of the former Auburn Fire Department were transferred to the VRFA. Similar transfers were made by the cities of Algona and Pacific.

In accordance with the interlocal agreement at time of formation, each member city retained its obligation for LEOFF 1 firefighter and Fire Relief and Pension Plan obligations. Premium and benefit payments for retired LEOFF 1 firefighters for 2024 \$209,648. Medical premiums and benefit payments made under the Fire Relief and Pension Plan for 2024 \$93,203.

## NOTE 16 – CONTINGENCIES AND LITIGATIONS

As of December 31, 2024, several claims were pending against the City for damages and legal actions. While the outcome of these actions is uncertain, no uncovered losses are anticipated at this time with these pending claims. In the event of a liability finding against the City, it is anticipated that any potential adverse judgment against the City also would be subject to coverage under the City's general liability insurance.

The City participates in several federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The City's management believes that such disallowances, if any, will be immaterial.

## NOTE 17 – RISK MANAGEMENT & INSURANCE

### Risk Management

The City is exposed to various risks of loss such as: theft and damage and destruction of assets, errors and omissions, injuries or property damage to others, employees' health, and natural disasters. All risk financing activities are accounted for in the Insurance internal service fund. To insure against risks of loss the City of Auburn is a member of the Washington Cities Insurance Authority (WCIA).

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

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

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

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

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

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

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

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

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA. No settlement has exceeded insurance coverage over the past three years.

### Workers' Compensation

Title 51 RCW requires the City to ensure payment of benefits for job-related injuries and diseases through the Workers' Compensation fund or through self-insurance. The City become self-insured for Worker's Compensation in 2014. The funding and allocations for the worker's compensation program are reviewed by an actuary on an annual basis. The actuarial study made by Bickmore as of December 31, 2024, projected ultimate loss during 2025 and 2026 program years to be \$860,000 and \$907,000, respectively. On December 31, 2024, incurred but not reported and claims payable were estimated at \$1,428,000. On December 31, 2024, fund net position was \$3,642,531. The City carrier's excess works' compensation insurance coverage with a private carrier for losses exceeding \$750,000 per occurrence to a maximum indemnity in occurrence with statutory limits. Claims handling is currently contracted to an independent, qualified third-party administrator (TPA).

The Workers Compensation claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Reported claims liabilities are based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated.

Changes in the Workers Compensation self-insurance fund claims liabilities in 2024 and 2023 were:

#### CHANGES OF ESTIMATED CLAIMS LIABILITIES FOR 2024 AND 2023

<b>Workers Compensation</b>		
	<b>2024</b>	<b>2023</b>
Beg. of Year Claims Liabilities	\$1,192,000	\$1,132,000
Less: Claim Payments	(225,800)	(196,083)
Plus: Claims and Changes in Estimates	461,800	256,083
End of Year Claims Liabilities	\$1,428,000	\$1,192,000

## NOTE 18 – TAX ABATEMENTS

GASB Statement No. 77 defines tax abatements and requires certain disclosures about any tax abatement agreements. For financial reporting purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual entity in which (a) one or more governments promises to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city has the following tax abatement agreements in place as of December 31, 2024:

The city offers a multifamily property tax exemption within the downtown core to encourage construction of new multifamily housing, and that the provisions of additional housing opportunities in the downtown core will assist in achieving the goals of the city's comprehensive plan. Under Chapter 84.14 RCW, the city provides the opportunity for a limited, eight-year exemption from ad valorem property taxation for a qualified new multifamily and rehabilitated multifamily housing constructed in the downtown core and twelve-year exemptions from ad valorem property taxation for qualified new affordable multifamily and rehabilitated multifamily housing contracted in the downtown core. Abatements are obtained through application by the property owner, including proof of improvements that have been

made, and equal 100 percent of the additional property tax resulting from the increase in assessed value because of the improvements. If application is approved and all requirements met, exemption begins January 1<sup>st</sup>, of the year immediately following the calendar year of issuance of the final certificate of tax exemption. If at any time it is determined the property no longer complies with the terms of the contract or the requirements, or the use of the property for any reason no longer qualifies for the tax exemption, the tax exemption shall be cancelled and additional taxes, interest and penalties imposed.

1) Merrill Gardens at Auburn LLC, project name Merrill Gardens; a senior living community with 129 apartment units (114 assisted living units and 15 memory care units). The building is four stories above ground with one level of below ground parking. The final certificate of tax exemption was issued September 14, 2017, with the eight-year ad valorem property tax exemption to start with tax year 2018. The city's portion of the property tax abated during the fiscal year 2024 was \$44,121

2) Altus Group US Inc, project name The Verge Apartments; a 7-story building of 226 apartment units, upper story outdoor plazas, parking, and ground floor commercial space. The final certificate of tax exemption was issued on October 14, 2021, with the eight-year ad valorem property tax exemption to start with tax year 2022. The city's portion of the property tax abated during the fiscal year 2024 was \$79,746.

The State of Washington has the following tax abatement that impacts tax revenues of the City:

Aerospace Incentives - The purchase and use of computer hardware, software, or peripherals, including installation charges is exempt from sales and use tax per RCWs 82.08.975 and 82.12.975 if the buyer uses the purchased items primarily in developing, designing, and engineering aerospace products.

The following table shows the impact to the City of Auburn for taxes abated by the State of Washington during the calendar year ended September 30, 2024 (the latest information available):

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
Aerospace Incentives - Computer Hardware, Software, and Peripherals Sales and Use Tax Exemption	*

\* State law (RCW 82.32.330) forbids the disclosure of sales and use tax information for less than three taxpayers.  
Source: Washington State Department of Revenue

## NOTE 19 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

GASB Statement No. 100 establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

For reporting periods prior to those presented in the basic financial statements, information included in Required Supplementary Information (RSI), including Management's Discussion and Analysis (MD&A), or Supplementary Information (SI), has not been restated for changes in accounting principles, in accordance with paragraph 36 of GASB Statement No. 100. However, in compliance with paragraph 38 of the Statement, all applicable information has been restated for the relevant prior periods to reflect the impact of error corrections within RSI (including MD&A) or SI.

During fiscal year 2024, changes occurred that are subject to this accounting standard. The following section outlines the nature of these changes and presents their impact on financial statements.

#### Government-wide Statements:

	Governmental Activities	Business-type Activities	Total Primary Government
Net Position, Beginning of Year, As Previously Reported	549,770,028	316,765,420	866,535,447
Change in accounting principle:			
<i>Adoption of GASB 101</i> <sup>(1)</sup>	(1,353,302)	(344,412)	(1,697,714)
Error correction:			
<i>SBA lease</i> <sup>(2)</sup>	(31,598)	-	(31,598)
<i>Bonds interest and loan fees</i> <sup>(3)</sup>	-	1,115,025	1,115,025
<i>Revenue Recognition</i> <sup>(4)</sup>	607,765	-	607,765
Total Restatements	(777,135)	770,613	(6,522)
Net Position, Beginning of Year, As Restated	548,992,893	317,536,033	866,528,925

#### Governmental Funds Statements:

	General Fund	American Rescue Plan Act	Arterial Street	Capital Improvements	Nonmajor Funds	Total Governmental Funds
Fund Balance, Beginning of Year, As Previously Reported	78,479,689	-	2,279,131	15,669,290	35,084,160	131,512,270
Error correction:						-
<i>SBA Lease</i> <sup>(2)</sup>	-	-	-	-	(31,598)	(31,598)
<i>Revenue Recognition</i> <sup>(4)</sup>	557,538	-	37,254	-	12,973	607,765
Total Restatements	557,538	-	37,254	-	(18,625)	576,167
Fund Balance, Beginning of Year, As Restated	79,037,228	-	2,316,385	15,669,290	35,065,535	132,088,437

#### Proprietary Funds Statements:

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-major Funds	Total Enterprise Funds	Internal Service Funds
Net Position, Beginning of Year, As Previously Reported	110,309,117	103,006,296	85,004,440	1,150,764	13,557,015	3,135,769	316,163,400	28,831,467
Change in accounting principle:								
<i>Adoption of GASB 101</i> <sup>(1)</sup>	(89,978)	(79,562)	(93,616)	(641)	(9,319)	(22,689)	(295,805)	(145,054)
Error correction:								
<i>Bond interest and loan fees</i> <sup>(3)</sup>	816,220	107,514	191,291	-	-	-	1,115,025	-
Total Restatements	726,242	27,952	97,675	(641)	(9,319)	(22,689)	819,220	(145,054)
Net Position, Beginning of Year, As Restated	111,035,359	103,034,247	85,102,115	1,150,123	13,547,696	3,113,080	316,982,620	28,686,413

- (1) Effective January 1, 2024, the City implemented GASB Statement No. 101, which replaced GASB Statement No. 16, to recognize liabilities for compensated absences. With respect to transition, the implementation of a new

authoritative pronouncement is considered a change in accounting principle in accordance with the provisions of Statement 100. As a result, the difference between the liability amounts calculated per the provisions of these two statements has been disclosed as a change in accounting principle. The adjustment also includes the changes in joint venture investment related to Valley Communication Center due to implementation of the same GASB Statement by the joint venture entity.

Adoption of GASB Statement No. 101 resulted in an increase to the compensated absences liability (i.e., employee leave benefits) reported on the fund-level Statement of Net Position for the Proprietary Funds, as well as on the government-wide Statement of Net Position. Additionally, the adoption of this statement by the joint venture led to a decrease in the Investment in Joint Ventures reported on the government-wide Statement of Net Position.

- (2) GASB Statement No. 87 requires certain variable payments to be included in the measurement of lease receivables and deferred inflows. Some lease contracts contain clauses that increase lease payments over time. These increases generally fall into two categories: known rate increases, which are predetermined and fixed in the contract, and variable rate increases, which depend on future events or indices—such as changes tied to the Consumer Price Index (CPI). Under GASB 87, variable rate increases should be excluded from the initial lease measurement, as the amounts are not known at the time of the lease commencement. However, due to a misinterpretation of this guidance, no distinction was made between known and variable rate increases. As a result, a variable CPI-based increase was incorrectly included in the lease receivable calculation, leading to an overstatement of lease revenues related to one lease agreement. In accordance with GASB Statement No. 100, the beginning balance has been restated to correct this error.

The correction resulted in the following adjustments on the government-wide Statement of Net Position:

- *Long-Term Contracts, Leases, and Notes:* Decreased by \$938,303
- *Deferred Inflows Related to Leases:* Decreased by \$906,705

The same adjustments were made to the fund-level balance sheet for governmental funds.

- (3) Under the accrual basis of accounting, expenditures are recognized when incurred, regardless of the timing of the related payment. In prior years, interest expense associated with revenue bonds was incorrectly recognized before it was incurred, resulting in an overstatement of expenses in those periods. To comply with the requirements of GASB Statement No. 100, the financial reports have been restated to correct the previously overstated amounts. This correction mainly led to a decrease in Accrued Interest Payable disclosed on the Statement of Net Position for the proprietary funds and a decrease in the same line item reported on the government-wide Statement of Net Position.
- (4) Certain revenues that met the availability criteria under the modified accrual basis of accounting were not recognized in the governmental funds in the periods in which they became both measurable and available. Additionally, certain other revenues were recognized in prior periods even though they did not meet the availability criteria required under the modified accrual basis. The restatement corrects both errors by properly recognizing revenues in the periods in which they met the availability criteria. As a result, the beginning balances for the current reporting period have been adjusted accordingly to reflect accurate revenue recognition in prior periods. The corrections resulted in the following impacts on the reporting lines as detailed below:
- Decrease in Due from Other Governments 719,872
  - Increase in Deferred Inflows of Resources 112,016

**NOTE 20 – SUBSEQUENT EVENTS**

On May 5, 2025, Resolution 5827 was passed by City Council authorizing the Mayor to terminate the interlocal agreement (ILA) between the City of Auburn and King County for district court services. The current ILA terms extend through December 31, 2026, at which time the termination will take place. The City will begin the process to establish its own district court with the court to be operational starting January 2027.

The City of Auburn has been party to the ILA with King County for District Court Services since 2012. Recently, the City reviewed, studied, and considered the services and costs to the City under the existing ILA. After thorough review it was determined it would be advantageous for the City to establish its own municipal court.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of June 30, 2024**  
**Last 10 Fiscal Years**

<b>PERS 1</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.171163%	0.175170%	0.176504%	0.177157%	0.176594%	0.184008%	0.190096%	0.192614%	0.194185%	0.192878%
Employer's proportionate share of the net pension liability (asset)	\$ 3,041,289	\$ 3,998,662	\$ 4,914,519	\$ 2,163,502	\$ 6,234,722	\$ 7,075,761	\$ 8,489,752	\$ 9,139,685	\$ 10,428,649	\$ 10,089,313
Covered employee payroll	\$ 34,416,937	\$ 31,471,196	\$ 28,798,537	\$ 27,362,217	\$ 26,748,878	\$ 25,792,744	\$ 24,866,577	\$ 24,085,628	\$ 22,947,013	\$ 21,788,519
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	8.84%	12.71%	17.07%	7.91%	23.31%	27.43%	34.14%	37.95%	45.45%	46.31%
Plan fiduciary net position as a percentage of the total pension liability	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%
<b>PERS 2/3</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.221711%	0.225923%	0.230198%	0.227559%	0.229959%	0.236778%	0.239249%	0.243488%	0.247760%	0.241739%
Employer's proportionate share of the net pension liability (asset)	\$ (7,308,865)	\$ (9,259,868)	\$ (8,537,540)	\$ (22,668,538)	\$ 2,941,045	\$ 2,299,919	\$ 4,084,964	\$ 8,460,044	\$ 12,223,580	\$ 8,637,472
Covered-employee payroll	\$ 34,416,937	\$ 31,471,196	\$ 28,798,537	\$ 27,362,217	\$ 26,748,878	\$ 25,763,285	\$ 24,674,226	\$ 23,904,107	\$ 22,734,107	\$ 21,460,504
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-21.24%	-29.42%	-29.65%	-82.85%	11.00%	8.93%	16.56%	35.39%	53.77%	40.25%
Plan fiduciary net position as a percentage of the total pension liability	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%
<b>LEOFF 1</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.095377%	0.093198%	0.093826%	0.095644%	0.096208%	0.097999%	0.101761%	0.102451%	0.101574%	0.103718%
Employer's proportionate share of the net pension liability (asset)	\$ (2,712,416)	\$ (2,766,139)	\$ (2,691,505)	\$ (3,276,345)	\$ (1,816,897)	\$ (1,937,059)	\$ (1,847,473)	\$ (1,554,407)	\$ (1,046,503)	\$ (1,250,031)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (18,346,715)	\$ (18,710,096)	\$ (18,205,272)	\$ (22,161,113)	\$ (12,289,444)	\$ (13,102,219)	\$ (12,496,261)	\$ (10,513,971)	\$ (7,078,518)	\$ (8,455,179)
Total	\$ (21,059,131)	\$ (21,476,235)	\$ (20,896,777)	\$ (25,437,458)	\$ (14,106,341)	\$ (15,039,278)	\$ (14,343,734)	\$ (12,068,378)	\$ (8,125,021)	\$ (9,705,210)
Plan fiduciary net position as a percentage of the total pension liability	168.48%	175.99%	169.62%	187.45%	146.88%	148.78%	144.42%	136.00%	123.74%	127.36%
<b>LEOFF 2</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.333709%	0.352947%	0.367227%	0.379530%	0.374857%	0.394720%	0.403472%	0.370954%	0.359661%	0.354511%
Employer's proportionate share of the net pension liability (asset)	\$ (6,249,519)	\$ (8,465,780)	\$ (9,980,121)	\$ (22,044,674)	\$ (7,646,536)	\$ (9,144,451)	\$ (8,191,361)	\$ (5,147,640)	\$ (2,091,896)	\$ (2,193,486)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (4,055,606)	\$ (5,406,160)	\$ (6,464,905)	\$ (14,221,221)	\$ (4,889,380)	\$ (5,988,390)	\$ (5,303,752)	\$ (3,339,178)	\$ (1,363,764)	\$ (1,450,178)
Total	\$ (10,305,124)	\$ (13,871,939)	\$ (16,445,026)	\$ (36,265,895)	\$ (12,535,916)	\$ (15,132,841)	\$ (13,495,113)	\$ (8,486,818)	\$ (3,455,660)	\$ (3,643,664)
Covered-employee payroll	\$ 15,600,141	\$ 15,280,857	\$ 14,631,934	\$ 14,178,478	\$ 13,661,010	\$ 13,248,982	\$ 12,697,917	\$ 11,623,292	\$ 10,953,667	\$ 10,336,409
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-40.06%	-55.40%	-68.21%	-155.48%	-55.97%	-69.02%	-64.51%	-44.29%	-19.10%	-21.22%
Plan fiduciary net position as a percentage of the total pension liability	109.27%	113.17%	116.09%	142.00%	115.83%	119.43%	118.50%	113.40%	106.04%	111.67%

REQUIRED SUPPLEMENTARY INFORMATION  
Schedule of Proportionate Share of the Net Pension Liability  
As of June 30, 2024  
Last 10 Fiscal Years

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

Contribution and covered-employee payroll on this schedule is based on the plan fiscal year – July 1 – June 30.

The LEOFF 1 plan is closed and has no further covered-employee payroll.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Employer Contributions**  
**As of December 31, 2024**  
**Last 10 Fiscal Years**

<b>PERS 1</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 967,966	\$ 1,129,900	\$ 1,121,072	\$ 1,205,178	\$ 1,318,974	\$ 1,310,731	\$ 1,296,482	\$ 1,216,069	\$ 1,132,885	\$ 1,001,824
Contributions in relation to the statutorily or contractually required contributions	\$ (967,966)	\$ (1,129,900)	\$ (1,121,072)	\$ (1,205,178)	\$ (1,318,974)	\$ (1,310,731)	\$ (1,296,482)	\$ (1,216,069)	\$ (1,132,885)	\$ (1,001,824)
Covered-employee payroll	\$ 35,314,670	\$ 33,127,194	\$ 29,838,946	\$ 28,098,202	\$ 26,726,280	\$ 26,516,814	\$ 25,212,705	\$ 24,538,921	\$ 23,510,382	\$ 22,436,909
Contributions as a percentage of covered-employee payroll	2.74%	3.41%	3.76%	4.29%	4.94%	4.94%	5.14%	4.96%	4.82%	4.47%
<b>PERS 2/3</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 2,242,174	\$ 2,102,089	\$ 1,897,746	\$ 2,005,971	\$ 2,121,829	\$ 2,047,116	\$ 1,941,592	\$ 1,714,887	\$ 1,495,562	\$ 1,286,928
Contributions in relation to the statutorily or contractually required contributions	\$ (2,242,174)	\$ (2,102,089)	\$ (1,897,746)	\$ (2,005,971)	\$ (2,121,829)	\$ (2,047,116)	\$ (1,941,592)	\$ (1,714,887)	\$ (1,495,562)	\$ (1,286,928)
Covered-employee payroll	\$ 35,314,670	\$ 33,127,194	\$ 29,838,946	\$ 28,098,202	\$ 26,726,280	\$ 26,516,814	\$ 25,087,758	\$ 24,350,435	\$ 23,330,702	\$ 22,130,501
Contributions as a percentage of covered-employee payroll	6.35%	6.35%	6.36%	7.14%	7.94%	7.72%	7.74%	7.04%	6.41%	5.82%
<b>LEOFF 2</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 831,347	\$ 804,151	\$ 782,428	\$ 756,576	\$ 737,023	\$ 730,140	\$ 708,333	\$ 639,662	\$ 594,665	\$ 551,812
Contributions in relation to the statutorily or contractually required contributions	\$ (831,347)	\$ (804,151)	\$ (782,428)	\$ (756,576)	\$ (737,023)	\$ (730,140)	\$ (708,333)	\$ (639,662)	\$ (594,665)	\$ (551,812)
Covered-employee payroll	\$ 15,789,506	\$ 15,429,942	\$ 15,020,410	\$ 14,315,013	\$ 13,852,684	\$ 13,597,937	\$ 13,044,797	\$ 11,992,821	\$ 11,370,216	\$ 10,553,437
Contributions as a percentage of covered-employee payroll	5.27%	5.21%	5.21%	5.29%	5.32%	5.37%	5.43%	5.33%	5.23%	5.23%

**Note to Schedule:**

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Changes in Total Pension Liability & Related Ratios**  
**Fire Relief and Pension Plan**  
**Last 10 Fiscal Years**

	Fiscal Year Ending December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability - Beginning	\$ 2,915,957	\$ 2,498,278	\$ 3,049,730	\$ 3,562,986	\$ 3,452,448	\$ 2,973,304	\$ 3,212,435	\$ 3,218,004	N/A	N/A
Service Cost	-	-	-	-	-	-	-	-	N/A	N/A
Interest on Total Pension Liability	91,126	89,534	59,120	69,409	91,863	114,553	108,873	116,957	N/A	N/A
Effect of Plan Changes	-	-	-	-	-	-	-	-	N/A	N/A
Effect of Economic/Demographic Gains (Losses)	-	373,785	-	(534,707)	-	208,957	-	-	N/A	N/A
Effect of Assumption Changes or Inputs	(160,467)	177,785	(422,100)	138,062	244,126	376,773	(142,719)	77,612	N/A	N/A
Benefit Payments	(225,954)	(223,425)	(188,472)	(186,020)	(225,451)	(221,139)	(205,285)	(200,138)	N/A	N/A
Net Change in Total Pension Liability	(295,295)	417,679	(551,452)	(513,256)	110,538	479,144	(239,131)	(5,569)	N/A	N/A
Total Pension Liability - Ending	\$ 2,620,662	\$ 2,915,957	\$ 2,498,278	\$ 3,049,730	\$ 3,562,986	\$ 3,452,448	\$ 2,973,304	\$ 3,212,435	N/A	N/A
Covered-employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Pension Liability as a % of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

No assets have been accumulated in a trust that meets the criteria of a qualified plan.

The effect of assumption changes or inputs is the result of a change in the discount rate from 3.25% as of December 31, 2023 to 4.00% as of December 31, 2024.

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Firemen's Relief and Pension Plan and LEOFF 1 Employees**  
**For the Year Ended December 31**  
**Last 10 Fiscal Years**

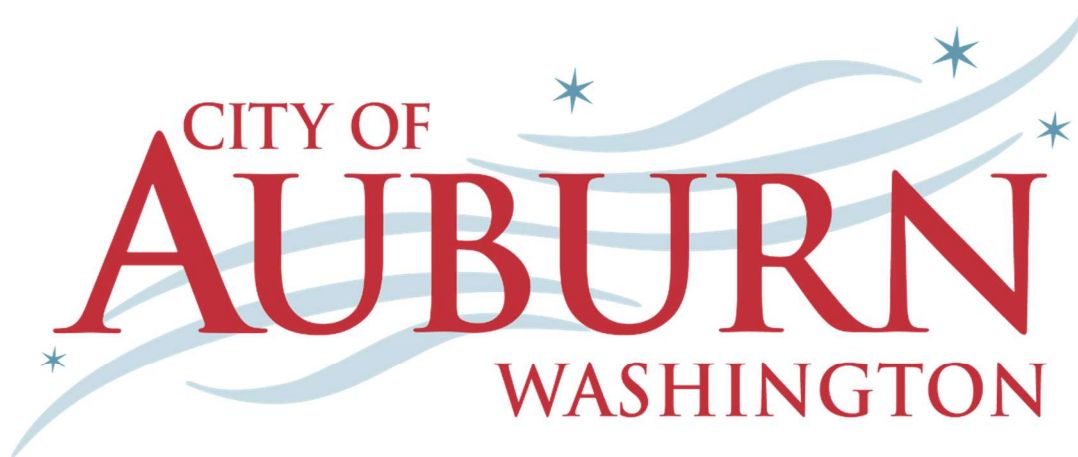
	Fiscal Year Ending December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability - Beginning	\$ 9,307,343	\$ 10,956,157	\$ 13,370,311	\$ 14,784,873	\$ 13,702,359	\$ 16,228,865	\$ 17,472,360	N/A	N/A	N/A
Service Cost	-	-	-	-	-	-	-	N/A	N/A	N/A
Interest on Total OPEB Liability	294,867	402,400	261,571	290,093	368,593	636,891	597,724	N/A	N/A	N/A
Changes of Benefit Terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Effect of Economic/Demographic Gains (Losses)	-	(1,969,219)	-	(704,125)	-	(3,427,650)	-	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	(672,873)	373,161	(2,089,347)	(437,389)	1,315,995	883,507	(1,045,269)	N/A	N/A	N/A
Expected Benefit Payments	(472,808)	(455,156)	(586,378)	(563,141)	(602,074)	(619,254)	(795,950)	N/A	N/A	N/A
Total OPEB Liability - Ending	\$ 8,456,529	\$ 9,307,343	\$ 10,956,157	\$ 13,370,311	\$ 14,784,873	\$ 13,702,359	\$ 16,228,865	N/A	N/A	N/A
Covered-employee Payroll	-	-	-	-	-	-	-	N/A	N/A	N/A
Total OPEB Liability as a % of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The effect of assumption changes or inputs is the result of a change in the discount rate from 3.25% as of December 31, 2023, to 4.00% as of December 31, 2024.

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 10.



## MANAGERIAL FUNDS

The Cumulative Reserve Fund and the Fire Pension Fund are now combined with the General Fund. For budgetary purposes, however, they are included and presented as Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual. The City of Auburn has the following managerial funds:

**Cumulative Reserve Fund** – This fund is for the purpose of revenue stabilization for future operations.

**Fire Pension Fund** – The City is the administrator of the Firemen’s Pension Plan (Plan), which is a closed, single-employer defined benefit pension plan that was established in conformance with RCW Chapters 41.16 and 41.18. This plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The following reconciliation provides a breakdown of total balance for the general fund presented under the Basic Financial Statements.

### RECONCILIATION OF PERSPECTIVE DIFFERENCE BETWEEN BUDGETARY INFORMATION AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Fund Balance - Ending:	
General Fund	60,508,641
Cumulative Reserve Fund	33,631,520
Fire Pension Fund	<u>1,848,679</u>
Total Fund Balance Presented under Basic Financial Statement	<u><u>95,988,840</u></u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CUMULATIVE RESERVE FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Investment Earnings	\$ 80,000	\$ 80,000	\$ 1,504,231	\$ 1,424,231
Miscellaneous	-	6,102,000	6,102,000	-
Total Revenues	80,000	6,182,000	7,606,231	1,424,231
<b>EXPENDITURES:</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,000	6,182,000	7,606,231	1,424,231
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	(12,959,994)	(17,354,468)	(4,864,526)	12,489,942
Total Other Financing Sources (Uses)	(12,959,994)	(17,354,468)	(4,864,526)	12,489,942
Net Change in Fund Balance	(12,879,994)	(11,172,468)	2,741,705	13,914,173
Fund Balance - Beginning	29,402,101	30,889,815	30,889,815	-
Fund Balance - Ending	\$ 16,522,107	\$ 19,717,347	\$ 33,631,520	\$ 13,914,173

**RECONCILIATION OF PERSPECTIVE DIFFERENCE BETWEEN BUDGETARY INFORMATION AND  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):**

The Cumulative Reserve Fund is combined with  
the General Fund for purposes of GASB Statement 54  
Fund Balance - Ending (GAAP)

(33,631,520)  
\$ -

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**FIRE PENSION FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 88,400	\$ 88,400	\$ 119,516	\$ 31,116
Investment Earnings	15,200	15,200	69,895	54,695
Total Revenues	<u>103,600</u>	<u>103,600</u>	<u>189,411</u>	<u>85,811</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons and Property	<u>206,256</u>	<u>234,256</u>	<u>211,060</u>	<u>23,196</u>
Total Expenditures	<u>206,256</u>	<u>234,256</u>	<u>211,060</u>	<u>23,196</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(102,656)</u>	<u>(130,656)</u>	<u>(21,649)</u>	<u>109,007</u>
Net Change in Fund Balance	<u>(102,656)</u>	<u>(130,656)</u>	<u>(21,649)</u>	<u>109,007</u>
Fund Balance - Beginning	<u>1,697,971</u>	<u>1,870,328</u>	<u>1,870,328</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,595,315</u>	<u>\$ 1,739,672</u>	<u>\$ 1,848,679</u>	<u>\$ 109,007</u>

**RECONCILIATION OF PERSPECTIVE DIFFERENCE BETWEEN BUDGETARY INFORMATION AND  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):**

The Fire Pension Reserve Fund is combined with  
the General Fund for purposes of GASB Statement 54  
Fund Balance - Ending (GAAP)

(1,848,679)  
\$ -



## NON-MAJOR GOVERNMENTAL FUNDS

The City has four types of Non-Major Governmental Funds.

### **Special Revenue Funds**

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Biennial budgets are adopted with appropriations lapsing at year-end.

### **Debt Service Funds**

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt.

### **Capital Project Funds**

Capital project funds account for the City of Auburn's financial resources used for the acquisition or construction of major non-proprietary capital facilities.

### **Permanent Funds**

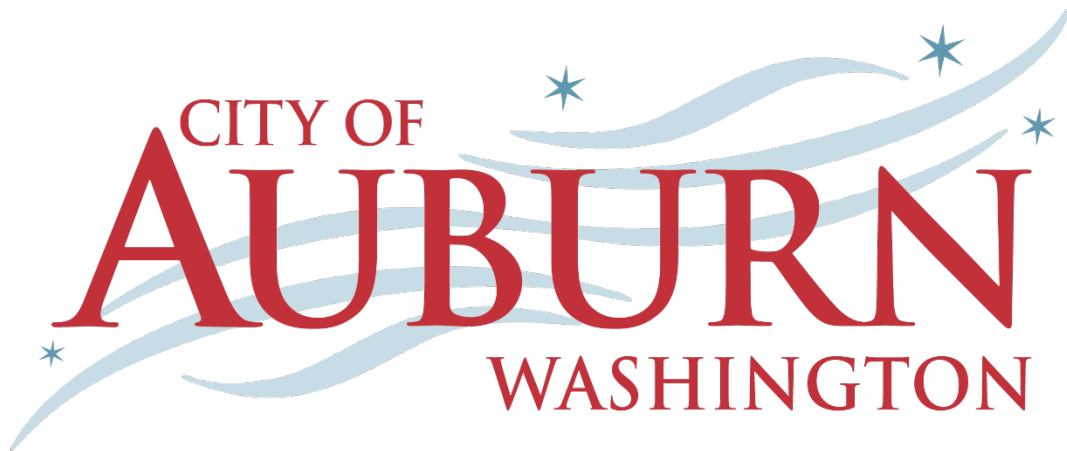
Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens.

City of Auburn, Washington  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENT FUNDS**  
December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 21,347,790	\$ 460,135	\$ 655,223	\$ 838,860	\$ 23,302,008
Investments	9,950,950	-	-	1,699,408	11,650,358
Receivables:					
Taxes	142,337	-	-	-	142,337
Customer Accounts	537,819	-	100,000	-	637,819
Other Receivables	174,879	-	37,413	10,618	222,910
Interfund Receivable	11,815	-	-	-	11,815
Due From Other Governmental Units	460,110	29,149	1,059,925	-	1,549,184
Long-Term Notes and Contracts	<u>282,731</u>	<u>-</u>	<u>1,175,674</u>	<u>-</u>	<u>1,458,405</u>
Total Assets	<u>32,908,430</u>	<u>489,284</u>	<u>3,028,235</u>	<u>2,548,886</u>	<u>38,974,834</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Liabilities:					
Current Payables	613,432	-	58,196	-	671,628
Interfund Payable	<u>508,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,541</u>
Total Liabilities	<u>1,121,973</u>	<u>-</u>	<u>58,196</u>	<u>-</u>	<u>1,180,169</u>
Deferred Inflow of Resources:					
Unavailable Revenues-Other	282,731	-	-	-	282,731
Deferred Inflows Related to Leases	<u>-</u>	<u>-</u>	<u>1,173,244</u>	<u>-</u>	<u>1,173,244</u>
Total Deferred Inflow of Resources	<u>282,731</u>	<u>-</u>	<u>1,173,244</u>	<u>-</u>	<u>1,455,974</u>
Fund Balance:					
Nonspendable	-	-	-	2,224,098	2,224,098
Restricted	18,043,312	-	-	-	18,043,312
Committed	12,710,633	-	-	-	12,710,633
Assigned	<u>749,782</u>	<u>489,284</u>	<u>1,796,795</u>	<u>324,788</u>	<u>3,360,648</u>
Total Fund Balance	<u>31,503,726</u>	<u>489,284</u>	<u>1,796,795</u>	<u>2,548,886</u>	<u>36,338,691</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 32,908,430</u>	<u>\$ 489,284</u>	<u>\$ 3,028,235</u>	<u>\$ 2,548,886</u>	<u>\$ 38,974,834</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENT FUNDS**  
For the Year Ended December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>REVENUES:</b>					
Taxes:					
Excise	\$ 180,350	\$ -	\$ -	\$ -	\$ 180,350
Interfund Utility	1,876,956	-	-	-	1,876,956
Property	-	-	345,483	-	345,483
Retail Sales & Use	2,660,567	226,998	-	-	2,887,566
Utility	1,347,452	-	-	-	1,347,452
Charges for Services	1,273,159	-	5,108	72,791	1,351,058
Fines and Forfeitures	177,400	-	-	-	177,400
Intergovernmental	1,563,033	-	1,110,120	-	2,673,153
Investment Earnings	1,294,522	33,119	112,724	85,886	1,526,252
Rental & Other Revenues	3,215	-	78,263	-	81,478
Total Revenues	<u>10,376,655</u>	<u>260,118</u>	<u>1,651,698</u>	<u>158,677</u>	<u>12,447,148</u>
<b>EXPENDITURES:</b>					
Current:					
Economic Environment	1,025,489	-	-	-	1,025,489
Security of Persons and Property	339,255	-	-	-	339,255
Transportation	6,268,653	-	-	-	6,268,653
Debt Service:					
Principal	-	1,167,317	-	-	1,167,317
Interest and Other Costs	-	710,947	-	-	710,947
Capital Outlay	-	-	3,352,381	-	3,352,381
Total Expenditures	<u>7,633,397</u>	<u>1,878,264</u>	<u>3,352,381</u>	<u>-</u>	<u>12,864,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,743,258</u>	<u>(1,618,146)</u>	<u>(1,700,683)</u>	<u>158,677</u>	<u>(416,894)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In (Note 4)	699,392	1,623,514	1,453,855	-	3,776,760
Transfers Out (Note 4)	(2,086,710)	-	-	-	(2,086,710)
Total Other Financing Sources (Uses)	<u>(1,387,318)</u>	<u>1,623,514</u>	<u>1,453,855</u>	<u>-</u>	<u>1,690,050</u>
Net Change in Fund Balance	<u>1,355,940</u>	<u>5,368</u>	<u>(246,828)</u>	<u>158,677</u>	<u>1,273,156</u>
Fund Balance, January 1, As Previously Presented	30,134,814	483,916	2,075,221	2,390,209	35,084,160
Error Corrections	12,973	-	(31,598)	-	(18,625)
Fund Balance, January 1, Restated	<u>30,147,787</u>	<u>483,916</u>	<u>2,043,623</u>	<u>2,390,209</u>	<u>35,065,535</u>
Fund Balance - Ending	<u>\$ 31,503,726</u>	<u>\$ 489,284</u>	<u>\$ 1,796,795</u>	<u>\$ 2,548,886</u>	<u>\$ 36,338,691</u>



## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing each year of the biennium. The City has eight non-major special revenue funds.

#### **Arterial Street Preservation Fund**

This fund was created to repair classified arterial streets and is funded from a one percent utility tax increase that was adopted by Council in 2008.

#### **Drug Forfeiture Fund**

Money seized and forfeited from drug activity is deposited in this fund to be used exclusively for drug investigation and enforcement.

#### **Hotel/Motel Tax Fund**

This fund was created to account for the hotel/motel taxes levied to support City tourist promotion.

#### **The Housing and Community Development Fund**

Accounts for projects associated with the Community Development Block Grant program.

#### **The Local Street Fund**

This fund was created when Auburn voters approved the Save Our Streets lid lift in 2004 and is used to account for all revenues and expenditures related to this initiative.

#### **Mitigation Fees**

Accounts for the receipt of contracted mitigation fees for streets and fire service.

#### **The Recreational Trails Fund**

Created for the purpose of trail development. This is a tax-supported fund.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2024

	Arterial Street Preservation	Drug Forfeiture	Hotel/Motel Tax	Housing and Community Development	Local Street	Mitigation Fees	Recreation Trails	Total Nonmajor Special Revenue Funds
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 2,746,768	\$ 904,562	\$ 472,644	\$ 61,298	\$ 6,116,945	\$ 10,991,849	\$ 53,723	\$ 21,347,790
Investments	2,473,825	-	-	-	2,473,825	5,003,300	-	9,950,950
Receivables:								
Taxes	-	-	-	-	142,337	-	-	142,337
Customer Accounts	79,002	2,004	-	456,813	-	-	-	537,819
Other Receivables	50,276	-	-	-	50,276	74,327	-	174,879
Interfund Receivable	11,815	-	-	-	-	-	-	11,815
Due From Other Governmental Units	348,693	16,066	11,977	82,854	-	-	520	460,110
Long-Term Notes and Contracts	-	282,731	-	-	-	-	-	282,731
Total Assets	<u>5,710,379</u>	<u>1,205,363</u>	<u>484,621</u>	<u>600,965</u>	<u>8,783,383</u>	<u>16,069,476</u>	<u>54,243</u>	<u>32,908,430</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>								
Liabilities:								
Current Payables	319,339	34,051	75	96,266	157,744	5,957	-	613,432
Interfund Payable	-	-	-	450,000	-	58,541	-	508,541
Total Liabilities	<u>319,339</u>	<u>34,051</u>	<u>75</u>	<u>546,266</u>	<u>157,744</u>	<u>64,498</u>	<u>-</u>	<u>1,121,973</u>
Deferred Inflow of Resources:								
Unavailable Revenues-Other	-	282,731	-	-	-	-	-	282,731
Total Deferred Inflow of Resources	<u>-</u>	<u>282,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,731</u>
Fund Balance:								
Restricted	759,948	829,915	459,003	54,699	-	15,890,236	49,511	18,043,312
Committed	4,402,991	-	-	-	8,307,642	-	-	12,710,633
Assigned	228,101	58,667	25,543	-	317,996	114,742	4,732	749,782
Total Fund Balance	<u>5,391,040</u>	<u>888,582</u>	<u>484,546</u>	<u>54,699</u>	<u>8,625,639</u>	<u>16,004,978</u>	<u>54,243</u>	<u>31,503,726</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 5,710,379</u>	<u>\$ 1,205,363</u>	<u>\$ 484,621</u>	<u>\$ 600,965</u>	<u>\$ 8,783,383</u>	<u>\$ 16,069,476</u>	<u>\$ 54,243</u>	<u>\$ 32,908,430</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2024

	Arterial Street Preservation	Drug Forfeiture	Hotel/Motel Tax	Housing and Community Development	Local Street	Mitigation Fees	Recreation Trails	Total Non-Major Special Revenue Funds
<b>REVENUES:</b>								
Taxes:								
Excise	\$ -	\$ -	\$ 180,350	\$ -	\$ -	\$ -	\$ -	\$ 180,350
Interfund Utility	-	-	-	-	1,876,956	-	-	1,876,956
Retail Sales & Use	2,660,567	-	-	-	-	-	-	2,660,567
Utility	-	-	-	-	1,347,452	-	-	1,347,452
Charges for Services	247,041	31,589	-	-	-	994,530	-	1,273,159
Fines and Forfeitures	-	177,400	-	-	-	-	-	177,400
Intergovernmental	759,948	-	-	796,383	-	-	6,702	1,563,033
Investment Earnings	228,101	58,667	25,543	-	317,996	659,483	4,732	1,294,522
Miscellaneous	-	815	-	-	2,400	-	-	3,215
Total Revenues	<u>3,895,657</u>	<u>268,471</u>	<u>205,893</u>	<u>796,383</u>	<u>3,544,804</u>	<u>1,654,012</u>	<u>11,434</u>	<u>10,376,655</u>
<b>EXPENDITURES:</b>								
Current:								
Economic Environment	-	-	240,900	784,589	-	-	-	1,025,489
Security of Persons and Property	-	339,255	-	-	-	-	-	339,255
Transportation	<u>4,277,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,991,014</u>	<u>-</u>	<u>-</u>	<u>6,268,653</u>
Total Expenditures	<u>4,277,639</u>	<u>339,255</u>	<u>240,900</u>	<u>784,589</u>	<u>1,991,014</u>	<u>-</u>	<u>-</u>	<u>7,633,397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(381,981)</u>	<u>(70,785)</u>	<u>(35,007)</u>	<u>11,795</u>	<u>1,553,790</u>	<u>1,654,012</u>	<u>11,434</u>	<u>2,743,258</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In (Note 4)	-	-	-	-	699,392	-	-	699,392
Transfers Out (Note 4)	-	-	-	-	-	(2,020,500)	(66,210)	(2,086,710)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>699,392</u>	<u>(2,020,500)</u>	<u>(66,210)</u>	<u>(1,387,318)</u>
Net Change in Fund Balance	<u>(381,981)</u>	<u>(70,785)</u>	<u>(35,007)</u>	<u>11,795</u>	<u>2,253,182</u>	<u>(366,487)</u>	<u>(54,776)</u>	<u>1,355,940</u>
Fund Balance, January 1, As Previously Presented	5,773,021	959,366	506,580	42,904	6,372,457	16,371,466	109,020	30,134,814
Error Corrections	-	-	12,973	-	-	-	-	12,973
Fund Balance, January 1, Restated	<u>5,773,021</u>	<u>959,366</u>	<u>519,553</u>	<u>42,904</u>	<u>6,372,457</u>	<u>16,371,466</u>	<u>109,020</u>	<u>30,147,787</u>
Fund Balance - Ending	<u>\$ 5,391,040</u>	<u>\$ 888,582</u>	<u>\$ 484,546</u>	<u>\$ 54,699</u>	<u>\$ 8,625,639</u>	<u>\$ 16,004,978</u>	<u>\$ 54,243</u>	<u>\$ 31,503,726</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ARTERIAL STREET PRESERVATION FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Taxes:				
Interfund Utility	\$ 1,334,300	\$ 1,334,300	\$ -	\$ (1,334,300)
Retail Sales & Use	2,100,000	2,100,000	2,660,567	560,567
Charges for Services	-	429,557	247,041	(182,516)
Intergovernmental	750,000	3,992,122	759,948	(3,232,174)
Investment Earnings	18,800	18,800	228,101	209,301
Total Revenues	<u>4,203,100</u>	<u>7,874,779</u>	<u>3,895,657</u>	<u>(3,979,122)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	<u>5,250,000</u>	<u>10,602,176</u>	<u>4,277,639</u>	<u>6,324,537</u>
Total Expenditures	<u>5,250,000</u>	<u>10,602,176</u>	<u>4,277,639</u>	<u>6,324,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,046,900)</u>	<u>(2,727,397)</u>	<u>(381,981)</u>	<u>2,345,416</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>-</u>	<u>(185,000)</u>	<u>-</u>	<u>185,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(185,000)</u>	<u>-</u>	<u>185,000</u>
Net Change in Fund Balance	<u>(1,046,900)</u>	<u>(2,912,397)</u>	<u>(381,981)</u>	<u>2,530,416</u>
Fund Balance - Beginning	<u>2,641,130</u>	<u>5,773,021</u>	<u>5,773,021</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,594,230</u>	<u>\$ 2,860,624</u>	<u>\$ 5,391,040</u>	<u>\$ 2,530,416</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**DRUG FORFEITURE FUND**

For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Charges for Services	\$ 18,000	\$ 18,000	\$ 31,589	\$ 13,589
Fines and Forfeitures	125,000	125,000	177,400	52,400
Investment Earnings	5,000	5,000	58,667	53,667
Miscellaneous	-	-	815	815
Total Revenues	<u>148,000</u>	<u>148,000</u>	<u>268,471</u>	<u>120,471</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons and Property	<u>404,917</u>	<u>404,917</u>	<u>339,255</u>	<u>65,662</u>
Total Expenditures	<u>404,917</u>	<u>404,917</u>	<u>339,255</u>	<u>65,662</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(256,917)</u>	<u>(256,917)</u>	<u>(70,785)</u>	<u>186,132</u>
Net Change in Fund Balance	<u>(256,917)</u>	<u>(256,917)</u>	<u>(70,785)</u>	<u>186,132</u>
Fund Balance - Beginning	<u>612,565</u>	<u>959,366</u>	<u>959,366</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 355,648</u>	<u>\$ 702,449</u>	<u>\$ 888,582</u>	<u>\$ 186,133</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HOTEL/MOTEL TAX FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Taxes:				
Excise	\$ 140,000	\$ 225,000	\$ 180,350	\$ (44,650)
Charges for Services	2,500	\$ 2,500	\$ -	(2,500)
Investment Earnings	1,400	1,400	25,543	24,143
Total Revenues	<u>143,900</u>	<u>228,900</u>	<u>205,893</u>	<u>(23,007)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	<u>177,100</u>	<u>262,100</u>	<u>240,900</u>	<u>21,200</u>
Total Expenditures	<u>177,100</u>	<u>262,100</u>	<u>240,900</u>	<u>21,200</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(33,200)</u>	<u>(33,200)</u>	<u>(35,007)</u>	<u>(1,807)</u>
Net Change in Fund Balance	<u>(33,200)</u>	<u>(33,200)</u>	<u>(35,007)</u>	<u>(1,807)</u>
Fund Balance - Beginning	<u>446,979</u>	<u>506,580</u>	<u>506,580</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 413,779</u>	<u>\$ 473,380</u>	<u>\$ 484,546</u>	<u>\$ 11,166</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HOUSING & COMMUNITY DEVELOPMENT FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 650,000	\$ 866,057	\$ 796,383	\$ (69,674)
Total Revenues	<u>650,000</u>	<u>866,057</u>	<u>796,383</u>	<u>(69,674)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	<u>650,000</u>	<u>866,057</u>	<u>784,589</u>	<u>81,468</u>
Total Expenditures	<u>650,000</u>	<u>866,057</u>	<u>784,589</u>	<u>81,468</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>11,795</u>	<u>11,795</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>11,795</u>	<u>11,795</u>
Fund Balance - Beginning	<u>42,842</u>	<u>42,904</u>	<u>42,904</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 42,842</u>	<u>\$ 42,904</u>	<u>\$ 54,699</u>	<u>\$ 11,795</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**LOCAL STREET FUND**

For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Taxes:				
Interfund Utility	\$ 889,500	\$ 889,500	\$ 1,876,956	\$ 987,456
Utility	1,490,700	1,490,700	1,347,452	(143,248)
Investment Earnings	15,900	15,900	317,996	302,096
Miscellaneous	-	-	2,400	2,400
Total Revenues	<u>2,396,100</u>	<u>2,396,100</u>	<u>3,544,804</u>	<u>1,148,704</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	<u>1,951,300</u>	<u>5,888,038</u>	<u>1,991,014</u>	<u>3,897,024</u>
Total Expenditures	<u>1,951,300</u>	<u>5,888,038</u>	<u>1,991,014</u>	<u>3,897,024</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>444,800</u>	<u>(3,491,938)</u>	<u>1,553,790</u>	<u>5,045,728</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	<u>150,000</u>	<u>1,300,329</u>	<u>699,392</u>	<u>(600,937)</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>1,300,329</u>	<u>699,392</u>	<u>(600,937)</u>
Net Change in Fund Balance	<u>594,800</u>	<u>(2,191,609)</u>	<u>2,253,182</u>	<u>4,444,791</u>
Fund Balance - Beginning	<u>2,494,389</u>	<u>6,372,457</u>	<u>6,372,457</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,089,189</u>	<u>\$ 4,180,848</u>	<u>\$ 8,625,639</u>	<u>\$ 4,444,791</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**MITIGATION FEES FUND**

For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Charges for Services	\$ 1,580,000	\$ 1,580,000	\$ 994,530	\$ (585,470)
Investment Earnings	20,100	20,100	659,483	639,383
Total Revenues	<u>1,600,100</u>	<u>1,600,100</u>	<u>1,654,012</u>	<u>53,912</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons and Property	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,525,100</u>	<u>1,525,100</u>	<u>1,654,012</u>	<u>128,912</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>(6,928,800)</u>	<u>(10,856,789)</u>	<u>(2,020,500)</u>	<u>8,836,289</u>
Total Other Financing Sources (Uses)	<u>(6,928,800)</u>	<u>(10,856,789)</u>	<u>(2,020,500)</u>	<u>8,836,289</u>
Net Change in Fund Balance	<u>(5,403,700)</u>	<u>(9,331,689)</u>	<u>(366,487)</u>	<u>8,965,202</u>
Fund Balance - Beginning	<u>5,533,385</u>	<u>16,371,466</u>	<u>16,371,466</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 129,685</u>	<u>\$ 7,039,777</u>	<u>\$ 16,004,978</u>	<u>\$ 8,965,201</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**RECREATIONAL TRAILS FUND**  
For the Year Ended December 31, 2024

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 6,702	\$ (298)
Investment Earnings	100	100	4,732	4,632
Total Revenues	<u>7,100</u>	<u>7,100</u>	<u>11,434</u>	<u>4,334</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>7,100</u>	 <u>7,100</u>	 <u>11,434</u>	 <u>4,334</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	-	(66,210)	(66,210)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(66,210)</u>	<u>(66,210)</u>	<u>-</u>
 Net Change in Fund Balance	 <u>7,100</u>	 <u>(59,110)</u>	 <u>(54,776)</u>	 <u>4,334</u>
Fund Balance - Beginning	<u>102,945</u>	<u>109,020</u>	<u>109,020</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 110,045</u>	<u>\$ 49,910</u>	<u>\$ 54,243</u>	<u>\$ 4,334</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### DEBT SERVICE FUNDS

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt. The City of Auburn has two outstanding general obligation issues, and two special assessment funds.

#### **The 2016 General Obligation Bonds**

Accounts for the debt service on a Council-approved bond issue to refund on a current basis the 2005 General Obligation Refunding Airport Bonds and refunding on an advance basis the 2006A General Obligation Bonds for Golf and Cemetery.

#### **2020 A Series and B Series Refunding General Obligation Bonds**

The 2020 A Series accounts for the debt service on the refund of the 2010 B Series General Obligation Bonds which was to finance acquisition costs of certain condominium units in the City Hall Annex. The 2020 B Series accounts for the debt service on the refund of the 2010 D Series General Obligation Bonds which was to finance a portion of the downtown infrastructure improvements in the City's revitalization area.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR DEBT SERVICE FUNDS**  
December 31, 2024

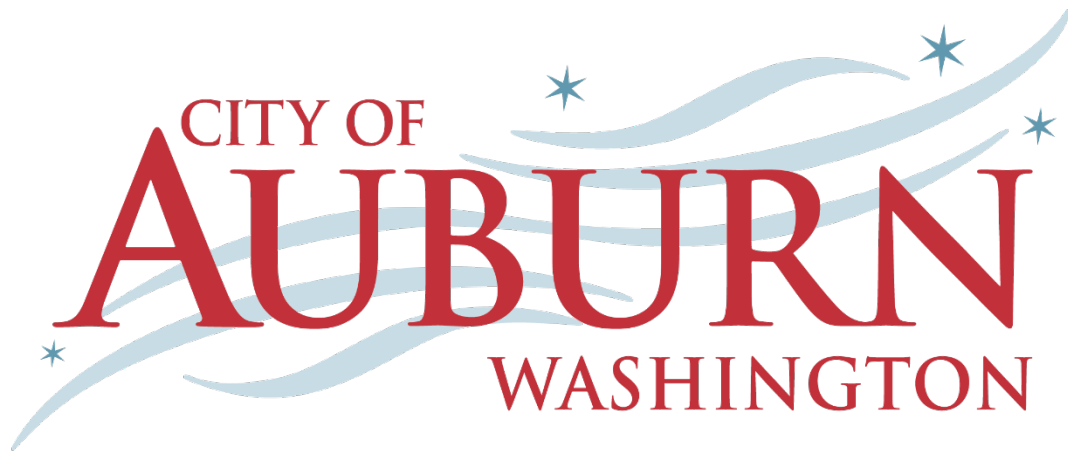
	2016 Combined Refunding	2020 Bonds & Refunding (2010B&D)	Total Nonmajor Debt Service Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ -	\$ 460,135	\$ 460,135
Due From Other Governmental Units	<u>-</u>	<u>29,149</u>	<u>29,149</u>
Total Assets	<u><u>-</u></u>	<u><u>489,284</u></u>	<u><u>489,284</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>			
Fund Balance:			
Assigned	<u>-</u>	<u>489,284</u>	<u>489,284</u>
Total Fund Balance	<u>-</u>	<u>489,284</u>	<u>489,284</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ 489,284</u></u>	<u><u>\$ 489,284</u></u>

## City of Auburn, Washington

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2024

	2016 Combined Refunding	2020 Bonds & Refunding (2010B&D)	Total Non-Major Debt Service Funds
<b>REVENUES:</b>			
Taxes:			
Retail Sales & Use	\$ -	\$ 226,998	\$ 226,998
Investment Earnings	-	33,119	33,119
Total Revenues	-	260,118	260,118
<b>EXPENDITURES:</b>			
Debt Service:			
Principal	362,317	805,000	1,167,317
Interest and Other Costs	11,947	699,000	710,947
Total Expenditures	374,264	1,504,000	1,878,264
Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,264)	(1,243,882)	(1,618,146)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In (Note 4)	374,264	1,249,250	1,623,514
Total Other Financing Sources (Uses)	374,264	1,249,250	1,623,514
Net Change in Fund Balance	-	5,368	5,368
Fund Balance, January 1, As Previously Presented	-	483,916	483,916
Fund Balance - Ending	\$ -	\$ 489,284	\$ 489,284



## NON-MAJOR GOVERNMENTAL FUNDS

### CAPITAL PROJECT FUNDS

Capital projects funds account for the City of Auburn's financial resources used for the acquisition or construction of major non-proprietary capital facilities. Auburn has two non-major capital project funds.

#### **The Municipal Park Construction Fund**

Accounts for park related construction activity and includes funding from a portion of field rental income and adult athletic team fees.

#### **The Local Revitalization Fund**

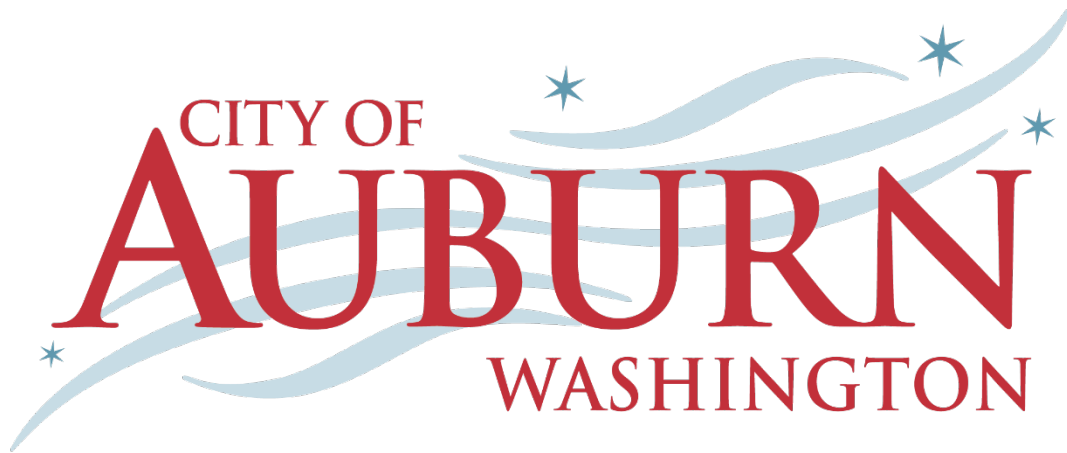
Accounts for the City Hall Plaza and the Downtown Promenade project.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
December 31, 2024

	Local Revitalization	Parks Construction	Total Nonmajor Capital Projects Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 302,572	\$ 352,651	\$ 655,223
Receivables:			
Customer Accounts	100,000	-	100,000
Other Receivables	-	37,413	37,413
Due From Other Governmental Units	-	1,059,925	1,059,925
Long-Term Notes and Contracts	-	1,175,674	1,175,674
Total Assets	<u>402,572</u>	<u>2,625,663</u>	<u>3,028,235</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>			
Liabilities:			
Current Payables	<u>34,563</u>	<u>23,633</u>	<u>58,196</u>
Total Liabilities	<u>34,563</u>	<u>23,633</u>	<u>58,196</u>
Deferred Inflow of Resources:			
Deferred Inflows Related to Leases	<u>-</u>	<u>1,173,244</u>	<u>1,173,244</u>
Total Deferred Inflow of Resources	<u>-</u>	<u>1,173,244</u>	<u>1,173,244</u>
Fund Balance:			
Assigned	<u>368,009</u>	<u>1,428,786</u>	<u>1,796,795</u>
Total Fund Balance	<u>368,009</u>	<u>1,428,786</u>	<u>1,796,795</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 402,572</u>	<u>\$ 2,625,663</u>	<u>\$ 3,028,235</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
For the Year Ended December 31, 2024

	Local Revitalization	Parks Construction	Total Non-Major Capital Projects Funds
<b>REVENUES:</b>			
Taxes:			
Property	\$ -	\$ 345,483	\$ 345,483
Charges for Services	-	5,108	5,108
Intergovernmental	100,000	1,010,120	1,110,120
Investment Earnings	21,451	91,273	112,724
Rents	-	78,263	78,263
Total Revenues	<u>121,451</u>	<u>1,530,247</u>	<u>1,651,698</u>
<b>EXPENDITURES:</b>			
Capital Outlay	<u>1,118,341</u>	<u>2,234,040</u>	<u>3,352,381</u>
Total Expenditures	<u>1,118,341</u>	<u>2,234,040</u>	<u>3,352,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(996,889)</u>	<u>(703,793)</u>	<u>(1,700,683)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In (Note 4)	<u>878,972</u>	<u>574,883</u>	<u>1,453,855</u>
Total Other Financing Sources (Uses)	<u>878,972</u>	<u>574,883</u>	<u>1,453,855</u>
Net Change in Fund Balance	<u>(117,918)</u>	<u>(128,910)</u>	<u>(246,828)</u>
Fund Balance, January 1, As Previously Presented	485,926	1,589,295	2,075,221
Error Corrections	-	(31,598)	(31,598)
Fund Balance, January 1, Restated	<u>485,926</u>	<u>1,557,697</u>	<u>2,043,623</u>
Fund Balance - Ending	<u>\$ 368,009</u>	<u>\$ 1,428,786</u>	<u>\$ 1,796,795</u>



## NON-MAJOR GOVERNMENTAL FUNDS

### PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens. Auburn has one permanent fund.

#### **The Cemetery Endowed Care Fund**

Accounts for non-expendable investments held by the City's trustee. The interest income from investments is available for use by the cemetery fund for capital enhancement and maintenance.

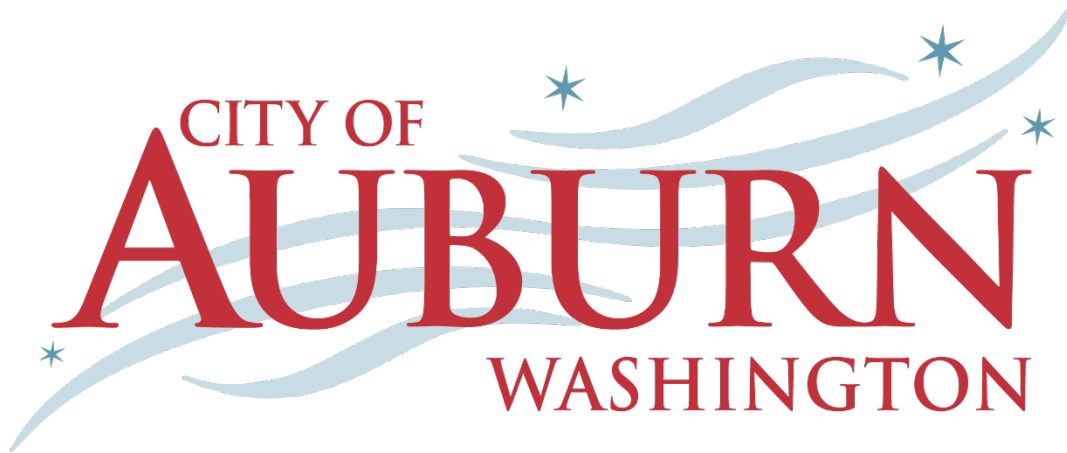
*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR PERMANENT FUNDS**  
 December 31, 2024

	Cemetery Endowment Care
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 838,860
Receivables:	
Other Receivables	10,618
Investments	1,699,408
Total Assets	<u>2,548,886</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>	
Fund Balance:	
Nonspendable	2,224,098
Assigned	324,788
Total Fund Balance	<u>2,548,886</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 2,548,886</u>

*City of Auburn, Washington***COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR PERMANENT FUNDS**

For the Year Ended December 31, 2024

	Cemetery Endowment Care
<b>REVENUES:</b>	
Charges for Services	\$ 72,791
Investment Earnings	<u>85,886</u>
Total Revenues	<u>158,677</u>
<b>EXPENDITURES:</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>158,677</u>
Net Change in Fund Balance	<u>158,677</u>
Fund Balance, January 1, As Previously Presented	<u>2,390,209</u>
Fund Balance - Ending	<u><u>\$ 2,548,886</u></u>



## NON-MAJOR PROPRIETARY FUNDS

### INTERNAL SERVICE FUNDS

The City of Auburn's internal service funds are used to account for the financing of goods and services provided by one department of operation to other departments on a cost reimbursement basis. Internal service funds are self-supporting and use the accrual method of accounting. Auburn has five internal service funds.

#### **The Insurance Fund**

Provides a source of funds to pay unemployment claims and property and casualty claims which fall below deductible levels.

#### **The Workers Comp Self Insurance Fund**

Provides a source of funds to pay time loss and medical benefits for employees who are affected by an occupational injury or illness.

#### **The Facilities Funds**

Accounts for the costs of maintaining various City facilities.

#### **The Information Services Fund**

Accounts for the costs of purchasing and maintaining the City's various computer and telecommunications systems.

#### **The Equipment Rental Fund**

Accounts for the costs of purchasing, maintaining, and operating Auburn's fleet of vehicles and related equipment.

City of Auburn, Washington  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2024

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>ASSETS:</b>						
Current Assets						
Cash and Cash Equivalents	\$ 1,333,127	\$ 5,120,636	\$ 473,893	\$ 3,033,125	\$ 8,062,294	\$ 18,023,075
Investments	-	-	-	971,090	-	971,090
Customer Accounts	-	-	73,804	5,165	-	78,969
Other Receivables	-	-	-	10,618	-	10,618
Due From Other Governmental Units	-	-	12,500	-	-	12,500
Inventories	-	-	-	-	479,005	479,005
Prepays	-	-	-	234,626	-	234,626
Total Current Assets	<u>1,333,127</u>	<u>5,120,636</u>	<u>560,197</u>	<u>4,254,624</u>	<u>8,541,299</u>	<u>19,809,882</u>
Noncurrent Assets						
Net Pension Asset	-	-	98,952	720,039	104,078	923,069
Capital Assets Not Being Depreciated:						
Construction in Progress	-	-	-	-	344,959	344,959
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,959</u>	<u>344,959</u>
Capital Assets Being Depreciated:						
Buildings and Equipment	-	-	-	10,144,244	26,615,505	36,759,749
Improvements Other Than Buildings	-	-	-	480,237	190,239	670,476
Right of Use (Leases)	-	-	-	216,734	-	216,734
Right of Use (Subscriptions)	-	-	-	1,111,077	-	1,111,077
Accumulated Depreciation	-	-	-	(10,339,811)	(14,820,330)	(25,160,141)
Total Capital Assets Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,612,480</u>	<u>11,985,414</u>	<u>13,597,894</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>98,952</u>	<u>2,332,519</u>	<u>12,434,451</u>	<u>14,865,923</u>
Total Assets	<u>1,333,127</u>	<u>5,120,636</u>	<u>659,149</u>	<u>6,587,143</u>	<u>20,975,750</u>	<u>34,675,805</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>						
Deferred Outflow Related to Pensions	-	7,349	221,776	525,797	230,381	985,303
Total Deferred Outflow Of Resources	<u>-</u>	<u>7,349</u>	<u>221,776</u>	<u>525,797</u>	<u>230,381</u>	<u>985,303</u>
<b>LIABILITIES:</b>						
Current Liabilities						
Current Payables	28,509	41,939	327,060	446,299	489,107	1,332,914
Claims Liabilities	-	1,428,000	-	-	-	1,428,000
Leases and SBITA Payable - Current	-	-	-	316,018	-	316,018
Employee Leave Benefits	-	-	48,430	131,551	27,781	207,762
Due to Other Funds	-	-	-	4,284	-	4,284
Total Current Liabilities	<u>28,509</u>	<u>1,469,939</u>	<u>375,490</u>	<u>898,151</u>	<u>516,888</u>	<u>3,288,977</u>
Noncurrent Liabilities						
Employee Leave Benefits	-	-	82,410	223,851	47,272	353,533
Leases and SBITA Payable	-	-	-	291,522	-	291,522
Net Pension Liability	-	1,087	-	-	867,707	868,794
Total Noncurrent Liabilities	<u>-</u>	<u>1,087</u>	<u>82,410</u>	<u>515,373</u>	<u>914,979</u>	<u>1,513,849</u>
Total Liabilities	<u>28,509</u>	<u>1,471,026</u>	<u>457,900</u>	<u>1,413,523</u>	<u>1,431,867</u>	<u>4,802,825</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Deferred Inflow related to Pensions	-	14,428	99,498	698,036	52,365	864,327
Total Deferred Inflow Of Resources	<u>-</u>	<u>14,428</u>	<u>99,498</u>	<u>698,036</u>	<u>52,365</u>	<u>864,327</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	-	-	-	1,004,941	12,330,373	13,335,314
Restricted:						
Pension	-	-	98,952	720,039	104,078	923,069
Unrestricted	<u>1,304,618</u>	<u>3,642,531</u>	<u>224,575</u>	<u>3,276,400</u>	<u>7,287,448</u>	<u>15,735,572</u>
Total Net Position	<u>\$ 1,304,618</u>	<u>\$ 3,642,531</u>	<u>\$ 323,527</u>	<u>\$ 5,001,380</u>	<u>\$ 19,721,899</u>	<u>\$ 29,993,956</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2024

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ -	\$ 1,188,462	\$ 4,620,524	\$ 8,881,700	\$ 5,683,572	\$ 20,374,258
Rental and Other Revenues	-	-	83,239	26,833	-	110,072
Total Operating Revenues	-	1,188,462	4,703,763	8,908,533	5,683,572	20,484,330
<b>OPERATING EXPENSES:</b>						
Administration	177,058	-	314,100	643,896	1,380,545	2,515,599
Depreciation / Amortization	-	-	-	839,345	2,158,029	2,997,374
Operations & Maintenance	-	1,168,510	4,290,822	8,249,514	2,134,027	15,842,874
Total Operating Expenses	177,058	1,168,510	4,604,922	9,732,755	5,672,601	21,355,847
Operating Income or Loss	(177,058)	19,952	98,841	(824,222)	10,971	(871,517)
<b>NON-OPERATING REVENUE (EXPENSE):</b>						
Gain (Loss) on Sale of Capital Assets	-	-	-	(806)	7,091	6,285
Interest Expense	-	-	-	(21,272)	-	(21,272)
Interest Revenue	51,981	242,776	10,778	159,199	401,557	866,291
Insurance Recoveries and Other	-	-	167,758	526	40,537	208,821
Total Non-Operating Revenue (Expense)	51,981	242,776	178,535	137,647	449,186	1,060,125
Income (Loss) Before Contributions and Transfers	(125,077)	262,728	277,376	(686,575)	460,157	188,608
<b>CONTRIBUTIONS &amp; TRANSFERS:</b>						
Transfers In (Note 4)	-	-	313,359	583,535	813,165	1,710,059
Transfers Out (Note 4)	-	-	(570,604)	(20,520)	-	(591,124)
Total Contributions & Transfers	-	-	(257,245)	563,015	813,165	1,118,935
Total Contributions & Transfers	-	-	(257,245)	563,015	813,165	1,118,935
Change in Net Position	(125,077)	262,728	20,131	(123,561)	1,273,322	1,307,543
Net Position - January 1, As Previously Presented	1,429,696	3,379,803	342,520	5,208,869	18,470,580	28,831,467
Change in Accounting Principles	-	-	(39,124)	(83,928)	(22,002)	(145,054)
Net Position, January 1, Restated	1,429,696	3,379,803	303,396	5,124,941	18,448,578	28,686,413
Net Position- Ending	\$ 1,304,618	\$ 3,642,531	\$ 323,527	\$ 5,001,380	\$ 19,721,899	\$ 29,993,956

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2024

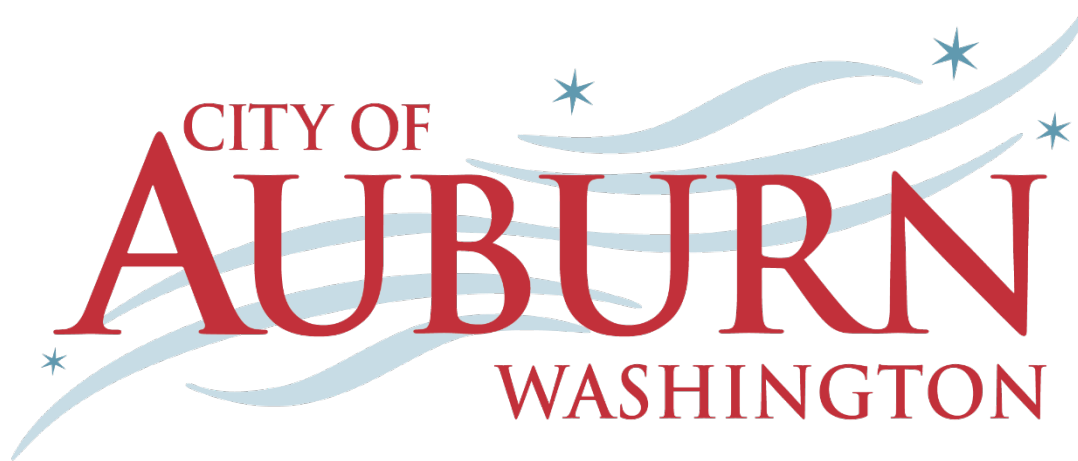
Page 1 of 2

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received from Users	\$ -	\$ 1,188,462	\$ 4,696,016	\$ 8,908,208	\$ 5,683,572	\$ 20,476,258
Cash Paid to Suppliers for Goods & Services	(35,898)	(469,097)	(3,253,379)	(5,337,041)	(1,953,014)	(11,048,428)
Cash Paid to Employees	(132,744)	(461,800)	(1,325,248)	(3,693,600)	(1,183,430)	(6,796,822)
Other Cash Received	-	-	167,758	526	30,537	198,821
Net Cash Provided (Used) by Operating Activities	<u>(168,642)</u>	<u>257,565</u>	<u>285,148</u>	<u>(121,907)</u>	<u>2,577,665</u>	<u>2,829,829</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers In	-	-	313,359	583,535	813,165	1,710,059
Transfers Out	-	-	(570,604)	(20,520)	-	(591,124)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(257,245)</u>	<u>563,015</u>	<u>813,165</u>	<u>1,118,935</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY:</b>						
Purchase of Capital Assets	-	-	-	(246,446)	(4,015,342)	(4,261,788)
Proceeds from Sales of Capital Assets	-	-	-	-	89,068	89,068
Proceeds from Insurance Settlements	-	-	-	-	10,000	10,000
Debt Principal Payment	-	-	-	(359,313)	-	(359,313)
Interest Payment on Debt	-	-	-	(24,305)	-	(24,305)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(630,065)</u>	<u>(3,916,274)</u>	<u>(4,546,339)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>						
Purchase of Investments	-	-	-	(972,405)	-	(972,405)
Interest Received	51,981	242,776	10,778	149,896	401,557	856,987
Net Cash Provided (Used) in Investing Activities	<u>51,981</u>	<u>242,776</u>	<u>10,778</u>	<u>(822,509)</u>	<u>401,557</u>	<u>(115,418)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(116,661)	500,340	38,681	(1,011,466)	(123,887)	(712,993)
Cash and Cash Equivalents - Beginning of Year	1,449,789	4,620,295	435,212	4,044,591	8,186,181	18,736,068
Cash and Cash Equivalents - End of Year	<u>\$ 1,333,127</u>	<u>\$ 5,120,636</u>	<u>\$ 473,893</u>	<u>\$ 3,033,125</u>	<u>\$ 8,062,294</u>	<u>\$ 18,023,075</u>
<b>CASH AT END OF YEAR CONSIST OF:</b>						
Cash and Cash Equivalents	1,333,127	5,120,636	473,893	3,033,125	8,062,294	18,023,075
Total Cash	<u>\$ 1,333,127</u>	<u>\$ 5,120,636</u>	<u>\$ 473,893</u>	<u>\$ 3,033,125</u>	<u>\$ 8,062,294</u>	<u>\$ 18,023,075</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2024

Page 2 of 2

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income or Loss	\$ (177,058)	\$ 19,952	\$ 98,841	\$ (824,222)	\$ 10,971	\$ (871,517)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Change in Accounting Principles	-	-	(39,124)	(83,928)	(22,002)	(145,054)
Depreciation and Amortization	-	-	-	839,345	2,158,029	2,997,374
Non-Operating Revenue (Expense)	-	-	167,758	526	30,537	198,821
Assets (Increases) Decreases						
Customer Accounts	-	-	(7,747)	(4,840)	-	(12,587)
Due From Other Governmental Units	-	-	-	4,515	-	4,515
Inventory	-	-	-	-	9,363	9,363
Pension Asset	-	-	-	-	39,020	39,020
Pension Deferred Outflows	-	-	-	-	(51,162)	(51,162)
Prepays	-	-	-	(234,626)	-	(234,626)
Liability Increases (Decreases)						
Current Payables	8,416	1,613	21,094	71,269	429,164	531,556
Employee Leave Benefits	-	-	44,326	105,771	38,644	188,741
Pension Liability	-	-	-	-	(21,463)	(21,463)
Claims Payables	-	236,000	-	-	-	236,000
Pension Deferred Inflows	-	-	-	-	(43,436)	(43,436)
Due to Other Funds	-	-	-	4,284	-	4,284
Total Adjustments	<u>8,416</u>	<u>237,613</u>	<u>186,307</u>	<u>702,315</u>	<u>2,566,695</u>	<u>3,701,346</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (168,642)</u>	<u>\$ 257,565</u>	<u>\$ 285,148</u>	<u>\$ (121,907)</u>	<u>\$ 2,577,665</u>	<u>\$ 2,829,829</u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Increase (Decrease) in Fair Value of Investment	-	-	-	(1,315)	-	(1,315)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,315)</u>	<u>\$ -</u>	<u>\$ (1,315)</u>



City of Auburn  
**STATISTICAL SECTION**  
 December 31, 2024

### Financial Trends Information

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

Schedule 1	Net position by components.....	156
Schedule 2	Changes in net position .....	157
Schedule 3	Fund balances, government funds .....	158
Schedule 4	Changes in fund balances, government funds .....	159
Schedule 5	Tax revenues by source, government funds .....	160

### 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	Assessed value by type .....	161
Schedule 7	Property tax data .....	162
Schedule 8	Property tax levies and collections .....	164
Schedule 9	Principal taxpayers-property taxes and sales taxes.....	165
Schedule 10	Retail tax collections by sector .....	167

### 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 11	Ratios of outstanding debt by type .....	168
Schedule 12	Computation of legal debt margin .....	169
Schedule 13	Legal debt margin ratios.....	169
Schedule 14	Computation of net direct and estimated overlapping debt .....	170
Schedule 15	Ratios of net general bonded debt to assessed value.....	171
Schedule 16	Pledged revenue bond coverages .....	172

### 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 17	Population, income and housing trends.....	173
Schedule 18	Major employers .....	174

### 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 19	Staffing levels by department .....	175
Schedule 20	Operating indicators by department.....	176
Schedule 21	Capital indicators by department .....	177
Schedule 22	Utility customers by customer class.....	178

City of Auburn, Washington  
**SCHEDULE 1**  
**NET POSITION BY COMPONENTS**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net Investment in Capital Assets	\$ 361,094,242	\$ 367,128,894	\$ 373,368,906	\$ 375,208,981	\$ 372,887,236	\$ 372,441,433	\$ 373,890,921	\$ 371,760,693	\$ 368,081,520	\$ 386,069,275
Restricted	19,470,880	26,745,270	29,854,240	30,001,950	33,911,413	32,842,097	38,133,392	60,149,452	56,940,320	53,241,187
Unrestricted	40,928,090	42,900,814	42,803,759	42,377,297	59,840,168	67,845,872	88,819,913	84,938,721	125,324,355	157,166,929
Total governmental activities net position	421,493,212	436,774,978	446,026,906	447,588,227	466,638,817	473,129,402	500,844,225	516,848,866	550,346,194	596,477,392
Business-type activities:										
Net Investment in Capital Assets	187,604,782	195,490,061	205,677,614	208,136,620	212,172,136	208,850,752	228,161,102	230,375,106	228,344,433	243,501,045
Restricted	4,764,340	3,110,414	1,856,970	1,924,566	2,001,709	11,471,309	1,639,895	7,557,854	7,703,800	8,545,059
Unrestricted	33,314,804	41,133,564	41,957,967	49,412,899	57,238,306	64,898,539	70,857,950	70,116,439	81,832,212	83,158,264
Total business-type activities net position	225,683,926	239,734,039	249,492,551	259,474,085	271,412,151	285,220,600	300,658,947	308,049,399	317,880,445	335,204,367
Primary government:										
Net Investment in Capital Assets	548,699,024	562,618,955	579,046,520	583,345,601	585,059,372	581,292,185	602,052,023	602,135,799	596,425,953	629,570,320
Restricted	24,235,220	29,855,684	31,711,210	31,926,516	35,913,122	44,313,406	39,773,287	67,707,306	64,644,120	61,786,246
Unrestricted	74,242,894	84,034,378	84,761,726	91,790,196	117,078,475	132,744,411	159,677,863	155,055,160	207,156,567	240,325,193
Total primary government net position	\$ 647,177,138	\$ 676,509,017	\$ 695,519,457	\$ 707,062,313	\$ 738,050,969	\$ 758,350,002	\$ 801,503,173	\$ 824,898,266	\$ 868,226,640	\$ 931,681,759

Source: City of Auburn, Finance Department

This schedule has been restated for the changes disclosed in Note 19 of ACFR 2024.

City of Auburn, Washington  
**SCHEDULE 2**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 9,187,539	\$ 9,557,602	\$ 10,384,647	\$ 10,191,329	\$ 13,292,724	\$ 12,332,380	\$ 12,837,356	\$ 14,735,664	\$ 17,796,126	\$ 19,661,280
Public safety	29,883,217	32,117,837	32,746,406	30,337,791	24,016,496	37,951,994	32,440,701	38,402,492	38,871,123	39,509,957
Transportation	17,324,036	16,602,993	17,904,352	17,620,176	17,709,231	17,781,630	18,469,045	18,517,806	19,075,820	19,444,504
Physical environment	2,924,046	3,266,375	3,217,885	3,794,576	3,981,499	3,981,592	2,992,107	3,597,960	4,631,448	5,099,970
Culture and recreation	12,096,651	12,811,186	13,539,098	13,665,612	13,400,311	11,681,611	12,332,974	14,800,322	16,735,629	17,541,128
Economic environment	3,044,354	3,224,984	3,859,863	4,140,104	4,457,626	5,308,106	3,664,340	4,662,845	5,251,455	6,769,342
Health and human services	925,299	573,115	674,270	787,535	619,247	671,257	2,107,798	2,179,401	3,432,638	1,368,619
Interest on long-term debt	1,986,853	1,709,647	1,555,803	1,502,236	1,466,217	650,215	651,329	677,414	731,092	667,390
Total governmental activities expenses	77,371,995	79,863,739	83,882,324	82,039,359	78,943,351	90,358,785	85,495,650	97,573,904	106,525,331	110,062,190
Business-type activities:										
Water	13,693,398	13,110,109	12,411,136	12,503,636	13,031,993	12,401,099	13,680,220	14,192,151	16,460,821	17,093,085
Sewer	23,992,161	25,685,370	25,360,718	26,213,221	26,907,482	25,860,687	26,841,698	28,493,463	28,027,531	31,779,474
Storm drainage	8,309,912	8,816,338	8,982,234	9,377,025	9,131,965	8,664,092	9,562,181	10,389,925	11,424,247	12,474,341
Solid waste	12,907,832	13,460,155	14,539,703	15,311,654	15,682,121	15,620,963	18,383,884	26,457,098	29,397,761	30,333,559
Airport	-	-	-	-	-	-	-	-	2,317,741	2,318,882
Non-major business-type activities	2,062,695	2,150,693	2,106,557	2,186,842	2,628,203	2,603,752	3,081,240	3,754,361	1,793,070	1,844,622
Total business-type activities expenses	60,965,998	63,222,665	63,400,348	65,592,378	67,381,764	65,150,593	71,549,224	83,286,998	89,421,172	95,843,964
Total primary government expenses	\$ 138,337,993	\$ 143,086,404	\$ 147,282,671	\$ 147,631,737	\$ 146,325,115	\$ 155,509,378	\$ 157,044,874	\$ 180,860,902	\$ 195,946,504	\$ 205,906,154
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 1,243,263	\$ 939,184	\$ 1,241,905	\$ 1,462,867	\$ 3,758,197	\$ 3,584,821	\$ 4,545,962	\$ 4,506,672	\$ 6,238,136	\$ 6,588,668
Public Safety	1,993,117	1,468,536	2,523,667	2,821,516	3,240,007	2,146,428	2,612,840	1,006,147	4,118,030	5,035,623
Transportation	1,446,026	3,265,147	2,118,980	886,760	3,207,197	2,103,258	4,239,115	1,796,513	2,639,295	1,911,610
Physical Environment	384,485	260,555	431,580	611,342	503,798	671,543	719,487	427,515	587,681	532,839
Culture and Recreation	3,052,599	2,508,166	3,073,262	3,355,206	3,183,370	2,191,540	3,409,793	2,715,193	4,083,742	3,624,514
Economic Environment	2,989,579	3,896,453	2,400,940	1,913,090	2,729,376	1,790,286	3,248,829	2,015,619	2,034,710	1,592,420
Total charges for services	11,109,069	12,338,041	11,790,334	11,050,781	16,621,946	12,487,875	18,776,026	12,467,659	19,701,594	19,285,675
Operating grants and contributions	4,234,309	2,767,931	2,257,646	2,831,794	3,394,916	6,904,118	4,877,951	7,398,845	10,836,967	15,256,510
Capital grants and contributions	19,526,548	13,275,208	13,229,502	9,065,857	6,461,827	9,455,065	11,838,148	8,644,981	4,831,617	13,300,835
Total governmental activities program revenues	34,869,926	28,381,180	27,277,482	22,948,432	26,478,689	28,847,058	35,492,125	28,511,485	35,370,178	47,843,020
Business-type activities:										
Charges for services	63,391,139	65,733,943	68,220,200	69,723,671	70,315,493	68,966,638	73,687,356	84,871,076	92,817,104	98,699,146
Operating grants and contributions	106,286	106,286	106,286	106,286	106,286	106,286	-	-	-	-
Capital grants and contributions	5,821,857	10,574,852	4,363,568	4,566,838	6,686,288	6,518,995	13,400,812	3,847,367	2,102,419	7,222,402
Total business-type activities program revenues	69,319,282	76,415,081	72,690,054	74,396,795	77,108,067	75,591,919	87,088,168	88,718,443	94,919,523	105,921,549
Total primary government program revenues	104,189,208	104,796,261	99,967,536	97,345,227	103,586,756	104,438,977	122,580,293	117,229,928	130,289,701	153,764,568
<b>Net (expense)/revenue</b>										
Governmental activities	(42,502,069)	(51,482,559)	(56,604,841)	(59,090,927)	(52,464,662)	(61,511,727)	(50,003,525)	(69,062,419)	(71,155,153)	(62,219,170)
Business-type activities	8,353,284	13,192,416	9,289,706	8,804,417	9,726,303	10,441,326	15,538,944	5,431,445	5,498,350	10,077,584
Total primary government net expense	\$ (34,148,785)	\$ (38,290,143)	\$ (47,315,135)	\$ (50,286,510)	\$ (42,738,359)	\$ (51,070,401)	\$ (34,464,581)	\$ (63,630,974)	\$ (65,656,803)	\$ (52,141,586)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 17,271,705	\$ 18,102,286	\$ 20,967,953	\$ 21,546,734	\$ 22,075,276	\$ 22,721,452	\$ 23,458,850	\$ 24,635,089	\$ 24,597,118	\$ 25,096,500
Retail sales and use tax	21,125,730	21,475,335	22,333,454	21,996,115	22,212,601	21,900,597	25,289,050	26,295,124	29,676,876	29,410,605
Interfund utility taxes	4,260,831	4,624,951	4,540,265	4,552,505	4,760,229	4,543,436	7,101,829	6,396,937	7,771,366	8,633,995
Utility taxes	8,838,179	8,917,401	10,391,462	9,841,620	9,278,114	8,866,275	9,521,243	9,532,991	13,071,264	12,049,461
Excise taxes	4,999,517	5,057,013	4,141,146	4,393,134	5,650,339	4,580,114	4,663,047	5,998,045	3,597,878	6,227,997
City Business and Occupation <sup>(1)</sup>	-	-	-	-	-	-	-	4,664,551	12,198,944	16,691,650
Other taxes	4,722,482	5,160,215	5,253,964	5,213,217	4,751,163	3,846,314	5,031,185	4,635,655	4,827,213	4,115,378
Investment earnings	118,399	332,520	787,786	1,657,481	2,134,741	1,027,312	(114,738)	815,061	6,960,578	6,764,555
Miscellaneous	194,600	157,874	204,306	425,844	258,502	252,441	572,013	1,789,159	799,586	157,991
Transfers	(462,955)	424,173	454,436	414,975	394,287	264,371	395,869	304,449	1,151,660	555,540
Total governmental activities	61,068,488	64,251,768	69,074,772	70,041,625	71,515,252	68,002,312	77,718,348	85,067,061	104,652,481	109,703,671
Business-type activities:										
Investment earnings	70,560	196,595	479,132	989,564	1,387,405	364,027	17,401	1,068,685	3,937,300	3,843,490
Miscellaneous	1,881,835	1,085,275	444,110	602,528	1,218,645	3,267,467	277,871	1,194,771	1,547,056	4,302,800
Transfers	462,955	(424,173)	(454,436)	(414,975)	(394,287)	(264,371)	(395,869)	(304,449)	(1,151,660)	(555,540)
Total business-type activities:	2,415,350	857,697	468,806	1,177,117	2,211,763	3,367,123	(100,597)	1,959,007	4,332,696	7,590,749
Total primary government	\$ 63,483,838	\$ 65,109,465	\$ 69,543,578	\$ 71,218,742	\$ 73,727,015	\$ 71,369,435	\$ 77,617,751	\$ 87,026,068	\$ 108,985,177	\$ 117,294,420
<b>Change in net position Before Change in Accounting Principle</b>										
Governmental activities	18,566,419	12,769,209	12,469,931	10,950,698	19,050,590	6,490,585	27,714,823	16,004,641	33,497,328	47,484,501
Business-type activities	10,768,634	14,050,113	9,758,512	9,981,534	11,938,066	13,808,449	15,438,347	7,390,452	9,831,046	17,668,333
Total primary government	\$ 29,335,053	\$ 26,819,322	\$ 22,228,443	\$ 20,932,232	\$ 30,988,656	\$ 20,299,034	\$ 43,153,170	\$ 23,395,093	\$ 43,328,374	\$ 65,152,834
<b>Change in Accounting Principle</b>										
Governmental activities	(13,456,606)	2,512,557	(3,218,004)	(9,389,375)	-	-	-	-	-	(1,353,302)
Business-type activities	(6,023,315)	-	-	-	-	-	-	-	-	(344,412)
Total primary government	\$ (19,479,921)	\$ 2,512,557	\$ (3,218,004)	\$ (9,389,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,697,714)
<b>Change in net position After Change in Accounting Principle</b>										
Governmental activities	5,109,813	15,281,766	9,251,927	1,561,323	19,050,590	6,490,585	27,714,823	16,004,642	33,497,328	46,131,199
Business-type activities	4,745,320	14,050,113	9,758,512	9,981,534	11,938,066	13,808,449	15,438,347	7,390,452	9,831,046	17,323,921
Total primary government	\$ 9,855,133	\$ 29,331,879	\$ 19,010,439	\$ 11,542,857	\$ 30,988,656	\$ 20,299,034	\$ 43,153,170	\$ 23,395,094	\$ 43,328,374	\$ 63,455,120

City implemented a City Business and Occupation Tax January 1, 2022.

This schedule has been restated for the changes disclosed in Note 19 of ACFR 2024.

Source: City of Auburn, Finance Department

City of Auburn, Washington  
**SCHEDULE 3**  
**FUND BALANCES, GOVERNMENT FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$127	\$ -	\$30,453	\$38,179	\$36,097	\$47,085	\$49,674	\$57,740	\$63,786	\$200,621
Restricted	-	-	-	-	-	-	-	-	\$1,942,799	2,339,920
Committed	-	-	-	-	-	-	-	1,311,450	-	-
Assigned	7,284,159	7,160,098	9,315,528	9,375,470	17,118,273	11,257,547	9,204,036	10,801,447	10,479,588	4,825,162
Unassigned	20,267,776	24,991,081	25,414,801	24,627,984	19,068,746	30,634,592	38,646,995	45,889,138	66,551,054	88,623,136
Total General Fund	27,552,062	32,151,179	34,760,782	34,041,633	36,223,116	41,939,224	47,900,705	58,059,775	79,037,228	95,988,840
All other governmental funds										
Nonspendable	1,585,707	1,666,043	1,717,134	1,775,453	1,826,063	1,925,183	2,010,357	2,165,670	2,151,308	2,224,098
Restricted	17,885,173	25,079,227	28,137,106	28,226,498	32,085,350	30,916,914	36,123,035	39,207,433	35,063,939	36,671,909
Committed	3,658,719	5,421,640	3,223,108	3,079,656	3,172,152	3,910,112	5,283,101	4,219,956	11,778,743	12,710,633
Assigned	4,755,182	1,226,315	1,221,511	2,827,045	2,239,557	1,906,717	1,579,346	1,800,573	4,057,220	5,336,820
Total All Other Governmental Funds	\$ 27,884,781	\$ 33,393,225	\$ 34,298,859	\$ 35,908,652	\$ 39,323,122	\$ 38,658,926	\$ 44,995,839	\$ 47,393,632	\$ 53,051,210	\$ 56,943,461

This schedule has been restated for the changes disclosed in Note 19 of ACFR 2024.

Source: City of Auburn, Finance Department

City of Auburn, Washington  
**SCHEDULE 4**  
**CHANGES IN FUND BALANCES, GOVERNMENT FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 56,632,337	\$ 58,279,984	\$ 62,425,246	\$ 62,430,346	\$ 64,032,701	\$ 62,638,993	\$ 71,897,684	\$ 77,526,441	\$ 91,070,600	\$ 93,076,945
Licenses and permits	2,074,432	3,005,125	1,906,796	1,853,554	2,825,404	2,086,579	2,980,103	2,275,480	2,850,318	2,643,043
Intergovernmental	13,620,446	12,714,010	16,187,560	12,234,229	11,137,941	14,734,337	13,771,035	17,286,788	15,968,133	20,361,016
Charges for services	7,321,295	11,563,678	7,117,774	6,471,503	10,467,203	8,670,078	12,437,155	10,499,530	12,427,509	12,118,218
Fines and forfeits	938,775	905,921	882,254	920,187	914,240	635,209	434,042	390,200	2,733,886	3,926,653
Special assessments	7,494	4,111	3,835	2,210	2,807	712	591	-	-	-
Investment earnings	117,942	279,058	672,713	1,308,888	1,767,742	1,005,175	(187,615)	564,524	6,264,020	5,903,651
Miscellaneous	1,890,419	1,854,450	1,966,333	1,600,279	2,406,291	774,011	2,227,176	2,016,895	2,092,249	8,390,217
Total revenues	82,603,140	88,606,337	91,162,511	86,821,196	93,554,329	90,545,094	103,560,171	110,559,858	133,406,714	146,419,742
<b>Expenditures</b>										
General government	8,661,592	8,936,366	9,755,757	9,804,631	12,688,544	11,951,230	13,138,358	14,517,861	17,410,720	19,560,955
Public safety	29,164,772	30,809,069	32,084,376	34,226,582	36,322,025	36,790,348	38,989,056	40,559,737	41,833,556	42,343,117
Transportation	16,323,425	12,607,616	20,652,538	15,512,706	11,641,856	10,102,948	12,831,014	14,535,310	9,554,428	17,297,275
Physical environment	2,991,145	3,309,993	3,359,548	4,128,266	4,372,251	4,339,008	3,985,974	4,321,115	5,352,978	5,869,441
Economic environment	3,066,674	3,324,309	3,880,025	4,314,648	4,699,552	5,587,597	4,240,428	5,037,287	5,497,635	7,229,926
Health and human services	925,299	573,115	674,270	787,535	619,247	821,362	2,192,261	1,982,524	3,292,302	1,230,553
Culture and recreation	10,700,680	11,480,488	11,943,070	12,450,884	12,437,720	10,571,483	11,953,562	13,958,960	15,535,454	16,676,839
Capital outlay <sup>(1)</sup>	3,580,304	6,784,343	2,096,281	2,145,994	3,270,129	3,743,808	2,955,695	8,431,192	8,849,133	12,100,585
Debt service:										
Principal	1,713,940	1,737,569	1,635,126	1,676,777	1,437,533	1,738,594	1,239,178	1,497,942	1,903,102	1,954,089
Interest / other	1,801,109	1,632,786	1,590,525	1,537,504	1,478,169	822,678	847,629	868,442	915,318	871,115
Total expenditures	78,928,940	81,195,654	87,671,516	86,585,527	88,967,026	86,469,056	92,373,155	105,710,370	110,144,627	125,133,893
Excess of revenues over (under) expenditures	3,674,200	7,410,683	3,490,995	235,669	4,587,303	4,076,038	11,187,016	4,849,488	23,262,087	21,285,849
<b>Other financing sources (uses)</b>										
Transfers in	7,100,830	11,121,265	7,050,817	8,205,317	6,477,764	12,216,778	9,703,240	9,848,536	10,371,667	14,457,402
Transfers out	(6,668,626)	(11,182,611)	(7,163,278)	(7,838,860)	(5,646,268)	(11,430,226)	(9,007,928)	(9,156,543)	(11,130,834)	(15,020,797)
Insurance recoveries	153,041	83,737	134,003	288,518	177,154	189,322	416,066	103,473	497,371	113,283
Issuance of debt	-	3,128,732	-	-	-	-	-	4,685,125	3,624,740	-
Issuance of refunding bond	-	38,198	-	-	-	19,480,000	-	-	-	-
Debt Premium	-	-	-	-	-	3,989,749	-	-	-	-
Payment to escrow agent - refunded bond	-	(3,005,000)	-	-	-	(23,469,749)	-	-	-	-
Sales of capital assets	21,952	-	2,700	-	-	-	-	2,226,784	10,000	8,125
Total other financing sources (uses)	607,197	184,321	24,242	654,975	1,008,650	975,874	1,111,378	7,707,375	3,372,944	(441,986)
Net change in fund balances	\$ 4,281,397	\$ 7,595,004	\$ 3,515,237	\$ 890,644	\$ 5,595,953	\$ 5,051,912	\$ 12,298,394	\$ 12,556,863	\$ 26,635,031	\$ 20,843,863
Debt service as a percentage of noncapital expenditures	5.50%	5.14%	4.66%	4.38%	3.72%	3.36%	2.58%	2.72%	2.93%	2.80%

(1) Capital outlay reported in governmental funds for 2024 are \$12,100,585 plus \$12,210,072 which is reported for each functional activity with the other funds results in total capital outlay of \$24,310,657 as reported on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.

(2) This schedule has been restated for the changes disclosed in Note 19 of ACFR 2024.

Source: City of Auburn, Finance Department

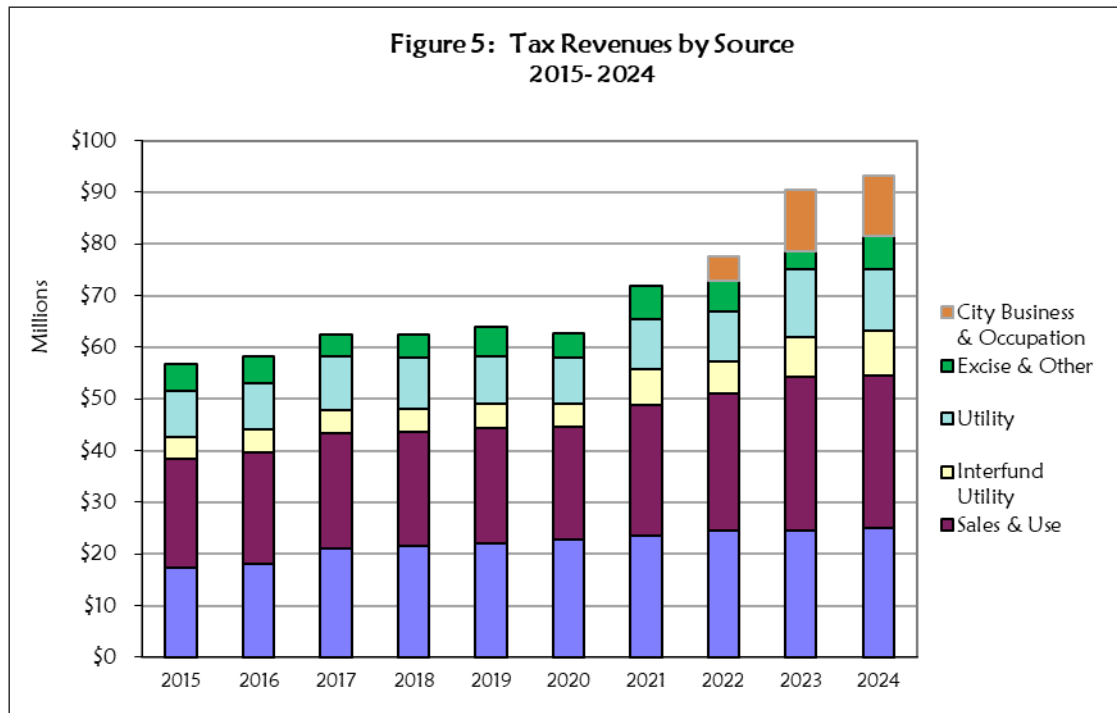
City of Auburn, Washington  
**SCHEDULE 5**  
**TAX REVENUES BY SOURCE, GOVERNMENT FUNDS**  
 Last Ten Fiscal Years

Fiscal Year	Property	Sales & Use	Interfund Utility	Utility	Excise	City Business & Occupation <sup>(1)</sup>	Other	Total
2015	17,337,108	21,125,730	4,260,831	8,838,179	4,999,517	-	70,972	56,632,337
2016	18,067,324	21,475,335	4,624,951	8,917,401	5,057,013	-	137,960	58,279,984
2017	20,976,384	22,333,454	4,540,265	10,391,462	4,141,146	-	42,535	62,425,246
2018	21,561,924	21,996,115	4,552,505	9,841,620	4,393,134	-	85,048	62,430,346
2019	22,057,841	22,212,601	4,760,229	9,278,114	5,650,339	-	73,577	64,032,701
2020	22,688,696	21,900,597	4,543,436	8,866,275	4,580,114	-	59,875	62,638,993
2021	23,480,894	25,289,050	7,101,829	9,521,243	6,463,047	-	41,621	71,897,684
2022	24,637,908	26,295,124	6,396,937	9,532,991	6,110,151	4,664,551	885	77,638,547
2023	24,519,933	29,676,876	7,771,366	13,071,264	3,485,771	12,051,586	-	90,576,795
2024	25,102,231	29,410,605	8,633,995	12,049,461	6,227,997	11,652,656	-	93,076,945
Change								
2015-2024	44.8%	39.2%	102.6%	36.3%	24.6%	100.0%	-100.0%	64.4%

(1) City implemented a City Business and Occupation Tax January 1, 2022.

Source: City of Auburn, Finance Department

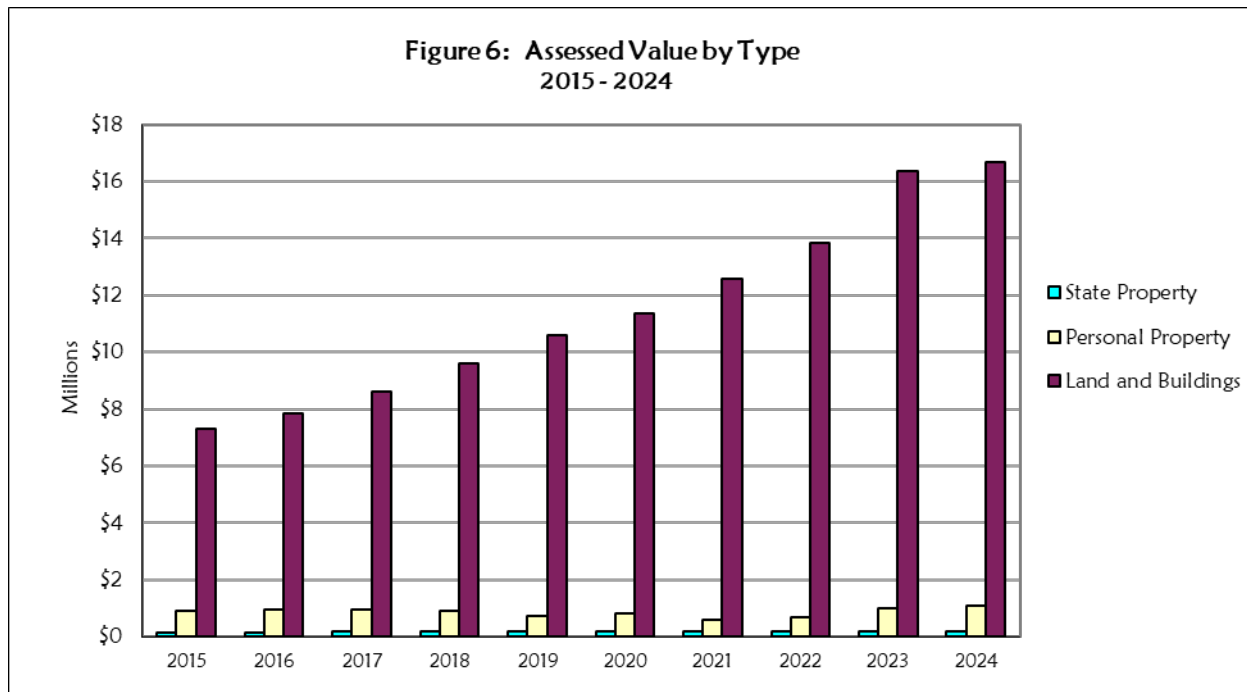
(2) The information for 2023 has been restated for the changes disclosed in Note 19 of ACFR 2024.



City of Auburn, Washington  
**SCHEDULE 6**  
**ASSESSED VALUE BY TYPE**  
 Last Ten Fiscal Years  
 (Amounts Expressed in Thousands)

Fiscal Year	State Property and Other	Personal Property	Land and Building	Total Assessed Value	Total Direct Rate
2015	146,941	911,493	7,308,219	8,366,653	2.08
2016	156,673	958,859	7,851,588	8,967,119	2.05
2017	171,829	957,161	8,592,887	9,721,877	2.20
2018	169,543	918,637	9,611,541	10,699,721	2.03
2019	171,044	733,264	10,585,207	11,489,515	1.92
2020	165,647	832,886	11,381,503	12,380,036	1.82
2021	173,560	602,789	12,592,421	13,368,770	1.77
2022	185,841	666,342	13,839,177	14,691,361	1.66
2023	192,365	979,016	16,367,123	17,538,504	1.39
2024	179,651	1,092,324	16,670,380	17,942,355	1.40

Source: King County Dept of Assessments & Pierce County Assessor-Treasurer



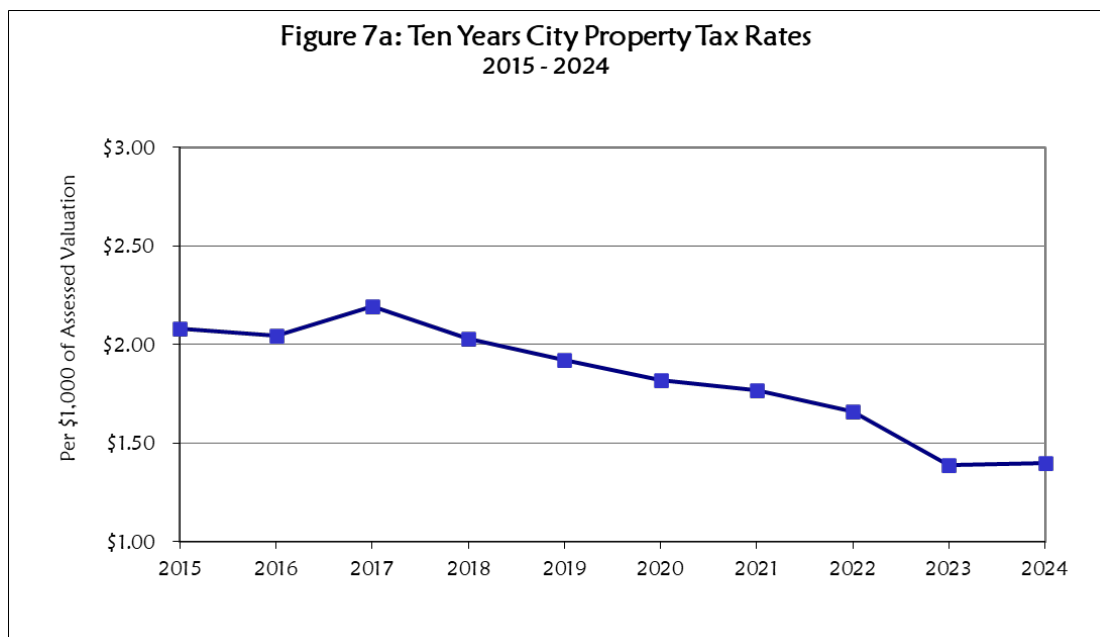
City of Auburn, Washington  
**SCHEDULE 7**  
**PROPERTY TAX DATA**  
 Last Ten Fiscal Years

Page 1 of 2

Item	2015	2016	2017	2018
<b>Assessed and estimated actual values <sup>(1)</sup></b>				
Estimated and actual value (in thousands)	\$ 8,366,653	\$ 8,967,119	\$ 9,721,877	\$ 10,699,721
Assessed value (in thousands)	8,366,653	8,967,119	9,721,877	10,699,721
Ratio of assessed to actual	100%	100%	100%	100%
<b>Property tax rates <sup>(1)</sup></b>				
Direct regular and special				
General fund	\$ 2.08085	\$ 2.04719	\$ 2.19668	\$ 2.03239
Subtotal	2.08085	2.04719	2.19668	2.03239
<b>Overlapping regular and special <sup>(1)</sup></b>				
Auburn School District	\$ 6.14079	\$ 5.82831	\$ 6.74299	\$ 6.29971
King County	1.34522	1.48027	1.38294	1.32735
State of Washington	2.28514	2.16898	2.03205	2.91820
Port of Seattle	0.18885	0.16954	0.15334	0.13518
Sound Transit	-	-	0.25000	0.22745
Emergency Medical Services	0.30217	0.28235	0.26305	0.23940
Hospital District	0.50000	0.50000	0.50089	0.45689
King County Library District	0.50276	0.47714	0.45118	0.41190
Valley Regional Fire Authority	1.18043	1.13495	1.06821	0.98189
King County Flood Zone	0.13860	0.12980	0.11740	0.10708
Subtotal	12.58396	12.17134	12.96205	13.10505
Total direct and overlapping	\$ 14.66481	\$ 14.21853	\$ 15.15873	\$ 15.13744

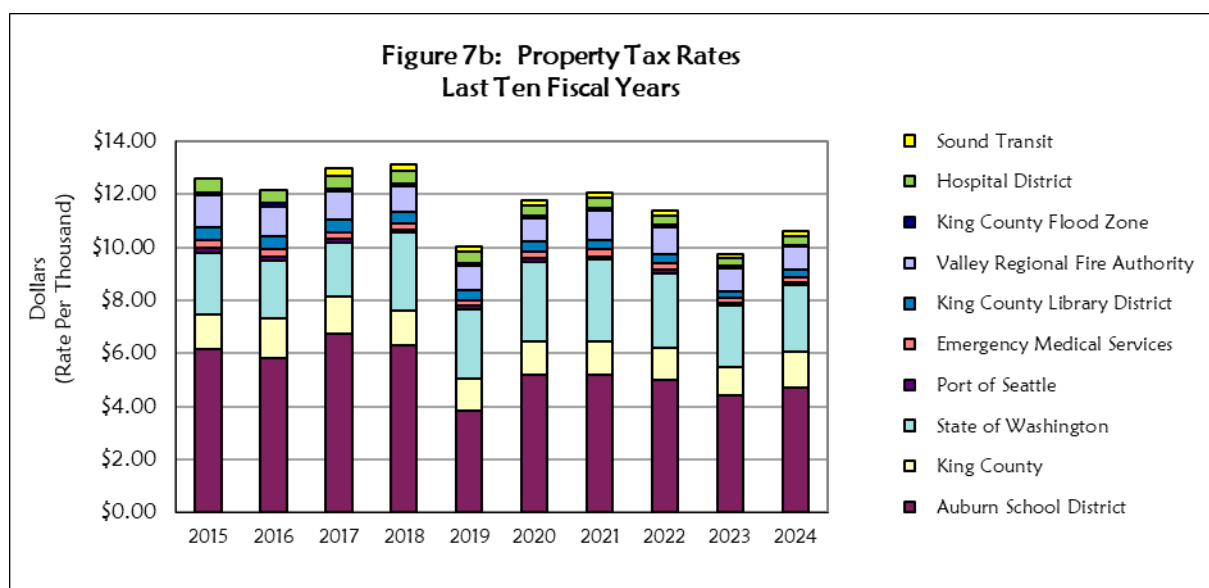
Sources:

- (1) King County and Pierce County Departments of Assessments; real and personal property has been assessed at 100% of the estimated actual value.



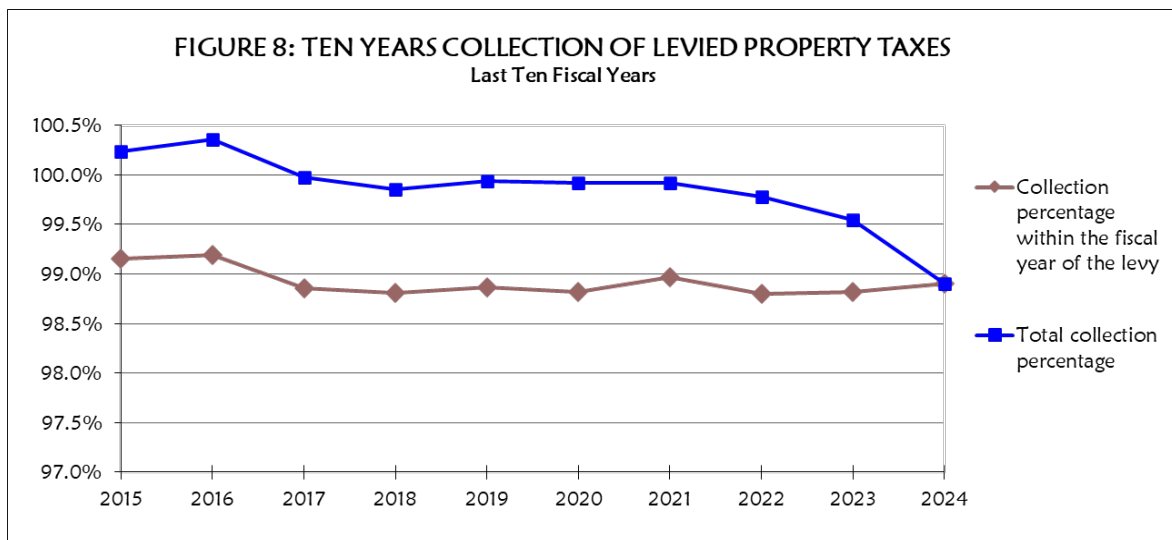
Page 2 of 2

	2019	2020	2021	2022	2023	2024
\$	11,489,516	\$ 12,380,036	\$ 13,368,770	\$ 14,691,361	\$ 15,666,686	\$ 15,998,170
	11,489,516	12,380,036	13,368,770	14,691,361	15,666,686	15,998,170
	100%	100%	100%	100%	100%	100%
\$	1.92435	\$ 1.81928	\$ 1.76739	\$ 1.66241	\$ 1.39068	\$ 1.39696
	1.92435	1.81928	1.76739	1.66241	1.39068	1.39696
\$	3.81351	\$ 5.19948	\$ 5.20244	\$ 4.98502	\$ 4.40844	\$ 4.70683
	1.21906	1.23953	1.24688	1.22827	1.09023	1.33792
	2.62922	3.02799	3.08823	2.81695	2.31104	2.51751
	0.12266	0.11944	0.11984	0.11258	0.09429	0.10470
	0.20700	0.19937	0.19709	0.18409	0.15576	0.16483
	0.21762	0.26500	0.26499	0.24841	0.18498	0.18498
	0.41673	0.40069	0.38511	0.35434	0.32241	0.35434
	0.37441	0.36040	0.35733	0.32757	0.26223	0.28875
	0.92352	0.86897	1.10439	1.03322	0.86512	0.86355
	0.09660	0.09199	0.08909	0.08146	0.06717	0.07067
	10.02033	11.77286	12.05539	11.37191	9.76167	10.59408
\$	11.94468	\$ 13.59214	\$ 13.82278	\$ 13.03432	\$ 11.15235	\$ 11.99104



City of Auburn, Washington  
**SCHEDULE 8**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Current Year Levy Balance
		Amount	% of Levy		Amount	% of Levy	
<b>King County:</b>							
2015	15,363,427	15,226,048	99.1%	177,647	\$ 15,403,695	100.3%	\$ (40,268)
2016	16,031,663	15,897,626	99.2%	198,303	16,095,929	100.4%	(64,266)
2017	18,648,710	18,418,844	98.6%	224,899	18,643,742	100.0%	4,967
2018	19,120,202	18,872,111	98.8%	217,645	19,089,756	99.8%	30,446
2019	19,541,800	19,298,789	98.8%	228,429	19,527,218	99.9%	14,582
2020	20,040,027	19,775,977	98.7%	246,353	20,022,330	99.9%	17,697
2021	20,709,055	20,480,037	98.9%	210,106	20,690,143	99.9%	18,912
2022	21,730,840	21,449,439	98.5%	227,822	21,677,260	99.8%	53,580
2023	21,591,907	21,316,712	98.7%	167,733	21,484,445	99.5%	107,462
2024	22,186,306	21,927,219	98.8%	-	21,927,219	98.8%	259,087
							<u>\$ 402,199</u>
<b>Pierce County:</b>							
2015	1,746,163	1,738,447	99.6%	7,716	\$ 1,746,163	100.0%	\$ (0)
2016	1,867,636	1,857,614	99.5%	10,022	1,867,636	100.0%	(0)
2017	2,237,907	2,229,137	99.6%	8,770	2,237,907	100.0%	(0)
2018	2,320,452	2,312,378	99.7%	8,073	2,320,452	100.0%	0
2019	2,389,591	2,383,037	99.7%	6,553	2,389,591	100.0%	0
2020	2,435,655	2,433,602	99.9%	2,053	2,435,655	100.0%	0
2021	2,515,397	2,505,423	99.6%	9,974	2,515,397	100.0%	(0)
2022	2,626,387	2,615,456	99.6%	9,601	2,625,057	100.1%	1,330
2023	2,635,778	2,623,794	99.5%	9,577	2,633,371	100.1%	2,407
2024	2,617,400	2,604,315	99.5%	-	2,604,315	100.5%	13,085
							<u>\$ 16,822</u>
<b>Total current levy balance</b>							<u>\$ 419,021</u>



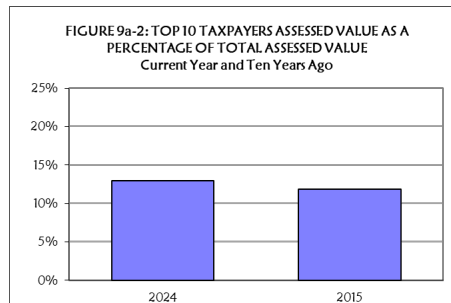
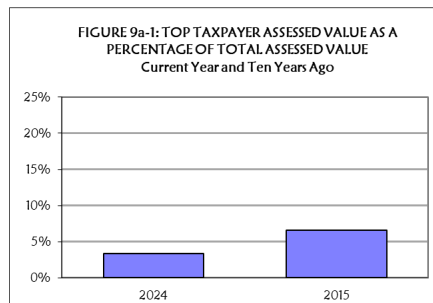
City of Auburn, Washington  
**SCHEDULE 9a**  
**PRINCIPAL TAXPAYERS-PROPERTY TAXES**  
 Current Year and Ten Years Ago

Taxpayer	2024			2015		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BOEING	\$ 541,556,049	1	3.39%	\$ 549,141,832	1	6.56%
SAFEWAY INC C/O COMP PROPER	264,168,651	2	1.65%	79,001,900	4	0.94%
EPROPERTY TAX INC DEPT 207	260,577,400	3	1.63%	N/A		N/A
PPF Industrial (formerly UPS Supply Chain Solutions)	223,460,700	4	1.40%	45,129,700	7	0.54%
USPP VALLEY CENTRE CORPORAT	205,793,700	5	1.29%	N/A		N/A
C/O PROLOGIS - RE TAX	146,879,500	6	0.92%	N/A		N/A
MARVIN F POER AND COMPANY	143,747,600	7	0.90%	N/A		N/A
GLIMCHER REALTY	108,570,245	8	0.68%	102,455,418	2	1.22%
LIT INDUSTRIAL	90,967,700	9	0.57%	N/A		N/A
AUBURN 18 BUSINESS PARK LLC	84,204,400	10	0.53%	N/A		N/A
PUGET SOUND ENERGY	N/A			92,835,660	3	1.11%
WAL-MART PROPERTY	N/A			27,591,900	8	0.33%
Belara Communities LLC	N/A			54,061,800	6	0.65%
Muckleshoot Indian Tribe	N/A			20,830,100	9	0.25%
Qwest Corporation	N/A			20,179,099	10	0.24%
<b>TOTALS</b>	<b>\$ 2,069,925,945</b>		<b>12.94%</b>	<b>\$ 991,227,409</b>		<b>11.85%</b>

Source: King County and Pierce County Departments of Assessments

Total assessed value for 2024: \$ 15,998,170,371

Total assessed value for 2015: \$ 8,366,652,723



City of Auburn, Washington  
**SCHEDULE 9b**  
**PRINCIPAL TAXPAYERS-SALES TAXES**  
 Current Year and Ten Years Ago

2024					2015				
Sales Tax Received	Sector <sup>(1)</sup>	Rank	Percentage of Total City Sales Taxes Received		Sales Tax Received	Sector <sup>(1)</sup>	Rank	Percentage of Total City Sales Taxes Received	
\$ 915,346	Automotive	1	4.0%		\$ 503,003	Transportation Manufacturing	1	3.0%	
640,870	Retail Trade	2	2.8%		466,181	Automotive	2	2.8%	
480,268	Retail Trade	3	2.1%		449,995	General Retail	3	2.7%	
445,009	Automotive	4	1.9%		444,616	Automotive	4	2.6%	
417,311	Automotive	5	1.8%		349,222	Automotive	5	2.1%	
392,061	Automotive	6	1.7%		323,965	Automotive	6	1.9%	
382,257	Automotive	7	1.7%		266,295	Bldg. Material & Garden	7	1.6%	
370,733	Services	8	1.6%		254,760	General Retail	8	1.5%	
338,774	Automotive	9	1.5%		248,552	Construction of Buildings	9	1.5%	
317,187	Miscellaneous	10	1.4%		231,888	Automotive	10	1.4%	
<b>\$ 4,699,816</b>			<b>20.5%</b>		<b>\$ 3,538,477</b>			<b>21%</b>	

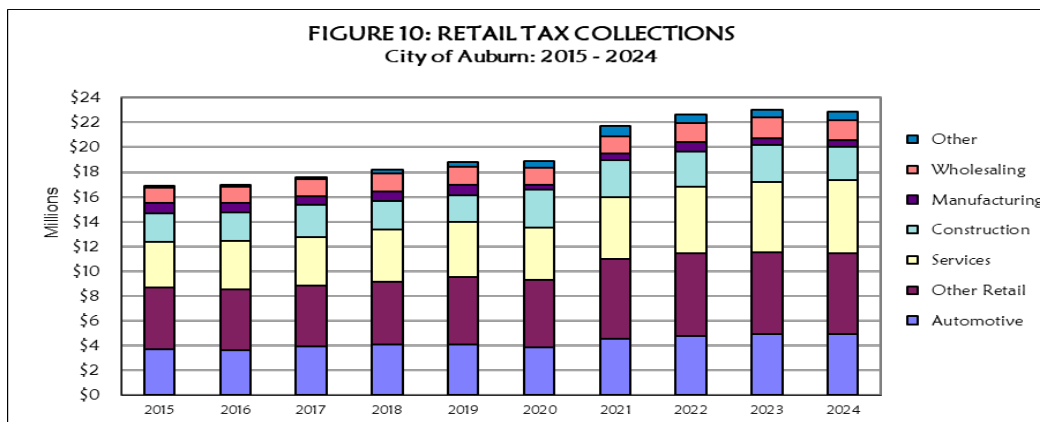
Source: Washington State Department of Revenue

(1) It is illegal to disclose specific taxpayer sales tax information, so the above information is being provided without identification.

City of Auburn, Washington  
**SCHEDULE 10**  
**RETAIL TAX COLLECTIONS BY SECTOR**  
 Last Ten Fiscal Years  
 (Amounts Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>RETAIL TRADE SECTOR</b>										
Automotive/gas	\$ 3,707	\$ 3,659	\$ 3,972	\$ 4,122	\$ 4,069	\$ 3,827	\$ 4,555	\$ 4,780	\$ 4,937	\$ 4,916
Furniture	254	185	197	210	222	209	290	440	223	211
Electronics & appliances	295	221	211	229	277	300	344	190	420	399
Building materials	590	579	580	576	652	751	803	789	730	699
Food stores	368	397	369	388	406	451	487	565	621	651
Health & personal care	221	284	369	420	426	348	391	406	402	367
Apparel	1,080	1,136	1,119	1,170	1,236	873	1,123	1,137	1,129	1,143
General merchandise	988	1,018	993	221	818	878	917	1,026	875	896
Misc. retail trade	1,193	1,032	1,033	1,827	1,399	1,689	2,107	2,100	2,173	2,153
Subtotal - Retail Trade	8,695	8,512	8,843	9,163	9,506	9,327	11,017	11,433	11,510	11,434
<b>SERVICE SECTOR</b>										
Information	\$ 526	\$ 630	\$ 662	\$ 638	\$ 668	\$ 685	\$ 760	\$ 848	\$ 919	\$ 980
Finance & insurance	95	111	122	140	138	178	158	197	148	143
Real estate, rental, leasing	334	359	368	368	434	369	449	463	512	493
Professional, scientific, technical	195	238	239	254	344	394	482	514	551	577
Administrative, supply & remediation services	383	329	276	424	524	652	792	785	897	959
Educational	60	50	56	47	46	40	44	47	55	61
Healthcare & social services	82	92	75	93	93	111	99	120	110	108
Arts & entertainment	208	156	110	119	120	50	74	126	179	193
Accommodation & food service	1,159	1,218	1,276	1,435	1,469	1,205	1,429	1,528	1,567	1,636
Other services	603	788	728	711	609	537	637	767	786	779
Subtotal - Services	3,646	3,970	3,912	4,229	4,445	4,220	4,924	5,395	5,725	5,927
<b>OTHER SECTORS</b>										
Construction	\$ 2,297	\$ 2,292	\$ 2,632	\$ 2,310	\$ 2,193	\$ 3,068	\$ 3,034	\$ 2,828	\$ 2,950	\$ 2,710
Manufacturing	862	761	678	754	821	390	501	749	531	477
Transportation	66	99	89	120	89	197	373	249	225	321
Wholesaling	1,229	1,265	1,363	1,469	1,496	1,346	1,424	1,578	1,668	1,612
Other business	72	67	65	154	265	308	410	428	390	424
Subtotal - Other	4,525	4,485	4,827	4,807	4,863	5,309	5,742	5,833	5,765	5,544
<b>GRAND TOTAL</b>	<b>\$ 16,866</b>	<b>\$ 16,967</b>	<b>\$ 17,582</b>	<b>\$ 18,198</b>	<b>\$ 18,814</b>	<b>\$ 18,856</b>	<b>\$ 21,683</b>	<b>\$ 22,661</b>	<b>\$ 23,000</b>	<b>\$ 22,905</b>
<b>OVERLAPPING SALES TAX RATES</b>										
<b>Basic sales tax rates</b>										
City of Auburn	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Washington State	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
King County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Regional Transit Authority	0.90%	0.90%	0.90%	1.40%	1.40%	1.40%	1.50%	1.50%	1.60%	1.70%
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%
Total basic sales tax rate	9.50%	9.50%	9.50%	10.00%	10.00%	10.00%	10.10%	10.10%	10.20%	10.30%
<b>Special sales tax rates</b>										
Restaurants-for stadium funding <sup>(1)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Motor vehicles	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%

Source: City of Auburn Finance Department and State of Washington



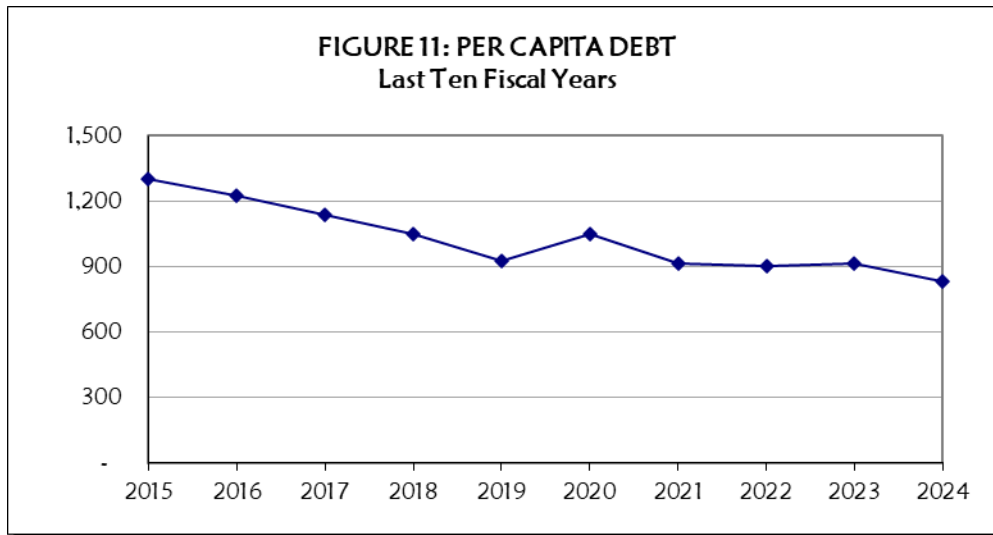
City of Auburn, Washington  
**SCHEDULE 11**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government <sup>(2)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita
	General Obligation Bonds	Public Works Trust Fund Loans	Capital Leases	Lease Liability	Subscription Liability	Revenue Bonds	Public Works Trust Fund Loans			
2015	\$ 55,094,519	\$ 4,086,797	\$ 569,773	\$ -	\$ -	\$ 31,304,378	\$ 7,563,847	\$ 98,619,314	4.85%	\$ 1,305.44
2016	54,245,944	3,889,421	476,635	-	-	28,545,000	7,522,767	94,679,767	4.48%	1,228.65
2017	50,766,661	3,692,045	382,914	-	-	28,161,699	6,702,388	89,705,707	4.07%	1,136.09
2018	48,427,873	3,494,669	282,461	-	-	26,523,113	5,866,029	84,594,145	3.58%	1,049.36
2019	42,703,404	3,297,294	173,692	-	-	24,829,528	4,967,012	75,970,930	2.98%	929.65
2020	41,060,378	3,099,918	-	-	-	37,460,053	4,351,217	85,971,566	3.10%	1,049.20
2021	39,156,176	2,902,542	-	-	-	35,131,084	3,584,955	80,774,757	2.60%	917.06
2022	37,185,012	2,705,166	-	4,668,739	-	32,722,115	3,045,779	80,326,811	2.45%	905.09
2023	35,147,469	2,507,791	-	4,406,022	4,127,051	30,223,146	4,796,751	81,208,230	2.21%	914.30
2024	33,037,389	2,310,416	-	122,303	3,393,028	27,629,177	7,808,717	74,301,030	1.99%	835.31

Sources: City of Auburn, Finance Department

(1) Personal income data provided by US Census Bureau estimate.

(2) Excludes compensated absences.



City of Auburn, Washington  
**SCHEDULE 12**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
As of December 31, 2024

	General Capacity		Special Purpose Capacity		
	Councilmanic	Excess Levy	Parks and Open Spaces	Utility Purpose	Total Capacity
December 31, 2024 - Total Assessed Value:					
\$	19,438,866,350				
2.5% of Assessed Value	\$	-	\$ 485,971,659	\$ 485,971,659	\$ 1,457,914,977
1.5% of Assessed Value	291,582,995	(291,582,995)	-	-	-
Statutory Debt Limit	291,582,995	194,388,664	485,971,659	485,971,659	1,457,914,977
Debt Outstanding	32,421,975	-	-	-	32,421,975
Net Debt Outstanding	32,421,975	-	-	-	32,421,975
Remaining Debt Capacity	\$ 259,161,020	\$ 194,388,664	\$ 485,971,659	\$ 485,971,659	\$ 1,425,493,002

City of Auburn, Washington  
**SCHEDULE 13**  
**LEGAL DEBT MARGIN RATIOS**  
Last Ten Fiscal Years  
(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 661,996	\$ 716,628	\$ 791,936	\$ 854,513	\$ 923,770	\$ 990,892	\$ 1,078,980	\$ 1,317,264	\$ 1,340,238	\$ 1,457,915
Total net debt applicable to limit	59,409	57,152	54,208	52,097	46,115	40,356	38,474	36,525	34,510	32,422
Legal debt margin	\$ 602,588	\$ 659,476	\$ 737,728	\$ 802,416	\$ 877,655	\$ 950,535	\$ 1,040,505	\$ 1,280,738	\$ 1,305,728	\$ 1,425,493
Total net debt applicable to the limit as a percentage of debt limit	8.97%	7.98%	6.85%	6.10%	4.99%	4.07%	3.57%	2.77%	2.57%	2.22%

City of Auburn, Washington  
**SCHEDULE 14**  
**COMPUTATION OF NET DIRECT AND ESTIMATED OVERLAPPING DEBT**  
As of December 31, 2024

	Net Debt Outstanding	Percent Applicable <sup>(3)</sup>	Bonded Amount Applicable
<b>Net direct debt:</b>			
Net direct debt - City of Auburn <sup>(1)</sup>			\$ 38,863,136
<b>Estimated net overlapping debt: <sup>(2)</sup></b>			
King County	\$ 1,006,941,000	1.83%	\$ 18,427,020
Port of Seattle	445,465,000	1.83%	8,152,010
School District No. 210 <sup>(4)</sup>	480,917,000	3.07%	14,764,152
School District No. 408	418,665,000	77.60%	324,884,040
School District No. 415	150,606,000	2.00%	3,012,120
Rural Library District	-	2.84%	-
Valley Regional Fire Authority	54,750,000	89.30%	48,891,750
Pierce County	121,670,000	0.92%	1,119,364
Total estimated net overlapping debt			419,250,456
Total direct and overlapping debt			\$ 458,113,591

## Sources:

(1) Includes both bonded and non bonded debt related to government activities. From Note 7 Changes in LT Liabilities.

(2) Overlapping governments.

(3) King County Assessors office and Pierce County Assessors office.

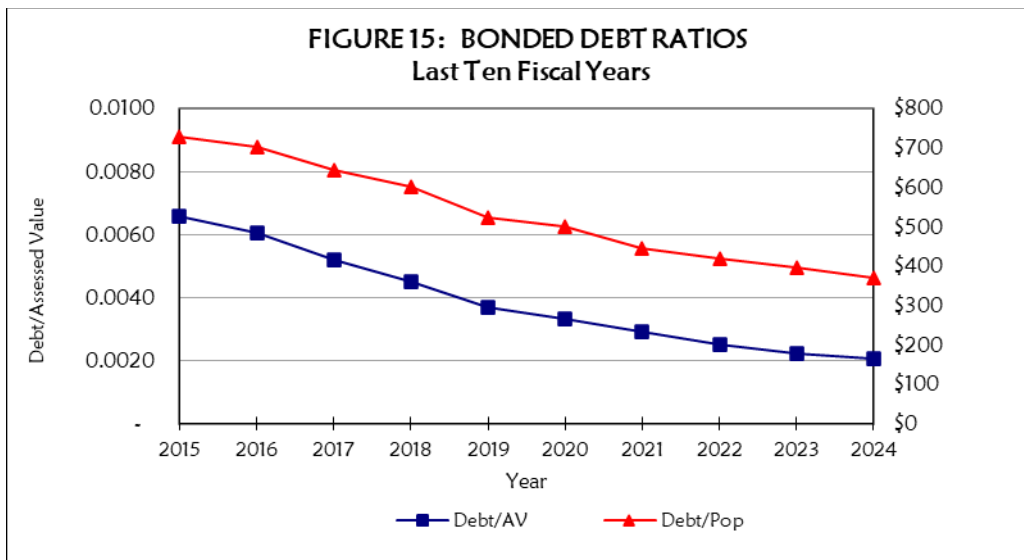
(4) School District No. 210 overlapping debt is as of 8/31/2024.

City of Auburn, Washington  
**SCHEDULE 15**  
**RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND GROSS BONDED DEBT PER CAPITA**  
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value <sup>(1)</sup> (Thousands)	Bonded Debt <sup>(2)</sup>	Debt Service Amount <sup>(3)</sup> Available	Net Bonded Debt (Thousands)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015	75,545	\$ 8,366,653	\$ 55,094,519	\$ 13,278	\$ 55,081	0.66%	\$ 729
2016	77,060	8,967,119	54,245,944	11,945	54,234	0.60%	704
2017	78,960	9,721,877	50,766,661	9,686	50,757	0.52%	643
2018	80,615	10,699,721	48,427,873	5,386	48,422	0.45%	601
2019	81,720	11,489,516	42,703,404	1,917	42,701	0.37%	523
2020	81,940	12,380,036	41,060,378	2,873	41,058	0.33%	501
2021	88,080	13,368,770	39,156,176	3,828	39,152	0.29%	445
2022	88,750	14,691,361	37,185,012	1,702	37,183	0.25%	419
2023	88,820	15,666,686	35,147,469	-	35,147	0.22%	396
2024	88,950	15,998,170	33,037,389	-	33,037	0.21%	371

## Notes:

- (1) From Schedule 7  
 (2) General Obligation Debt related to government activities, from Schedule 11.  
 (3) Restricted fund balance from debt service fund.



City of Auburn, Washington  
**SCHEDULE 16**  
**PLEDGED REVENUE BOND COVERAGES**  
 Last Ten Fiscal Years

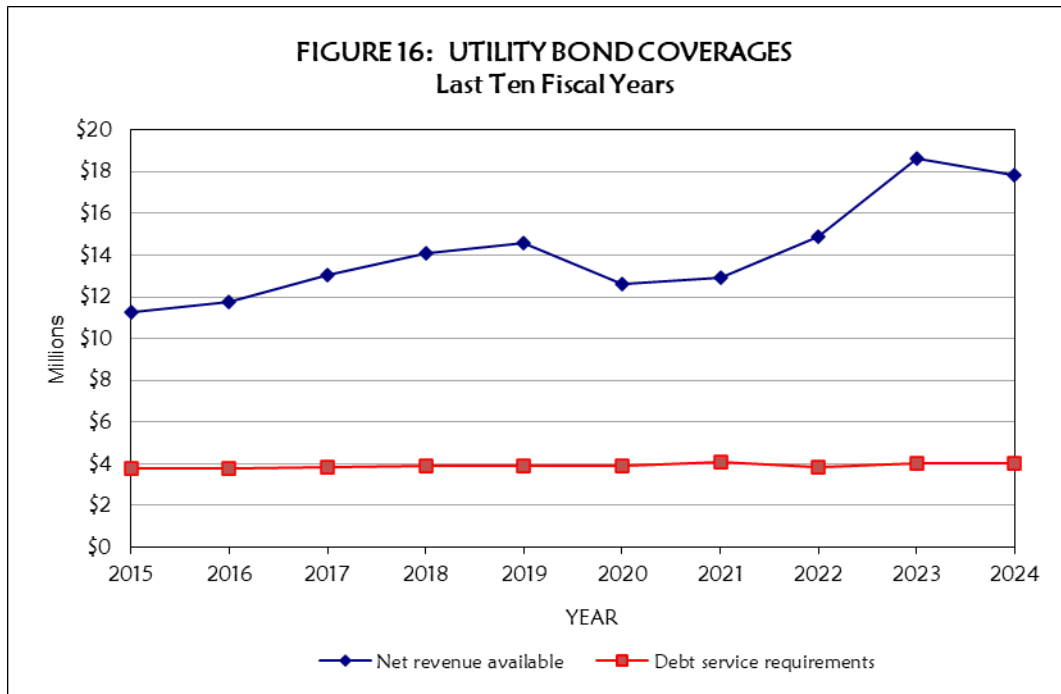
Year	Gross <sup>(1)</sup> Revenue	Direct <sup>(2)</sup> Operating Expense	Net Revenue Available	Debt Service Requirements			Times Coverage
				Principal	Interest	Total <sup>(3)</sup>	
2015	\$ 49,673,159	\$ 38,425,799	\$ 11,247,360	\$ 2,197,667	\$ 1,599,347	\$ 3,797,014	2.96
2016	50,385,548	38,614,719	11,770,829	2,231,093	1,563,433	3,794,526	3.10
2017	51,771,171	38,726,814	13,044,357	2,326,117	1,523,830	3,849,947	3.39
2018	53,103,312	39,020,666	14,082,646	2,422,369	1,494,706	3,917,075	3.60
2019	53,910,487	39,330,641	14,579,846	2,482,692	1,391,468	3,874,160	3.76
2020	51,149,771	38,530,032	12,619,739	2,553,276	1,334,334	3,887,610	3.25
2021	54,013,161	41,094,457	12,918,704	2,626,262	1,450,352	4,076,614	3.17
2022	57,526,616	42,612,259	14,914,357	2,479,176	1,363,783	3,842,959	3.88
2023	65,822,459	47,179,167	18,643,291	2,697,225	1,311,513	4,008,738	4.65
2024	68,271,106	50,451,240	17,819,866	2,792,225	1,210,433	4,002,658	4.45

Source: City of Auburn, Finance Department

(1) Includes water, sewer & storm drainage operating, interest and other revenues.

(2) Includes water, sewer & storm drainage operating expenses less depreciation.

(3) Includes both parity and non-parity debt.

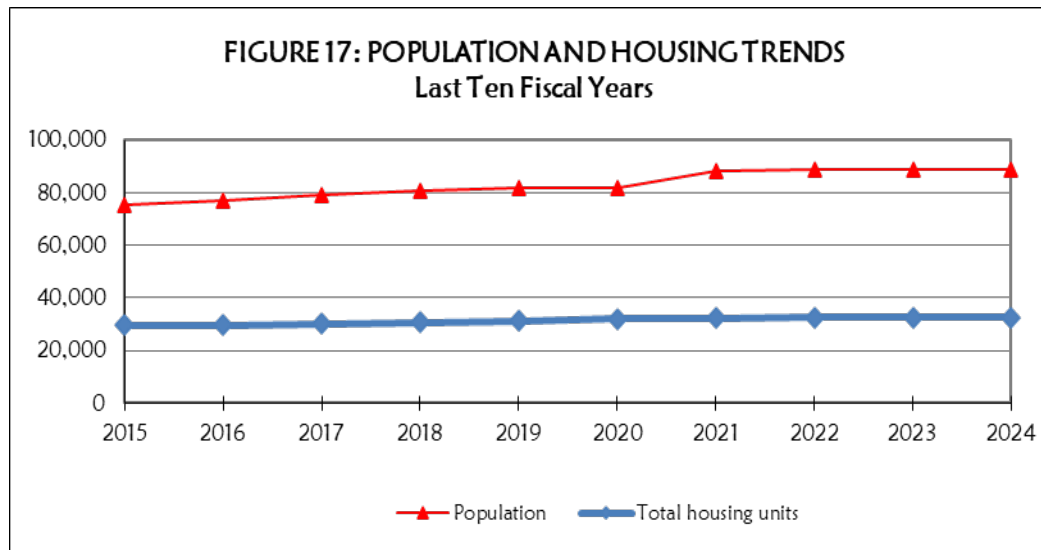


City of Auburn, Washington  
**SCHEDULE 17**  
**POPULATION, INCOME AND HOUSING TRENDS**  
 Last Ten Fiscal Years

Item	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School enrollment <sup>(1)</sup>	15,663	15,945	16,525	16,949	17,300	16,702	16,880	17,640	17,545	17,839
Rate of unemployment <sup>(2)</sup>	4.9%	4.4%	4.4%	4.2%	3.5%	9.5%	6.4%	3.9%	3.8%	5.1%
Population <sup>(3)</sup>	75,545	77,060	78,960	80,615	81,720	81,940	88,080	88,750	88,820	88,950
Personal income (thousands of dollars) <sup>(4)</sup>	\$ 2,000,606	\$ 2,033,520	\$ 2,111,829	\$ 2,206,142	\$ 2,365,567	\$ 2,552,034	\$ 2,769,162	\$ 3,108,167	\$ 3,675,727	\$ 3,739,992
Per capita personal income <sup>(4)</sup>	\$ 26,807	\$ 26,918	\$ 27,405	\$ 27,940	\$ 29,344	\$ 31,229	\$ 33,795	\$ 35,288	\$ 41,384	\$ 42,046
Housing units <sup>(5)</sup>										
One unit	16,042	16,167	16,373	16,616	16,674	17,046	17,128	17,185	17,215	17,234
Two or more	10,847	10,854	11,110	11,417	12,008	12,230	12,532	12,738	12,740	12,779
Mobile home or special	2,637	2,630	2,675	2,659	2,663	2,671	2,674	2,676	2,677	2,674
Total housing units	29,526	29,651	30,158	30,692	31,345	31,947	32,334	32,599	32,632	32,687

## Sources:

- (1) Auburn School District No. 408  
 (2) Bureau of Labor Statistics (BLS)  
 (3) WA State Office of Financial Management  
 (4) US Census Bureau  
 (5) WA State Office of Financial Management



City of Auburn, Washington  
**SCHEDULE 18**  
**MAJOR EMPLOYERS**  
 Current Year and Ten Years Ago

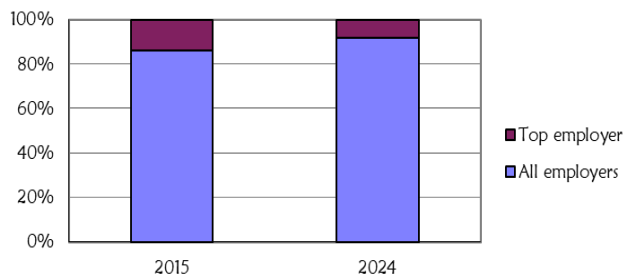
Employer	Product/service	2024			2015		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Boeing Company	Aerospace	3,830	1	9.1%	5,993	1	16.3%
Auburn School District	Education	2,592	2	6.2%	2,410	3	6.5%
Muckleshoot Tribal Enterprises	Gaming	1,668	3	4.0%	1,650	4	4.5%
Green River Community College	Education	1,397	4	3.3%	1,315	6	3.6%
Multicare Auburn Medical Center*	Hospital	906	5	2.2%	1,580	5	4.3%
Safeway Distribution Center	Distribution Center	787	6	1.9%	870	8	2.4%
City of Auburn	Municipal	771	7	1.8%	-	-	0.0%
Costco Wholesale/Optical #190	Wholesale	720	8	1.7%	-	-	0.0%
FAA**	Gov't	451	9	1.1%	-	-	0.0%
Ply Gem Pacific Windows Corp.	Retail	438	10	1.0%	-	-	0.0%
The Outlet Collection	Retail				3,208	2	8.7%
Emerald Downs Racetrack	Horse Racing				1,162	7	3.2%
Social Security Administration	Gov't / public offices				660	9	1.8%
Zones, Inc.	Technology reseller				644	10	1.7%
<b>Totals</b>		<b>13,560</b>		<b>32.3%</b>	<b>19,492</b>		<b>52.9%</b>

2024 - City of Auburn, Economic Development

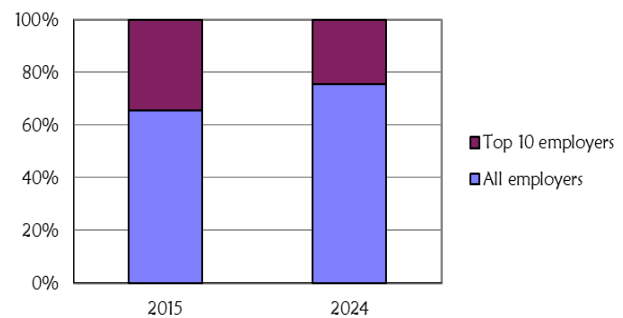
2015 - City of Auburn ACFR

\*Previously Auburn Regional Medical Center.

**FIGURE 18a: AUBURN EMPLOYMENT BASE  
 PERCENTAGE OF TOP EMPLOYER COMPARED TO ALL  
 EMPLOYERS  
 Last Ten Fiscal Years**



**FIGURE 18b: AUBURN EMPLOYMENT BASE PERCENTAGE  
 OF TOP 10 EMPLOYERS COMPARED TO ALL EMPLOYERS  
 Last Ten Fiscal Years**

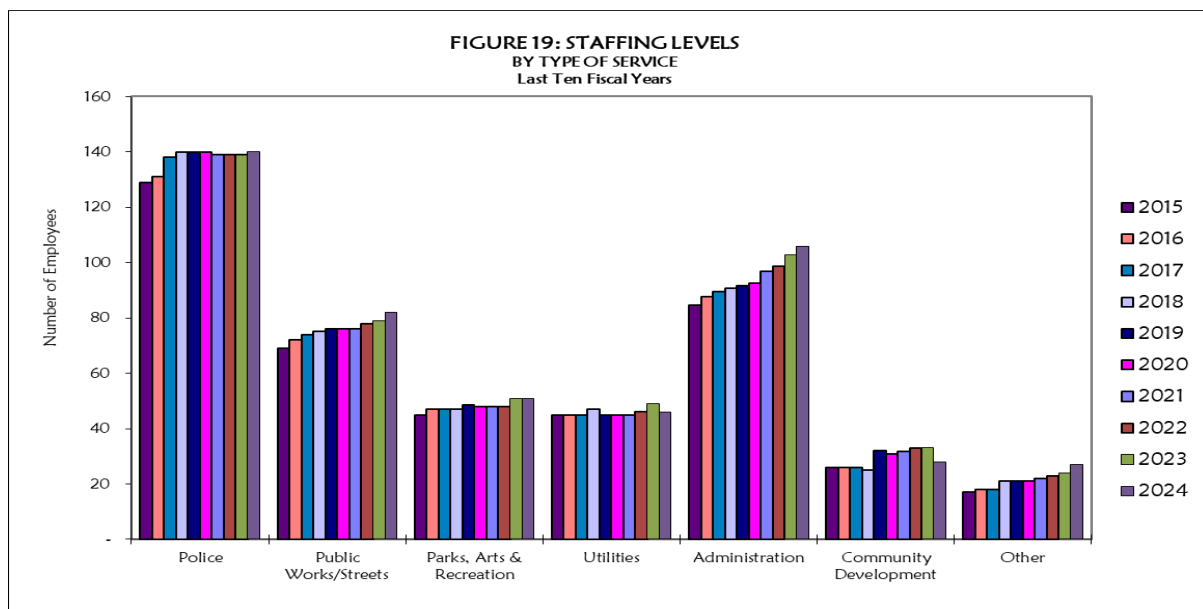


City of Auburn, Washington  
**SCHEDULE 19**  
**STAFFING LEVELS BY DEPARTMENT**  
 Last Ten Fiscal Years

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mayor	3	3	3	3	3	4	5	6	7	3
Administration	8	10	11	12	8	7	5	5	5	5
Human Resources	8	9	8	8	8	9	8	8	9	10
Finance	22	22	22	22	24	24	25	26	27	28
Legal	14	14	15	15	16	16	21	21	21	21
Community Development	26	26	26	25	32	31	32	33	33	28
Human Services	-	-	-	-	-	-	-	-	-	4
Office of Equity	-	-	-	-	-	-	-	-	-	3
Police	129	131	138	140	140	140	139	139	139	140
Public Works	50	53	54	55	55	55	55	55	56	60
Parks, Arts and Recreation	45	47	47	47	49	48	48	48	51	51
Street	19	19	20	20	21	21	21	23	23	22
Water	23	23	23	23	23	23	23	24	24	23
Sewer	10	10	10	10	10	10	10	10	11	11
Storm Drainage	10	10	10	12	12	12	12	12	14	12
Solid Waste	2	2	2	2	-	-	-	-	-	-
Airport <sup>(1)</sup>	-	-	-	3	3	3	3	3	3	3
Cemetery	5	6	6	6	6	6	6	7	7	7
Facilities	10	10	10	10	11	11	11	11	11	11
Multimedia	4	4	4	4	4	4	4	4	4	4
Innovation & Technology	16	16	17	17	18	18	18	18	19	17
Equipment Rental	12	12	12	12	12	12	13	13	14	17
<b>TOTAL</b>	<b>416</b>	<b>427</b>	<b>438</b>	<b>446</b>	<b>454</b>	<b>453</b>	<b>459</b>	<b>466</b>	<b>478</b>	<b>480</b>

Source: City of Auburn Finance Department

(1) In 2018, 3.0 FTEs were added to the Airport and the Airport is now managed in-house.



City of Auburn, Washington  
**SCHEDULE 20**  
**OPERATING INDICATORS BY DEPARTMENT**  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Planning*</b>										
Commercial permits	386	410	320	322	338	270	278	232	218	232
Commercial construction value (\$1,000's)	\$ 66,223	\$ 151,220	\$ 74,840	\$ 72,623	\$ 157,026	\$ 93,920	\$ 101,169	\$ 75,544	\$ 53,701	\$ 103,375
Residential permits	340	426	345	210	195	202	232	289	55	239
Residential construction value (\$1,000's)	\$ 63,370	\$ 73,679	\$ 52,750	\$ 25,790	\$ 18,832	\$ 32,630	\$ 37,018	\$ 34,235	\$ 20,649	\$ 31,912
<b>Police</b>										
Crimes:										
Arson	-	-	19	20	22	19	16	32	16	18
Aggravated Assault	186	179	198	158	171	208	184	252	246	260
Burglary	851	727	722	615	547	587	611	828	773	454
DUI	188	158	194	223	180	186	159	111	136	172
Homicide	8	6	3	1	5	6	5	13	8	9
Narcotics	511	458	742	912	797	770	231	133	359	350
Rape	31	36	49	42	45	32	47	42	52	73
Robbery	91	98	117	115	125	125	136	127	207	114
Theft	2,728	2,235	2,169	2,945	2,223	2,922	3,269	3,566	3,503	3,186
Theft - motor vehicle	996	756	692	637	580	697	902	1,205	1,542	932
Traffic:										
Non-criminal	5,489	5,926	5,074	5,573	4,372	3,421	3,411	2,044	2,300	3,050
Parking	3,737	3,822	3,777	3,477	4,425	2,990	3,013	2,928	2,584	3,063
<b>Parks and Recreation</b>										
Athletic teams	321	328	306	312	315	15	158	259	344	333
Recreation activities	3,511	2,435	3,389	3,498	3,520	1,169	1,828	2,297	2,842	3,075
Golf course rounds	52,718	48,803	47,001	50,720	51,860	51,684	61,771	57,517	59,127	59,022
Senior center visits	38,485	36,636	35,454	32,464	77,378	35,417	35,133	31,593	37,103	43,395
Cultural activities	204	203	214	211	229	86	163	165	178	216
Museum audience served	13,535	14,380	13,570	15,153	14,638	3,463	6,441	5,061	15,613	11,820
Cemetery placements	237	281	264	263	253	273	353	331	326	273

Sources: Various city departments

\* Includes the following permit types: Building, addition, tenant improvements, alterations and sign permits.

City of Auburn, Washington  
**SCHEDULE 21**  
**CAPITAL ASSET INDICATORS BY DEPARTMENT**  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General City</b>										
Total area (square miles)	30	30	30	30	30	30	30	30	30	30
<b>Public Works</b>										
Miles of streets	254	238	238	247	248	245	247	247	249	245
Number of streetlights <sup>(1)</sup>	6,362	6,552	6,581	6,738	3,429	3,526	3,589	3,628	3,677	3,710
Number of traffic signals	95	95	95	95	94	95	96	96	112	96
<b>Utilities</b>										
Number of services	14,787	14,872	14,746	14,769	14,781	14,909	15,021	15,107	15,129	15,154
Miles of water lines <sup>(1)</sup>	320	321	323	347	283	287	288	290	290	292
Miles of sanitary sewer lines <sup>(1)</sup>	223	224	225	227	206	209	209	210	210	211
Miles of storm lines <sup>(1)</sup>	294	319	337	362	234	240	244	246	249	251
Number of fire hydrants <sup>(1)</sup>	3,580	3,577	3,595	3,664	3,014	3,115	3,132	3,171	3,208	3,230
<b>Public Safety</b>										
Number of police stations	2	3	3	3	3	4	4	3	4	3
<b>Parks and Recreation</b>										
Total park acreage	977	988.7	986	986	986	986	986	986	986	986
Number of softball/baseball fields	18	18	18	18	18	18	18	18	18	18
Number of soccer/football fields	4	4	4	4	4	4	4	4	4	4
Number of playgrounds	31	31	30	30	30	30	30	30	30	30

Sources: Various city departments

(1) This statistic has declined because it now represents City owned asset only effective in 2019.

City of Auburn, Washington  
**SCHEDULE 22**  
**NUMBER OF UTILITY CUSTOMERS BY CUSTOMER CLASS**  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Water Customers by Class</b>										
Single Family Residential	11,973	12,054	12,010	12,010	12,028	12,078	12,132	12,162	12,183	12,188
Multifamily	1,003	1,002	1,009	1,012	1,010	1,023	1,027	1,027	1,028	1,031
Commercial	1,190	1,186	1,158	1,159	1,163	1,168	1,170	1,171	1,172	1,180
Mfr./Industrial	38	37	2	2	2	2	2	2	2	2
Schools	37	38	37	37	37	37	37	38	38	39
City Accounts	30	31	31	30	30	31	31	31	31	32
Irrigation	509	517	492	512	505	564	616	670	669	676
Total Retail Water Customers	14,780	14,865	14,739	14,762	14,775	14,903	15,015	15,101	15,123	15,148
Wholesale Water Customers	7	7	7	7	7	7	6	6	6	6
<b>Sewer Customers by Class</b>										
Single Family Residential	12,890	13,091	13,124	13,176	13,234	13,319	13,368	13,411	13,438	13,449
Non-single Family Residential	2,728	2,725	2,724	2,728	2,731	2,749	2,758	2,761	2,759	2,768
Total Sewer Customers	15,618	15,816	15,848	15,904	15,965	16,068	16,126	16,172	16,197	16,217
<b>Storm Customers by Class</b>										
Single Family Residential	16,222	16,200	16,566	16,610	16,665	16,723	16,820	16,867	17,269	17,325
Non-single Family Residential	1,679	1,913	1,671	1,691	1,696	1,702	1,753	1,759	1,762	1,781
Total Storm Customers	17,901	18,113	18,237	18,301	18,361	18,425	18,573	18,626	19,031	19,106

Sources: City of Auburn - Utility Billing