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# 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

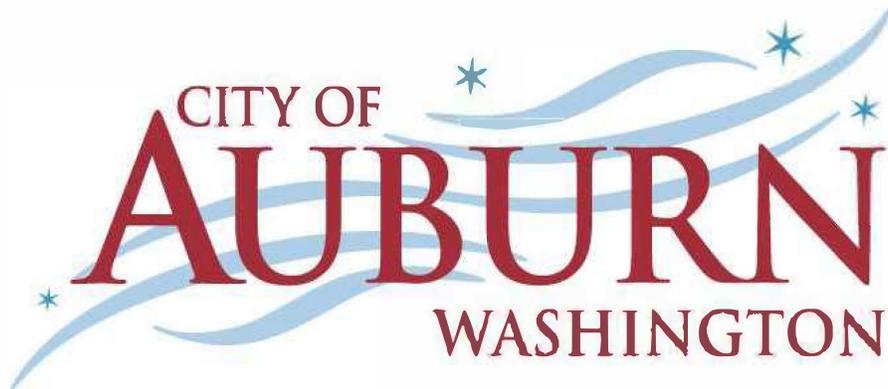
CITY OF  
**AUBURN**  
WASHINGTON



CITY OF AUBURN  
WASHINGTON

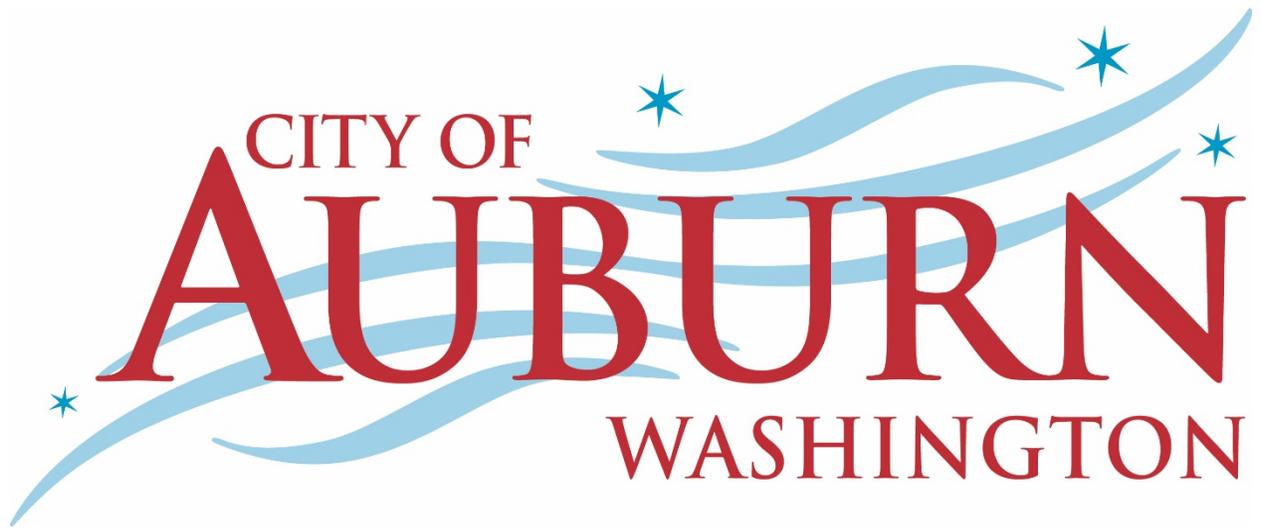
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

Fiscal Year January 1, 2023 through December 31, 2023



Prepared by

City of Auburn Finance Department  
Jamie Thomas, Finance Director



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
For the Year Ended December 31, 2023

**TABLE OF CONTENTS**

<b>I. INTRODUCTORY SECTION</b>	<u>Page</u>
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.....	33
Statement of Activities .....	34
<u>Fund Financial Statements:</u>	
<b>Governmental Funds</b>	
Balance Sheet .....	38
Reconciliation of Balance Sheet of Government Funds to the Statement of Net Position .....	39
Statement of Revenues, Expenses and Changes in Fund Balances .....	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.....	41
Statement of Revenues, Expenses and Changes in Fund Balances – Budget to Actual:	
General Fund.....	42
American Rescue Plan Act (ARPA) Fund.....	43
Arterial Street Fund.....	44
<b>Proprietary Funds:</b>	
Statement of Net Position.....	46
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	47
Statement of Cash Flows .....	48
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position.....	52
Statement of Changes in Fiduciary Net Position .....	53
<u>Notes to the Financial Statements</u> .....	55
<b>Required Supplemental Information</b>	
<b>Managerial Funds</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:	
Cumulative Reserve Fund.....	116
Fire Pension Fund .....	117
Schedule of Proportionate Share of the Net Pension Liability PERS 1 .....	119
Schedule of Proportionate Share of the Net Pension Liability PERS 2/3 .....	119
Schedule of Proportionate Share of the Net Pension Liability LEOFF 1 .....	119
Schedule of Proportionate Share of the Net Pension Liability LEOFF 2.....	119
Schedule of Employer Contributions PERS 1 .....	121
Schedule of Employer Contributions PERS 2/3 .....	121
Schedule of Employer Contributions LEOFF 2 .....	121

Schedule of Changes in Total Pension Liability and Related Ratios..... 122  
 Schedule of Changes in Total OPEB Liability and Related Ratios..... 123

Page

**Combining and Individual Fund Financial Statements and Schedules**

**Non-Major Government Funds:**

Combining Balance Sheet..... 126  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 127

**Non-Major Special Revenue Funds:**

Combining Balance Sheet..... 130  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 132  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:  
     Arterial Street Preservation Special Revenue Fund..... 134  
     Business Improvement Area Special Revenue Fund ..... 135  
     Drug Forfeiture Special Revenue Fund..... 136  
     Hotel/Motel Tax Special Revenue Fund ..... 137  
     Housing & Community Development Special Revenue Fund ..... 138  
     Local Street Special Revenue Fund..... 139  
     Mitigation Fees Special Revenue Fund..... 140  
     Recreation Trails Special Revenue Fund..... 141

**Non-Major Debt Service Funds:**

Combining Balance Sheet..... 144  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 145

**Capital Project Funds:**

Combining Balance Sheet..... 148  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance ..... 149

**Permanent Fund:**

Balance Sheet ..... 152  
 Statement of Revenues, Expenditures and Changes in Fund Balance ..... 153

**Non-Major Enterprise Funds:**

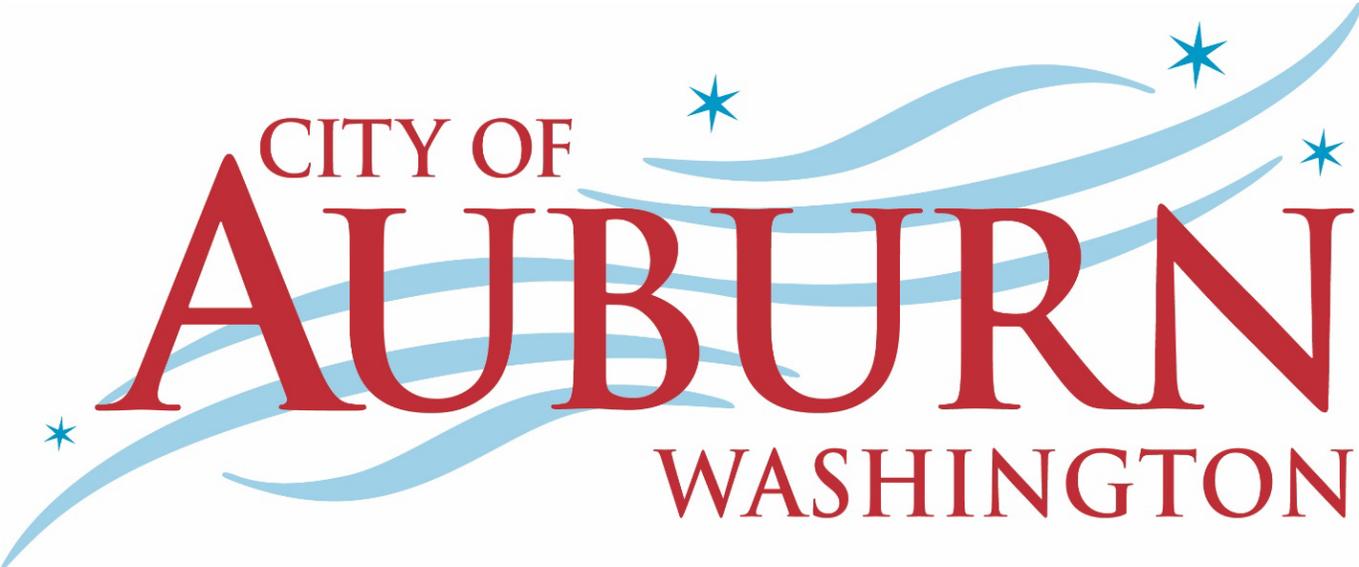
Combining Statement of Net Position ..... 156  
 Combining Statement of Revenues, Expenses, and Changes in Net Position..... 157  
 Combining Statement of Cash Flows ..... 158

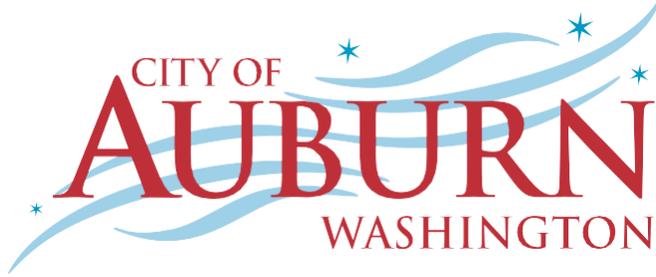
**Internal Service Funds:**

Combining Statement of Net Position ..... 162  
 Combining Statement of Revenues, Expenses, and Changes in Net Position..... 163  
 Combining Statement of Cash Flows ..... 164

**iii. STATISTICAL SECTION**

	<u>Schedule</u>	<u>Page</u>
Net Position by Components .....	1	168
Changes in Net Positions .....	2	169
Fund Balances, Government Funds .....	3	170
Changes in Fund Balances, Government Funds .....	4	171
Tax Revenues by Source, Government Funds .....	5	172
Assessed Value by Type .....	6	173
Property Tax Data .....	7	174
Property Tax Levies and Collections .....	8	176
Principal Taxpayers – Property Taxes .....	9	177
Retail Tax Collections by Sector .....	10	178
Ratios of Outstanding Debt by Type .....	11	179
Computation of Legal Debt Margin .....	12	180
Legal Debt Margin Ratios .....	13	180
Computation of Net Direct and Estimated Overlapping Debt .....	14	181
Ratios of Net General Bonded Debt to Assessed Value .....	15	182
Pledged Revenue Bond Coverages .....	16	183
Population, Income and Housing Trends .....	17	184
Major Employers .....	18	185
Staffing Levels by Department .....	19	186
Operating Indicators by Department .....	20	187
Capital Asset Indicators by Department .....	21	188
Utility Customers by Customer Class .....	22	189





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



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## AUBURN CITY COUNCIL

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Larry Brown  
Deputy Mayor  
Serving since 2018



Clinton Taylor  
Serving since 2024



Hanan Amer  
Serving since 2024



Kate Baldwin  
Serving since 2021



Tracy Taylor  
Serving since 2024



Cheryl Rakes  
Serving since 2023



Yolanda Trout-Manuel  
Serving since 2014

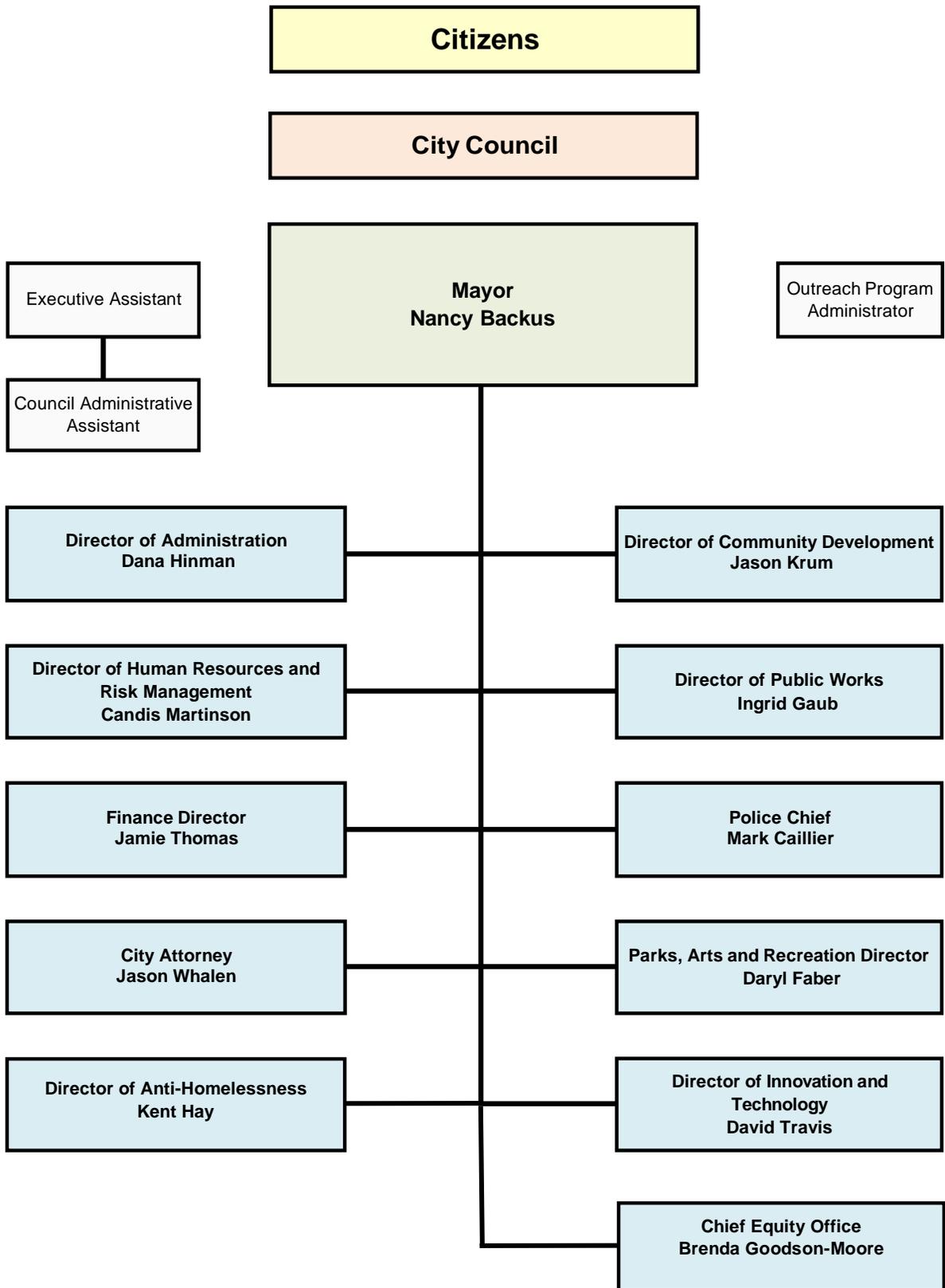
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## DEPARTMENT DIRECTORS

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Administration | Dana Hinman  
Anti-Homelessness | Kent Hay  
Chief Equity Office | Brenda Goodson-Moore  
City Attorney | Jason Whalen  
Community Development | Jason Krum  
Finance | Jamie Thomas

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



September 23, 2024

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, 2023. 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, 2023. 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 2022 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 88,750 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 2023, Auburn was providing approximately 43,916 jobs with an unemployment rate of 3.9%. By the end of 2023 the unemployment rate had subsided to 3.8%, which is below both the national and state figures.

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 1,500 people.

The City's total assessed property valuation has increased by 130% in 10 years from \$7.4 billion in 2014 to \$17.5 billion in 2023. 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 \$2.17 per 1,000 in assessed valuation in 2014 to \$1.39 per 1,000 in assessed valuation in 2023.

Sales tax revenue, excluding criminal justice and annexation sales tax credits, increased by \$3.0 million (11.5%) from 2022 to 2023, making 2023 the third year in a row for strong sales tax collections, largely due to pent up demand and inflationary costs. Sales tax revenue constitutes about 21% of total General Fund revenue. While the local economy is generally favorable, the City remains vigilant in its management of expenses to ensure it lives within its means, particularly with the uncertainties related to concerns of an impending recession.

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.

## **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 on the exemption amounts and the number of units available in return for the exemption:

Year	Number of Exempted Units	Property Tax Abated
2023	481	\$146,190
2022	481	148,754
2021	255	77,838
2020	255	80,734
2019	255	81,414

A use tax exemption was established for 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 2023 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 2023. 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, 2022. This was the thirty-seventh 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, 2022

*Christopher P. Morill*

Executive Director/CEO



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

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

Mayor and City Council  
City of 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, 2023, 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, 2023, 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.

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

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

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

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

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

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

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

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Supplementary Information**

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

### **Other Information**

The other information comprises Introductory and Statistical 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 September 23, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 23, 2024

## 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 \$866.5 million, an increase of \$42.7 million or 5.2%. Of this, a total of \$596.5 million, or 68.8% 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 \$7.1 million of net position is restricted for purposes of endowment and debt service. Of the remaining \$262.9 million of net position, \$36.9 million is legally restricted, restricted by City policy for specific purposes, or is restricted for use by the City's utilities. \$20.5 million in net pension assets are restricted, as required by GASB 68, and the remaining \$205.5 million is unrestricted.
- The net increase in government-wide net position during 2023 was \$42.7 million. City-owned net investment in capital assets decreased by \$5.7 million, restricted net position decreased by \$2.6 million, and unrestricted net position increased by \$51.6 million.
- Business-type net position increased by \$9.9 million to \$316.8 million during 2023 mainly due to increase in unrestricted net position.
- Governmental fund balances at year-end totaled \$131.5 million. Of this amount, \$66.0 million, or 50.0%, is unassigned and available to fund ongoing activities. Compared to 2022, total governmental fund balances increased by \$25.9 million, most of which is accounted for in unassigned fund balance. This increase reflects a couple of changes in major revenue streams in 2023 including: the first full year of business and occupation tax collection, investment earnings related to several new purchases to take advantage of high mid-term rates, and increased collection of fines and penalties related to the newly implemented school zone speed cameras.
- Total City debt payments during the year, less compensated absences, lease liabilities, subscription liabilities, pension liabilities, and other post-employment benefits, were \$4.0 million. Long-term liabilities totaled \$88.4 million at December 31, 2023. The ending long-term liabilities saw a decrease of \$1.4 million from 2022. While the City retired \$3.2 million of bond principal, and a net reduction of post-employment liabilities of \$1.6 million, the City also added \$2.4 million of loans. New in 2023, the City recognized \$4.1 million of subscription liability as required by GASB Statement No. 96, further offsetting the net decrease in ending long-term liabilities. See note 7 for further information on long-term liability activity during the year.

## 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 eighteen 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 42 through 44 and pages 116 through 117. 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".

## 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 2022 to 2023 show an increase in total net position of \$42.5 million or 5.2%. Following is a condensed version of the government-wide statement of net position with a comparison to 2022:

	Governmental Activities		Business-Type Activities		Total	
	As of 12/31/2022	As of 12/31/2023	As of 12/31/2022	As of 12/31/2023	As of 12/31/2022	As of 12/31/2023
Current and other assets	\$ 203,344,990	\$ 225,562,297	\$ 97,171,469	\$ 103,163,738	\$ 300,516,460	\$ 328,726,036
Capital asset, net of accumulated Depreciation	399,916,214	398,590,841	265,455,402	263,095,510	665,371,617	661,686,351
Total Assets	603,261,205	624,153,138	362,626,872	366,259,249	965,888,076	990,412,387
Deferred Outflows of Resources	12,388,774	12,668,302	2,633,739	2,403,397	15,022,513	15,071,698
Long-term liabilities	56,399,820	55,974,971	33,458,454	32,469,957	89,858,274	88,444,928
Other Liabilities	29,139,508	21,211,763	14,920,595	10,598,746	44,060,104	31,810,509
Total Liabilities	85,539,328	77,186,734	48,379,049	43,068,703	133,918,377	120,255,437
Deferred Inflows of Resources	13,149,680	9,864,678	10,043,516	8,828,523	23,193,196	18,693,201
Net Position						
Net Investment in Capital Assets	371,760,695	368,081,520	230,412,108	228,381,433	602,172,802	596,462,953
Restricted:						
Capital Projects	37,643,124	33,556,101	-	-	37,643,124	33,556,101
Central Business District Development	133,695	-	-	-	133,695	-
Community Development Block Grant Program	42,904	42,904	-	-	42,904	42,904
Debt Service	1,702	-	4,587,015	4,994,288	4,588,717	4,994,288
Drug Investigation and Enforcement	1,116,248	908,127	-	-	1,116,248	908,127
Nonexpendable Permanent Endowment	2,070,671	2,151,308	-	-	2,070,671	2,151,308
Opioid Settlement	-	72,471	-	-	-	72,471
Firemen's Relief and Pension Plan	-	1,870,328	-	-	-	1,870,328
Pension Asset	18,676,810	17,782,274	2,532,355	2,709,512	21,209,165	20,491,786
Rate Stabilization	-	-	438,483	-	438,483	-
Tourist Promotion	464,299	506,580	-	-	464,299	506,580
Unrestricted	85,050,823	124,798,415	68,868,084	80,680,187	153,918,907	205,478,602
Total Net Position	\$ 516,960,971	\$ 549,770,028	\$ 306,838,045	\$ 316,765,420	\$ 823,799,016	\$ 866,535,448

The largest component of the City's net position, \$596.5 million or 68.8%, is its net investment in capital assets. This balance is broken down by governmental activities (\$368.1 million) and business type activities (\$228.4 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 decreased by \$5.7 million over 2022. 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, \$205.5 million. This balance is broken down by: governmental activities (\$124.8 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 (\$80.7 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 \$56.9 million and is restricted for purposes such as contractual obligations on capital project construction, revenue sources with external restrictions, debt service, drug investigation and enforcement, pension assets, firemen's relief and pension plan 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 \$42.7 million over 2022.

- Governmental activities contributed \$32.8 million to the total increase in City net position. The largest factor in this increase was the introduction of the City's Business and Occupation tax in 2022, which produced \$7.5 million of increase in revenue compared to 2022. Furthermore, increases in certain revenue sources, particularly charges for service and investment earnings resulted in a revenue increase of \$13.4 million over 2022. Governmental expenditures increased by \$8.9 million over the same period.
- Governmental activity expenses had a net increase of \$8.9 million compared to 2022. A significant factor was increases in regular operations and services, most of which were attributed to professional services, salary, and benefit costs.
- Business-type net position totaled \$316.8 million, an increase of \$9.9 million (3.2%) over 2022. Business-type revenue increased by \$9.4 million; charges for services saw an increase of \$7.9 million, largely due to higher service fees related to a renewed contract with the City's solid waste hauler. Conversely, capital grants and contributions decreased by \$1.7 million from 2022 as a result of lower contributions from external developers. Business-type expenses increased by \$6.1 million, with approximately \$5.8 million attributable to increased maintenance and operation costs related to utility funds – driven mostly by increases in salaries and wages and professional services and supply costs.

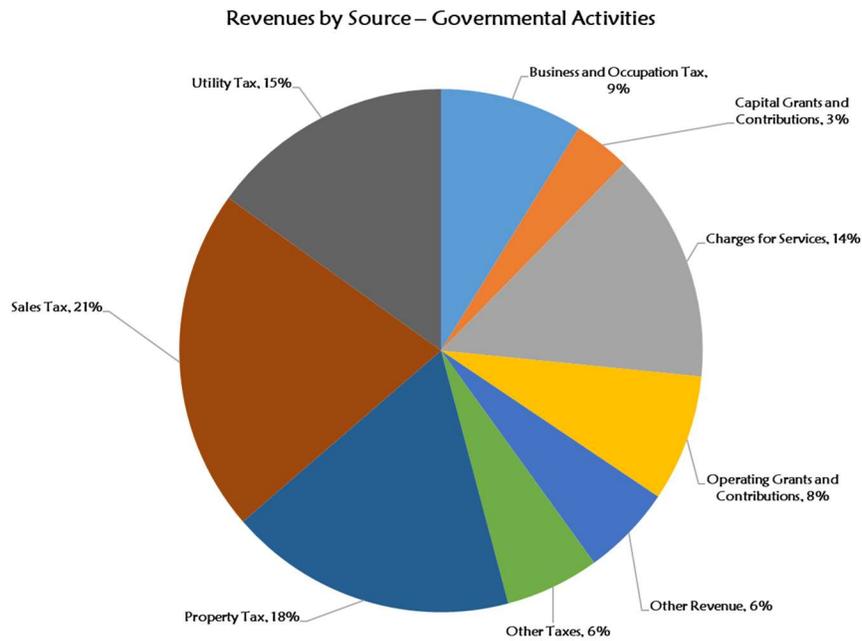
The following table on the next page is a condensed version of the City's changes in net position. The table shows the revenues, expenditures and related changes in net position for both governmental-type and business-type activities:

**CHANGES IN NET POSITION**  
**Comparative Analysis of 2023 and 2022**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 19,703,591	\$ 12,467,659	\$ 92,817,104	\$ 84,871,076	\$ 112,520,695	\$ 97,338,735
Operating grants and contributions	10,836,967	7,398,845	-	-	10,836,967	7,398,845
Capital grants and contributions	4,831,617	8,644,981	2,102,419	3,847,367	6,934,036	12,492,348
<b>General revenues</b>						
Property taxes	24,597,118	24,635,089	-	-	24,597,118	24,635,089
Sales taxes	29,372,547	26,295,124	-	-	29,372,547	26,295,124
Interfund utility taxes	7,771,366	6,396,937	-	-	7,771,366	6,396,937
Admission & utility taxes	13,071,264	9,532,991	-	-	13,071,264	9,532,991
Excise taxes	3,584,905	6,110,151	-	-	3,584,905	6,110,151
Business and Occupation	12,198,944	4,664,551	-	-	12,198,944	4,664,551
Other taxes	4,445,514	4,635,655	-	-	4,445,514	4,635,655
Investment earnings	6,969,307	815,061	3,937,300	1,068,685	10,906,607	1,883,746
Miscellaneous revenue	799,586	1,789,159	1,547,056	1,194,771	2,346,642	2,983,930
Total revenues	138,182,725	113,386,203	100,403,879	90,981,899	238,586,604	204,368,102
<b>Expenses:</b>						
General government	17,796,126	14,735,664	-	-	17,796,126	14,735,664
Public safety	38,871,123	38,402,492	-	-	38,871,123	38,402,492
Transportation	19,075,820	18,517,806	-	-	19,075,820	18,517,806
Physical environment	4,631,448	3,597,960	-	-	4,631,448	3,597,960
Culture and recreation	16,735,629	14,800,322	-	-	16,735,629	14,800,322
Economic environment	5,251,455	4,662,845	-	-	5,251,455	4,662,845
Health and human services	3,432,638	2,179,401	-	-	3,432,638	2,179,401
Interest on long-term debt	731,092	677,414	-	-	731,092	677,414
Water	-	-	16,397,394	14,094,553	16,397,394	14,094,553
Sanitary sewer	-	-	28,014,709	28,481,203	28,014,709	28,481,203
Storm drainage	-	-	11,424,247	10,370,729	11,424,247	10,370,729
Solid waste	-	-	29,377,682	26,457,098	29,377,682	26,457,098
Airport	-	-	2,317,741	-	2,317,741	-
Other business-type activities	-	-	1,793,070	3,754,361	1,793,070	3,754,361
Total expenses	106,525,331	97,573,904	89,324,843	83,157,944	195,850,174	180,731,848
Increase in net position before transfers	31,657,395	15,812,299	11,079,035	7,823,955	42,736,430	23,636,254
Transfers	1,151,660	304,449	(1,151,660)	(304,449)	-	-
Change in net position	32,809,055	16,116,748	9,927,375	7,519,506	42,736,430	23,636,254
Net Position, January 1, as Previously Reported	516,960,973	500,844,225	306,838,045	299,318,539	823,799,018	800,162,764
Net position, December 31	\$ 549,770,028	\$ 516,960,973	\$ 316,765,420	\$ 306,838,045	\$ 866,535,448	\$ 823,799,018

### Governmental Activities

The chart below summarizes the governmental activity revenue, by source.

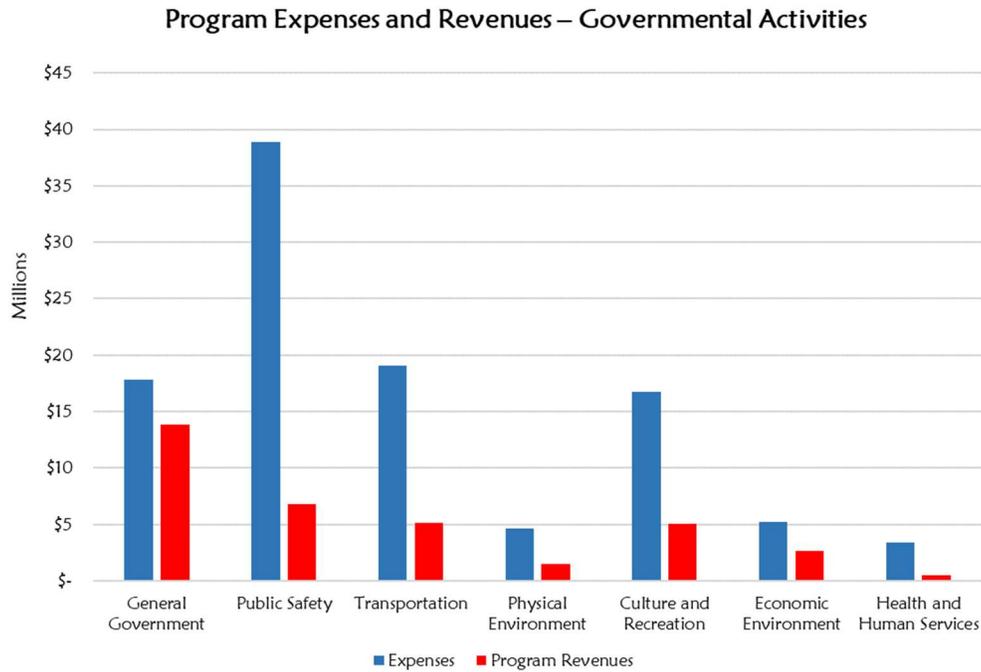


The City’s most significant Governmental Revenue sources are taxes (69%), charges for services (14%), and grants and contributions (11%). Overall, the City’s governmental revenue exhibits an increase of \$24.8 million or 21.9% over 2022. Governmental charges for service revenue increased by \$7.2 million, due primarily to increased revenue associated with parking infractions, support services, excavation permits, law enforcement services, fines and forfeitures, business licenses and permit charges. Additionally, increase in excess revenue over expenses related to internal service fund activity, has a had a positive impact on the government-wide revenues associated with governmental activities. B&O tax and investment earnings increased respectively by \$7.5 and \$6.2 million. Offsetting these revenue increases was a decrease in excise taxes of \$2.5 million, and a decrease of \$3.8 million in capital grants and contributions.

General tax revenues increased by 15.5% to \$95.0 million between 2022 and 2023:

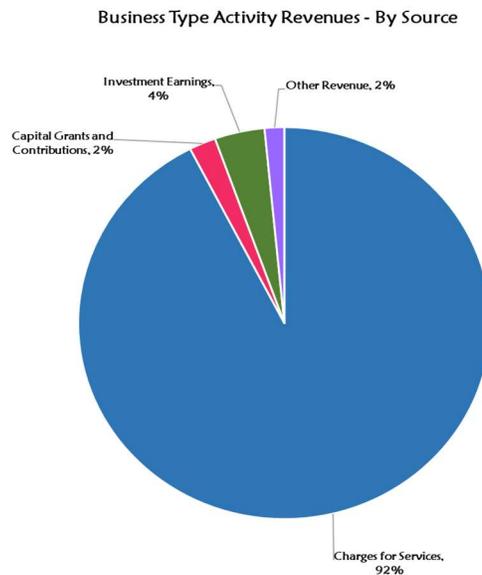
- Business and occupation tax increased by \$7.5 million or 61.5% due to 2023 being the first full year of collections and business outreach and enforcement.
- Utility and admission tax revenue increased by \$3.5 million or 37.1% due to an increase in Solid Waste Utility tax collections, increased private utility tax collections for electric, and collection of water/sewer/storm tax for external agencies provided service inside the City of Auburn city limits.
- Sales tax collections increased \$3.0 million or 11.7%, due largely to continued demand and inflation in the automobile sales and services sectors.
- Interfund utility tax revenue saw an increase of \$1.4 million or 21.5% due to increased user rates in the utility funds.
- Property tax revenue decreased \$0.04 million or 0.2%. Property tax increases are limited, by State law, to 1% each year. This small decrease reflects the timing of collections.
- Excise tax revenue decreased by \$2.5 million or 41.3%. The majority of this is Real Estate Excise Tax (REET), which is an excise tax that the City receives on the sale of real property within the City limits of Auburn. Although home values remain high, increasing interest rates in 2023 led to fewer sales in 2023 over 2022.

The chart below 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.



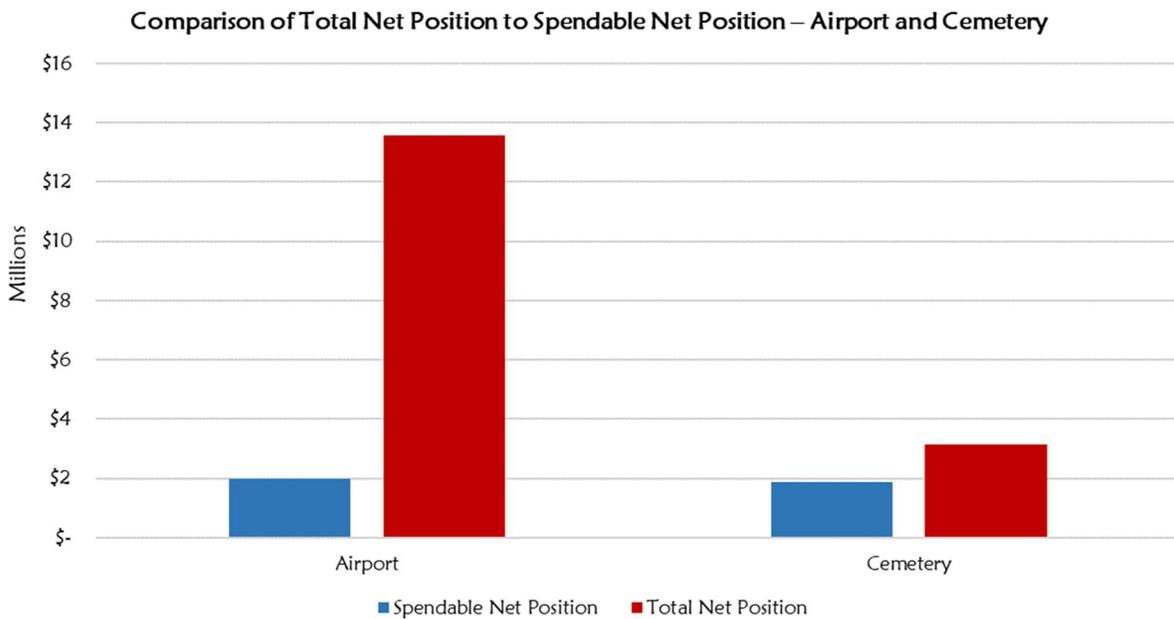
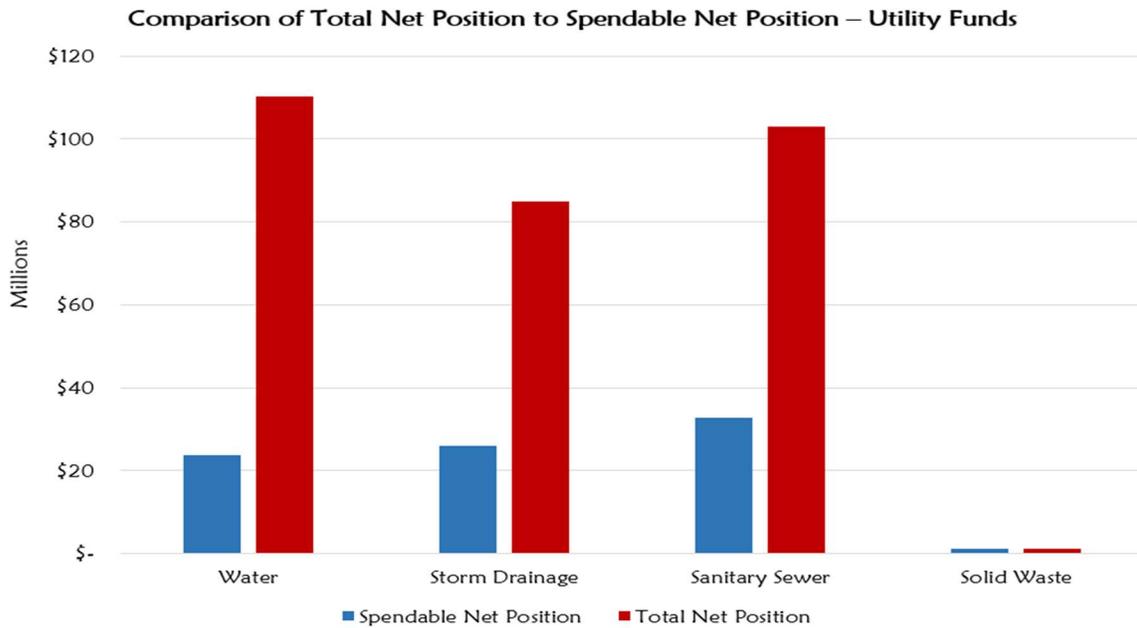
### Business-Type Activities

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

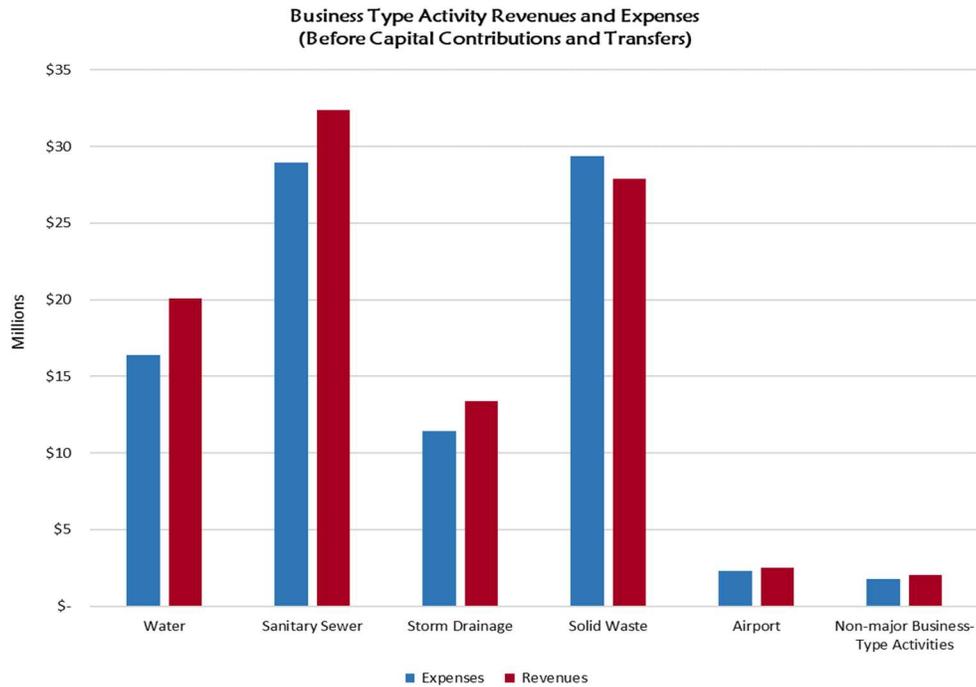


The most significant revenue source is charges for services (\$92.8 million in 2023). Revenue is collected into these funds via user fees and consumption charges. Rates for these fees are established taking into consideration the ongoing maintenance and operating costs for the systems they support, as 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 (\$2.1 million in 2023) to help fund infrastructure projects.

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

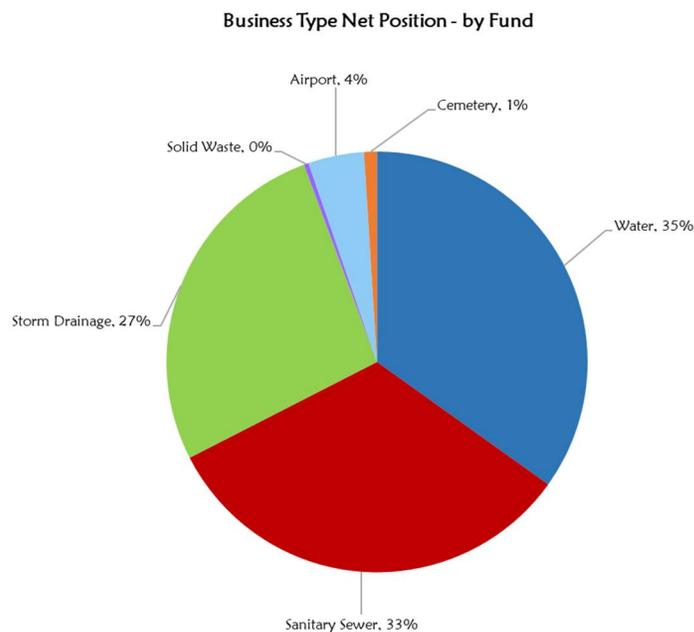


The following chart shows how each utility fund program revenue and expenses compare:



Generally, revenue collected from user fees of the City’s utility systems exceed expenses. In 2023 there was one exception which was the Solid Waste fund. In order to mitigate rate increases for solid waste services in 2022 and 2023, a portion of the accumulated fund balance was used. Therefore, a full cost recovery model was intentionally not in effect for 2022 and 2023.

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, 2023, the City’s governmental funds had combined fund balances of \$131.5 million, an increase of \$25.9 million or 24.6% over the previous year. This change was primarily a result of changes in fund balances in the City’s general fund (\$20.3 million).

The following table shows the changes in fund balance between 2022 and 2023:

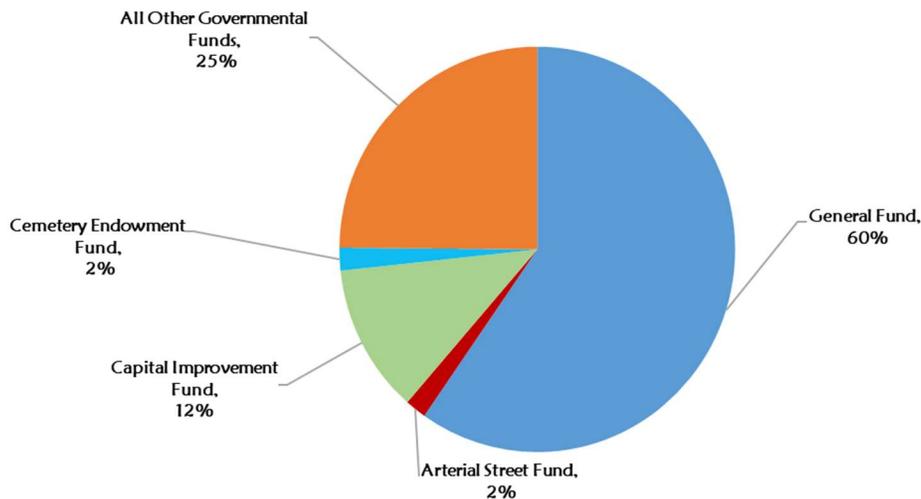
**Changes in Fund Balance - By Fund**

	<b>2023</b>	<b>2022</b>	<b>Difference</b>
General Fund	\$ 78,479,689	\$ 58,171,880	\$ 20,307,809
Arterial Street fund	2,279,131	2,350,156	(71,025)
Capital Improvements Fund	15,669,290	16,134,370	(465,080)
Cemetery Endowment Fund	2,390,209	2,201,305	188,904
All Other Governmental Funds	32,693,951	26,707,801	5,986,150
<b>Total</b>	<b>\$ 131,512,270</b>	<b>\$ 105,565,513</b>	<b>\$ 25,946,758</b>

Of the government funds’ total fund balances, \$66 million is unassigned. Nonspendable, restricted, committed and assigned fund balances account for the remaining \$65.5 million. Of this, \$17.7 million is restricted, committed or assigned for capital projects, \$32.4 million is in special revenue funds that are restricted, committed, or assigned for specific purposes and \$2.2 million is nonspendable principal balances in endowment fund (permanent fund).

The following chart shows how the total \$131.5 million governmental fund balances are allocated, by relative fund:

**Governmental Funds - Fund Balance**



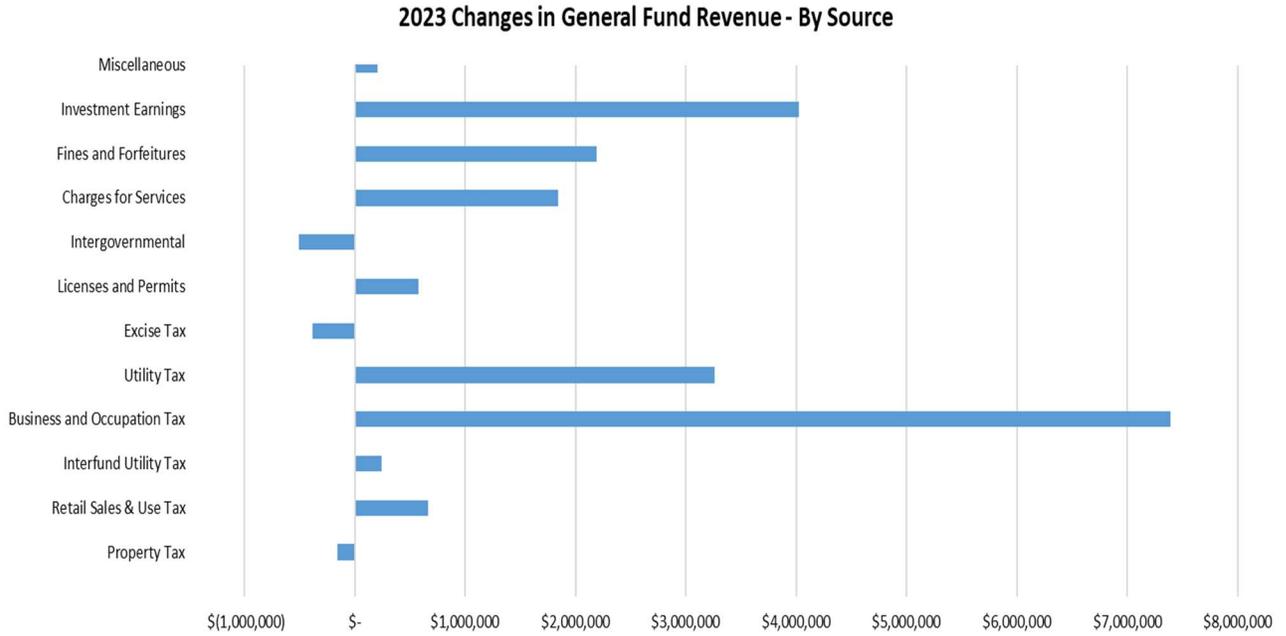
The General Fund is the primary operating fund of the City, which accounts for 59.7% of all governmental fund balances. All receipts and payments of ordinary City operations are processed through it unless they are required to be accounted for in another fund.

At the end of 2023, the general fund had a fund balance of \$78.5 million, \$12.4 million of which is assigned or restricted, and \$66.0 million is unassigned. This increase of \$20.3 million in fund balance over 2022 is attributed to revenue increases by approximately \$19.3 million; at the same time, expenditures only increased by about \$8.6 million over 2022. The most significant contributors to the increase in the City’s general fund growth between 2022 and 2023 were:

- Business and Occupation tax \$ 7.4 million
- Investment Earnings 4.0 million
- Utility tax 3.3 million

Other funds that had significant fund balances include:

- \$2.3 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) .1% sales tax, and impact mitigation fees.
- \$15.7 million in the Capital Improvement fund, used for various governmental capital asset projects. The fund balance increased by \$2.1 million due to the collection of Real Estate Excise Tax that exceeds capital spending.
- \$35 million in all other government funds:
  - \$16.4 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 increased by \$0.5 million between 2022 and 2023 due to lower collections of developer impact fees, but consistent levels of capital spending compared to 2022.
  - The remaining \$18.6 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 \$5.1 million largely due to lower-than-expected spending on street projects.
- General fund revenue increased by \$19.3 million, sources of which are shown in the chart below. Property taxes decreased by \$0.2 million, and excise taxes decreased by \$0.4 million from 2022. Over the same period, utility tax increased by \$3.3 million, and B&O tax increased by \$7.4 million. Sales tax and interfund utility tax increased by \$0.9. Intergovernmental revenues declined by \$0.5 million. However, licenses and permits increased by \$0.6 million, charges for services increased by \$1.8 million, fines & forfeitures increased by \$2.2 million, investment earnings increased by \$4.0 million and miscellaneous revenues increased by \$0.2 million.



**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 \$98.1 million to \$107.9 million. Significant changes include transfers associated with ARPA funding, carry forward items from 2022 for professional services and miscellaneous expenses.

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

- Actual General Fund revenues totaled \$117.0 million, or 19.6% above budget. Significant areas of favorable variance include business and occupation tax, which exceeded budget by \$6.4 million; sales and use taxes, which exceeded budget by \$3.5 million; investment earnings, which were \$1.9 million higher than the budget; fines and forfeitures, which were \$2.1 above the budget; and utility taxes, which were \$2.4 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 utility taxes, which were \$0.7 million below budget due to the City no longer applying this tax to the pass-through King County Metro sewerage charges, and excise taxes, which were \$43,950 under budget. Intergovernmental revenues were \$63,944 below budget.
- Actual general fund expenditures, including transfers out, totaled \$97.0 million and were under budget by \$10.8 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 large amounts of 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, 2023, totaled \$661.7 million (net of accumulated depreciation), an decrease of \$7.8 million from 2022. 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:

- Land acquisition from MultiCare Health System resulted in an increase of \$2.4 million in assets associated with governmental activities.
- \$1.0 million of net increase in various construction projects related to governmental activities.
- Net decrease of \$1.8 million in the book value of the governmental buildings is mainly the result of asset disposal by \$0.4 million and \$1.5 of depreciation.
- \$1.9 million of increase in the book value of the governmental machinery and equipment is primarily due to addition of new equipment by \$4.2 million and the period depreciation of \$2.2 million.
- Net decrease of \$8.5 in the book value of governmental infrastructure is comprised of \$15.9 million for depreciation, \$0.8 million of developer contributions, and \$6.6 million of costs related to street preservation and improvement projects.
- \$4.7 million was spent by proprietary funds on construction projects and \$7.0 million of completed projects was added to the cost of improvements during the year.

A summary of the City's capital assets follows:

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

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/2023	As of 12/31/2022	As of 12/31/2023	As of 12/31/2022	As of 12/31/2023	As of 12/31/2022
Land	110,906,160	\$ 108,373,419	\$ 13,177,445	\$ 13,177,445	\$ 124,083,605	\$ 121,550,864
Construction in progress	10,027,639	9,027,389	6,371,353	8,775,228	16,398,992	17,802,617
Buildings	44,130,932	45,984,472	1,381,726	1,481,293	45,512,658	47,465,765
Improvements other than buildings	9,418,951	9,830,266	232,310,805	233,074,401	241,729,756	242,904,667
Machinery and equipment	11,445,145	9,559,829	160,603	188,261	11,605,749	9,748,090
Intangibles	499,523	504,458	9,693,578	8,758,773	10,193,101	9,263,231
Infrastructure	203,535,801	212,001,017	-	-	203,535,801	212,001,017
Lease Assets	4,332,770	4,635,368	-	-	4,332,770	4,635,368
Subscription Assets	4,293,919	4,079,690	-	-	4,293,919	4,079,690
	<u>\$ 398,590,841</u>	<u>\$ 403,995,907</u>	<u>\$ 263,095,510</u>	<u>\$ 265,455,401</u>	<u>\$ 661,686,351</u>	<u>\$ 669,451,309</u>

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

### Long-term Debt

At the end of the current fiscal year, the City had total net bonded debt outstanding of \$57.5 million. Of this amount, \$15.2 million is due to other governments, \$16.8 million is general obligation bonds, and \$25.5 million is revenue bonds for the water, sewer and storm utilities. The City currently maintains a rating of AA+ with Standard & Poor's for its general obligation debt.

The following schedule summarizes the City’s bonded debt:

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 16,808,476	\$ -	\$ 16,808,476
Revenue bonds	-	25,540,000	25,540,000
Due to other governments	15,193,659	-	15,193,659
	<u>\$ 32,002,135</u>	<u>\$ 25,540,000</u>	<u>\$ 57,542,135</u>

In addition, the City has an outstanding \$7.3 million in non-bonded long-term debt with 7 separate Public Works Trust Fund and Drinking Water Loans.

Washington State law limits the amount of general obligation debt a governmental entity may issue to 7.5% of its total assessed value. Of the 7.5% limit, 2.5% is for general purposes, 2.5% is for open spaces/parks, and 2.5% is for utilities. Non-voted (limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 7.5% of assessed valuation. Additional information can be found in note 7 and in the statistical section of this report.

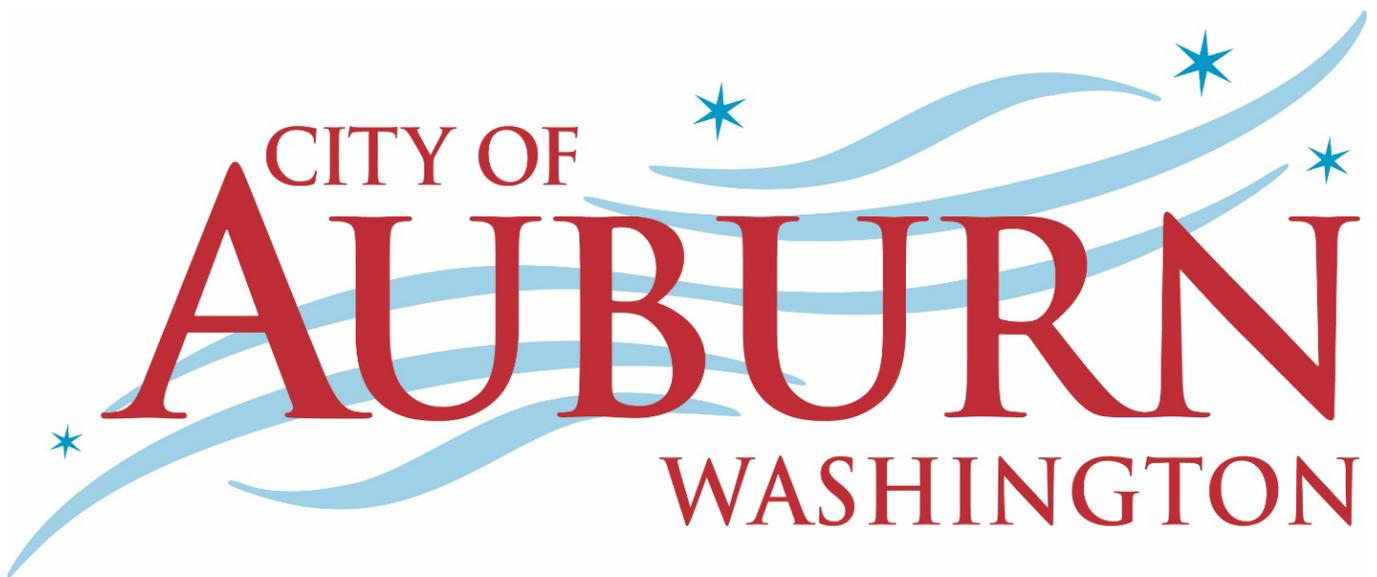
**Economic Factors**

The past year realized small growth over 2022. 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 strong sales and use tax revenue collections. Building permit activity and developer investments showed a decline for the second year in row in 2023 and may indicate future economic slowing. Real property values, which had finally recovered to pre-recession levels by 2016, continued to grow and assessed valuation grew an additional 2% in 2023.

While economic recovery remained consistent in 2023 following a moderate 2022 and strong 2021, 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 2023 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

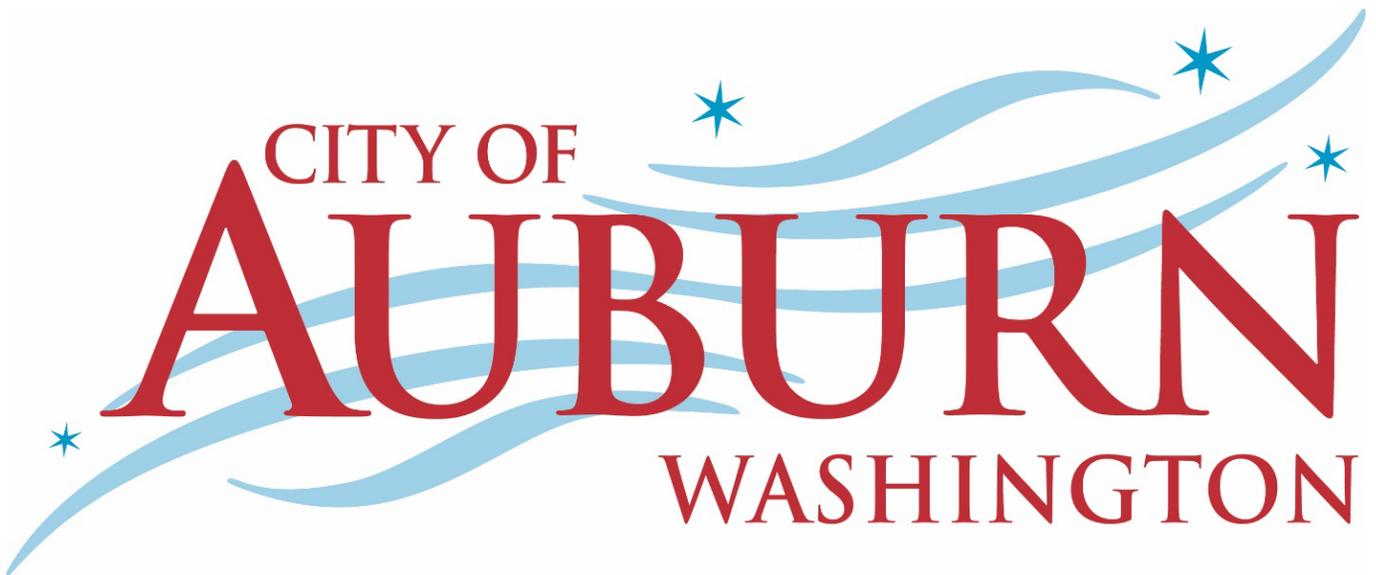
The City presents two government-wide financial statements.

### **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, 2023

Primary Government

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 74,450,946	\$ 40,377,294	\$ 114,828,240
Investments	49,127,500	34,700,350	83,827,850
Receivables:			
Taxes	986,344	-	986,344
Customer Accounts	3,201,979	8,976,408	12,178,387
Other Receivables	6,684,564	482,399	7,166,963
Due From Other Governmental Unit	3,834,797	698,692	4,533,489
Internal Balances	(602,020)	602,020	-
Materials and Supplies Inventory	552,155	428,673	980,828
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	21,496,393	6,723,991	28,220,384
Due From Other Governmental Units	1,696,583	-	1,696,583
Permanently Restricted:			
Cash and Cash Equivalents	2,151,308	-	2,151,308
Long-Term Contracts, Leases and Notes	3,839,611	7,464,399	11,304,010
Net Pension Asset	17,782,274	2,709,512	20,491,786
Investment in Joint Ventures	40,359,864	-	40,359,864
Depreciable Assets (Net of Accumulated Depreciation)	277,657,042	233,853,133	511,510,175
Non-Depreciable Assets	120,933,799	29,242,377	150,176,176
<b>Total Assets</b>	<u>624,153,138</u>	<u>366,259,249</u>	<u>990,412,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows from Bond Refunding	485,353	142,317	627,669
Deferred Outflows Related to Pensions	12,182,949	2,261,080	14,444,029
<b>Total Deferred Outflows of Resources</b>	<u>12,668,302</u>	<u>2,403,397</u>	<u>15,071,698</u>
<b>LIABILITIES:</b>			
Accounts Payable	7,419,740	3,716,574	11,136,315
Other Liabilities Payable	596,769	-	596,769
Payable From Restricted Assets:			
Accrued Interest	-	1,263,459	1,263,459
Deposits	-	302,741	302,741
Unearned Revenue	4,327,907	-	4,327,907
Net Pension Liability	2,190,148	1,808,514	3,998,662
Employee Leave Benefits-Compensated Absences			
Due Within One Year	3,167,538	715,232	3,882,770
Due in More Than One Year	1,072,998	242,285	1,315,283
Bonds and Other Debt Payable:			
Due Within One Year	1,364,693	2,792,226	4,156,919
Due in More Than One Year	21,096,907	32,227,672	53,324,579
Lease and SBITA Payable:			
Due Within One Year	948,709	-	948,709
Due in More Than One Year	7,584,365	-	7,584,365
Due to Other Governmental Units:			
Due Within One Year	723,258	-	723,258
Due in More Than One Year	14,470,401	-	14,470,401
Total OPEB Liability			
Due Within One Year	473,000	-	473,000
Due in More Than One Year	8,834,343	-	8,834,343
Other Non-Current Liabilities:			
Total Firemen's Pension Liability	2,915,957	-	2,915,957
<b>Total Liabilities</b>	<u>77,186,734</u>	<u>43,068,703</u>	<u>120,255,437</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Leases	3,656,505	6,970,678	10,627,183
Deferred Inflows Related to Pensions	6,208,173	1,857,845	8,066,018
<b>Total Deferred Inflows of Resources</b>	<u>9,864,678</u>	<u>8,828,523</u>	<u>18,693,201</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	368,081,520	228,381,433	596,462,953
Restricted:			
Capital Projects	33,556,101	-	33,556,101
Nonexpendable Permanent Endowment	2,151,308	-	2,151,308
Debt Service	-	4,994,288	4,994,288
Tourist Promotion	506,580	-	506,580
Drug Investigation and Enforcement	908,127	-	908,127
Community Development Block Grant Program	42,904	-	42,904
Pension Asset	17,782,274	2,709,512	20,491,786
Firemen's Relief and Pension Plan	1,870,328	-	1,870,328
Opioid Settlement	72,471	-	72,471
Unrestricted	124,798,415	80,680,187	205,478,602
<b>Total Net Position</b>	<u>\$ 549,770,028</u>	<u>\$ 316,765,420</u>	<u>\$ 866,535,448</u>

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

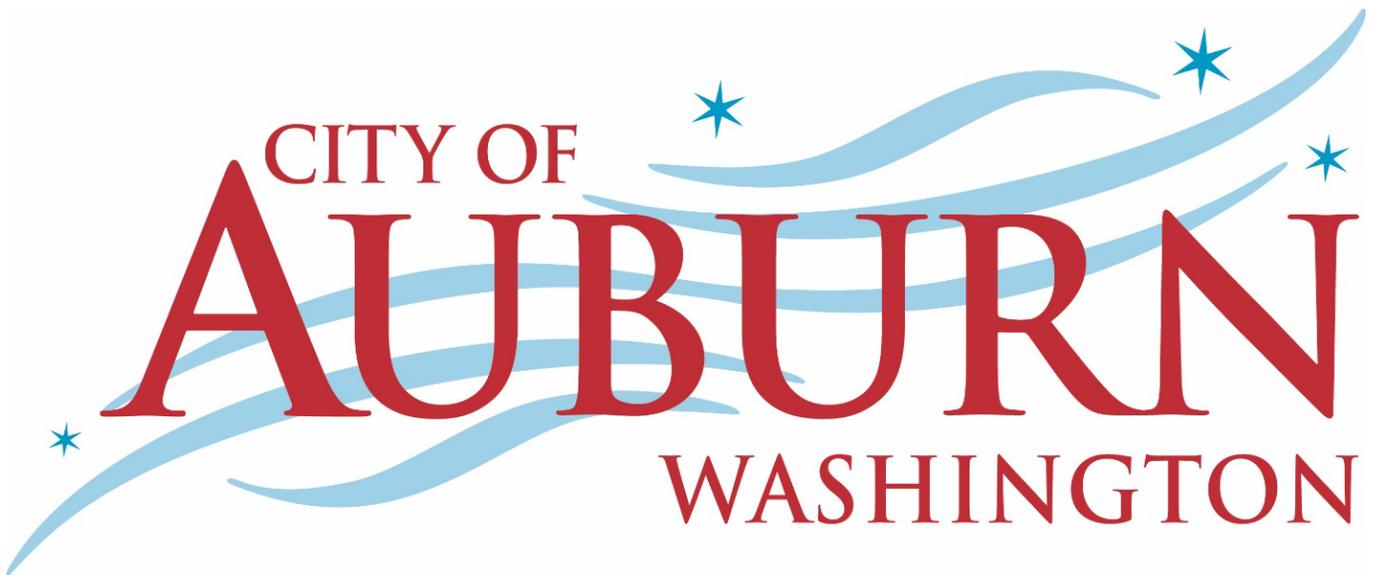
City of Auburn, Washington  
**STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2023

FUNCTIONS / PROGRAMS:	Expenses	Program Revenues		
		Charges for Services and Fines	Capital Grants and Contributions	Operating Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 17,796,126	\$ 6,240,133	\$ 47,241	\$ 7,572,942
Public Safety	38,871,123	4,118,030	194,950	2,446,638
Transportation	19,075,820	2,639,295	2,498,887	24,913
Physical Environment	4,631,448	587,681	863,692	-
Culture and Recreation	16,735,629	4,083,742	699,166	258,731
Economic Environment	5,251,455	2,034,710	45,159	533,743
Health and Human Services	3,432,638	-	482,522	-
Interest on Long-Term Debt	<u>731,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>106,525,331</u>	<u>19,703,591</u>	<u>4,831,617</u>	<u>10,836,967</u>
Business-Type Activities				
Water	16,397,394	18,588,136	1,037,088	-
Sewer	28,014,709	30,977,078	512,312	-
Storm	11,424,247	11,856,237	553,019	-
Solid Waste	29,377,682	27,564,658	-	-
Airport	2,317,741	1,856,427	-	-
Nonmajor Business-Type Activities	<u>1,793,070</u>	<u>1,974,568</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>89,324,843</u>	<u>92,817,104</u>	<u>2,102,419</u>	<u>-</u>
<b>Total Primary Government</b>	<b><u>\$ 195,850,174</u></b>	<b><u>\$ 112,520,695</u></b>	<b><u>\$ 6,934,036</u></b>	<b><u>\$ 10,836,967</u></b>
General Revenues:				
Taxes:				
Property				
Retail Sales & Use				
Interfund Utility				
Utility				
Excise				
Business and Occupation				
Other				
Investment Earnings				
Other Revenues				
Gain (Loss) on Sale of Capital Assets				
Contributions to Endowment Funds				
Transfers				
Total General Revenues				
Net Change in Net Position				
Net Position - January 1				
Net Position - December 31				

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,935,810)	\$ -	\$ (3,935,810)
(32,111,506)	-	(32,111,506)
(13,912,725)	-	(13,912,725)
(3,180,075)	-	(3,180,075)
(11,693,990)	-	(11,693,990)
(2,637,842)	-	(2,637,842)
(2,950,116)	-	(2,950,116)
<u>(731,092)</u>	<u>-</u>	<u>(731,092)</u>
<u>(71,153,157)</u>	<u>-</u>	<u>(71,153,157)</u>
-	3,227,830	3,227,830
-	3,474,681	3,474,681
-	985,009	985,009
-	(1,813,023)	(1,813,023)
-	(461,314)	(461,314)
-	<u>181,498</u>	<u>181,498</u>
-	<u>5,594,680</u>	<u>5,594,680</u>
<u>\$ (71,153,157)</u>	<u>\$ 5,594,680</u>	<u>\$ (65,558,477)</u>
\$ 24,597,118	\$ -	\$ 24,597,118
29,372,547	-	29,372,547
7,771,366	-	7,771,366
13,071,264	-	13,071,264
3,584,905	-	3,584,905
12,198,944	-	12,198,944
4,445,514	-	4,445,514
6,969,307	3,937,300	10,906,607
1,124,773	1,548,120	2,672,893
(405,824)	(1,064)	(406,888)
80,637	-	80,637
<u>1,151,660</u>	<u>(1,151,660)</u>	<u>-</u>
<u>103,962,211</u>	<u>4,332,696</u>	<u>108,294,907</u>
<u>32,809,055</u>	<u>9,927,375</u>	<u>42,736,430</u>
<u>516,960,973</u>	<u>306,838,045</u>	<u>823,799,018</u>
<u>\$ 549,770,028</u>	<u>\$ 316,765,420</u>	<u>\$ 866,535,448</u>



## 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**  
For the Year Ended December 31, 2023

	General Fund	American Rescue Plan	Arterial Street	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 27,948,421	\$ 4,218,477	\$ 2,455,706	\$ 10,395,357	\$ 34,344,619	\$ 79,362,579
Investments	44,305,800	-	-	4,821,700	-	49,127,500
Receivables:						
Customer Accounts	2,672,098	-	340,030	-	123,468	3,135,597
Other Receivables	6,581,913	-	-	2,049	52,513	6,636,475
Taxes	544,190	-	-	-	442,154	986,344
Interfund Receivable	450,000	-	-	-	-	450,000
Inventories	63,786	-	-	-	-	63,786
Long-Term Notes and Contracts	1,598,848	-	64,431	-	2,176,333	3,839,611
Due From Other Governmental Units	3,801,917	-	219,777	670,974	821,697	5,514,365
Total Assets	<u>87,966,973</u>	<u>4,218,477</u>	<u>3,079,944</u>	<u>15,890,081</u>	<u>37,960,783</u>	<u>149,116,257</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>						
Liabilities:						
Current Payables	4,197,219	-	691,383	220,790	290,542	5,399,934
Customer Deposits	131,769	-	-	-	-	131,769
Interfund Payable	-	-	-	-	450,000	450,000
Other Liabilities Payable	314,898	-	-	-	-	314,898
Unearned Revenue	-	4,218,477	109,431	-	-	4,327,907
Total Liabilities	<u>4,643,886</u>	<u>4,218,477</u>	<u>800,813</u>	<u>220,790</u>	<u>740,542</u>	<u>10,624,508</u>
Deferred Inflow of Resources:						
Unavailabe Revenues-Other	3,322,974	-	-	-	-	3,322,974
Deferred Inflows Related to Leases	1,520,424	-	-	-	2,136,081	3,656,505
Total Deferred Inflow of Resources	<u>4,843,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,136,081</u>	<u>6,979,479</u>
Fund Balance:						
Nonspendable	63,786	-	-	-	2,151,308	2,215,094
Restricted	1,942,799	-	2,279,131	14,807,858	17,926,724	36,956,512
Committed	-	-	-	-	11,778,743	11,778,743
Assigned	10,479,588	-	-	861,433	3,227,386	14,568,407
Unassigned	65,993,516	-	-	-	-	65,993,516
Total Fund Balance	<u>78,479,689</u>	<u>-</u>	<u>2,279,131</u>	<u>15,669,290</u>	<u>35,084,160</u>	<u>131,512,270</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 87,966,973</u>	<u>\$ 4,218,477</u>	<u>\$ 3,079,944</u>	<u>\$ 15,890,081</u>	<u>\$ 37,960,783</u>	<u>\$ 149,116,257</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, 2023

Total governmental fund balances as reported on this statement funds are included in governmental activities in the statement of net position.	\$ 131,512,270
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	385,772,261
Other non-current assets used in governmental activities not reported on fund financial statements	
Accrual receivables such as interest	9,094
Investment in joint venture	40,359,864
Net pension asset	<u>16,820,185</u>
	57,189,143
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	3,322,974
Accrued obligations not normally recorded in governmental funds	
Bonds and loans payable including bond premium	(22,461,600)
Compensated absences payable	(3,867,982)
Deferred amount on bond refunding	485,353
Due to other governments	(15,193,659)
Firemen's Pension Liability	(2,915,957)
Lease and subscription liability	(7,508,863)
Net deferred amounts related to pension	5,948,397
Net pension liability	(1,299,891)
OPEB liability	(9,307,343)
Other liabilities such as interest accruals	<u>(134,522)</u>
	(56,256,067)
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.	28,229,447
Net position of government activities as reported on the statement of net position	<u><u>\$ 549,770,028</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**  
**GOVERNMENTAL FUNDS**  
 For the Year Ended December 31, 2023

	General Fund	American Rescue Plan	Arterial Street	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes:						
Retail Sales & Use	\$ 26,708,818	\$ -	\$ -	\$ -	\$ 2,663,730	\$ 29,372,547
Property	24,202,184	-	-	-	317,749	24,519,933
Utility	11,126,882	-	-	-	1,944,382	13,071,264
Business and Occupation	12,051,586	-	-	-	-	12,051,586
Interfund Utility	6,018,177	-	-	-	1,753,189	7,771,366
Excise	495,864	-	-	2,905,778	183,262	3,584,905
Charges for Services	10,237,142	-	231,440	22,859	1,938,065	12,429,506
Fines and Forfeitures	2,578,194	-	-	-	155,692	2,733,886
Intergovernmental	6,705,822	6,002,286	1,629,408	777,652	852,965	15,968,133
Investment Earnings	3,909,134	-	93,986	764,021	1,505,608	6,272,749
Licenses and Permits	2,850,318	-	-	-	-	2,850,318
Miscellaneous	1,586,796	-	356,913	-	148,539	2,092,249
<b>Total Revenues</b>	<b>108,470,917</b>	<b>6,002,286</b>	<b>2,311,747</b>	<b>4,470,311</b>	<b>11,463,180</b>	<b>132,718,441</b>
<b>EXPENDITURES:</b>						
Current:						
Culture and Recreation	15,535,160	-	-	-	294	15,535,454
Economic Environment	4,532,902	-	-	-	964,733	5,497,635
General Government	17,410,720	-	-	-	-	17,410,720
Health and Human Services	3,292,302	-	-	-	-	3,292,302
Physical Environment	5,352,978	-	-	-	-	5,352,978
Security of Persons and Property	41,414,737	-	-	-	418,819	41,833,556
Transportation	4,371,856	-	3,238,244	-	1,944,329	9,554,428
Debt Service:						
Principal	582,993	-	197,376	-	1,122,733	1,903,102
Interest and Other Costs	152,118	-	7,969	-	755,232	915,318
Capital Outlay	3,640,041	-	-	4,468,927	740,165	8,849,133
<b>Total Expenditures</b>	<b>96,285,807</b>	<b>-</b>	<b>3,443,588</b>	<b>4,468,927</b>	<b>5,946,305</b>	<b>110,144,627</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,185,110	6,002,286	(1,131,841)	1,384	5,516,875	22,573,814
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of Debt	3,624,740	-	-	-	-	3,624,740
Insurance Recoveries	249,217	-	-	20,000	228,154	497,371
Sales of Capital Assets	10,000	-	-	-	-	10,000
Transfers In (Note 4)	6,294,747	-	1,060,816	755,901	2,260,204	10,371,667
Transfers Out (Note 4)	(2,056,005)	(6,002,286)	-	(1,242,365)	(1,830,179)	(11,130,834)
<b>Total Other Financing Sources (Uses)</b>	<b>8,122,699</b>	<b>(6,002,286)</b>	<b>1,060,816</b>	<b>(466,464)</b>	<b>658,179</b>	<b>3,372,944</b>
Net Change in Fund Balance	20,307,809	-	(71,025)	(465,080)	6,175,054	25,946,758
Fund Balance - Beginning	58,171,880	-	2,350,156	16,134,370	28,909,107	105,565,513
Fund Balance - Ending	\$ 78,479,689	\$ -	\$ 2,279,131	\$ 15,669,290	\$ 35,084,160	\$ 131,512,270

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**

December 31, 2023

Net change in governmental fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 25,946,758
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	8,849,133	
Health and human resources capital outlay	117,561	
Transportation capital outlay	4,924,116	
Depreciation expense not recorded in governmental funds	<u>(19,020,300)</u>	(5,129,490)
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.		(456,698)
Certain capital and joint venture activities that do not use or provide current financial resources but increase net position.		2,225,135
Debt proceeds are reported as financing sources in governmental funds and thus contribute to change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(3,624,740)
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	1,320,109	
Subscription liability	360,545	
Lease liability	<u>222,448</u>	1,903,102
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	147,358	
Interest receivable	(55,369)	
Other unavailable revenue	1,290,349	
Property taxes	<u>77,185</u>	1,649,949
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.		845,968
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	(6,199)	
Change in compensated absences payable	(145,330)	
Change in net pension liability or asset	4,361,238	
Change in OPEB liability	<u>1,648,814</u>	5,858,523
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.		3,590,547
Total Transition Entries		<u>6,862,297</u>
Net Position of Governmental Activities as reported on the statement of net position		<u>\$ 32,809,055</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, 2023

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Taxes:				
Business and Occupation	\$ 5,480,960	\$ 5,680,960	\$ 12,051,586	\$ 6,370,626
Excise	539,814	539,814	495,864	(43,950)
Interfund Utility	6,776,697	6,776,697	6,018,177	(758,520)
Property	24,016,247	24,016,247	24,202,184	185,937
Retail Sales & Use	23,235,763	23,235,763	26,708,818	3,473,055
Utility	8,764,647	8,764,647	11,126,882	2,362,235
Charges for Services	9,138,246	9,724,574	10,237,142	512,568
Fines and Forfeitures	422,975	422,975	2,578,194	2,155,219
Intergovernmental	6,162,537	6,655,531	6,591,587	(63,944)
Investment Earnings	366,700	366,700	2,280,644	1,913,944
Licenses and Permits	2,511,364	2,511,364	2,850,318	338,954
Miscellaneous	1,183,784	1,289,894	1,586,796	296,902
Total Revenues	<u>88,599,734</u>	<u>89,985,166</u>	<u>106,728,192</u>	<u>16,743,026</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	15,493,032	16,062,976	15,535,160	527,816
Economic Environment	4,552,809	5,645,097	4,532,902	1,112,195
General Government	19,303,028	19,789,328	17,410,720	2,378,608
Health and Human Services	3,696,680	5,164,408	3,292,302	1,872,106
Physical Environment	5,395,263	5,559,763	5,352,978	206,785
Security of Persons and Property	44,424,918	44,943,928	41,191,202	3,752,726
Transportation	4,634,919	4,727,719	4,371,856	355,863
Debt Service:				
Principal	-	-	582,993	(582,993)
Interest and Other Costs	-	-	152,118	(152,118)
Capital Outlay	10,000	144,900	3,640,041	(3,495,141)
Total Expenditures	<u>97,510,649</u>	<u>102,038,119</u>	<u>96,062,272</u>	<u>5,975,847</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(8,910,915)</u>	<u>(12,052,953)</u>	<u>10,665,920</u>	<u>22,718,873</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance Recoveries	25,000	136,900	249,217	112,317
Issuance of Debt	-	-	3,624,740	3,624,740
Sales of Capital Assets	-	-	10,000	10,000
Transfers In (Note 4)	2,565,692	7,703,978	6,432,311	(1,271,667)
Transfers Out (Note 4)	(632,700)	(5,835,588)	(951,550)	4,884,038
Total Other Financing Sources or Uses	<u>1,957,992</u>	<u>2,005,290</u>	<u>9,364,718</u>	<u>7,359,428</u>
Net Change in Fund Balance	<u>(6,952,923)</u>	<u>(10,047,663)</u>	<u>20,030,638</u>	<u>30,078,302</u>
Fund Balance - Beginning	<u>16,428,633</u>	<u>25,688,907</u>	<u>25,688,907</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 9,475,710</u>	<u>\$ 15,641,244</u>	<u>\$ 45,719,546</u>	<u>\$ 30,078,302</u>

**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	30,889,815
The Fire, Relief & Pension Fund is combined with the General Fund for purposes of GASB Statement 73	1,870,328
Fund Balance - Ending (GAAP)	<u>\$ 78,479,689</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**  
**AMERICAN RESCUE PLAN ACT (ARPA) FUND**  
For the Year Ended December 31 ,2023

	<u>Budget Amounts</u>		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$ 4,030,000	\$ 6,002,286	\$ 6,002,286	\$ -
Total Revenues	<u>4,030,000</u>	<u>6,002,286</u>	<u>6,002,286</u>	<u>-</u>
<b>EXPENDITURES:</b>				
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures</b>	<u>4,030,000</u>	<u>6,002,286</u>	<u>6,002,286</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>(4,030,000)</u>	<u>(6,002,286)</u>	<u>(6,002,286)</u>	<u>-</u>
<b>Total Other Financing Sources or Uses</b>	<u>(4,030,000)</u>	<u>(6,002,286)</u>	<u>(6,002,286)</u>	<u>-</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 ,2023

	<u>Budget Amounts</u>		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Charges for Services	\$ -	\$ 149,740	\$ 231,440	\$ 81,700
Intergovernmental	3,643,000	5,986,229	1,629,408	(4,356,821)
Investment Earnings	8,000	58,000	93,986	35,986
Miscellaneous	<u>332,500</u>	<u>357,400</u>	<u>356,913</u>	<u>(487)</u>
Total Revenues	<u>3,983,500</u>	<u>6,551,369</u>	<u>2,311,747</u>	<u>(4,239,622)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	9,155,394	16,343,774	3,238,244	13,105,530
Debt Service:				
Principal	197,400	197,400	197,376	24
Interest and Other Costs	<u>8,100</u>	<u>8,100</u>	<u>7,969</u>	<u>131</u>
Total Expenditures	<u>9,360,894</u>	<u>16,549,274</u>	<u>3,443,588</u>	<u>13,105,686</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,377,394)</u>	<u>(9,997,905)</u>	<u>(1,131,841)</u>	<u>8,866,064</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	<u>5,101,692</u>	<u>8,874,866</u>	<u>1,060,816</u>	<u>(7,814,050)</u>
Total Other Financing Sources or Uses	<u>5,101,692</u>	<u>8,874,866</u>	<u>1,060,816</u>	<u>(7,814,050)</u>
Net Change in Fund Balance	<u>(275,702)</u>	<u>(1,123,039)</u>	<u>(71,025)</u>	<u>1,052,014</u>
Fund Balance - Beginning	<u>965,783</u>	<u>2,350,156</u>	<u>2,350,156</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 690,081</u>	<u>\$ 1,227,117</u>	<u>\$ 2,279,131</u>	<u>\$ 1,052,014</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, 2023

	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	\$ 8,685,016	\$ 17,175,012	\$ 8,613,362	\$ 2,365,642	\$ 1,707,104	\$ 1,831,158	\$ 40,377,294	\$ 18,736,068
Investments	10,156,800	9,982,350	14,561,200	-	-	-	34,700,350	-
Restricted Cash:								
Bond Payments and Customer Deposits	2,527,720	446,916	677,213	-	135,092	-	3,786,941	-
Bond Reserve	2,058,758	290,549	587,743	-	-	-	2,937,050	-
Customer Accounts	2,393,037	4,543,509	1,900,474	128,801	10,587	-	8,976,408	66,382
Other Receivables	73,490	150,999	64,319	19	193,572	-	482,399	38,995
Due From Other Governmental Units	215,978	-	3,472	39,912	439,331	-	698,692	17,015
Inventories	358,488	8,611	10,619	-	42,836	8,119	428,673	488,368
Total Current Assets	<u>26,469,286</u>	<u>32,597,945</u>	<u>26,418,403</u>	<u>2,534,374</u>	<u>2,528,522</u>	<u>1,839,277</u>	<u>92,387,808</u>	<u>19,346,828</u>
Noncurrent Assets								
Long-Term Contracts and Notes	-	578,400	-	-	6,885,999	-	7,464,399	-
Net Pension Asset	987,605	575,157	819,650	-	113,275	213,825	2,709,512	962,089
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	2,441,866	865,040	1,732,453	-	1,240,534	91,462	6,371,354	319,059
Intangible - Water Rights	9,693,578	-	-	-	-	-	9,693,578	-
Total Capital Assets Not Being Depreciated	<u>13,418,968</u>	<u>2,560,063</u>	<u>7,669,467</u>	<u>-</u>	<u>5,159,583</u>	<u>434,297</u>	<u>29,242,377</u>	<u>319,059</u>
Capital Assets Being Depreciated:								
Buildings and Equipment	2,509,599	1,304,181	282,112	496,618	3,094,307	997,334	8,684,150	33,293,956
Improvements Other Than Buildings	173,862,068	115,366,334	94,605,930	-	13,978,824	1,558,172	399,371,328	697,738
Right of Use (Leases)	-	-	-	-	-	-	-	216,734
Right of Use (Subscriptions)	-	-	-	-	-	-	-	1,285,570
Accumulated Depreciation	(76,767,847)	(45,836,068)	(38,693,562)	(496,618)	(10,675,784)	(1,732,465)	(174,202,345)	(22,994,477)
Total Capital Assets Being Depreciated	<u>99,603,819</u>	<u>70,834,447</u>	<u>56,194,479</u>	<u>-</u>	<u>6,397,347</u>	<u>823,040</u>	<u>233,853,133</u>	<u>12,499,521</u>
Total Noncurrent Assets	<u>114,010,392</u>	<u>74,548,066</u>	<u>64,683,596</u>	<u>-</u>	<u>18,556,203</u>	<u>1,471,163</u>	<u>273,269,421</u>	<u>13,780,669</u>
Total Assets	<u>140,479,679</u>	<u>107,146,011</u>	<u>91,101,999</u>	<u>2,534,374</u>	<u>21,084,726</u>	<u>3,310,440</u>	<u>365,657,229</u>	<u>33,127,497</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>								
Deferred Outflow from Bond Refunding	78,146	34,939	29,232	-	-	-	142,317	-
Deferred Outflow Related to Pensions	779,151	481,262	732,304	70,567	53,594	144,202	2,261,080	934,141
Total Deferred Outflow Of Resources	<u>857,297</u>	<u>516,201</u>	<u>761,536</u>	<u>70,567</u>	<u>53,594</u>	<u>144,202</u>	<u>2,403,397</u>	<u>934,141</u>
<b>LIABILITIES:</b>								
Current Liabilities								
Current Payables	846,805	291,877	784,815	1,337,883	382,233	72,962	3,716,574	843,386
Claims Payable (Incurred but not Reported)	-	-	-	-	-	-	-	1,192,000
Loans Payable - Current	378,964	288,262	-	-	-	-	667,226	-
Employee Leave Benefits	209,579	172,653	283,908	3,496	14,840	30,756	715,232	278,285
Leases and SBITA Payable - Current	-	-	-	-	-	-	-	359,313
Revenue Bonds Payable - Current	1,389,765	268,823	466,413	-	-	-	2,125,000	-
Payable From Restricted Assets:								
Accrued Interest	937,892	118,189	207,378	-	-	-	1,263,459	-
Liabilities- Deposits	102,700	61,527	3,422	-	135,092	-	302,741	-
Total Current Liabilities	<u>3,865,704</u>	<u>1,201,330</u>	<u>1,745,935</u>	<u>1,341,379</u>	<u>532,165</u>	<u>103,718</u>	<u>8,790,232</u>	<u>2,672,985</u>
Noncurrent Liabilities:								
Employee Leave Benefits	70,994	58,486	96,174	1,184	5,028	10,419	242,285	94,269
Leases and SBITA Payable	-	-	-	-	-	-	-	664,898
Loans Payable - Noncurrent	3,768,689	360,836	-	-	-	-	4,129,525	-
Net Pension Liability	1,393,350	275,132	42,874	97,158	-	-	1,808,514	890,257
Revenue Bonds Payable	21,230,590	2,372,150	4,495,407	-	-	-	28,098,146	-
Total Noncurrent Liabilities	<u>26,463,623</u>	<u>3,066,604</u>	<u>4,634,455</u>	<u>98,342</u>	<u>5,028</u>	<u>10,419</u>	<u>34,278,471</u>	<u>1,649,424</u>
Total Liabilities	<u>30,329,327</u>	<u>4,267,934</u>	<u>6,380,390</u>	<u>1,439,721</u>	<u>537,193</u>	<u>114,137</u>	<u>43,068,703</u>	<u>4,322,408</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>								
Deferred Inflow Related to Leases	-	-	-	-	6,970,678	-	6,970,678	-
Deferred Inflow related to Pensions	698,532	387,982	478,705	14,456	73,434	204,736	1,857,845	907,763
Total Deferred Inflow Of Resources	<u>698,532</u>	<u>387,982</u>	<u>478,705</u>	<u>14,456</u>	<u>7,044,112</u>	<u>204,736</u>	<u>8,828,523</u>	<u>907,763</u>
<b>NET POSITION:</b>								
Net Investment in Capital Assets	86,494,102	70,140,645	58,932,418	-	11,556,930	1,257,338	228,381,433	11,794,369
Restricted:								
Debt Service	3,384,710	556,482	1,053,096	-	-	-	4,994,288	-
Pension	987,605	575,157	819,650	-	113,275	213,825	2,709,512	962,089
Unrestricted	19,442,700	31,734,012	24,199,276	1,150,764	1,886,810	1,664,606	80,078,167	16,075,009
Total Net Position	<u>\$ 110,309,117</u>	<u>\$ 103,006,296</u>	<u>\$85,004,440</u>	<u>\$ 1,150,764</u>	<u>\$ 13,557,015</u>	<u>\$ 3,135,769</u>	<u>\$ 316,163,400</u>	<u>\$ 28,831,467</u>

Adjustment to reflect the consolidation of internal service funds related to enterprise funds 602,020  
 Net position of business-type activities \$ 316,765,420

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, 2023

	Enterprise Funds						Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non-Major Enterprise Funds (Cemetery)	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES:</b>								
Charges for Services	\$ 18,588,136	\$ 30,977,078	\$ 11,856,237	\$ 27,564,658	\$ 828,257	\$ 1,974,568	\$ 91,788,934	\$ 19,633,947
Other Operating Revenue	-	-	-	-	1,028,170	-	1,028,170	93,862
Total Operating Revenues	<u>18,588,136</u>	<u>30,977,078</u>	<u>11,856,237</u>	<u>27,564,658</u>	<u>1,856,427</u>	<u>1,974,568</u>	<u>92,817,104</u>	<u>19,727,809</u>
<b>OPERATING EXPENSES:</b>								
Administration	7,178,499	4,225,476	4,311,901	4,269,583	376,554	622,629	20,984,641	2,279,612
Depreciation / Amortization	3,837,812	2,517,198	2,135,173	-	580,218	35,462	9,105,862	2,390,967
Operations & Maintenance	4,646,269	22,059,209	4,757,814	25,108,099	1,357,059	1,108,967	59,037,418	14,147,146
Other Operating Expenses	-	-	-	-	3,910	26,012	29,922	-
Total Operating Expenses	<u>15,662,580</u>	<u>28,801,883</u>	<u>11,204,888</u>	<u>29,377,682</u>	<u>2,317,741</u>	<u>1,793,070</u>	<u>89,157,843</u>	<u>18,817,726</u>
Operating Income or Loss	<u>2,925,557</u>	<u>2,175,195</u>	<u>651,349</u>	<u>(1,813,023)</u>	<u>(461,314)</u>	<u>181,498</u>	<u>3,659,261</u>	<u>910,083</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>								
Gain (Loss) on Lease Termination	-	-	-	-	(1,064)	-	(1,064)	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	40,874
Interest Expense	(587,330)	(44,580)	(113,250)	-	-	-	(745,160)	(18,659)
Interest Revenue	1,120,737	1,340,868	974,160	188,914	222,636	89,984	3,937,300	761,940
Other Non-Operating Expenses	(147,485)	(87,907)	(106,110)	-	-	-	(341,502)	-
Other Non-Operating Revenue	367,702	45,888	551,652	121,418	460,650	810	1,548,120	905,144
Total Non-Operating Revenue (Expense)	<u>753,625</u>	<u>1,254,269</u>	<u>1,306,452</u>	<u>310,332</u>	<u>682,222</u>	<u>90,794</u>	<u>4,397,694</u>	<u>1,689,299</u>
Income (Loss) Before Contributions and Transfers	<u>3,679,181</u>	<u>3,429,464</u>	<u>1,957,802</u>	<u>(1,502,692)</u>	<u>220,908</u>	<u>272,292</u>	<u>8,056,955</u>	<u>2,599,382</u>
<b>CONTRIBUTIONS &amp; TRANSFERS:</b>								
Capital Contribution	1,037,088	512,312	553,019	-	-	-	2,102,419	-
Transfers In (Note 4)	-	-	-	-	-	-	-	2,527,729
Transfers Out (Note 4)	(195,750)	(259,111)	(533,534)	-	-	(163,265)	(1,151,660)	(616,903)
Total Contributions & Transfers	<u>841,338</u>	<u>253,201</u>	<u>19,485</u>	<u>-</u>	<u>-</u>	<u>(163,265)</u>	<u>950,759</u>	<u>1,910,827</u>
Change in Net Position	<u>4,520,519</u>	<u>3,682,665</u>	<u>1,977,287</u>	<u>(1,502,692)</u>	<u>220,908</u>	<u>109,027</u>	<u>9,007,714</u>	<u>4,510,209</u>
Net Position - Beginning	<u>105,788,598</u>	<u>99,323,631</u>	<u>83,027,153</u>	<u>2,653,455</u>	<u>13,336,107</u>	<u>3,026,742</u>	<u>307,155,686</u>	<u>24,321,258</u>
Net Position - Ending	<u>\$ 110,309,117</u>	<u>\$ 103,006,296</u>	<u>\$ 85,004,440</u>	<u>\$ 1,150,764</u>	<u>\$ 13,557,015</u>	<u>\$ 3,135,769</u>	<u>\$ 316,163,400</u>	<u>\$ 28,831,467</u>
							9,007,714	
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	
							<u>919,662</u>	
							Change in net position of business-type activities	
							<u>\$ 9,927,375</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 Fiscal Year Ended December 31, 2023

Page 1 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non Major Enterprise Funds (Cemetery)	Total	Government Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Cash Received from Users	\$ 18,397,587	\$ 30,938,192	\$ 11,752,588	\$ 28,532,075	\$ 1,304,068	\$ 1,974,568	\$ 92,899,078	\$ 19,827,280
Cash Paid to Suppliers for Goods & Services	(7,786,222)	(23,968,268)	(4,854,855)	(33,771,408)	(1,093,775)	(912,159)	(72,386,686)	(11,807,603)
Cash Paid to Employees	(4,310,478)	(2,773,647)	(4,304,924)	(385,865)	(459,547)	(817,387)	(13,051,847)	(5,971,305)
Other Cash Received	361,810	2,422	31,391	-	10,982	-	406,605	80,887
Other Non-Operating Revenue	-	-	-	-	-	810	810	-
Other Cash Paid	(147,485)	(87,907)	(106,110)	-	-	-	(341,502)	-
Net Cash Provided (Used) by Operating Activities	<u>6,515,212</u>	<u>4,110,793</u>	<u>2,518,090</u>	<u>(5,625,198)</u>	<u>(238,271)</u>	<u>245,833</u>	<u>7,526,458</u>	<u>2,129,259</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
Operating Grant	(215,978)	-	446,515	198,662	449,668	-	878,867	-
Transfers In	-	-	-	-	-	-	-	2,527,729
Transfers Out	(195,750)	(259,111)	(533,534)	-	-	(163,265)	(1,151,660)	(616,903)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(411,727)</u>	<u>(259,111)</u>	<u>(87,019)</u>	<u>198,662</u>	<u>449,668</u>	<u>(163,265)</u>	<u>(272,793)</u>	<u>1,910,827</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>								
Proceeds from Sale of Equipment	-	-	-	-	-	-	-	214,876
Purchase of Capital Assets	(2,380,373)	(620,355)	(1,787,421)	-	(828,084)	(50,627)	(5,666,860)	(4,783,447)
Contributed Capital	351,119	332,726	339,463	-	-	-	1,023,308	-
Proceeds from Insurance Settlement	5,892	43,466	-	-	-	-	49,358	824,257
Principal Payment on Debt	(1,706,930)	(543,582)	(446,716)	-	-	-	(2,697,228)	(373,782)
Interest Payment on Debt	(972,389)	(126,087)	(213,038)	-	-	-	(1,311,513)	(4,143)
Lease Principal Receipts	-	-	-	-	184,565	-	184,565	-
Lease Interest Receipts	-	-	-	-	127,568	-	127,568	-
Debt Proceeds	2,418,199	-	-	-	-	-	2,418,199	-
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(2,284,481)</u>	<u>(913,831)</u>	<u>(2,107,712)</u>	<u>-</u>	<u>(515,951)</u>	<u>(50,627)</u>	<u>(5,872,602)</u>	<u>(4,122,238)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>								
Purchase of Investments	(10,037,950)	(9,843,170)	(9,711,499)	-	-	-	(29,592,619)	-
Interest Received	928,398	1,050,690	826,645	188,914	95,157	89,984	3,179,787	761,940
Net Cash Provided (Used) in Investing Activities	<u>(9,109,553)</u>	<u>(8,792,481)</u>	<u>(8,884,854)</u>	<u>188,914</u>	<u>95,157</u>	<u>89,984</u>	<u>(26,412,832)</u>	<u>761,940</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,290,549)</u>	<u>(5,854,630)</u>	<u>(8,561,496)</u>	<u>(5,237,622)</u>	<u>(209,397)</u>	<u>121,925</u>	<u>(25,031,769)</u>	<u>679,788</u>
Cash and Cash Equivalents - Beginning of Year	<u>18,562,043</u>	<u>23,767,107</u>	<u>18,439,813</u>	<u>7,603,264</u>	<u>2,051,593</u>	<u>1,709,233</u>	<u>72,133,053</u>	<u>18,056,280</u>
Cash and Cash Equivalents - End of Year	<u>\$ 13,271,494</u>	<u>\$ 17,912,477</u>	<u>\$ 9,878,317</u>	<u>\$ 2,365,642</u>	<u>\$ 1,842,196</u>	<u>\$ 1,831,158</u>	<u>\$ 47,101,284</u>	<u>\$ 18,736,068</u>
<b>CASH AT END OF YEAR CONSISTS OF:</b>								
Cash and Cash Equivalents	8,685,016	17,175,012	8,613,362	2,365,642	1,707,104	1,831,158	40,377,294	18,736,068
Restricted Cash - Bond Payments and Customer Deposits	2,527,720	446,916	677,213	-	135,092	-	3,786,941	-
Restricted Cash - Bond Reserve	2,058,758	290,549	587,743	-	-	-	2,937,050	-
Total Cash	<u>\$ 13,271,494</u>	<u>\$ 17,912,477</u>	<u>\$ 9,878,318</u>	<u>\$ 2,365,642</u>	<u>\$ 1,842,196</u>	<u>\$ 1,831,158</u>	<u>\$ 47,101,285</u>	<u>\$ 18,736,068</u>

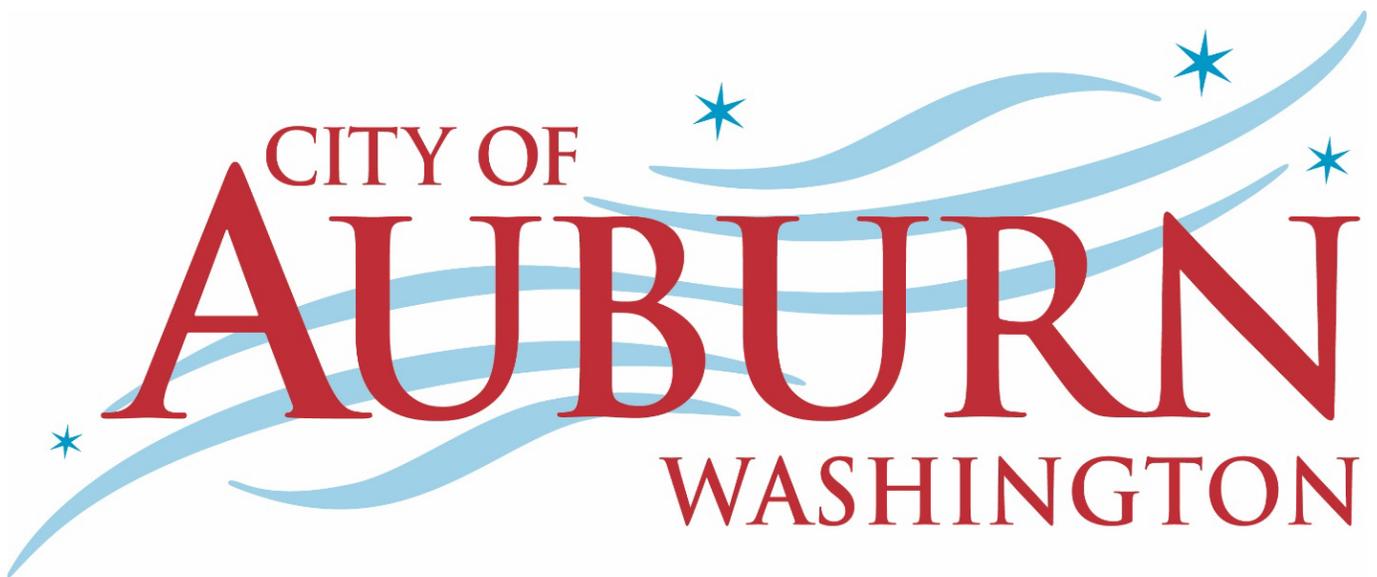
The notes to the basic financial statements are an integral part of this statement.

City of Auburn, Washington  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended December 31, 2023

Page 2 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Airport	Non Major Enterprise Funds (Cemetery)	Total	Government Activities Internal Service Funds
<b>RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ 2,925,557	\$ 2,175,195	\$ 651,349	\$ (1,813,023)	\$ (461,314)	\$ 181,498	\$ 3,659,261	\$ 910,083
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>								
Depreciation	3,837,812	2,517,198	2,135,173	-	580,218	35,462	9,105,863	2,390,967
Lease Revenue Classified as Operating Income and Financing Cash Flow	-	-	-	-	(184,565)	-	(184,565)	-
Other Non-Operating Revenue	361,810	2,422	31,391	-	9,829	810	406,262	79,835
Other Non-Operating Expense	(147,485)	(87,907)	(106,110)	-	-	-	(341,502)	-
Asset (Increases) Decreases:								
Accounts Receivable	(189,179)	(38,886)	(103,649)	967,417	(317,159)	-	318,544	100,523
Miscellaneous A/R Revenue	-	-	-	-	976	-	976	-
Inventory	(45,215)	4,256	(205)	-	(12,948)	1,965	(52,147)	(93,299)
Lease Receivable	-	-	-	-	240,541	-	240,541	-
Liability Increases (Decreases):								
Accounts & Vouchers Payable	141,505	(228,352)	262,660	(4,770,921)	191,402	17,355	(4,386,352)	(1,210,142)
Deposits Payable	(1,370)	-	-	-	5,010	-	3,640	-
Wages & Benefits Payable	(410,655)	(255,129)	(391,080)	(6,082)	-	-	(1,062,946)	(105,781)
Compensated Absences Payable	42,433	21,996	38,562	(2,589)	5,748	8,743	114,893	57,073
Lease Deferred Inflows	-	-	-	-	(296,009)	-	(296,009)	-
Total Adjustments	3,589,656	1,935,598	1,866,741	(3,812,175)	223,043	64,335	3,867,197	1,219,177
Net Cash Provided (Used) by Operating Activities	\$ 6,515,212	\$ 4,110,793	\$ 2,518,090	\$ (5,625,198)	\$ (238,271)	\$ 245,833	\$ 7,526,458	\$ 2,129,259
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>								
Capital Assets Acquired by Contributed Capital	685,969	179,586	213,556	-	-	-	1,079,111	-
Increase (Decrease) in Fair Value of Investment	(118,850)	139,180	282,851	-	-	-	303,181	-
Total Non Cash Investing, Capital and Financing Activities	\$ 567,119	\$ 318,766	\$ 496,407	\$ -	\$ -	\$ -	\$ 1,382,292	\$ -

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, 2023

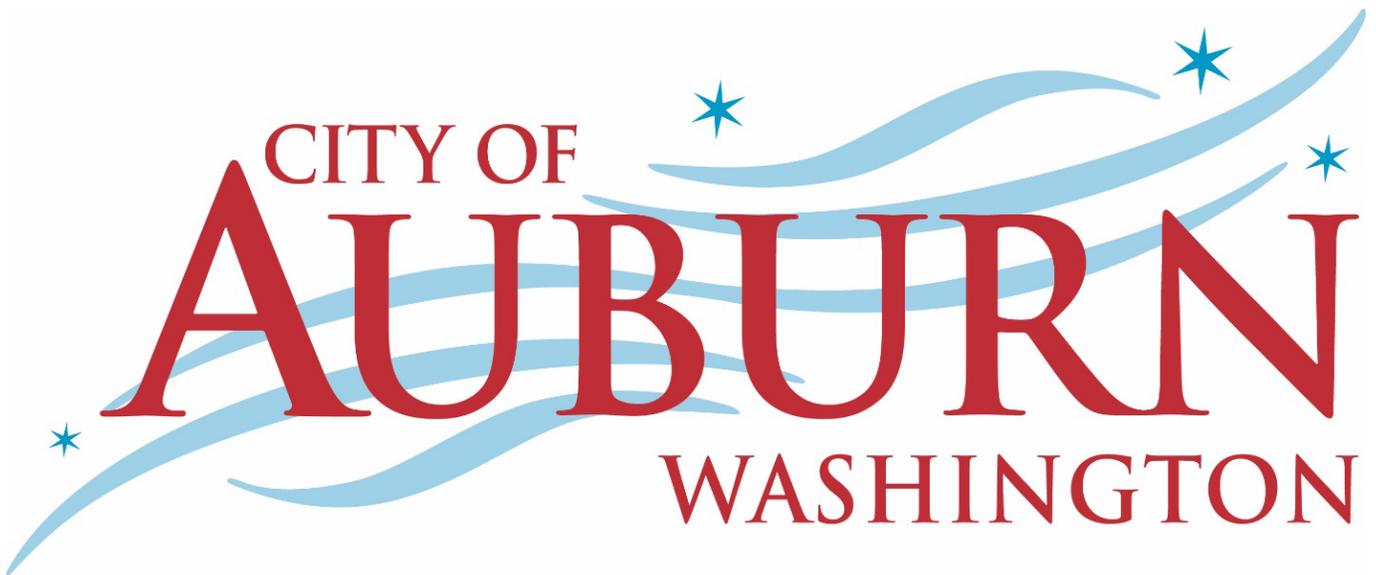
		Custodial Fund
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$	9,000,860
Receivables:		
Customer Accounts		21,325
Total Assets		9,022,185
<b>LIABILITIES:</b>		
Current Payables		121,609
Total Liabilities		121,609
<b>NET POSITION</b>		
Restricted for Other Governments & Organizations		8,900,576
Total Net Position	\$	8,900,576

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

City of Auburn, Washington  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
 For the Fiscal Year Ended December 31, 2023

	Custodial Funds
<b>ADDITIONS:</b>	
Contributions:	
Other Governments	\$ 6,181,493
Tax, Fines, Permits Collection for Other Governments	1,555,859
Amounts collected for other organizations and individuals	56,750
Investment Interest	132,093
Total Additions	7,926,194
<b>DEDUCTIONS:</b>	
Administrative Expenses	\$ 33,400
Payment to City for Services	334,076
Tax, Fines, Permits & Misc distributed to other governments	1,172,152
Distributions to other organizations and individuals	52,394
Total Deductions	1,592,022
Change in Net Position	6,334,172
Net Position - January 1	2,566,404
Net Position - December 31st	\$ 8,900,576

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



City of Auburn

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ..... 57

    A. Reporting Entity ..... 57

    B. Basic Financial Statements..... 57

    C. Measurement Focus, Basis of Accounting and Basis of Presentation..... 58

    D. Budget and Budgetary Accounting ..... 61

    E. Assets, Liabilities, and Fund Balance ..... 62

        1. Deposits and Investments ..... 62

        2. Receivables ..... 63

        3. Interfund Receivables and Payables..... 63

        4. Amounts Due From Other Governmental Units ..... 63

        5. Inventories and Prepaid Expenses ..... 63

        6. Restricted Assets ..... 63

        7. Interfund Transactions ..... 63

        8. Capital Assets ..... 63

        9. Pensions ..... 64

        10. Deferred Outflows/Inflows of Resources ..... 64

        11. Compensated Absences ..... 65

        12. Unearned Revenues..... 65

        13. Net Position Components – Proprietary Funds..... 65

        14. Fund Balance Components – Governmental Funds..... 65

    F. Revenues, Expenditures and Expenses ..... 67

    G. Estimates..... 68

NOTE 2 – DEPOSITS AND INVESTMENTS ..... 68

    A. Deposits ..... 68

    B. Investments..... 68

NOTE 3 – PROPERTY TAXES..... 71

NOTE 4 – INTERFUND ACTIVITY ..... 72

NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS ..... 75

NOTE 6 – CAPITAL ASSETS AND RIGHT TO USE ASSETS..... 76

NOTE 7 – LONG-TERM LIABILITIES ..... 81

NOTE 8 – LEASES (LESSORS)..... 87

NOTE 9 – PENSION PLANS ..... 92

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS..... 102

NOTE 11 – ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST (“Trust”) ..... 104

NOTE 12 – CONSTRUCTION COMMITMENTS..... 106

NOTE 13 – CEMETERY ENDOWED CARE FUND..... 106

NOTE 14 – JOINT VENTURES / RELATED PARTY ..... 106

NOTE 15 – JOINTLY GOVERNED ORGANIZATION / RELATED PARTY ..... 111

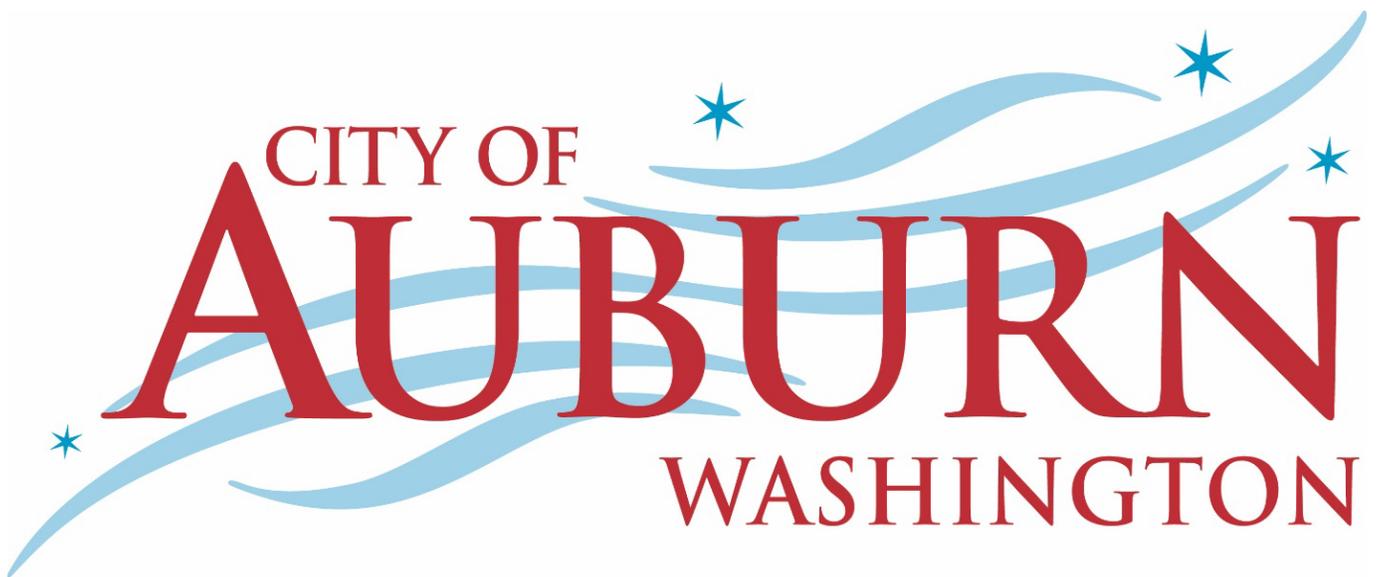
NOTE 16 – CONTINGENCIES AND LITIGATIONS ..... 111

NOTE 17 – RISK MANAGEMENT & INSURANCE..... 111

NOTE 18 – TAX ABATEMENTS..... 113

NOTE 19 – REPORTING CHANGE ..... 114

NOTE 20 – SUBSEQUENT EVENTS..... 114



## 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 2023, the City did implement the following new accounting and reporting standard issued by the Governmental Accounting Standards Board (GASB).

- GASB Statement No. 96– Subscription Based IT Arrangements (SBITAs). This statement establishes uniform accounting and financial reporting requirements for SBITAs; thus, it improves the comparability of government’s financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. All Software Contracts meeting GASB 96 criteria must report a liability and an intangible right to use asset, along with essential information about the arrangement being disclosed on the financial statements,

### 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 of 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. 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 and permanent 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. Under the modified accrual basis, expenditures are recorded when the fund liability is incurred, except for the un-matured 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.

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 net current 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 streets 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. These funds also include the local improvement districts (LID) guarantee fund which provides financial security for outstanding LID bonds. No debt service funds are considered major funds and are reported within the “Other Governmental Funds”.
- 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 on 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 are classified for accounting measurement purposes as either a governmental fund or a proprietary fund. 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 carryforward 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	\$ 98,143,349	\$ 9,730,358	\$ 107,873,707
<b>Total Governmental Funds</b>	<u>98,143,349</u>	<u>9,730,358</u>	<u>107,873,707</u>
<b>Special Revenue Funds:</b>			
American Rescue Plan	4,030,000	1,972,286	6,002,286
Arterial Street	9,360,894	7,188,380	16,549,274
Arterial Street Preservation	4,100,000	4,836,951	8,936,951
Business Improvement Area	90,000	45,941	135,941
Drug Forfeiture	392,671	70,000	462,671
Hotel/Motel Tax	177,100	8,000	185,100
Housing & Comm Development	650,000	366,330	1,016,330
Local Street	2,036,300	2,110,661	4,146,961
Recreation Trails	-	66,210	66,210
Mitigation Fees	7,043,982	4,400,898	11,444,880
<b>Total Special Revenue Funds</b>	<u>27,880,947</u>	<u>21,065,657</u>	<u>48,946,604</u>
<b>Total Budgeted Funds</b>	<u>\$ 126,024,296</u>	<u>\$ 30,796,015</u>	<u>\$ 156,820,311</u>

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 Required Supplementary Information.

**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, 2023, the Washington State Local Government Investment Pool (LGIP) was holding \$125,693,869 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 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* consist of amounts owed by private individuals or organizations for goods and services provided. Uncollectible amounts are considered immaterial, and the direct write-off method is used.

*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 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**

Deferred outflow of resources represents a consumption of net assets that applies to future periods and will not be recognized as an outflow (expense/expenditure) until that reporting period. Deferred inflow of resources represents an acquisition of net assets that applies to future periods. The difference between the carrying amount of redeemed and/or defeased debt and its reacquisition price is the deferred amount on refunding and is amortized over the remaining life of the debt, or the life of the new debt, whichever is shorter. Deferred outflows and deferred inflows

of resources related to pensions are reported for differences between expected and actual experience, changes of assumptions, and differences between projected and actual returns on pension plan investments.

### **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. 16.

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 – 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.

### **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 includes items that cannot be spent. This includes activity that is not in a spendable form (investments, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact.
- 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, 2023:

*City of Auburn, Washington*  
**Governmental Funds Balance Details**  
 December 31, 2023

	Major			Other Governmental Funds	Total Governmental Funds
	General Fund	Arterial Street	Capital Improvements		
<b>Nonspendable</b>					
Inventory and Prepaids	\$ 63,786	\$ -	\$ -	\$ -	\$ 63,786
Permanent Cemetery Endowment	-	-	-	2,151,308	2,151,308
<b>Total Nonspendable</b>	<b>63,786</b>	<b>-</b>	<b>-</b>	<b>2,151,308</b>	<b>2,215,094</b>
<b>Restricted</b>					
Arterial Street Preservation Fund	-	-	-	100,855	100,855
City Tourism Promotion	-	-	-	506,580	506,580
Community Development Block Grant Program	-	-	-	42,904	42,904
Drug Investigation and Enforcement	-	-	-	908,127	908,127
Fire Pension	1,870,328	-	-	-	1,870,328
Major Street Construction	-	2,279,131	-	-	2,279,131
Opioid Settlement	72,471	-	-	-	72,471
Recreational Trail Development	-	-	-	104,169	104,169
REET 1 Allowable Projects	-	-	6,909,748	-	6,909,748
REET 2 Allowable Projects	-	-	7,898,109	-	7,898,109
Street and Fire Service Mitigation Fees	-	-	-	16,264,090	16,264,090
<b>Total Restricted</b>	<b>1,942,799</b>	<b>2,279,131</b>	<b>14,807,858</b>	<b>17,926,724</b>	<b>36,956,512</b>
<b>Committed</b>					
Arterial Street Preservation Fund	-	-	-	5,453,137	5,453,137
Local Street Improvements	-	-	-	6,325,605	6,325,605
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,778,743</b>	<b>11,778,743</b>
<b>Assigned</b>					
Appropriations Over Estimated Revenue	10,479,588	-	-	-	10,479,588
Arterial Street Preservation Fund	-	-	861,433	219,029	1,080,462
Cemetery Capital Enhancement and Maintenance	-	-	-	238,902	238,902
Debt Service	-	-	-	483,916	483,916
Downtown Infrastructure Improvements	-	-	-	485,926	485,926
Drug Investigation and Enforcement	-	-	-	51,239	51,239
Local Street Improvements	-	-	-	46,852	46,852
Parks and Trails Construction Projects	-	-	-	1,589,295	1,589,295
Recreation Trail Development	-	-	-	4,851	4,851
School Administration Fees	-	-	-	107,376	107,376
<b>Total Assigned</b>	<b>10,479,588</b>	<b>-</b>	<b>861,433</b>	<b>3,227,386</b>	<b>14,568,407</b>
<b>Unassigned</b>					
Unassigned	65,993,516	-	-	-	65,993,516
<b>Total Unassigned</b>	<b>65,993,516</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,993,516</b>
<b>Total</b>	<b>\$ 78,479,689</b>	<b>\$ 2,279,131</b>	<b>\$ 15,669,290</b>	<b>\$ 35,084,160</b>	<b>\$ 131,512,270</b>

**F. Revenues, Expenditures and Expenses**

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.

**G. Estimates**

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.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

On December 31, 2023, the carrying amount of the City's cash demand deposits with Key Bank totaled \$17,258,964 while the bank balance was \$23,504,000. In addition, the balance of the City's interest-bearing checking account with Pacific Premier Bank totaled \$ 11,230,359. 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, 2023, the City had the following investments amortized, at cost:

Investment Type	Amortized Cost
State investment pool (LGIP)	\$ 125,693,869
	<u>\$ 125,693,869</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, 2023, the City had the following investments measured at fair value:

Investments by Fair Value Level	12/31/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Agency	\$ 83,827,850	\$ 83,827,850	\$ -	\$ -
<b>Total Investments by Fair Value Level</b>	<b>\$ 83,827,850</b>	<b>\$ 83,827,850</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2023:

Cash and Investments	
Reconciliation to the Government-Wide Statement of Net Position	
Cash and Cash Equivalents	\$ 114,828,240
Investments	83,827,850
Temporarily Restricted:	
Cash and Cash Equivalents	28,220,384
Permanently Restricted:	
Cash and Cash Equivalents	2,151,308
<b>Total</b>	<b>\$ 229,027,782</b>
Bank Deposits	\$ 28,489,323
Investments not measured at fair value	125,693,869
Investments measured at fair value	83,827,850
Petty Cash Funds	17,600
Less: cash held in custodial funds	(9,000,860)
<b>Total</b>	<b>\$ 229,027,782</b>

*Interest Rate Risk*

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

The City's municipal bond holding at time of purchase carried a AAA rating from S&P and a Aaa rating from Moody's.

*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	U.S. Agency	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Governmental Funds	\$ -	\$ 49,127,500	\$ 49,127,500
Enterprise Funds	-	34,700,350	34,700,350
Local Government Investment Pool	125,693,869	-	125,693,869
Total	<u>\$ 125,693,869</u>	<u>\$ 83,827,850</u>	<u>\$ 209,521,719</u>

**NOTE 3 – PROPERTY TAXES**

Property taxes received during tax year 2023 were \$24,519,933 including collection of prior year delinquent assessments. Property taxes assessed for collection in tax year 2023 were based on a regular tax levy of \$1.66241 per \$1,000 on a total 2022 assessed value of \$17,563,516,672.

For levy year 2023, to be received in 2024, the City’s regular tax levy is \$1.39068 per \$1,000 on a 2023 assessed valuation of \$17,869,840,473 as of December 31, 2023, for a total regular levy of \$24,646,712. 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, 2023, 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	\$268,047,607	\$178,698,405	\$ 446,746,012	\$ 446,746,012	\$ 1,340,238,036
Outstanding indebtedness	(34,509,925)	-	-	-	(34,509,925)
Margin available	<u>\$ 233,537,682</u>	<u>\$178,698,405</u>	<u>\$ 446,746,012</u>	<u>\$ 446,746,012</u>	<u>\$ 1,305,728,111</u>

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 August 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 receivable and offset by an unearned revenue account when levied. 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, 2023, were as follows:

		Transfer From								
		Capital Improvement Fund	American Rescue Plan Act Fund	Non-major Governmental Funds	Water Fund	Sanitary Sewer	Storm Drainage	Non-major Enterprise Funds	Internal Service Funds	Total
Transfer To	General Fund	-	6,002,286	1,769	72,230	72,231	146,231	-	-	6,294,747
	Capital Improvement Fund	130,570	-	625,331	-	-	-	-	-	755,901
	Arterial Street Fund	789	-	1,060,026	-	-	-	-	-	1,060,816
	Non-major Governmental Funds	419,794	993,983	-	143,052	50,000	50,000	50,000	-	2,260,204
	Internal Service Funds	1,504,852	248,382	-	-	73,520	136,880	337,303	163,265	2,527,729
		2,056,005	1,242,365	6,002,286	1,830,179	195,750	259,111	533,534	163,265	12,899,397

The City made the following transfers during the year ending December 31, 2023:

General Fund:

- \$889,911 from the General Fund (Cumulative Reserve) to the Equipment Rental Capital Projects fund for police patrol vehicle fleet expansion (\$870,640) and the M&O Facility Improvements project (\$19,271).
- \$370,465 to the 2016 Combined Refunding fund for Golf/Cemetery debt service payments.
- \$206,150 from the General Fund (Cumulative Reserve) to the Innovation and Technology fund for process improvements to the City’s HR system.
- \$172,796 to the Innovation and Technology Capital Projects fund for the Broadband to Impacted Communities project.
- \$130,570 to the Capital Improvements fund for the Neighborhood Improvement project.
- \$70,666 to the Equipment Rental Capital Projects fund for cost overruns on vehicles purchased in 2023 (\$68,000) and the M&O Facility Improvement project (\$2,666).
- \$98,572 to the Innovation and Technology fund for a new IT Security Engineer position, as well as equipment for other new positions added to the City in 2023.
- \$58,363 to the Equipment Rental fund for a new Mechanic position.
- \$28,626 to the Municipal Parks Construction fund for Forest Villa Park improvements.
- \$20,703 to the Local Street fund for the D St SE & 23<sup>rd</sup> St storm improvements project.
- \$8,394 from the General Fund (Cumulative Reserve) to the Facilities fund for exterior repairs to the Golf Course.
- \$789 to the Arterial Streets fund for the Auburn Way S Roundabout project.

Capital Improvement Fund:

- \$704,175 to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$172,989 to the Local Street fund to support multiple capital projects.
- \$78,630 to the Municipal Parks Construction fund to support the 12<sup>th</sup> Street Parking Lot Improvement (\$49,547) and the Fairway Drainage Improvement projects (\$29,083).
- \$38,189 to the Local Revitalization fund for the Arts and Culture Center Alleyway.
- \$183,336 to the Facilities fund for carpet and door hardware replacement at the Justice Center.

- \$65,046 to the Equipment Rentals Capital Projects fund for the M&O Facilities Improvements project.

American Rescue Plan Act Fund:

- \$6,002,286 from American Rescue Plan Act Fund to the General Fund to mitigate public safety expenses.

Non-major Governmental Funds:

- \$1,769 from the LID Guarantee fund to the General Fund to close the LID Guarantee fund.
- \$1,060,026 from Mitigation Fund to the Arterial Streets fund to support multiple capital projects.
- \$143,052 from Mitigation Fund to the Municipal Parks Construction fund for multiple capital projects.
- \$625,331 from Mitigation Fund to the Capital Improvement fund support the Arts and Culture Center Renovation.

Water Fund:

- \$72,230 to the General Fund to support multiple new positions in the City.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$48,276 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.
- \$15,661 to the Innovation and Technology fund to support two new Engineer positions.
- \$9,582 to the Equipment Rental fund to support a new Mechanic position.

Sanitary Sewer:

- \$109,966 to the Equipment Rental Capital Projects fund for CCTV Camera and Tractor (\$61,560) and the M&O Facilities Improvements project (\$48,436).
- \$72,231 to the General Fund to support multiple new positions in the City.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$17,332 to the Innovation and Technology fund to support two new Engineer positions and a new Maintenance Worker position.
- \$9,582 to the Equipment Rental fund to support a new Mechanic position.

Storm Drainage:

- \$163,736 to the Equipment Rental Capital Projects fund new mowers (\$115,300) and the M&O Facilities Improvements project (\$48,436).
- \$150,000 from the Storm Drainage Capital Projects fund to the Equipment Rentals Capital Projects fund to reimburse for equipment purchases.
- \$74,000 to the General Fund for median maintenance.
- \$72,231 to the General Fund to support multiple new positions in the City.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$13,985 to the Innovation and Technology fund to support two new Engineer positions and a new Maintenance Worker position.
- \$9,582 to the Equipment Rental fund to support a new Mechanic position.

Non-Major Enterprise Funds:

- \$163,265 from the Cemetery Capital Projects fund to the Equipment Rental Capital Projects fund for the purchase of a new backhoe.

Internal Service Funds:

- \$553,375 from the Facilities fund to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$63,528 from the Innovation and Technology fund to the Facilities fund for surveillance cameras.

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

Interfund Loans		Balance			Balance
Due From	Due To	1/1/2023	New Loans	Repayments	12/31/2023
Housing & Comm. Dev.	General Fund	\$ 150,000	\$ 300,000		\$ 450,000
Total interfund loans		<u>\$ 150,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>

All interfund loans are considered short-term cash loans.

\*The purpose of the interfund loan to Housing & Community Development was 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, 2023, the City had receivables due from other governmental units as follows:

<b>Due from Other Governmental Units</b>	
As of December 31, 2023	
<b>General Fund:</b>	
Auburn School District	132,186
King County District Court	967,648
King County Parks - Grants	39,561
King County Real Estate Excise Taxes	550,275
King County VSHS Levy grant	66,454
Pierce County - Real Estate Excise Taxes	16,059
Port of Seattle - Grant	120,000
Seattle Police Dept -US Department of Justice JAG Grant	31,438
US Department of Justice -Bulletproof Vest Program	25,854
WA Dept. of Transportation -CTR Program	10,113
WA State Criminal Justice Training	27,784
WA State Treasurer - Sales Taxes	1,814,545
Total General Fund	<u>3,801,917</u>
<b>Arterial Street Fund:</b>	
King County Wastewater Treatment Division	14,469
King County Metro	51,418
WA Dept. of Transportation - Grants	153,890
Total Arterial Street Fund	<u>219,777</u>
<b>Arterial Street Preservation Fund:</b>	
WA Dept. of Transportation - Grant	6,804
WA State Treasurer - Public Transportation Tax	213,987
Total Arterial Street Preservation Fund	<u>220,791</u>
<b>Housing and Community Development Fund:</b>	
HUD Treasury - HCDA Grant	495,458
Total Hotel/Motel Tax Fund	<u>495,458</u>
<b>Drug Forfeiture Fund:</b>	
City of Puyallup -TNET	7,102
Pierce County Sheriff's Department -TNET	7,676
Total Drug Forfeiture Fund	<u>14,778</u>
<b>2020 LTGO A&amp;B Refunding Bonds Fund</b>	
WA State Treasurer - LRF Sales Tax Credit	15,865
Total Hotel/Motel Tax Fund	<u>15,865</u>
<b>Municipal Park Construction:</b>	
King County Parks - Grants	74,805
Total Municipal Park Construction Fund	<u>74,805</u>
<b>General Government Capital Improvements:</b>	
Pierce County - Real Estate Excise Taxes	22,356
WA Dept. of Transportation - Grants	601,377
WA State Historical Society - Grant	47,241
Total General Government Capital Improvements Fund	<u>670,974</u>
<b>Storm Drainage Fund:</b>	
City of Pacific	3,472
Total Storm Drainage Fund	<u>3,472</u>
<b>Water Fund:</b>	
WA State Military Dept - Grant	215,978
Total Storm Drainage Fund	<u>215,978</u>
<b>Solid Waste Fund:</b>	
King County - Waste reduction and recycling - Grant	7,079
King County - Hazardous Waste Management - Grant	17,176
WA State Department of Ecology - Grant	15,657
Total Solid Waste fund	<u>39,912</u>
<b>Airport Fund</b>	
Federal Aviation Administration - Grant	439,248
WA Dept. of Transportation - Grant	83
Total Airport Capital fund	<u>439,331</u>
<b>Facilities Fund:</b>	
City of Federal Way	12,500
Total Airport Capital fund	<u>12,500</u>
<b>Information Services Fund:</b>	
City of Algona	2,265
Valley Regional Fire Authority	2,250
Total Information Services fund	<u>4,515</u>
<b>Total</b>	<u><u>6,230,072</u></u>
<b>Reconciliation to government-wide statement of net position:</b>	
Total above due from other governmental units	6,230,072
Total due from other governmental units, government-wide statement of net position	<u>6,230,072</u>

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

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

	<b>Schedule of Asset Activity</b>			
	<b>Capital Assets</b>			
	Balance 1/1/23	Increases	Decreases/ Adjustments	Balance 12/31/23
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 108,373,419	\$ 2,541,289	\$ (8,548)	110,906,160
Construction in progress	9,027,389	10,218,286	(9,218,035)	10,027,639
Total capital assets, not being depreciated	117,400,808	12,759,575	(9,226,583)	120,933,799
Capital assets, being depreciated:				
Buildings	74,096,363	41,435	(486,805)	73,650,993
Improvements other than buildings	29,057,242	490,668	(346,394)	29,201,516
Machinery and equipment	35,182,156	4,562,049	(1,355,319)	38,388,887
Intangibles	564,093	-	-	564,093
Infrastructure	456,404,847	7,448,940	-	463,853,787
Lease Assets	4,912,091	-	(10,232)	4,901,859
Subscription Assets	4,079,690	830,620	-	4,910,310
Total capital assets being depreciated	604,296,482	13,373,712	(2,198,750)	615,471,445
Less: accumulated depreciation for:				
Buildings	(28,111,891)	(1,481,190)	73,021	(29,520,061)
Improvements other than buildings	(19,226,976)	(901,983)	346,394	(19,782,565)
Machinery and equipment	(25,622,328)	(2,190,014)	868,600	(26,943,741)
Intangibles	(59,635)	(4,935)	-	(64,570)
Infrastructure	(244,403,830)	(15,914,156)	-	(260,317,986)
Lease Assets	(276,723)	(302,598)	10,232	(569,089)
Subscription Assets	-	(616,391)	-	(616,391)
Total accumulated depreciation	(317,701,383)	(21,411,268)	1,298,247	(337,814,403)
Total capital assets, being depreciated, net	286,595,100	(8,037,555)	(900,503)	277,657,042
Governmental activities capital assets, net	<u>\$ 403,995,907</u>	<u>\$ 4,722,019</u>	<u>\$ (10,127,086)</u>	<u>\$ 398,590,841</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	13,177,445	-	-	13,177,445
Water Rights	8,758,773	934,805	-	9,693,578
Construction in progress	8,775,228	5,767,899	(8,171,774)	6,371,353
Total capital assets, not being depreciated	30,711,446	6,702,704	(8,171,774)	29,242,377
Capital assets, being depreciated:				
Buildings	6,085,435	-	-	6,085,435
Improvements other than buildings	391,156,288	8,215,040	-	399,371,328
Machinery and equipment	2,598,714	-	-	2,598,714
Total capital assets being depreciated	399,840,437	8,215,040	-	408,055,478
Less: accumulated depreciation for:				
Buildings	(4,604,142)	(99,567)	-	(4,703,710)
Improvements other than buildings	(158,081,887)	(8,978,636)	-	(167,060,523)
Machinery and equipment	(2,410,453)	(27,658)	-	(2,438,111)
Total accumulated depreciation	(165,096,482)	(9,105,862)	-	(174,202,344)
Total capital assets, being depreciated, net	234,743,955	(890,821)	-	233,853,133
Business-type activities capital assets, net	<u>\$ 265,455,401</u>	<u>\$ 5,811,883</u>	<u>\$ (8,171,774)</u>	<u>\$ 263,095,510</u>

**Lease Assets by Category**

	Balance 1/1/23	Increases	Decreases/ Adjustments	Balance 12/31/23
<b>Governmental activities:</b>				
Lease assets, being amortized:				
Buildings	\$ 4,685,125	\$ -	\$ -	\$ 4,685,125
Machinery and equipment	226,966	-	(10,232)	216,734
Total lease assets being amortized	<u>4,912,091</u>	<u>-</u>	<u>(10,232)</u>	<u>4,901,859</u>
Less: accumulated amortization for:				
Buildings	(257,897)	(257,897)	-	(515,794)
Machinery and equipment	(18,826)	(44,701)	10,232	(53,295)
Total accumulated amortization	<u>(276,723)</u>	<u>(302,598)</u>	<u>10,232</u>	<u>(569,089)</u>
Total lease assets, being amortized, net	<u>4,635,368</u>	<u>(302,598)</u>	<u>-</u>	<u>4,332,770</u>
Governmental activities lease assets, net	<u><u>\$ 4,635,368</u></u>	<u><u>\$ (302,598)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,332,770</u></u>

### Subscription Assets

	Balance 1/1/23	Increases	Decreases/ Adjustments	Balance 12/31/23
<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
Flock Proprietary Software	-	122,242	-	122,242
MyBuildingPermit.com (MBP)	556,626	-	-	556,626
Power Policy, eFroms, Attendance, and Core HR	260,411	-	-	260,411
RNI and Analytics Subscriptions	194,539	-	-	194,539
SeeClickFix OMS Plus	-	403,495	-	403,495
Total Software Subscription Assets	<u>4,079,690</u>	<u>830,620</u>	<u>-</u>	<u>4,910,310</u>
Subscription Accumulated Amortization:				
ADManager Plus	\$ -	\$ (7,043)	\$ -	\$ (7,043)
Autodesk Subscription	-	(34,993)	-	(34,993)
Axon Software	-	(344,088)	-	(344,088)
Flock Proprietary Software	-	(21,406)	-	(21,406)
MyBuildingPermit.com (MBP)	-	(50,602)	-	(50,602)
Power Policy, eFroms, Attendance, and Core HR	-	(86,804)	-	(86,804)
RNI and Analytics Subscriptions	-	(34,843)	-	(34,843)
SeeClickFix OMS Plus	-	(36,613)	-	(36,613)
Total Software Subscription Accumulated Amortization	<u>-</u>	<u>(616,391)</u>	<u>-</u>	<u>(616,391)</u>
Total subscription assets, being amortized, net	<u>\$ 4,079,690</u>	<u>\$ 214,229</u>	<u>\$ -</u>	<u>\$ 4,293,919</u>

The beginning balances have been restated. No subscription activity is qualified to be recognized as intangible asset under the business-type activities.

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

Governmental activities:	
General Government	\$ 1,173,832
Public Safety	1,284,793
Transportation	14,896,451
Health and Human Services	257,897
Culture and Recreation	1,407,327
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>2,390,967</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 21,411,267</u>
Business-type activities:	
Water	\$ 3,837,812
Sanitary Sewer	2,517,198.05
Storm Water	2,135,172.72
Airport	580,218.02
Cemetery	<u>35,461.57</u>
Total depreciation expense - business-type activities	<u>\$ 9,105,862</u>

To comply with the provisions of GASB statements No. 87, the corresponding intangible lease assets and liabilities have been identified. The following discloses additional information for the lease agreements classified under governmental activities. During 2023, there were three separate agreements with lessors as listed in the following table.

	<u>Lessor:</u>			Total
	<u>Feenix Parkside LLC</u>	<u>Sharp Business Systems</u>	<u>Pitney Bowes Inc.</u>	
<b>Asset Information:</b>				
Value of the Right to Use Asset	\$ 4,685,125	\$ 216,734	\$ -	\$ 4,901,859
Accumulated Amortization	(515,794)	(53,295)	-	(569,089)
Book Value	<u>\$ 4,169,331</u>	<u>\$ 163,439</u>	<u>\$ -</u>	<u>\$ 4,332,770</u>
<b>Liability Information:</b>				
Lease Liability (Note 7)	\$ 4,244,669	\$ 161,354	\$ -	\$ 4,406,023
Payment	22,866	40,024	2,048	
Non-lease Portion	-	18,864	-	
Interest Rate	1.4810%	2.1567%	0.2383%	
<b>Other Information:</b>				
Underlying Asset	Building	Equipment	Equipment	
Payment Frequency	Monthly	Semi Annual	Quarterly	
Lease Contract Date	January 2020	May 2022	April 2018	
Lease Commencement Date	February 2020	May 2022	April 2018	
Lease End Date	February 2040	October 2027	April 2023	
Payment Type	Fixed	Fixed	Fixed	
Lease Description	22,308 square feet of rentable area	Right to use copy machines	Relay 2000 Inserter machine	

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

For the year ended 12/31/2023, 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. For additional information, refer to the following disclosures related to each subscription agreement.

On 08/31/2023, Auburn, WA entered a 24-month subscription for the use of Flock Proprietary Software. An initial subscription liability was recorded in the amount of \$118,242.06. As of 12/31/2023, the value of the subscription liability is \$58,242.06. Auburn, WA is required to make annual fixed payments of \$66,120.00. The subscription has an interest rate of 3.0183%. The value of the right to use asset as of 12/31/2023 is \$122,242.06 with accumulated amortization of \$21,405.63.

On 01/01/2023, Auburn, WA entered a 107-month subscription for the use of Axon Software. An initial subscription liability was recorded in the amount of \$3,068,114.03. As of 12/31/2023, the value of the subscription liability is \$2,751,076.33. Auburn, WA is required to make annual fixed payments of \$427,433.48. The subscription has an interest rate of 2.7980%. The value of the right to use asset as of 12/31/2023 is \$3,068,114.03 with accumulated amortization of \$344,087.55. City has one extension option, for 60 months.

On 01/01/2023, Auburn, WA entered a 36-month subscription for the use of Power Policy, eFroms, Attendance, and Core HR. An initial subscription liability was recorded in the amount of \$175,211.49. As of 12/31/2023, the value of the subscription liability is \$157,703.49. Auburn, WA is required to make annual fixed payments of \$17,508.00. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 12/31/2023 of \$260,411.49 with accumulated amortization of \$86,803.83 is included in the asset activity schedules.

On 01/01/2023, Auburn, WA entered a 67-month subscription for the use of RNI and Analytics Subscriptions. An initial subscription liability was recorded in the amount of \$194,538.58. As of 12/31/2023, the value of the subscription liability is \$159,952.38. Auburn, WA is required to make annual fixed payments of \$45,708.76. The subscription has an interest rate of 2.7023%. The value of the right to use asset as of 12/31/2023 of \$194,538.58 with accumulated amortization of \$34,842.73 is included in the asset activity schedules. Auburn, WA has one extension option, for 60 months. Auburn, WA had a termination period of 60 months as of the subscription commencement.

On 09/23/2023, Auburn, WA entered a 36-month subscription for the use of SeeClickFix OMS Plus. An initial subscription liability was recorded in the amount of \$403,495.20. As of 12/31/2023, the value of the subscription liability is \$271,703.40. Auburn, WA is required to make annual fixed payments of \$131,791.80. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of 12/31/2023 of \$403,495.20 with accumulated amortization of \$36,613.45 is included in the asset activity schedules.

On 10/22/2023, Auburn, WA entered into a 52-month subscription for the use of ADManager Plus. An initial subscription liability was recorded in the amount of \$159,247.35. As of 12/31/2023, the value of the subscription liability is \$107,484.35. Auburn, WA is required to make annual fixed payments of \$51,763.00. The subscription has an interest rate of 3.5290%. The value of the right to use asset as of 12/31/2023 of \$159,247.35 with accumulated amortization of \$7,043.63 is included in the asset activity schedules. The City has three extension option, each for 12 months.

On 01/15/2023, Auburn, WA entered a 48-month subscription for the use of Autodesk Subscription. An initial subscription liability was recorded in the amount of \$145,635.29. As of 12/31/2023, the value of the subscription liability is \$107,771.79. Auburn, WA is required to make annual fixed payments of \$37,863.50. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of 12/31/2023 of \$145,635.29 with accumulated amortization of \$34,992.92 is included in the asset activity schedules. Auburn, WA has three extension options, each for 12 months.

On 01/01/2023, Auburn, WA entered a 132-month subscription for the use of MyBuildingPermit.com (MBP). An initial subscription liability was recorded in the amount of \$556,625.76. As of 12/31/2023, the value of the subscription liability is \$513,118.24. Auburn, WA is required to make quarterly fixed payments of \$14,857.00. The subscription has an interest rate of 2.9460%. The value of the right to use asset as of 12/31/2023 of \$556,625.76 with accumulated amortization of \$50,602.34 is included in the asset activity schedules. The City has included 10 extension options, each for 12 months, in the subscription period.

## NOTE 7 – LONG-TERM LIABILITIES

**General Obligation Bonds** are direct obligations of the City for which its full faith and credit are pledged. Debt service for voter-approved issues, of which the City has 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, 2023, is \$728,476.
- 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 seven outstanding loans with a remaining total balance of \$7,304,542. Five 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). The other 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).

**Compensated Absences** are paid by those funds that have employees. These are mostly payable by the General fund and enterprise funds.

**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, 2023, 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 to the present value of future subscription payments for the subscription period. As of December 2023, these liabilities are limited to the governmental funds.

The following schedules summarize the long-term debt transactions of the City for the year ended December 31, 2023. The first table summarizes all debt transactions for Auburn, while the second provides information on debt requirements to maturity. Additional schedules reflect the reconciliation of debt by fund type, and detailed information on all long-term debt.

### CHANGES IN LONG-TERM LIABILITIES SUMMARY

	Long-term liabilities payable 12/31/22		Additions	Reductions	Long-term liabilities payable 12/31/23	
<b>Governmental Activities</b>						
General Obligation	\$	17,931,209	\$ -	\$ (1,122,733)	\$	16,808,476
Due To Other Governments (Backed by Full Faith and Credit of the City)		15,888,965	-	(695,306)		15,193,659
Lease Liability		4,668,740	-	(262,717)		4,406,023
Subscription Liability		3,994,490	826,620	(694,059)		4,127,051
Public Works Trust Fund Loans		2,705,166	-	(197,375)		2,507,791
Employee Leave Benefit		4,038,134	2,692,845	(2,490,443)		4,240,536
Other Post Employment Benefits		10,956,157	402,400	(2,051,214)		9,307,343
Net Pension Liability		2,881,384	-	(691,236)		2,190,148
Firemen's Pension Liability		2,498,278	641,104	(223,425)		2,915,957
Premium		3,364,838	-	(219,504)		3,145,334
Total Governmental Activities		68,927,361	4,562,969	(8,648,012)		64,842,317
<b>Business-Type Activities</b>						
Revenue Bonds		27,570,000	-	(2,030,000)		25,540,000
Employee Leave Benefits		842,624	608,046	(493,152)		957,517
Net Pension Liability		2,033,135	-	(224,621.00)		1,808,514
Public Works Trust Fund & Drinking Water Loans		3,045,777	2,418,199	(667,224.76)		4,796,751
Premium		5,152,115	-	(468,969)		4,683,146
Total Business-Type Activities		38,643,651	3,026,245	(3,883,967)		37,785,929
Total All Funds	\$	107,571,012	\$ 7,589,213	\$ (12,531,979)	\$	102,628,246

As of December 31, 2023, the principal and interest requirements to maturity are as follows:

### DEBT SERVICE REQUIREMENT TO MATURITY

#### Governmental Activities

Year	General Obligation Bonds <sup>(1)</sup>		Lease and SBITA Liability		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,890,575	\$ 1,353,809	\$ 948,709	\$ 177,199	\$ 197,376	\$ 7,274
2025	1,969,116	1,278,685	977,516	158,809	197,376	6,580
2026	1,674,644	1,192,532	763,847	133,278	197,376	5,885
2027	1,754,825	1,108,800	744,222	115,041	197,376	5,191
2028	1,850,006	1,021,060	680,544	97,576	197,376	4,497
2029 - 2033	10,581,842	3,712,784	2,677,826	262,473	584,966	16,087
2034 - 2038	11,236,127	1,441,984	1,398,845	78,587	584,966	8,774
2039 - 2040	1,045,000	41,800	341,564	3,170	350,980	1,755
Total	\$ 32,002,135	\$ 11,151,454	\$ 8,533,074	\$ 1,026,133	\$ 2,507,791	\$ 56,043

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

#### Business Type Activities

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2024	\$ 2,125,000	\$ 1,160,400	\$ 667,226	\$ 50,033
2025	2,225,000	1,059,900	559,382	44,902
2026	2,325,000	954,650	559,382	40,301
2027	2,435,000	844,600	333,118	35,720
2028	2,550,000	729,300	333,118	32,718
2029 - 2033	9,005,000	1,953,200	1,477,051	118,570
2034 - 2038	3,980,000	669,000	722,897	50,603
2039 - 2040	895,000	35,800	144,579	2,487
Total	\$ 25,540,000	\$ 7,406,850	\$ 4,796,751	\$ 375,334

CHANGES IN LONG-TERM LIABILITIES

Issue Name	Interest Rates	Maturity Date	Original Amount <sup>(2)</sup>	Principal Installments	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	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	\$ 1,081,209	\$ -	\$ (352,733)	\$ 728,476	\$ 362,317
LTGO Refunding 2020A (LTGO 2010B)	4.00-5.00%	12/01/2039	15,010,000	\$480,000 - \$1,045,000	13,160,000	-	(530,000)	12,630,000	555,000
LTGO Refunding 2020B (LTGO 2010D)	4.00-5.00%	12/01/2034	4,470,000	\$71,470 - \$366,159	3,690,000	-	(240,000)	3,450,000	250,000
Total General Obligation Bonds			22,646,930		17,931,209	-	(1,122,733)	16,808,476	1,167,317
<u>Subscription Liability <sup>(1)</sup></u>									
ADManager Plus	3.529%	02/21/2028	159,247		-	159,247	(51,763)	107,484	-
Autodesk Subscription	2.676%	01/14/2027	145,635		-	145,635	(37,865)	107,771	34,980
Axon Software	2.798%	11/30/2031	3,068,114		3,068,114	-	(317,037.7)	2,751,076	311,601
Flock Proprietary Software	3.018%	07/31/2025	118,242		-	118,242	(60,000)	58,242	58,242
MyBuildingPermit.com (MBP)	2.946%	12/31/2033	556,626		556,626	-	(43,508)	513,118	44,803
Power Policy, eFroms, Attendance, and Core HR	2.656%	12/31/2025	175,211		175,211	-	(17,508)	157,703	66,235
RNI and Analytics Subscriptions	2.702%	07/31/2028	194,539		194,539	-	(34,586)	159,952	30,308
SeeClickFix OMS Plus	2.901%	09/22/2026	403,495		-	403,495	(131,792)	271,703	130,499
Total Subscription Liability			4,821,110		3,994,490	826,620	(694,059)	4,127,051	676,668
<u>Leases:</u>									
Feenix Parkside LLC	1.481%	02/29/2040	4,685,125		4,467,117	-	(222,448)	4,244,669	232,992
Sharp Business Systems	2.157%	10/31/2027	216,609		199,575	-	(38,221)	161,354	39,050
Pitney Bowes Inc.	0.238%	04/01/2023	10,232		2,048	-	(2,048)	-	-
Total Lease Liability			4,911,966		4,668,740	-	(262,717)	4,406,023	272,041
<u>Employee Leave Benefits:</u>									
Compensated absences					4,038,134	2,692,845	(2,490,443)	4,240,536	3,167,538
<u>Other Post Employment Benefits:</u>									
LEOFF 1					10,956,157	402,400	(2,051,214)	9,307,343	473,000
<u>Pensions:</u>									
Net Pension Liability					2,881,384		(691,236)	2,190,148	2,190,148
Firemen's Pension Liability					2,498,278	641,104	(223,425)	2,915,957	-
<u>Public Works Trust Fund Loans:</u>									
PWTF 2008	0.50%	07/01/2028	1,527,273	\$80,382	482,296	-	(80,382)	401,914	80,383
PWTF 2012	0.50%	06/01/2041	3,284,857	\$116,993	2,222,870	-	(116,993)	2,105,877	116,993
Total Public Works Trust Fund Loans			4,812,130		2,705,166	-	(197,375)	2,507,791	197,376
Premium Related to Debt					3,364,838	-	(219,504)	3,145,333	-
<b>Total Governmental</b>			<b>\$ 32,280,170</b>		<b>\$ 53,038,396</b>	<b>\$ 4,562,969</b>	<b>\$ (7,952,706)</b>	<b>\$ 49,648,658</b>	<b>\$ 8,144,088</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	9,890,000	-	(1,040,000)	8,850,000	1,095,000
Utility sys bonds 2020 <sup>(2)</sup>	4.00-5.00%	12/01/2039	12,030,000	\$175,000 - \$895,000	11,045,000	-	(435,000)	10,610,000	455,000
Utility sys bonds 2013 <sup>(2)</sup>	0.38-4.00%	12/01/2032	11,415,000	\$335,000 - \$785,000	6,635,000	-	(555,000)	6,080,000	575,000
Total Revenue Bonds			35,280,000		27,570,000	-	(2,030,000)	25,540,000	2,125,000
<u>Employee Leave Benefits:</u>									
Compensated absences					842,624	608,046	(493,152)	957,517	715,232
<u>Net Pension Liability</u>									
					2,033,135		(224,621)	1,808,514	1,808,514
<u>Public Works Trust Fund &amp; Drinking Water Loans:</u>									
PWTF 2004	0.50%	7/1/2024	2,049,036	\$107,844	215,688		(107,844)	\$ 107,844	107,844
PWTF 2006	0.50%	7/1/2026	3,325,000	\$180,418	721,672		(180,418)	\$ 541,254	180,418
PWTF 2013	2.00%	6/1/2032	3,325,000	\$188,538	1,885,385		(188,538)	\$ 1,696,845	188,538
DWSRF 2016 <sup>(3)</sup>	1.50%	10/1/2026	248,066	\$30,262	121,049	62,334	(45,845)	\$ 137,538	45,846
DWSRF 2020	1.75%	10/1/2039	3,030,000	\$5,999	101,984	2,355,865	(144,579)	\$ 2,313,270	144,579
Total Public Works Trust Fund & Drinking Water Loans			12,618,352		3,045,777	2,418,199.07	(667,225)	4,796,751	667,226
Premium Related to Debt					5,152,115	-	(468,969)	4,683,146	-
<b>Total Proprietary</b>			<b>\$ 47,898,352</b>		<b>\$ 38,643,651</b>	<b>\$ 3,026,245</b>	<b>\$ (3,883,967)</b>	<b>\$ 37,785,929</b>	<b>\$ 5,315,972</b>
<b>Total All Funds</b>			<b>\$ 80,178,522</b>		<b>\$ 91,682,047</b>	<b>\$ 7,589,213</b>	<b>\$ (11,836,673)</b>	<b>\$ 87,434,587</b>	<b>\$ 13,460,060</b>

<sup>(1)</sup> The beginning balances have been restated to comply with GASB Statement No. 96.

<sup>(2)</sup> Subject to federal arbitrage compliance rules.

<sup>(3)</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 12/31/22	Additions	Reductions	Balance 12/31/23	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	15,888,965	-	(695,306)	15,193,659	723,258
<b>Total General Obligation Bonds</b>									
<b>Due Other Governments</b>			<u>\$ 17,838,617</u>		<u>\$ 15,888,965</u>	<u>\$ -</u>	<u>\$ (695,306)</u>	<u>\$ 15,193,659</u>	<u>\$ 723,258</u>

**LONG-TERM LIABILITIES RECONCILIATION**

	Enterprise Funds	Governmental Funds	12/31/23
Liabilities payable from restricted assets:			
Revenue bonds	\$ 2,176,444	\$ -	\$ 2,176,444
Long-term bonds payable:			
General obligation bonds	-	16,808,476	16,808,476
Revenue bonds	23,363,556	-	23,363,556
Lease Liability		4,406,023	4,406,023
Subscription Liability		4,127,051	4,127,051
Public Works Trust Fund loans	4,796,751	2,507,791	7,304,542
Due to Other Governments		15,193,659	15,193,659
Employee leave benefits	957,517	4,240,536	5,198,053
Other Post Employment Benefits		9,307,343	9,307,343
Net Pension Liability	1,808,514	2,190,148	3,998,662
Firemen's Pension Liability		2,915,957	2,915,957
Premium	4,683,146	3,145,333	7,828,479
<b>Total long-term debt</b>	<u>\$ 37,785,929</u>	<u>\$ 64,842,317</u>	<u>\$ 102,628,246</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 2023 was 4.65. 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, 2023, 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, 2023, has lease receivables for both governmental and business type activities.

**CHANGES IN DEFERRED INFLOW OF RESOURCES**

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2023	Additions	Reductions	Balance as of December 31, 2023
Deferred Inflow of Resources				
Buildings				
Airport East Room	\$ -	\$ 131,713	\$ 10,783	\$ 120,930
550 Hangars LLC - Airport	176,029	-	8,888	167,141
SpanaFlight LLC	188,943	-	188,943	-
Total Building Deferred Inflow of Resources	364,972	131,713	208,614	288,071
Land				
Auburn Condo Hangars Assoc (ACHA)	1,866,457	-	65,637	1,800,820
Auburn Flyers Condo I - Airport	241,280	-	8,184	233,096
Auburn Flyers Condo II - Airport	513,294	-	16,525	496,768
Auburn Flyers Condo III -Airport	573,304	-	17,559	555,744
Auburn Hangars Owners Assoc (AHOA)	1,906,821	-	66,433	1,840,388
Cascade Helicopter Services - Airport	1,581,672	-	34,826	1,546,846
Jim Jacobsen - Airport	216,295	-	7,351	208,944
Normandy Aircraft	2,592	-	2,592	-
Total Land Deferred Inflow of Resources	6,901,715	-	219,107	6,682,606
Total Deferred Inflow of Resources	<u>\$ 7,266,687</u>	<u>\$ 131,713</u>	<u>\$ 427,721</u>	<u>\$ 6,970,677</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Deferred Inflow of Resources				
Buildings				
Auburn Food Bank	\$ 627,878	\$ -	\$ 36,754	\$ 591,124
Auburn Professional Plaza-Parking Stalls	823,933	-	19,579	804,354
We Care Daily Clinics	150,797	-	25,851	124,946
Total Building Deferred Inflow of Resources	1,602,608	-	82,184	1,520,424
Infrastructure				
Seattle SMSA Lmted Partnership - Verizon	377,317	-	17,348	359,969
Total Infrastructure Deferred Inflow of Resources	377,317	-	17,348	359,969
Land				
SBA 2012 TC Assests LLC - Sprint	182,189	1,658,973	65,050	1,776,112
Total Land Deferred Inflow of Resources	182,189	1,658,973	65,050	1,776,112
Total Deferred Inflow of Resources	<u>\$ 2,162,114</u>	<u>\$ 1,658,973</u>	<u>\$ 164,582</u>	<u>\$ 3,656,505</u>

## CHANGES IN LEASE RECEIVABLES

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2023	Additions	Reductions	Balance as of December 31, 2023
Lease Receivable				
Buildings				
Airport East Room	\$ -	\$ 131,713	\$ 8,981	\$ 122,732
S50 Hangars LLC - Airport	175,325	-	5,841	169,484
SpanaFlight LLC	189,917	-	189,917	-
Total Building Lease Receivable	365,242	131,713	204,739	292,216
Land				
Auburn Condo Hangars Assoc (ACHA)	1,879,252	-	51,587	1,827,666
Auburn Flyers Condo I - Airport	242,866	-	6,345	236,521
Auburn Flyers Condo II - Airport	517,208	-	12,677	504,531
Auburn Flyers Condo III -Airport	577,021	-	13,209	563,812
Auburn Hangars Owners Assoc (AHOA)	1,920,483	-	52,045	1,868,439
Cascade Helicopter Services - Airport	1,591,400	-	23,144	1,568,256
Jim Jacobsen - Airport	216,796	-	6,800	209,995
Normandy Aircraft	2,595	-	2,595	-
Total Land Lease Receivable	6,947,621	-	168,402	6,779,220
Total Lease Receivable	<u>\$ 7,312,863</u>	<u>\$ 131,713</u>	<u>\$ 373,141</u>	<u>\$ 7,071,436</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Lease Receivable				
Buildings				
Auburn Food Bank	\$ 631,717	\$ -	\$ 32,742	\$ 598,975
Auburn Professional Plaza-Parking Stalls	829,846	-	13,460	816,387
We Care Daily Clinics	156,659	-	24,578	132,081
Total Building Lease Receivable	1,618,222	-	70,780	1,547,443
Infrastructure				
Seattle SMSA Lmted Partnership - Verizon	383,795	-	9,891	373,903
Total Infrastructure Lease Receivable	383,795	-	9,891	373,903
Land				
SBA 2012 TC Assests LLC - Sprint	183,989	1,658,973	29,715	1,813,247
Total Land Lease Receivable	183,989	1,658,973	29,715	1,813,247
Total Lease Receivable	<u>\$ 2,186,006</u>	<u>\$ 1,658,973</u>	<u>\$ 110,386</u>	<u>\$ 3,734,593</u>

The following provides the total amount of inflows including lease revenue and interest revenue for year 2023:

	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total</u>
Governmental Activities	\$ 164,581	\$ 66,616	\$ 231,197
Business-type Activities	240,210	135,705	375,915
Total	<u>\$ 404,791</u>	<u>\$ 202,321</u>	<u>\$ 607,112</u>

As of December 31, 2023, future lease receivable principal and interest payments are as follows:

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 74,706	\$ 99,351	\$ 174,057	\$ 185,436	\$ 124,737	\$ 310,173
2025	81,216	98,448	179,664	189,010	121,282	310,292
2026	87,204	97,361	184,565	192,535	117,757	310,292
2027	93,703	96,078	189,781	196,133	114,159	310,292
2028	96,049	94,581	190,630	199,804	110,488	310,292
2029 - 2033	487,235	444,999	932,234	1,056,799	494,663	1,551,462
2034 - 2038	767,437	368,350	1,135,787	1,084,387	396,152	1,480,539
2039 - 2043	1,014,280	236,554	1,250,834	1,172,139	293,294	1,465,433
2044 - 2048	642,179	65,533	707,712	1,226,433	189,366	1,415,799
2049 - 2053	109,876	29,536	139,412	883,529	89,128	972,657
2054 - 2058	119,922	19,490	139,412	244,303	48,498	292,801
2059 - 2063	130,886	8,526	139,412	225,063	29,059	254,122
2064 - 2068	29,900	306	30,206	215,863	8,612	224,475
2068- 2072						-
Total	\$ 3,734,593	\$ 1,659,113	\$ 5,393,706	\$ 7,071,434	\$ 2,137,195	\$ 9,208,629

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

<u>Lessee</u>	<u>Lease Description</u>	<u>Fund</u>	<u>Contract Date</u>	<u>Commencement Date</u>	<u>Lease End Date</u>	<u>Purchase Option</u>
Auburn Condo Hangars Assoc	Land situated at 2509 "E" Street N E, Auburn, WA	Airport	June-2001	June-2001	June-2051	No
NW Hangars LLC	Auburn Flyers Condo I: 12,273 square feet of land	Airport	June-2002	June-2002	June-2052	No
NW Hangars LLC	Auburn Flyers Condo II: 24,948 square feet of land	Airport	January-2004	January-2004	January-2054	No
NW Hangars LLC	Auburn Flyers Condo III: 26,765 square feet of land	Airport	August-2005	August-2005	August-2055	No
Auburn Hangars Owners Assoc (AHOA)	98,326 square feet	Airport	September-2001	September-2001	September-2051	No
Cascade Helicopter Services	Certain premises, facilities and rights on Auburn Airport	Airport	February-1978	June-1978	May-2068	No
Jim Jacobsen	10,296 square feet of land located at Auburn Airport	Airport	June-2002	June-2002	June-2052	No
Normandy Aircraft	782 square feet in the Airport Administration building	Airport	December-2019	January-2020	January-2023	No
S50 Hangars LLC	Commercial office and shop space	Airport	October-2022	October-2022	October-2042	No
SpanaFlight LLC <sup>(1)</sup>	Certain space in the Airport Administration building	Airport	January-2021	January-2021	January-2033 <sup>(1)</sup>	No
SpanaFlight LLC	672 square feet in Airport east room	Airport	January-2023	February-2023	December-2033	No
Sprint Spectrum L.P. <sup>(2)</sup>	900 square feet of land and 720 square feet of building exterior space	General	April-2006	June-2006	5/31/2046 <sup>(2)</sup>	No
Auburn Food Bank	6,647 square feet of rentable area	General	October-2020	November-2020	January-2040	No
Auburn Professional Plaza	125 Parking Stalls	General	December-2008	February-2010	January-2065	No
We Care Daily Clinics	1,960 square feet of rentable area located on North Auburn Way and exclusive use of two parking stalls	General	October-2021	November-2021	October-2028	No
Seattle SMSA Lmtd Partnership - Verizon	Athena facility and tower space in Fulmer Park	Municipal Parks Construction	September-2014	October-2014	September-2044	No

1) Lease was terminated in January 2023. \$1,064 loss on termination was recognized.

2) An amendment was signed in July, 2023 providing the lessee with four additional successive terms of five years (each a "Renewal Term"). As a result, the end date was extended from May 2026 to May 2046.

Page 2 of 2

<u>Lessee</u>	<u>Payment Type</u>	<u>Index</u>	<u>Payment Amount</u>	<u>Payment Frequency</u>
Auburn Condo Hangars Assoc	Fixed	N/A	\$ 7,449	Monthly
NW Hangars LLC	Variable	CPI	979	Monthly
NW Hangars LLC	Variable	CPI	1,873	Monthly
NW Hangars LLC	Variable	CPI	2,024	Monthly
Auburn Hangars Owners Assoc (AHOA)	Variable	CPI	7,405	Monthly
Cascade Helicopter Services	Variable	CPI	4,245	Monthly
Jim Jacobsen	Variable	CPI	653	Monthly
Normandy Aircraft	Variable	CPI	2,615	Monthly
S50 Hangars LLC	Variable	CPI	1,089	Monthly
SpanaFlight LLC	Variable	CPI	1,543	Monthly
SpanaFlight LLC	Variable	Maximum of CPI or 5 percent	1,126	Monthly
Sprint Spectrum L.P.	Variable	CPI	4,175	Monthly
Auburn Food Bank	Fixed	N/A	3,490	Monthly
Auburn Professional Plaza	Fixed	N/A	2,324	Monthly
We Care Daily Clinics	Fixed	N/A	2,250	Monthly
Seattle SMSA Lmted Partnership - Verizon	Fixed	N/A	15,761	Annual

**NOTE 9 – PENSION PLANS**

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

Aggregate Pension Amounts - All State Administered Plans	
Pension liabilities	\$ (3,998,662)
Pension assets	\$ 20,491,786
Deferred outflows of resources	\$ 14,444,029
Deferred inflows of resources	\$ (8,066,018)
Pension expense/expenditures	\$ (1,430,241)

**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 two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. 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 percent. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January - June 2023:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</b>	<b>6.00%</b>
July – August 2023:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>9.39%</b>	<b>6.00%</b>
September – December 2023:		
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>

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

**PERS Plan 2/3** provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member’s 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 2023 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January - June 2023:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.39%</b>	<b>6.36%</b>
July - August 2023:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>9.39%</b>	<b>6.36%</b>
September – December 2023:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	.20%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>9.53%</b>	<b>6.36%</b>

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

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

The City’s actual PERS plan contributions were \$1,129,900 to PERS Plan 1 and \$2,102,089 to PERS Plan 2/3 for the year ended December 31, 2023.

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

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

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

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

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

Contributions

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

**LEOFF Plan 2** provides retirement, disability, and death benefits. Retirement benefits are determined as two percent 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 three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include 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 2023.

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

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
January – August 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>

<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
September – December 2023		
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 \$804,151 for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the state contributed \$87,966,142 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$508,739.

**Actuarial Assumptions**

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

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan

liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. 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.

Methods did not change from the prior contribution rate setting June 30, 2021, Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 assets, LEOFF Plan ½ assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022 measurement date.

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.00 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.00 percent was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

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

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	<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 7.00 percent, 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 (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1	\$ 5,586,432	\$ 3,998,662	\$ 2,612,911
PERS 2/3	10,071,216	(9,259,868)	(25,141,574)
LEOFF 1	(2,452,750)	(2,766,139)	(3,037,895)
LEOFF 2	\$ 1,401,704	\$ (8,465,780)	\$ (16,541,468)

**Pension Plan Fiduciary Net Position**

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

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

At June 30, 2023, the City reported its proportionate share of net pension liabilities and assets as follows:

	Liability (Asset)
PERS 1	\$ (3,998,662)
PERS 2/3	9,259,868
LEOFF 1	2,766,139
LEOFF 2	\$ 8,465,780

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	\$ (2,766,139)	\$ (8,465,780)
State’s proportionate share of the net pension asset associated with the employer	(18,710,096)	(5,406,160)
TOTAL	\$ (21,476,235)	\$ (13,871,939)

At June 30, 2023, the City’s proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.176504%	0.175170%	(0.001334)%
PERS 2/3	0.230198%	0.225923%	(0.004275)%
LEOFF 1	0.093826%	0.093198%	(0.000628)%
LEOFF 2	0.367227%	0.352947%	(0.01428)%

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

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

In fiscal year 2023, the state of Washington contributed 39% 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, 2023, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (81,318)
PERS 2/3	(1,132,710)
LEOFF 1	(227,285)
LEOFF 2	11,072
TOTAL	\$ (1,430,241)

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

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

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (451,066)
Contributions subsequent to the measurement date	505,683	
<b>TOTAL</b>	<b>\$ 505,683</b>	<b>\$ (451,066)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,886,225	\$ (103,461)
Net difference between projected and actual investment earnings on pension plan investments		(3,489,678)
Changes of assumptions	3,887,613	(847,347)
Changes in proportion and differences between contributions and proportionate share of contributions	122,891	(185,230)
Contributions subsequent to the measurement date	1,070,910	
<b>TOTAL</b>	<b>\$ 6,967,638</b>	<b>\$ (4,625,716)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (183,421)
<b>TOTAL</b>	<b>\$</b>	<b>\$ (183,421)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,458,031	\$ (69,650)
Net difference between projected and actual investment earnings on pension plan investments		(1,791,340)
Changes of assumptions	2,162,552	(695,397)
Changes in proportion and differences between contributions and proportionate share of contributions	942,301	(249,429)
Contributions subsequent to the measurement date	407,824	
<b>TOTAL</b>	<b>\$ 6,970,708</b>	<b>\$ (2,805,816)</b>

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

<b>Year ended December 31</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>LEOFF 1</b>	<b>LEOFF 2</b>
2024	(306,887)	(1,701,832)	(125,760)	(631,888)
2025	(385,946)	(2,048,138)	(157,812)	(921,166)
2026	237,968	2,868,825	97,896	1,627,891
2027	3,798	1,049,706	2,254	641,557
2028	-	1,042,426	-	711,309
Thereafter	\$ -	\$ 60,025	\$ -	\$ 2,329,364

**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 2023, \$114,235 was received from the state from taxes on fire insurance premiums, and \$89,097 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 2023:

Aggregate Pension Amounts – Fire Relief and Pension Plan	
Pension liabilities	\$ 2,915,957
Pension expense/expenditures	\$ 526,869

**Service Retirement Benefit**

The amount of a members 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, 2022, and the December 31, 2023, 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, 2022	December 31, 2023
Discount Rate – municipal bond rate (average rating AA/Aa or higher)	3.75%	3.25%
Valuation Date	January 1, 2021	January 1, 2023
Measurement Date	December 31, 2022	December 31, 2023
Inflation	2.25%	2.50%
Salary Increases Including Inflation	3.25%	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 2023:

Fire Relief and Pension Plan	Increase (Decrease) Total Pension Liability
Balances as of December 31, 2022	\$ 2,498,278
Changes for the year:	
Interest on total pension liability	89,534
Effect of economic/demographic gains or losses	373,785
Effect of assumptions, changes or inputs	177,785
Benefit payments *	(223,425)
Balances as of December 31, 2023	\$ 2,915,957

\* 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 3.25%, 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 (2.25%) or 1 percentage point higher (4.25%) than the current rate.

1% Decrease (2.25%)	Current Discount Rate (3.25%)	1% Increase (4.25%)
\$ 3,179,412	\$ 2,915,957	\$ 2,687,154

**Pension Expense**

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

Fire Relief and Pension Plan	January 1, 2022 to December 31, 2022	January 1, 2023 to December 31, 2023
Interest on Total Pension Liability	\$ 59,120	\$ 89,534
Contributions From State Fire Insurance Premium Tax	(104,661)	(114,235)
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of Economic/Demographic Gains/Losses	0	373,785
Recognition of Assumption Changes or Inputs	(422,100)	177,785
Pension Expense	\$ (467,641)	\$ 526,869

**Deferred Outflows/Inflows of Resources**

As of December 31, 2023, 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 2023:

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 9,307,343
OPEB expense/expenditures	\$ (1,193,658)

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, 2023, 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, 2023. 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, 2023. Updated procedures were used to roll forward the total OPEB liability to the measurement date.

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 3.26% as of December 28, 2023. Rounding this to the nearest ¼% results in a discount rate of 3.25% as of the December 31, 2023, measurement date.

A medical (healthcare) and dental trend rate of 5.50% along with a long-term care inflation rate of 4.75% and Medicare Part B trend rate of 7.30% were used in calculating the December 31, 2023, 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, 2023 OPEB Liability	\$ 8,418,603	\$ 9,307,343	\$ 10,327,869

The following presents the total OPEB liability of the City calculated using the discount rate of 3.25%, 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 (2.25%) or one percentage point higher (4.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total December 31, 2023 OPEB Liability	\$ 10,409,691	\$ 9,307,343	\$ 8,376,328

The following table represents the changes in total OPEB liability for 2023:

OPEB LEOFF Plan 1	Increase (Decrease) Total OPEB Liability
Balance as of December 31, 2022	\$ 10,956,157
Changes for the Year:	
Interest on Total OPEB Liability	402,400
Effect of economic/demographic (gains) or losses	(1,969,219)
Effect of Assumptions, Changes or Inputs	373,161
Expected Benefit Payments	(455,156)
Balance as of December 31, 2023	\$ 9,307,343

For the year ended December 31, 2023, the City recognized an OPEB expense of \$ (1,193,658).

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, 2023, 264 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 2023, 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 interest 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, 2023, the City had the following contractual obligations on construction projects:

Schedule of Outstanding Construction Obligations  
As of December 31, 2023

	<u>Amount Outstanding</u>
Arterial Street Fund	\$2,293,695
Local Street Fund	948,392
Arterial Street Preservation Fund	893,313
Municipal Parks Construction	449,236
Capital Improvements	440,164
Water Capital Fund	7,110,187
Sewer Capital Fund	365,276
Storm Capital Fund	2,803,577
Airport Capital Fund	1,479,091
Equipment Rental Capital Fund	8,674
Total	<u><u>\$16,791,604</u></u>

**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 2023 of the \$108,267 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 2023 cost distribution for the five participating cities is as follows:

	Dispatchable Calls	Percent of Total *
Auburn	67,644	20.81%
Federal Way	66,332	20.40%
Kent	87,959	27.06%
Renton	69,831	21.48%
Tukwila	33,328	10.25%
Total	<u>325,094</u>	<u>100.00%</u>

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

SOURCE: ValleyCom - 2023 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 this time 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, 2022	\$ 8,834,669	\$ 7,627,742	\$ 11,560,686	\$ 8,610,737	\$ 4,114,494	\$ 40,748,328
Current year change	1,016,695	996,975	1,322,034	1,049,574	500,926	4,886,204
Equity Dec 31, 2023	<u>\$ 9,851,364</u>	<u>\$ 8,624,717</u>	<u>\$ 12,882,720</u>	<u>\$ 9,660,311</u>	<u>\$ 4,615,420</u>	<u>\$ 45,634,532</u>
% of equity	21.59%	18.90%	28.23%	21.17%	10.11%	
% of 2023 distribution	20.81%	20.40%	27.06%	21.48%	10.25%	

SOURCE: ValleyCom - 2023 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.

**South Correctional Entity (SCORE)**

On February 25, 2009, the Cities of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, Washington (Member Cities) entered into a SCORE Facility Interlocal Agreement (as amended and restated on October 1, 2009, the “2009 Interlocal Agreement”) pursuant to chapter 39.34 RCW (Interlocal Cooperation Act) to jointly construct, equip, maintain and operate a consolidated regional misdemeanor correctional facility located in Des Moines, Washington (SCORE Facility) to serve the parties to the 2009 Interlocal Agreement and state agencies and other local governments (Subscribing Agencies) to provide correctional services essential to the preservation of the public health, safety and

welfare. To carry out the purposes of the 2009 Interlocal Agreement and to operate, manage and maintain the SCORE Facility, the Member Cities formed the South Correctional Entity (SCORE), a separate governmental administrative agency pursuant to the 2009 Interlocal Agreement and RCW 39.34.030(3).

The 2009 Interlocal Agreement named the City of Des Moines as the “Host City” and the remaining Member Cities as the “Owner Cities”. Pursuant to a separate “Host City Agreement” dated October 1, 2009, the Host City will not enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Host City Agreement. Pursuant to SCORE financial policies, all unexpended funds or reserve funds shall be distributed based on the percentage of the Member City’s average daily population at the SCORE Facility for the last three (3) years regardless of its Owner City or Host City status. SCORE and the SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement. SCORE, 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%
2024	2,070,000	1,839,900	\$ 3,909,900	\$ 1,366,120	\$ 188,457	\$ 235,376	\$ 1,601,495	\$ 141,538	\$ 376,914
2025	2,155,000	1,757,100	3,912,100	1,366,889	188,563	235,508	1,602,396	141,618	377,126
2026	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861
2027	2,375,000	1,536,350	3,911,350	1,366,626	188,527	235,463	1,602,089	141,591	377,054
2028	2,490,000	1,417,600	3,907,600	1,365,315	188,346	235,238	1,600,553	141,455	376,693
2029-2033	14,430,000	5,120,300	19,550,300	6,830,875	942,324	1,176,928	8,007,803	707,721	1,884,649
2034-2038	17,705,000	1,840,250	19,545,250	6,829,111	942,081	1,176,624	8,005,734	707,538	1,884,162
Totals	\$ 43,485,000	\$ 15,160,850	\$ 58,645,850	\$ 20,490,863	\$ 2,826,729	\$ 3,530,480	\$ 24,021,340	\$ 2,122,979	\$ 5,653,459

The City of 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, 2023, in relation to SCORE:

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

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:

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 12/31/2022	Additions	Reductions	Balance 12/31/2023
SCORE Public Development Authority	\$ 15,888,965	\$ -	\$ (695,306)	\$ 15,193,659
Total Due to Other Gov't Funds	15,888,965	-	(695,306)	15,193,659
Valley Communications Center	8,844,944	1,006,421	-	9,851,365
South Correctional Entity (SCORE)	14,096,126	1,218,714	-	15,314,840
Total Joint Venture Capital Assets	22,941,070	2,225,135	-	25,166,205
Total Investment in Joint Ventures				\$ 40,359,864

## **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 2023 \$330,977. Medical premiums and benefit payments made under the Fire Relief and Pension Plan for 2023 \$25,037.

## **NOTE 16 – CONTINGENCIES AND LITIGATIONS**

As of December 31, 2023, 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. WCIA has a total of 169 members.

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

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

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

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

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

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

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

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

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, 2023, projected ultimate loss during 2024 and 2025 program years to be \$679,000 and \$714,000, respectively. On December 31, 2023, incurred but not reported and claims payable were estimated at \$1,192,000. On December 31, 2023, fund net position was \$3,379,803. The City carrier’s excess works’ compensation insurance coverage with a private carrier for losses exceeding \$500,000 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 2023 and 2022 were:

<b>CHANGES OF ESTIMATED CLAIMS LIABILITIES FOR 2023 AND 2022</b>		
	<b>Workers Compensation</b>	
	<b>2023</b>	<b>2022</b>
Beg. of Year Claims Liabilities	\$1,132,000	\$865,000
Less: Claim Payments	(196,083)	(195,336)
Plus: Claims and Changes in Estimates	256,083	462,336
End of Year Claims Liabilities	\$1,192,000	\$1,132,000

**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, 2023:

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 exemptions 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) Plan A Development LLC, project name Trek Apartments; a four-story building of 126 apartment units with outdoor plaza and ground parking and retail space. The final certificate of tax exemption was issued December 3, 2015, with the eight-year ad valorem property tax exemption to start with tax year 2016. The city's portion of the property tax abated during the fiscal year 2023 was \$37,588.
- 2) 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 grade with one level of below grade 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 2023 was \$42,977.
- 3) 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 2023 was \$65,625.

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 26, 2023 (the latest information available):

Tax Abatement Program	Amount of Taxes Abated
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 – REPORTING CHANGE**

Effective January 1, 2023, the City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Under this statement, contracts that provide the City with IT software and associated tangible capital assets are recognized as a right of use subscription asset and a corresponding liability. Subscription assets and liabilities are recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation.

**NOTE 20 – SUBSEQUENT EVENTS**

The City of Auburn joined counties, cities, and other government agencies (“Group”) across the country in several lawsuits to address the injustice committed by opioid companies and their distributors. As a result of the two lawsuits settling in the Group’s favor, the city will receive approximately \$1.4 million in combined settlement distributions over the course of 17 years. The city has received payments as of year-end 2023 of \$78,780.

## 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.

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CUMULATIVE RESERVE FUND**  
For the Year Ended December 31,2023

	<u>Budget Amounts</u>		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Investment Earnings	\$ 80,000	\$ 80,000	\$ 1,539,393	\$ 1,459,393
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>1,539,393</u>	<u>1,459,393</u>
<b>EXPENDITURES:</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>80,000</u>	<u>80,000</u>	<u>1,539,393</u>	<u>1,459,393</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>(1,391,450)</u>	<u>(2,681,394)</u>	<u>(1,242,019)</u>	<u>1,439,375</u>
<b>Total Other Financing Sources or Uses</b>	<u>(1,391,450)</u>	<u>(2,681,394)</u>	<u>(1,242,019)</u>	<u>1,439,375</u>
Net Change in Fund Balance	<u>(1,311,450)</u>	<u>(2,601,394)</u>	<u>297,374</u>	<u>2,898,768</u>
Fund Balance - Beginning	<u>30,713,551</u>	<u>30,592,441</u>	<u>30,592,441</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 29,402,101</u>	<u>\$ 27,991,047</u>	<u>\$ 30,889,815</u>	<u>\$ 2,898,768</u>

**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)

(30,889,815)  
\$ -

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

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, 2023

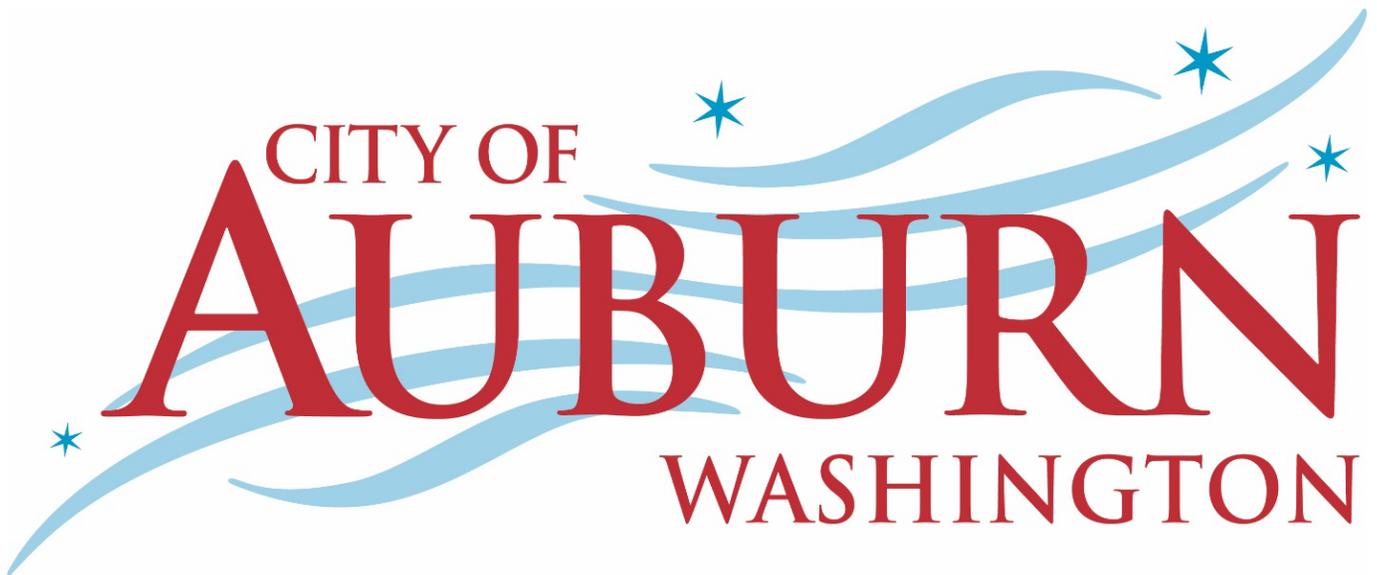
	<u>Budget Amounts</u>		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$ 88,400	\$ 88,400	\$ 114,235	\$ 25,835
Investment Earnings	15,200	15,200	89,097	73,897
Total Revenues	<u>103,600</u>	<u>103,600</u>	<u>203,332</u>	<u>99,732</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons and Property	196,256	221,256	223,535	(2,279)
Total Expenditures	<u>196,256</u>	<u>221,256</u>	<u>223,535</u>	<u>(2,279)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(92,656)</u>	<u>(117,656)</u>	<u>(20,204)</u>	<u>97,452</u>
Net Change in Fund Balance	<u>(92,656)</u>	<u>(117,656)</u>	<u>(20,204)</u>	<u>97,452</u>
Fund Balance - Beginning	<u>1,790,627</u>	<u>1,890,532</u>	<u>1,890,532</u>	<u>-</u>
Fund Balance - Ending	<u>1,697,971</u>	<u>\$ 1,772,876</u>	<u>\$ 1,870,328</u>	<u>\$ 97,452</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)

(1,870,328)  
\$ -

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



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of June 30, 2023**  
**Last 10 Fiscal Years\***

<b>PERS 1</b>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	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)	\$ 3,998,662	\$ 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 payroll	\$ 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 payroll	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	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%
<b>PERS 2/3</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	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)	\$ (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 payroll	\$ 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 payroll	-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	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%
<b>LEOFF 1</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	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)	\$ (2,766,139)	\$ (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	\$ (18,710,096)	\$ (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	\$ (21,476,235)	\$ (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	175.99%	169.62%	187.45%	146.88%	148.78%	144.42%	136.00%	123.74%	127.36%
<b>LEOFF 2</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	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)	\$ (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	\$ (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	\$ (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 payroll	\$ 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 payroll	-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	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, 2023  
Last 10 Fiscal Years\*

\* The City implemented GASB Statement No. 68 in fiscal year 2015. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

Notes to Schedule:

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

Contribution and covered 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 payroll.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Employer Contributions**  
**As of December 31, 2023**  
**Last 10 Fiscal Years\***

<b>PERS 1</b>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 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	\$ (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 payroll	\$ 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 payroll	3.41%	3.76%	4.29%	4.94%	4.94%	5.14%	4.96%	4.82%	4.47%
<b>PERS 2/3</b>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 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	\$ (2,102,089)	\$ (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 payroll	\$ 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 payroll	6.35%	6.36%	7.14%	7.94%	7.72%	7.74%	7.04%	6.41%	5.82%
<b>LEOFF 2</b>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 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	\$ (804,151)	\$ (782,428)	\$ (756,576)	\$ (737,023)	\$ (730,140)	\$ (708,333)	\$ (639,662)	\$ (594,665)	\$ (551,812)
Covered payroll	\$ 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 payroll	5.21%	5.21%	5.29%	5.32%	5.37%	5.43%	5.33%	5.23%	5.23%

\* The City implemented GASB Statement No. 68 in fiscal year 2015. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

**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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Beginning	\$ 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	N/A
Service Cost	-	-	-	-	-	-	-	-	N/A	N/A
Interest on Total Pension Liability	89,534	59,120	69,409	91,863	114,553	108,873	116,957	N/A	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	177,785	(422,100)	138,062	244,126	376,773	(142,719)	77,612	N/A	N/A	N/A
Benefit Payments	(223,425)	(188,472)	(186,020)	(225,451)	(221,139)	(205,285)	(200,138)	N/A	N/A	N/A
Net Change in Total Pension Liability	417,679	(551,452)	(513,256)	110,538	479,144	(239,131)	(5,569)	N/A	N/A	N/A
Total Pension Liability - Ending	\$ 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	N/A
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* The City implemented GASB Statement No. 73 in fiscal year 2017. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

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 3.75% as of December 31, 2022 to 3.25% as of December 31, 2023.

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability - Beginning	\$ 10,956,157	\$ 13,370,311	\$ 14,784,873	\$ 13,702,359	\$ 16,228,865	\$ 17,472,360	N/A	N/A	N/A	N/A
Service Cost	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	402,400	261,571	290,093	368,593	636,891	597,724	N/A	N/A	N/A	N/A
Changes of Benefit Terms	-	-	-	-	-	-	N/A	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	N/A
Effect of Assumption Changes or Inputs	373,161	(2,089,347)	(437,389)	1,315,995	883,507	(1,045,269)	N/A	N/A	N/A	N/A
Expected Benefit Payments	(455,156)	(586,378)	(563,141)	(602,074)	(619,254)	(795,950)	N/A	N/A	N/A	N/A
<b>Total OPEB Liability - Ending</b>	<b>\$ 9,307,343</b>	<b>\$ 10,956,157</b>	<b>\$ 13,370,311</b>	<b>\$ 14,784,873</b>	<b>\$ 13,702,359</b>	<b>\$ 16,228,865</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Covered Employee Payroll	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

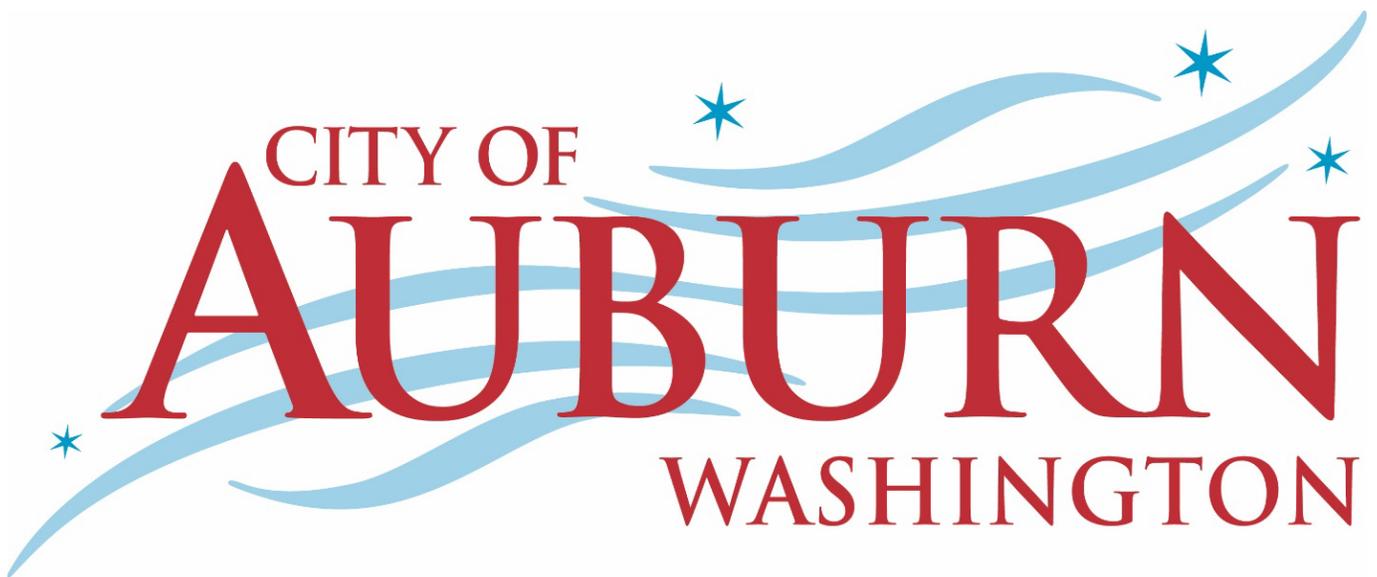
\* The City implemented GASB Statement No. 75 in fiscal year 2018. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

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 3.75% as of December 31, 2022 to 3.25% as of December 31, 2023.

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



## 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**

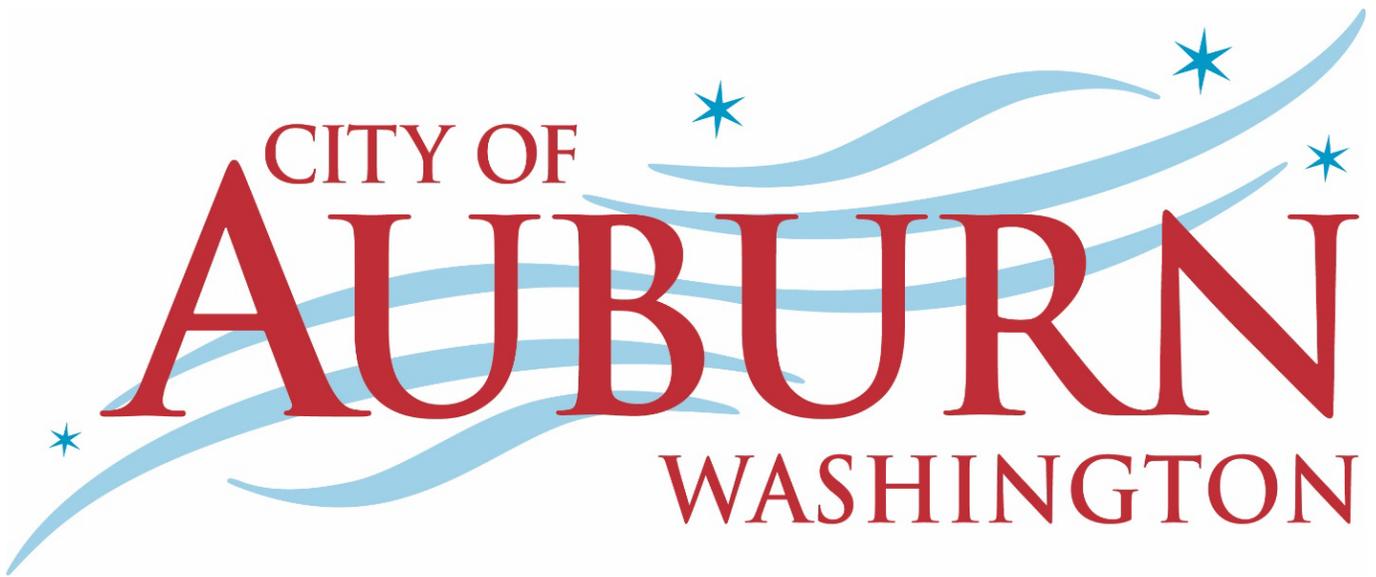
Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens.

City of Auburn, Washington  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENT FUNDS**  
For the Year Ended December 31, 2023

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 29,487,411	\$ 468,051	\$ 1,998,948	\$ 2,390,209	\$ 34,344,619
Receivables:					
Taxes	442,154	-	-	-	442,154
Customer Accounts	123,468	-	-	-	123,468
Other Receivables	41,701	-	10,812	-	52,513
Due From Other Governmental Units	731,027	15,865	74,805	-	821,697
Long-Term Notes and Contracts	-	-	2,176,333	-	2,176,333
Total Assets	<u>30,825,760</u>	<u>483,916</u>	<u>4,260,897</u>	<u>2,390,209</u>	<u>37,960,783</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Liabilities:					
Current Payables	240,947	-	49,596	-	290,542
Interfund Payable	450,000	-	-	-	450,000
Total Liabilities	<u>690,947</u>	<u>-</u>	<u>49,596</u>	<u>-</u>	<u>740,542</u>
Deferred Inflow of Resources:					
Deferred Inflows Related to Leases	-	-	2,136,081	-	2,136,081
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>2,136,081</u>	<u>-</u>	<u>2,136,081</u>
Fund Balance:					
Nonspendable	-	-	-	2,151,308	2,151,308
Restricted	17,926,724	-	-	-	17,926,724
Committed	11,778,743	-	-	-	11,778,743
Assigned	429,347	483,916	2,075,221	238,902	3,227,386
Total Fund Balance	<u>30,134,814</u>	<u>483,916</u>	<u>2,075,221</u>	<u>2,390,209</u>	<u>35,084,160</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 30,825,760</u>	<u>\$ 483,916</u>	<u>\$ 4,260,897</u>	<u>\$ 2,390,209</u>	<u>\$ 37,960,783</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, 2023

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental
<b>REVENUES:</b>					
Taxes:					
Excise	\$ 183,262	\$ -	\$ -	\$ -	\$ 183,262
Interfund Utility	1,753,189	-	-	-	1,753,189
Property	-	-	317,749	-	317,749
Retail Sales & Use	2,413,730	250,000	-	-	2,663,730
Utility	1,944,382	-	-	-	1,944,382
Charges for Services	1,852,209	-	5,219	80,637	1,938,065
Fines and Forfeitures	155,692	-	-	-	155,692
Intergovernmental	778,161	-	74,805	-	852,965
Investment Earnings	1,263,404	23,770	110,166	108,267	1,505,608
Miscellaneous	-	-	148,539	-	148,539
Total Revenues	<u>10,344,028</u>	<u>273,770</u>	<u>656,478</u>	<u>188,904</u>	<u>11,463,180</u>
<b>EXPENDITURES:</b>					
Current:					
Culture and Recreation	-	-	294	-	294
Economic Environment	964,733	-	-	-	964,733
Security of Persons and Property	418,819	-	-	-	418,819
Transportation	1,944,329	-	-	-	1,944,329
Debt Service:					
Principal	-	1,122,733	-	-	1,122,733
Interest and Other Costs	-	755,232	-	-	755,232
Capital Outlay	-	-	740,165	-	740,165
Total Expenditures	<u>3,327,881</u>	<u>1,877,965</u>	<u>740,459</u>	<u>-</u>	<u>5,946,305</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,016,147</u>	<u>(1,604,194)</u>	<u>(83,981)</u>	<u>188,904</u>	<u>5,516,875</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Recoveries	-	-	228,154	-	228,154
Transfers In (Note 4)	343,692	1,628,015	288,497	-	2,260,204
Transfers Out (Note 4)	(1,828,410)	(1,769)	-	-	(1,830,179)
Total Other Financing Sources (Uses)	<u>(1,484,718)</u>	<u>1,626,246</u>	<u>516,651</u>	<u>-</u>	<u>658,179</u>
Net Change in Fund Balance	<u>5,531,429</u>	<u>22,052</u>	<u>432,669</u>	<u>188,904</u>	<u>6,175,054</u>
Fund Balance - Beginning	<u>24,603,385</u>	<u>461,865</u>	<u>1,642,552</u>	<u>2,201,305</u>	<u>28,909,107</u>
Fund Balance - Ending	<u>\$ 30,134,814</u>	<u>\$ 483,916</u>	<u>\$ 2,075,221</u>	<u>\$ 2,390,209</u>	<u>\$ 35,084,160</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.

#### **The Business Improvement Area Fund**

Accounts for special assessments on downtown merchants for ongoing services and for improvements made to the downtown area.

#### **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**  
For the Year Ended December 31, 2023

Page 1 of 2

	Arterial Street Preservation	Business Improvement Area	Drug Forfeiture	Hotel/Motel Tax	Housing and Community Development
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 5,464,088	\$ -	\$ 985,758	\$ 508,993	\$ 15,380
Receivables:					
Taxes	-	-	-	-	-
Customer Accounts	114,726	-	38	-	-
Other Receivables	41,701	-	-	-	-
Due From Other Governmental Units	220,791	-	14,778	-	495,458
Total Assets	<u>5,841,306</u>	<u>-</u>	<u>1,000,573</u>	<u>508,993</u>	<u>510,838</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Liabilities:					
Current Payables	68,285	-	41,207	2,413	17,934
Interfund Payable	-	-	-	-	450,000
Total Liabilities	<u>68,285</u>	<u>-</u>	<u>41,207</u>	<u>2,413</u>	<u>467,934</u>
Fund Balance:					
Restricted	100,855	-	908,127	506,580	42,904
Committed	5,453,137	-	-	-	-
Assigned	219,029	-	51,239	-	-
Total Fund Balance	<u>5,773,021</u>	<u>-</u>	<u>959,366</u>	<u>506,580</u>	<u>42,904</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 5,841,306</u>	<u>\$ -</u>	<u>\$ 1,000,573</u>	<u>\$ 508,993</u>	<u>\$ 510,838</u>

Local Street	Mitigation Fees	Recreation Trails	Total Nonmajor Special Revenue Funds
\$ 6,022,597	\$ 16,381,574	\$ 109,020	\$ 29,487,411
442,154	-	-	442,154
8,704	-	-	123,468
-	-	-	41,701
-	-	-	731,027
<u>6,473,456</u>	<u>16,381,574</u>	<u>109,020</u>	<u>30,825,760</u>
100,999	10,109	-	240,947
-	-	-	450,000
<u>100,999</u>	<u>10,109</u>	<u>-</u>	<u>690,947</u>
-	16,264,090	104,169	17,926,724
6,325,605	-	-	11,778,743
46,852	107,376	4,851	429,347
<u>6,372,457</u>	<u>16,371,466</u>	<u>109,020</u>	<u>30,134,814</u>
<u>\$ 6,473,456</u>	<u>\$ 16,381,574</u>	<u>\$ 109,020</u>	<u>\$ 30,825,760</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, 2023

	Arterial Street Preservation	Business Improvement Area	Drug Forfeiture	Hotel/Motel Tax	Housing and Community Development
<b>REVENUES:</b>					
Taxes:					
Excise	\$ -	\$ -	\$ -	\$ 183,262	\$ -
Interfund Utility	771,053	-	-	-	-
Retail Sales & Use	2,413,730	-	-	-	-
Utility	176,735	-	-	-	-
Charges for Services	219,245	-	28,902	-	-
Fines and Forfeitures	-	-	155,692	-	-
Intergovernmental	100,855	-	5,337	-	664,968
Investment Earnings	219,029	-	51,239	22,842	-
Total Revenues	<u>3,900,646</u>	<u>-</u>	<u>241,171</u>	<u>206,104</u>	<u>664,968</u>
<b>EXPENDITURES:</b>					
Current:					
Economic Environment	-	135,941	-	163,823	664,968
Security of Persons and Property	-	-	418,819	-	-
Transportation	1,640,564	-	-	-	-
Total Expenditures	<u>1,640,564</u>	<u>135,941</u>	<u>418,819</u>	<u>163,823</u>	<u>664,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,260,082</u>	<u>(135,941)</u>	<u>(177,648)</u>	<u>42,281</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In (Note 4)	-	-	-	-	-
Transfers Out (Note 4)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>2,260,082</u>	<u>(135,941)</u>	<u>(177,648)</u>	<u>42,281</u>	<u>-</u>
Fund Balance - Beginning	<u>3,512,939</u>	<u>135,941</u>	<u>1,137,015</u>	<u>464,299</u>	<u>42,904</u>
Fund Balance - Ending	<u>\$ 5,773,021</u>	<u>\$ -</u>	<u>\$ 959,366</u>	<u>\$ 506,580</u>	<u>\$ 42,904</u>

Local Street	Mitigation Fees	Recreation Trails	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ 183,262
982,136	-	-	1,753,189
-	-	-	2,413,730
1,767,646	-	-	1,944,382
8,704	1,595,358	-	1,852,209
-	-	-	155,692
-	-	7,000	778,161
<u>210,547</u>	<u>754,896</u>	<u>4,851</u>	<u>1,263,404</u>
<u>2,969,034</u>	<u>2,350,253</u>	<u>11,851</u>	<u>10,344,028</u>
-	-	-	964,733
-	-	-	418,819
<u>303,765</u>	<u>-</u>	<u>-</u>	<u>1,944,329</u>
<u>303,765</u>	<u>-</u>	<u>-</u>	<u>3,327,881</u>
<u>2,665,269</u>	<u>2,350,253</u>	<u>11,851</u>	<u>7,016,147</u>
343,692	-	-	343,692
-	(1,828,410)	-	(1,828,410)
<u>343,692</u>	<u>(1,828,410)</u>	<u>-</u>	<u>(1,484,718)</u>
<u>3,008,961</u>	<u>521,843</u>	<u>11,851</u>	<u>5,531,429</u>
<u>3,363,496</u>	<u>15,849,622</u>	<u>97,169</u>	<u>24,603,385</u>
<u>\$ 6,372,457</u>	<u>\$ 16,371,466</u>	<u>\$ 109,020</u>	<u>\$ 30,134,814</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 ,2023

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Interfund Utility	\$ 1,287,500	\$ 1,287,500	\$ 771,053	\$ (516,447)
Retail Sales & Use	1,600,000	1,974,500	2,413,730	439,230
Utility	-	-	176,735	176,735
Charges for Services	14,000	640,665	219,245	(421,420)
Intergovernmental	1,118,272	2,293,948	100,855	(2,193,093)
Investment Earnings	22,000	122,000	219,029	97,029
Total Revenues	<u>4,041,772</u>	<u>6,318,613</u>	<u>3,900,646</u>	<u>(2,417,967)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	4,100,000	8,751,951	1,640,564	7,111,387
Total Expenditures	<u>4,100,000</u>	<u>8,751,951</u>	<u>1,640,564</u>	<u>7,111,387</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(58,228)</u>	<u>(2,433,338)</u>	<u>2,260,082</u>	<u>4,693,420</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	-	(185,000)	-	185,000
Total Other Financing Sources or Uses	<u>-</u>	<u>(185,000)</u>	<u>-</u>	<u>185,000</u>
Net Change in Fund Balance	<u>(58,228)</u>	<u>(2,618,338)</u>	<u>2,260,082</u>	<u>4,878,420</u>
Fund Balance - Beginning	<u>2,699,358</u>	<u>3,512,939</u>	<u>3,512,939</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,641,130</u>	<u>\$ 894,601</u>	<u>\$ 5,773,021</u>	<u>\$ 4,878,420</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**BUSINESS IMPROVEMENT AREA FUND**  
 For the Year Ended December 31 ,2023

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final Adopted	Actual Results	
<b>REVENUES:</b>				
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	\$ 90,000	\$ 135,941	\$ 135,941	\$ -
Total Expenditures	<u>90,000</u>	<u>135,941</u>	<u>135,941</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(90,000)</u>	<u>(135,941)</u>	<u>(135,941)</u>	<u>-</u>
Net Change in Fund Balance	<u>(90,000)</u>	<u>(135,941)</u>	<u>(135,941)</u>	<u>-</u>
Fund Balance - Beginning	<u>97,502</u>	<u>135,941</u>	<u>135,941</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 ,2023

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Charges for Services	\$ 18,000	\$ 18,000	\$ 28,902	\$ 10,902
Fines and Forfeitures	125,000	125,000	155,692	30,692
Intergovernmental	-	-	5,337	5,337
Investment Earnings	<u>5,000</u>	<u>5,000</u>	<u>51,239</u>	<u>46,239</u>
Total Revenues	<u>148,000</u>	<u>148,000</u>	<u>241,171</u>	<u>93,171</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons and Property	<u>392,671</u>	<u>462,671</u>	<u>418,819</u>	<u>43,852</u>
Total Expenditures	<u>392,671</u>	<u>462,671</u>	<u>418,819</u>	<u>43,852</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(244,671)</u>	<u>(314,671)</u>	<u>(177,648)</u>	<u>137,023</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Change in Fund Balance	<u>(244,671)</u>	<u>(314,671)</u>	<u>(177,648)</u>	<u>137,023</u>
Fund Balance - Beginning	<u>857,236</u>	<u>1,137,015</u>	<u>1,137,015</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 612,565</u>	<u>\$ 822,344</u>	<u>\$ 959,366</u>	<u>\$ 137,022</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 ,2023

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Excise	\$ 140,000	\$ 140,000	\$ 183,262	\$ 43,262
Charges for Services	2,500	2,500	-	(2,500)
Investment Earnings	1,400	1,400	22,842	21,442
Total Revenues	<u>143,900</u>	<u>143,900</u>	<u>206,104</u>	<u>62,204</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	177,100	177,100	163,823	13,277
Total Expenditures	<u>177,100</u>	<u>177,100</u>	<u>163,823</u>	<u>13,277</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(33,200)</u>	<u>(33,200)</u>	<u>42,281</u>	<u>75,481</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	-	(8,000)	-	8,000
Total Other Financing Sources or Uses	<u>-</u>	<u>(8,000)</u>	<u>-</u>	<u>8,000</u>
Net Change in Fund Balance	<u>(33,200)</u>	<u>(41,200)</u>	<u>42,281</u>	<u>83,481</u>
Fund Balance - Beginning	480,179	464,299	464,299	-
Fund Balance - Ending	<u>\$ 446,979</u>	<u>\$ 423,099</u>	<u>\$ 506,580</u>	<u>\$ 83,481</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 ,2023

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 650,000	\$1,016,330	\$ 664,968	\$ (351,362)
Total Revenues	<u>650,000</u>	<u>1,016,330</u>	<u>664,968</u>	<u>(351,362)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	<u>650,000</u>	<u>1,016,330</u>	<u>664,968</u>	<u>351,362</u>
Total Expenditures	<u>650,000</u>	<u>1,016,330</u>	<u>664,968</u>	<u>351,362</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ 42,904</u>	<u>\$ -</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, 2023

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Interfund Utility	\$ 858,300	\$ 858,300	\$ 982,136	\$ 123,836
Utility	1,488,900	1,488,900	1,767,646	278,746
Charges for Services	-	-	8,704	8,704
Investment Earnings	15,800	15,800	210,547	194,747
Total Revenues	<u>2,363,000</u>	<u>2,363,000</u>	<u>2,969,034</u>	<u>606,034</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	2,036,300	4,146,961	303,765	3,843,196
Total Expenditures	<u>2,036,300</u>	<u>4,146,961</u>	<u>303,765</u>	<u>3,843,196</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>326,700</u>	<u>(1,783,961)</u>	<u>2,665,269</u>	<u>4,449,230</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	235,000	1,411,108	343,692	(1,067,416)
Total Other Financing Sources or Uses	<u>235,000</u>	<u>1,411,108</u>	<u>343,692</u>	<u>(1,067,416)</u>
Net Change in Fund Balance	<u>561,700</u>	<u>(372,853)</u>	<u>3,008,961</u>	<u>3,381,814</u>
Fund Balance - Beginning	<u>1,932,689</u>	<u>3,363,496</u>	<u>3,363,496</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,494,389</u>	<u>\$ 2,990,643</u>	<u>\$ 6,372,457</u>	<u>\$ 3,381,814</u>

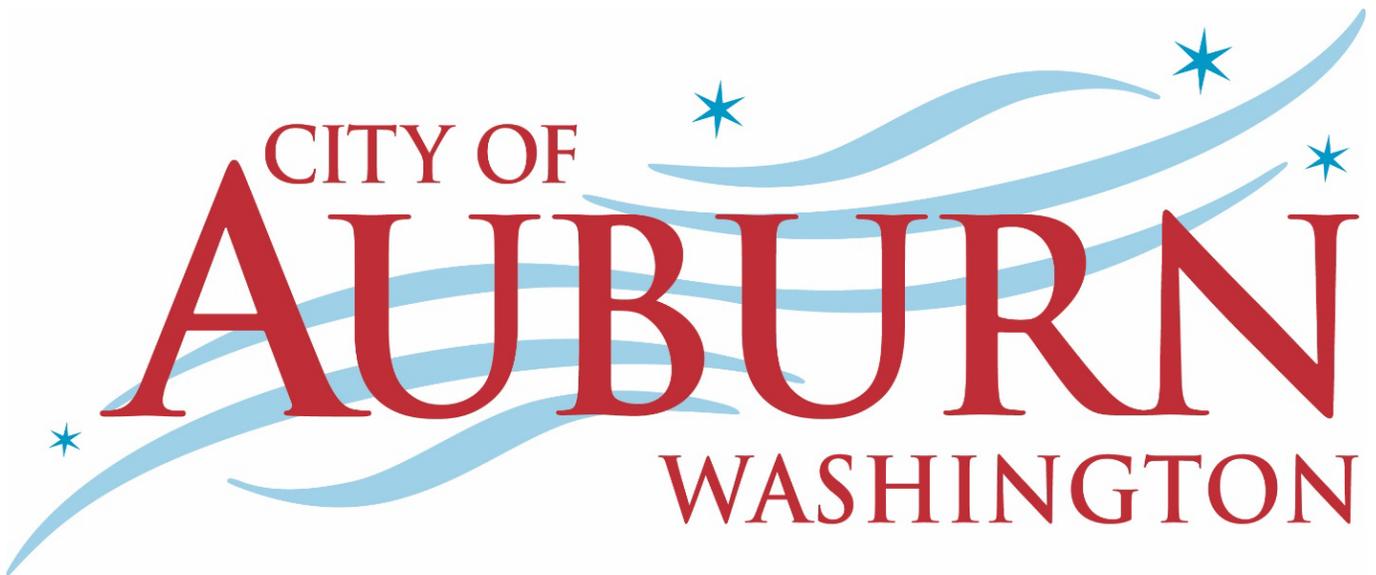
City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**MITIGATION FEES FUND**

For the Year Ended December 31 ,2023

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Charges for Services	\$ 1,580,000	\$ 1,580,000	\$ 1,595,358	\$ 15,358
Investment Earnings	<u>21,200</u>	<u>21,200</u>	<u>754,896</u>	<u>733,696</u>
Total Revenues	<u>1,601,200</u>	<u>1,601,200</u>	<u>2,350,253</u>	<u>749,053</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>1,526,200</u>	<u>1,526,200</u>	<u>2,350,253</u>	<u>824,053</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>(6,968,982)</u>	<u>(11,369,880)</u>	<u>(1,828,410)</u>	<u>9,541,470</u>
Total Other Financing Sources or Uses	<u>(6,968,982)</u>	<u>(11,369,880)</u>	<u>(1,828,410)</u>	<u>9,541,470</u>
Net Change in Fund Balance	<u>(5,442,782)</u>	<u>(9,843,680)</u>	<u>521,843</u>	<u>10,365,523</u>
Fund Balance - Beginning	<u>10,976,167</u>	<u>15,849,622</u>	<u>15,849,622</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,533,385</u>	<u>\$ 6,005,942</u>	<u>\$ 16,371,466</u>	<u>\$ 10,365,524</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 31,2023

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final Adopted	Actual Results	
<b>REVENUES:</b>				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Investment Earnings	100	100	4,851	4,751
Total Revenues	<u>7,100</u>	<u>7,100</u>	<u>11,851</u>	<u>4,751</u>
<b>EXPENDITURES:</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,100</u>	<u>7,100</u>	<u>11,851</u>	<u>4,751</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	<u>-</u>	<u>(66,210)</u>	<u>-</u>	<u>66,210</u>
Total Other Financing Sources or Uses	<u>-</u>	<u>(66,210)</u>	<u>-</u>	<u>66,210</u>
Net Change in Fund Balance	<u>7,100</u>	<u>(59,110)</u>	<u>11,851</u>	<u>70,961</u>
Fund Balance - Beginning	<u>95,845</u>	<u>97,169</u>	<u>97,169</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 102,945</u>	<u>\$ 38,059</u>	<u>\$109,020</u>	<u>\$ 70,961</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.

#### **Special Assessment Debt Fund**

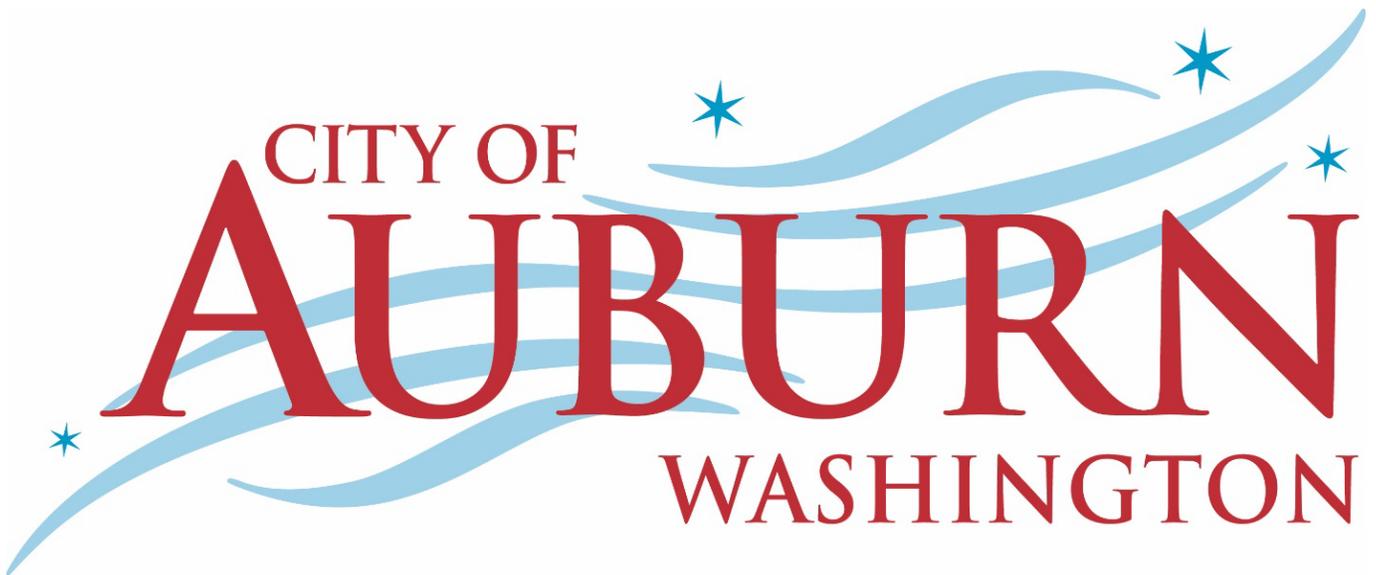
Accounts for the special assessment collections and debt service payments for all local improvement districts located within the City.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR DEBT SERVICE FUNDS**  
 For the Year Ended December 31, 2023

	2016 Combined Refunding	2020 Bonds & Refunding (2010B&D)	LID Guarantee	Total Nonmajor Debt Service Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ -	\$ 468,051	\$ -	\$ 468,051
Due From Other Governmental Units	-	15,865	-	15,865
Total Assets	<u>-</u>	<u>483,916</u>	<u>-</u>	<u>483,916</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>				
Fund Balance:				
Assigned	-	483,916	-	483,916
Total Fund Balance	<u>-</u>	<u>483,916</u>	<u>-</u>	<u>483,916</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ -</u>	<u>\$ 483,916</u>	<u>\$ -</u>	<u>\$ 483,916</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, 2023

	2016 Combined Refunding	2020 Bonds & Refunding (2010B&D)	LID Guarantee	Total Non-Major Debt Service Funds
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ -	\$ 250,000	\$ -	\$ 250,000
Investment Earnings	-	23,703	67	23,770
Total Revenues	<u>-</u>	<u>273,703</u>	<u>67</u>	<u>273,770</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	352,733	770,000	-	1,122,733
Interest and Other Costs	17,732	737,500	-	755,232
Total Expenditures	<u>370,465</u>	<u>1,507,500</u>	<u>-</u>	<u>1,877,965</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>(370,465)</u>	<u>(1,233,797)</u>	<u>67</u>	<u>(1,604,194)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	370,465	1,257,550	-	1,628,015
Transfers Out (Note 4)	-	-	(1,769)	(1,769)
Total Other Financing Sources (Uses)	<u>370,465</u>	<u>1,257,550</u>	<u>(1,769)</u>	<u>1,626,246</u>
Net Change in Fund Balance	<u>-</u>	<u>23,753</u>	<u>(1,702)</u>	<u>22,052</u>
Fund Balance - Beginning	-	460,163	1,702	461,865
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 483,916</u>	<u>\$ -</u>	<u>\$ 483,916</u>



## 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**

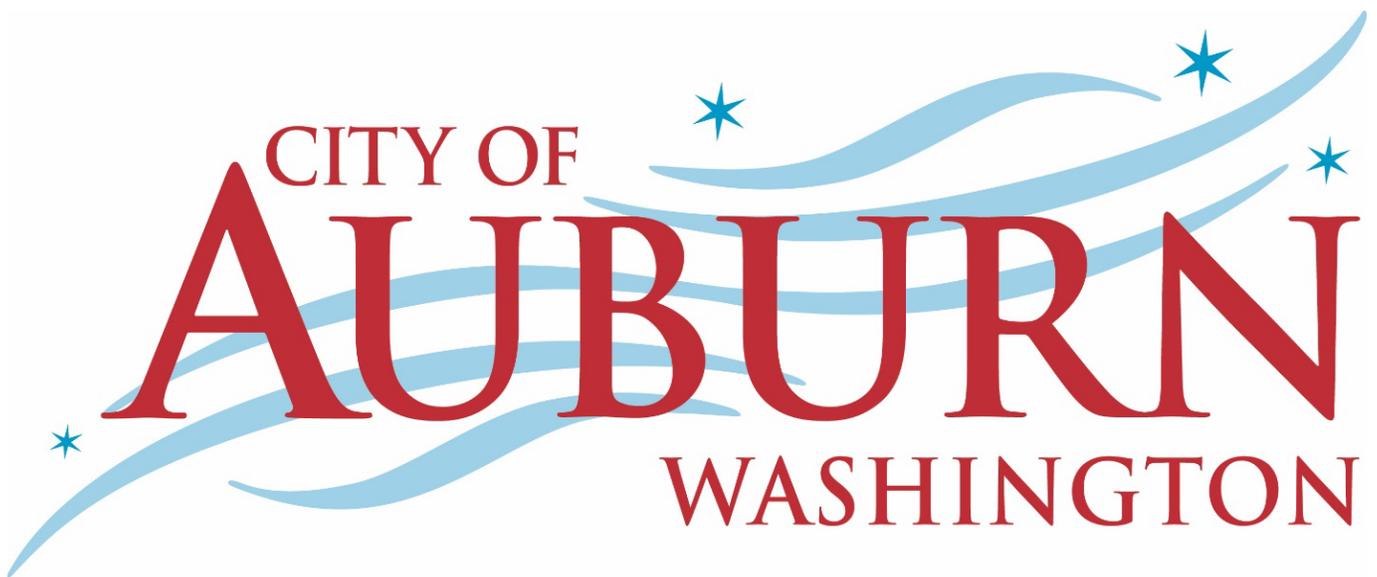
Accounts for the City Hall Plaza and the Downtown Promenade project.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
For the Year Ended December 31, 2023

	Local Revitalization	Parks Construction	Total Nonmajor Capital Projects Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 489,555	\$ 1,509,393	\$ 1,998,948
Receivables:			
Other Receivables	-	10,812	10,812
Due From Other Governmental Units	-	74,805	74,805
Long-Term Notes and Contracts	-	2,176,333	2,176,333
Total Assets	<u>489,555</u>	<u>3,771,342</u>	<u>4,260,897</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>			
Liabilities:			
Current Payables	<u>3,629</u>	<u>45,967</u>	<u>49,596</u>
Total Liabilities	<u>3,629</u>	<u>45,967</u>	<u>49,596</u>
Deferred Inflow of Resources:			
Deferred Inflows Related to Leases	<u>-</u>	<u>2,136,081</u>	<u>2,136,081</u>
Total Deferred Inflow of Resources	<u>-</u>	<u>2,136,081</u>	<u>2,136,081</u>
Fund Balance:			
Assigned	<u>485,926</u>	<u>1,589,295</u>	<u>2,075,221</u>
Total Fund Balance	<u>485,926</u>	<u>1,589,295</u>	<u>2,075,221</u>
Total Liabilities, Deferred Inflows And Fund Balances	<u>\$ 489,555</u>	<u>\$ 3,771,342</u>	<u>\$ 4,260,897</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, 2023

	Local Revitalization	Parks Construction	Total Non-Major Capital Projects Funds
<b>REVENUES:</b>			
Taxes:			
Property	\$ -	\$ 317,749	\$ 317,749
Charges for Services	-	5,219	5,219
Intergovernmental	-	74,805	74,805
Investment Earnings	19,466	90,700	110,166
Miscellaneous	-	148,539	148,539
Total Revenues	<u>19,466</u>	<u>637,012</u>	<u>656,478</u>
<b>EXPENDITURES:</b>			
Current:			
Culture and Recreation	-	294	294
Capital Outlay	<u>72,701</u>	<u>667,464</u>	<u>740,165</u>
Total Expenditures	<u>72,701</u>	<u>667,758</u>	<u>740,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,235)</u>	<u>(30,746)</u>	<u>(83,981)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Insurance Recoveries	228,154	-	228,154
Transfers In (Note 4)	<u>38,189</u>	<u>250,308</u>	<u>288,497</u>
Total Other Financing Sources (Uses)	<u>266,342</u>	<u>250,308</u>	<u>516,651</u>
Net Change in Fund Balance	<u>213,108</u>	<u>219,562</u>	<u>432,669</u>
Fund Balance - Beginning	<u>272,819</u>	<u>1,369,733</u>	<u>1,642,552</u>
Fund Balance - Ending	<u>\$ 485,926</u>	<u>\$ 1,589,295</u>	<u>\$ 2,075,221</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**

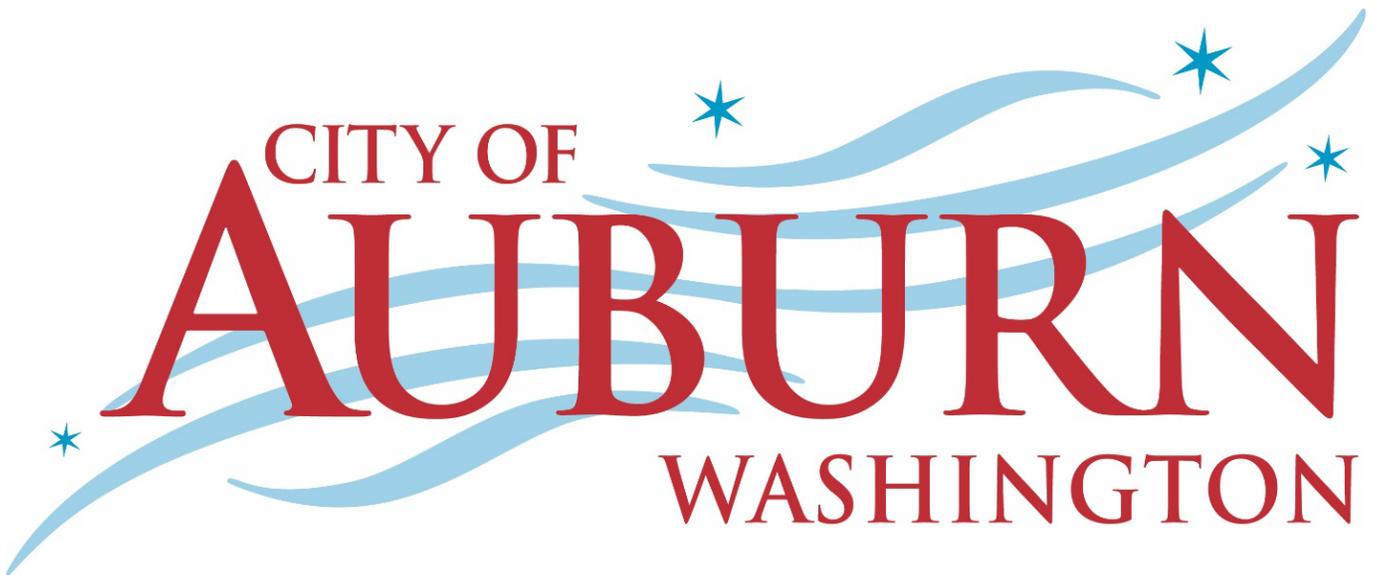
Accounts for non-expendable investments held by the City's trustee. The interest income from investments is available for use by the cemetery fund for capital enhancement and maintenance.

*City of Auburn, Washington*  
**COMBINING BALANCE SHEET**  
**NON-MAJOR PERMANENT FUNDS**  
For the Year Ended December 31, 2023

	Cemetery Endowment Care
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 2,390,209
Total Assets	2,390,209
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>	
Fund Balance:	
Nonspendable	2,151,308
Assigned	238,902
Total Fund Balance	2,390,209
Total Liabilities, Deferred Inflows And Fund Balances	\$ 2,390,209

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR PERMANENT FUNDS**  
 For the Year Ended December 31, 2023

		Cemetery Endowment Care
<b>REVENUES:</b>		
Charges for Services	\$	80,637
Investment Earnings		108,267
Total Revenues		188,904
<b>EXPENDITURES:</b>		
Excess (Deficiency) of Revenues Over(Under) Expenditures		188,904
Net Change in Fund Balance		188,904
Fund Balance - Beginning		2,201,305
Fund Balance - Ending	\$	2,390,209



## NON-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 one non-major enterprise funds.

#### **The Cemetery Fund**

Accounts for Mountain View Cemetery's operations.

City of Auburn, Washington  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2023

	Cemetery
<b>ASSETS:</b>	
Current Assets	
Cash and Cash Equivalents	\$ 1,831,158
Inventories	8,119
Total Current Assets	1,839,277
Noncurrent Assets	
Net Pension Asset	213,825
Capital Assets Not Being Depreciated:	
Land	342,836
Construction in Progress	91,462
Total Capital Assets Not Being Depreciated	434,297
Capital Assets Being Depreciated:	
Buildings and Equipment	997,334
Improvements Other Than Buildings	1,558,172
Accumulated Depreciation	(1,732,465)
Total Capital Assets Being Depreciated	823,040
Total Noncurrent Asset	1,471,163
Total Assets	3,310,440
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	
Deferred Outflow Related to Pensions	144,202
Total Deferred Outflow Of Resources	144,202
<b>LIABILITIES:</b>	
Current Liabilities	
Current Payables	72,962
Employee Leave Benefits	30,756
Total Current Liabilities	103,718
Noncurrent Liabilities:	
Employee Leave Benefits	10,419
Total Noncurrent Liabilities	10,419
Total Liabilities	114,137
<b>DEFERRED INFLOW OF RESOURCES:</b>	
Deferred Inflow related to Pensions	204,736
Total Deferred Inflow Of Resources	204,736
<b>NET POSITION:</b>	
Net Investment in Capital Assets	1,257,338
Restricted:	
Pension	213,825
Unrestricted	1,664,606
Total Net Position	\$ 3,135,769

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2023

	Cemetery
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 1,974,568
Total Operating Revenues	<u>1,974,568</u>
<b>OPERATING EXPENSES:</b>	
Administration	622,629
Depreciation / Amortization	35,462
Operations & Maintenance	1,108,967
Other Operating Expenses	<u>26,012</u>
Total Operating Expenses	<u>1,793,070</u>
Operating Income or Loss	<u>181,498</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>	
Interest Revenue	89,984
Other Non-Operating Revenue	<u>810</u>
Total Non-Operating Revenue (Expense)	<u>90,794</u>
Income (Loss) Before Contributions and Transfers	<u>272,292</u>
<b>CONTRIBUTIONS &amp; TRANSFERS:</b>	
Transfers Out (Note 4)	<u>(163,265)</u>
Total Contributions & Transfers	<u>(163,265)</u>
Change in Net Position	<u>109,027</u>
Net Position - Beginning	<u>3,026,742</u>
Net Position - Ending	<u>\$ 3,135,769</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Fiscal Year Ended December 31, 2023

Page 1 of 2

Cemetery

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash Received From Users	\$ 1,974,568
Cash Paid to Suppliers for Goods & Services	(912,159)
Cash Paid to Employees	(817,387)
Other Non-Operating Revenue	810
Net Cash Provided (Used) By Operating Activities	<u>245,833</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfers Out	<u>(163,265)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(163,265)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchase of Capital Assets	<u>(50,627)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(50,627)</u>

**CASH FLOW FROM INVESTING ACTIVITIES:**

Interest Received	<u>89,984</u>
Net Cash Provided (Used) in Investing Activities	<u>89,984</u>

Net Increase (Decrease) in Cash and Cash Equivalents	<u>121,925</u>
--	----------------

Cash and Cash Equivalents - Beginning of Year	<u>1,709,233</u>
---	------------------

<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 1,831,158</u></b>
--	----------------------------

**CASH AT END OF YEAR CONSISTS OF:**

Cash and Cash Equivalents	<u>1,831,158</u>
---------------------------	------------------

Total Cash	<b><u>\$ 1,831,158</u></b>
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City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
 For the Fiscal Year Ended December 31, 2023

Page 2 of 2

Cemetery

**RECONCILIATION OF NET OPERATING INCOME TO NEW CASH  
 PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$	181,498
-------------------------	----	---------

**ADJUSTMENTS TO RECONCILE OPERATING INCOME TO  
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Depreciation		35,462
Other Non-Operating Revenue		810
Inventory		1,965

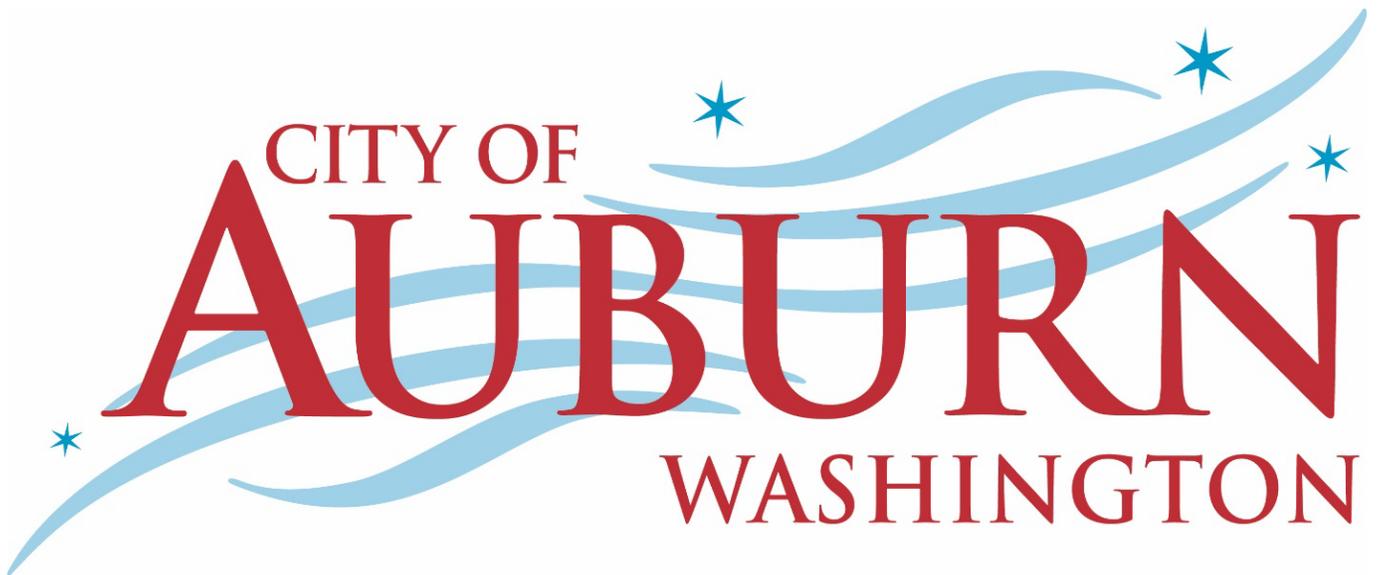
Liability Increases (Decreases):

Accounts & Vouchers Payable		17,355
Compensated Absences Payable		8,743
Total Adjustments		64,335

Net Cash Provided (Used) by Operating Activities	\$	245,833
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**SCHEDULE OF NONCASH INVESTING, CAPITAL AND  
 FINANCING ACTIVITIES**

Total Non Cash Investing, Capital and Financing Activities	\$	-
--	----	---



## 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, 2023

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>ASSETS:</b>						
Current Assets						
Cash and Cash Equivalents	\$ 1,449,789	\$ 4,620,295	\$ 435,212	\$ 4,044,591	\$ 8,186,181	\$ 18,736,068
Customer Accounts	-	-	66,057	325	-	66,382
Other Receivables	-	-	-	-	38,995	38,995
Due From Other Governmental Units	-	-	12,500	4,515	-	17,015
Inventories	-	-	-	-	488,368	488,368
Total Current Assets	<u>1,449,789</u>	<u>4,620,295</u>	<u>513,769</u>	<u>4,049,431</u>	<u>8,713,544</u>	<u>19,346,828</u>
Noncurrent Assets						
Net Pension Asset	-	-	98,952	720,039	143,098	962,089
Capital Assets Not Being Depreciated:						
Construction in Progress	-	-	-	-	319,059	319,059
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,059</u>	<u>319,059</u>
Capital Assets Being Depreciated:						
Buildings and Equipment	-	-	-	9,897,798	23,396,159	33,293,956
Improvements Other Than Buildings	-	-	-	480,237	217,501	697,738
Right of Use (Leases)	-	-	-	216,734	-	216,734
Right of Use (Subscriptions)	-	-	-	1,285,570	-	1,285,570
Accumulated Depreciation	-	-	-	(9,616,795)	(13,377,682)	(22,994,477)
Total Capital Assets Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,263,544</u>	<u>10,235,977</u>	<u>12,499,521</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>98,952</u>	<u>2,983,583</u>	<u>10,698,134</u>	<u>13,780,669</u>
Total Assets	<u>1,449,789</u>	<u>4,620,295</u>	<u>612,721</u>	<u>7,033,013</u>	<u>19,411,678</u>	<u>33,127,497</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>						
Deferred Outflow Related to Pensions	-	7,349	221,776	525,797	179,219	934,141
Total Deferred Outflow Of Resources	<u>-</u>	<u>7,349</u>	<u>221,776</u>	<u>525,797</u>	<u>179,219</u>	<u>934,141</u>
<b>LIABILITIES:</b>						
Current Liabilities						
Current Payables	20,093	40,327	305,966	378,064	98,938	843,386
Claims Payable (Incurred but not Reported)	-	1,192,000	-	-	-	1,192,000
Leases and SBITA Payable - Current	-	-	-	359,313	-	359,313
Employee Leave Benefits	-	-	64,623	186,466	27,196	278,285
Total Current Liabilities	<u>20,093</u>	<u>1,232,327</u>	<u>370,589</u>	<u>923,843</u>	<u>126,134</u>	<u>2,672,985</u>
Noncurrent Liabilities:						
Employee Leave Benefits	-	-	21,891	63,165	9,213	94,269
Leases and SBITA Payable	-	-	-	664,898	-	664,898
Net Pension Liability	-	1,087	-	-	889,170	890,257
Total Noncurrent Liabilities	<u>-</u>	<u>1,087</u>	<u>21,891</u>	<u>728,063</u>	<u>898,383</u>	<u>1,649,424</u>
Total Liabilities	<u>20,093</u>	<u>1,233,414</u>	<u>392,480</u>	<u>1,651,905</u>	<u>1,024,517</u>	<u>4,322,408</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Deferred Inflow related to Pensions	-	14,428	99,498	698,036	95,801	907,763
Total Deferred Inflow Of Resources	<u>-</u>	<u>14,428</u>	<u>99,498</u>	<u>698,036</u>	<u>95,801</u>	<u>907,763</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	-	-	-	1,239,333	10,555,036	11,794,369
Restricted:						
Pension	-	-	98,952	720,039	143,098	962,089
Unrestricted	<u>1,429,696</u>	<u>3,379,803</u>	<u>243,568</u>	<u>3,249,497</u>	<u>7,772,445</u>	<u>16,075,009</u>
Total Net Position	<u>\$ 1,429,696</u>	<u>\$ 3,379,803</u>	<u>\$ 342,520</u>	<u>\$ 5,208,869</u>	<u>\$ 18,470,580</u>	<u>\$ 28,831,467</u>

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2023

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ -	\$ 1,197,946	\$ 4,145,412	\$ 8,604,834	\$ 5,685,755	\$19,633,947
Other Operating Revenue	-	-	63,551	30,310	-	93,862
Total Operating Revenues	<u>-</u>	<u>1,197,946</u>	<u>4,208,963</u>	<u>8,635,144</u>	<u>5,685,755</u>	<u>19,727,809</u>
<b>OPERATING EXPENSES:</b>						
Administration	79,137	-	306,600	628,500	1,265,375	2,279,612
Depreciation / Amortization	-	-	-	698,190	1,692,778	2,390,967
Operations & Maintenance	-	927,122	3,763,379	7,424,213	2,032,433	14,147,146
Total Operating Expenses	<u>79,137</u>	<u>927,122</u>	<u>4,069,979</u>	<u>8,750,902</u>	<u>4,990,585</u>	<u>18,817,726</u>
Operating Income or Loss	<u>(79,137)</u>	<u>270,824</u>	<u>138,984</u>	<u>(115,758)</u>	<u>695,170</u>	<u>910,083</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>						
Gain (Loss) on Sale of Capital Assets	-	-	-	-	40,874	40,874
Interest Expense	-	-	-	(18,659)	-	(18,659)
Interest Revenue	19,866	203,630	29,415	160,276	348,753	761,940
Other Non-Operating Revenue	-	-	-	1,052	904,092	905,144
Total Non-Operating Revenue (Expense)	<u>19,866</u>	<u>203,630</u>	<u>29,415</u>	<u>142,669</u>	<u>1,293,719</u>	<u>1,689,299</u>
Income (Loss) Before Contributions and Transfers	<u>(59,271)</u>	<u>474,454</u>	<u>168,399</u>	<u>26,911</u>	<u>1,988,889</u>	<u>2,599,382</u>
<b>CONTRIBUTIONS &amp; TRANSFERS:</b>						
Transfers In (Note 4)	-	-	255,257	524,496	1,747,976	2,527,729
Transfers Out (Note 4)	-	-	(553,375)	(63,528)	-	(616,903)
Total Contributions & Transfers	<u>-</u>	<u>-</u>	<u>(298,118)</u>	<u>460,969</u>	<u>1,747,976</u>	<u>1,910,827</u>
Change in Net Position	<u>(59,271)</u>	<u>474,454</u>	<u>(129,719)</u>	<u>487,880</u>	<u>3,736,866</u>	<u>4,510,209</u>
Net Position - Beginning	<u>1,488,966</u>	<u>2,905,349</u>	<u>472,239</u>	<u>4,720,989</u>	<u>14,733,714</u>	<u>24,321,258</u>
Net Position - Ending	<u>\$ 1,429,696</u>	<u>\$ 3,379,803</u>	<u>\$ 342,520</u>	<u>\$ 5,208,869</u>	<u>\$ 18,470,580</u>	<u>\$28,831,467</u>

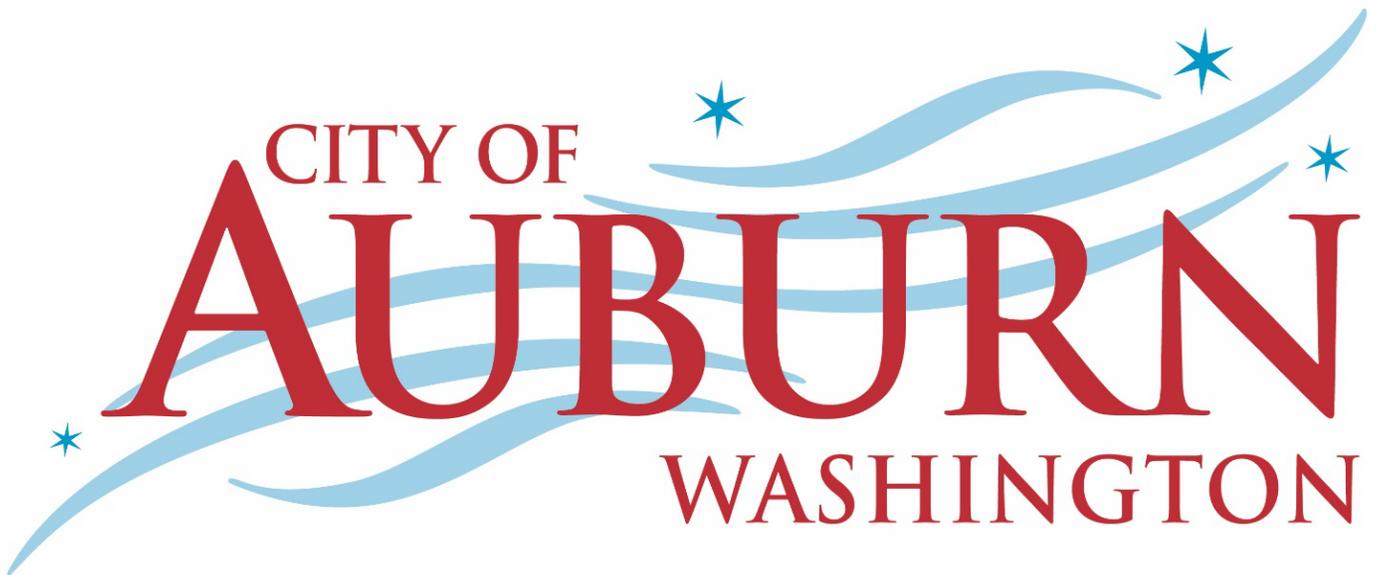
City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Fiscal Year Ended December 31, 2023

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	\$ -	\$ 1,197,946	\$ 4,215,201	\$ 8,633,645	\$ 5,780,488	\$ 19,827,280
Cash Paid to Suppliers for Goods & Services	(6,478)	(658,050)	(2,967,443)	(4,676,749)	(3,498,882)	(11,807,603)
Cash Paid to Employees	(71,392)	(256,083)	(1,227,902)	(3,235,340)	(1,180,588)	(5,971,305)
Other Cash Received	-	-	-	1,052	79,835	80,887
Net Cash Provided (Used) By Operating Activities	<u>(77,870)</u>	<u>283,812</u>	<u>19,857</u>	<u>722,608</u>	<u>1,180,853</u>	<u>2,129,259</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers In	-	-	255,257	524,496	1,747,976	2,527,729
Transfers Out	-	-	(553,375)	(63,528)	-	(616,903)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>(298,118)</u>	<u>460,969</u>	<u>1,747,976</u>	<u>1,910,827</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from Sale of Equipment	-	-	-	-	214,876	214,876
Purchase of Capital Assets	-	-	-	(368,616)	(4,414,831)	(4,783,447)
Proceeds from Insurance Settlement	-	-	-	-	824,257	824,257
Principal Payment on Debt	-	-	-	(373,782)	-	(373,782)
Interest Payment on Debt	-	-	-	(4,143)	-	(4,143)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(746,540)</u>	<u>(3,375,698)</u>	<u>(4,122,238)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>						
Interest Received	19,866	203,630	29,415	160,276	348,753	761,940
Net Cash Provided (Used) in Investing Activities	<u>19,866</u>	<u>203,630</u>	<u>29,415</u>	<u>160,276</u>	<u>348,753</u>	<u>761,940</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(58,004)</u>	<u>487,442</u>	<u>(248,846)</u>	<u>597,312</u>	<u>(98,116)</u>	<u>679,788</u>
Cash and Cash Equivalents - Beginning of Year	1,507,792	4,132,853	684,059	3,447,279	8,284,297	18,056,280
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,449,788</u>	<u>\$ 4,620,295</u>	<u>\$ 435,213</u>	<u>\$ 4,044,591</u>	<u>\$ 8,186,181</u>	<u>\$ 18,736,068</u>
<b>CASH AT END OF YEAR CONSISTS OF:</b>						
Cash and Cash Equivalents	1,449,789	4,620,295	435,212	4,044,591	8,186,181	18,736,068
Total Cash	<u>\$ 1,449,789</u>	<u>\$ 4,620,295</u>	<u>\$ 435,212</u>	<u>\$ 4,044,591</u>	<u>\$ 8,186,181</u>	<u>\$ 18,736,068</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 For the Fiscal Year Ended December 31, 2023

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (79,137)	\$ 270,824	\$ 138,984	\$ (115,758)	\$ 695,170	\$ 910,083
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Depreciation	-	-	-	698,190	1,692,778	2,390,967
Other Non-Operating Revenues	-	-	-	-	79,835	79,835
Accounts Receivable	-	-	6,238	(448)	94,733	100,523
Inventory	-	-	-	-	(93,299)	(93,299)
Liability Increases (Decreases):						
Accounts & Vouchers Payable	1,267	12,989	(139,721)	90,797	(1,175,472)	(1,210,142)
Wages & Benefits Payable	-	-	-	-	(105,781)	(105,781)
Compensated Absences Payable	-	-	14,356	49,827	(7,110)	57,073
Total Adjustments	1,267	12,989	(119,127)	838,366	485,683	1,219,177
Net Cash Provided (Used) by Operating Activities	\$ (77,870)	\$ 283,812	\$ 19,857	\$ 722,608	\$ 1,180,853	\$ 2,129,259
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Total Non Cash Investing, Capital and Financing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



City of Auburn  
**STATISTICAL SECTION**  
 December 31, 2023

**Financial Trends Information**

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

Schedule 1	Net position by components.....	168
Schedule 2	Changes in net position .....	169
Schedule 3	Fund balances, government funds .....	170
Schedule 4	Changes in fund balances, government funds .....	171
Schedule 5	Tax revenues by source, government funds .....	172

**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.....	173
Schedule 7	Property tax data .....	174
Schedule 8	Property tax levies and collections .....	176
Schedule 9	Principal taxpayers-property taxes and sales taxes.....	177
Schedule 10	Retail tax collections by sector .....	178

**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 .....	179
Schedule 12	Computation of legal debt margin .....	180
Schedule 13	Legal debt margin ratios.....	180
Schedule 14	Computation of net direct and estimated overlapping debt .....	181
Schedule 15	Ratios of net general bonded debt to assessed value.....	182
Schedule 16	Pledged revenue bond coverages .....	183

**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.....	184
Schedule 18	Major employers .....	185

**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 .....	186
Schedule 20	Operating indicators by department.....	187
Schedule 21	Capital indicators by department .....	188
Schedule 22	Utility customers by customer class.....	189

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>										
Net Investment in Capital Assets	\$ 348,080,505	\$ 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
Restricted	16,404,328	19,470,880	26,745,270	29,854,240	30,001,950	33,911,413	32,842,097	38,133,392	60,149,452	56,890,093
Unrestricted	51,898,566	40,928,090	42,900,814	42,803,759	42,377,297	59,840,168	67,845,872	88,819,913	85,050,827	124,798,415
<b>Total governmental activities net position</b>	<b>416,383,399</b>	<b>421,493,212</b>	<b>436,774,978</b>	<b>446,026,906</b>	<b>447,588,227</b>	<b>466,638,817</b>	<b>473,129,402</b>	<b>500,844,225</b>	<b>516,960,973</b>	<b>549,770,028</b>
<b>Business-type activities:</b>										
Net Investment in Capital Assets	169,098,916	187,604,782	195,490,061	205,677,614	208,136,620	212,172,136	208,850,752	228,161,102	230,412,106	228,381,433
Restricted	14,115,610	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
Unrestricted	37,724,080	32,974,662	40,797,698	41,627,494	49,088,740	56,928,121	63,474,681	69,517,542	68,868,085	80,680,187
<b>Total business-type activities net position</b>	<b>220,938,606</b>	<b>225,343,784</b>	<b>239,398,173</b>	<b>249,162,078</b>	<b>259,149,926</b>	<b>271,101,966</b>	<b>283,796,742</b>	<b>299,318,539</b>	<b>306,838,045</b>	<b>316,765,420</b>
<b>Primary government:</b>										
Net Investment in Capital Assets	517,179,421	548,699,024	562,618,955	579,046,520	583,345,601	585,059,372	581,292,185	602,052,023	602,172,799	596,462,953
Restricted	30,519,938	24,235,220	29,855,684	31,711,210	31,926,516	35,913,122	44,313,406	39,773,287	67,707,306	64,593,893
Unrestricted	89,622,646	73,902,752	83,698,512	84,431,253	91,466,037	116,768,289	131,320,553	158,337,455	153,918,912	205,478,602
<b>Total primary government net position</b>	<b>\$ 637,322,005</b>	<b>\$ 646,836,996</b>	<b>\$ 676,173,151</b>	<b>\$ 695,188,984</b>	<b>\$ 706,738,153</b>	<b>\$ 737,740,783</b>	<b>\$ 756,926,144</b>	<b>\$ 800,162,764</b>	<b>\$ 823,799,018</b>	<b>\$ 866,535,448</b>

Source: City of Auburn, Finance Department

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 8,363,427	\$ 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
Public safety	27,144,153	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
Transportation	16,150,877	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
Physical environment	2,976,461	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
Culture and recreation	11,094,524	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
Economic environment	2,751,869	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
Health and human services	622,374	925,299	573,115	674,270	787,535	619,247	671,257	2,107,798	2,179,401	3,432,638
Interest on long-term debt	3,615,211	1,986,853	1,709,647	1,555,803	1,502,236	1,466,217	650,215	651,329	677,414	731,092
Total governmental activities expenses	72,718,896	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
Business-type activities:										
Water	11,992,944	13,691,529	13,107,629	12,408,008	12,499,974	13,023,888	13,253,694	13,624,963	14,094,553	16,397,394
Sewer	23,026,216	23,992,161	25,685,370	25,360,718	26,213,221	26,907,482	26,004,990	26,829,991	28,481,203	28,014,709
Storm drainage	7,668,072	8,308,559	8,814,542	8,979,969	9,374,373	9,126,096	8,780,867	9,545,696	10,370,729	11,424,247
Solid waste	12,760,313	12,907,832	13,460,155	14,539,703	15,311,654	15,682,121	15,620,963	18,383,884	26,457,098	29,377,682
Airport	-	-	-	-	-	-	-	-	-	2,317,741
Non-major business-type activities	1,924,874	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
Total business-type activities expenses	57,372,419	60,962,776	63,218,389	63,394,955	65,586,064	67,367,790	66,264,266	71,465,774	83,157,944	89,324,843
Total primary government expenses	\$ 130,091,315	\$ 138,334,771	\$ 143,082,128	\$ 147,277,279	\$ 147,625,423	\$ 146,311,141	\$ 156,623,051	\$ 156,961,424	\$ 180,731,848	\$ 195,850,174
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 1,160,198	\$ 1,243,263	\$ 939,184	\$ 1,241,905	\$ 1,462,867	\$ 3,758,197	\$ 3,584,821	\$ 4,545,962	\$ 4,506,672	\$ 6,240,133
Public Safety	2,273,903	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
Transportation	1,660,270	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
Physical Environment	276,632	384,485	260,555	431,580	611,342	503,798	719,487	719,487	427,515	567,681
Culture and Recreation	2,876,185	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
Economic Environment	3,087,853	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
Total charges for services	11,335,041	11,109,069	12,338,041	11,790,334	11,050,781	16,621,946	12,487,875	18,776,026	12,467,659	19,703,591
Operating grants and contributions	1,333,652	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
Capital grants and contributions	6,001,230	19,526,548	13,275,208	13,229,502	9,065,857	6,461,227	9,455,065	11,838,148	8,644,981	4,831,617
Total governmental activities program revenues	18,669,923	34,869,926	28,381,180	27,277,482	22,948,432	26,478,689	28,847,058	35,492,125	28,511,485	35,372,175
Business-type activities:										
Charges for services	60,332,817	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
Operating grants and contributions	111,025	106,286	106,286	106,286	106,286	106,286	106,286	-	-	4,118,030
Capital grants and contributions	5,070,810	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
Total business-type activities program revenues	65,514,652	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
Total primary government program revenues	84,184,575	104,189,208	104,796,261	99,967,536	97,345,227	103,586,756	104,438,977	122,580,293	117,229,928	130,291,697
Net (expense)/revenue										
Governmental activities	(54,048,973)	(42,502,069)	(51,482,559)	(56,604,841)	(59,090,927)	(52,464,662)	(61,511,727)	(50,003,525)	(69,062,419)	(71,153,157)
Business-type activities	8,142,233	8,356,506	13,196,692	9,295,099	8,810,731	9,740,277	9,327,653	15,622,394	5,560,499	5,594,680
Total primary government net expense	\$ (45,906,740)	\$ (34,145,563)	\$ (38,285,867)	\$ (47,309,742)	\$ (50,280,196)	\$ (42,724,385)	\$ (52,184,074)	\$ (34,381,131)	\$ (63,501,920)	\$ (65,558,477)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 15,867,838	\$ 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
Retail sales and use tax	19,744,684	21,125,730	21,475,335	22,333,454	21,996,115	22,212,601	21,900,597	25,289,050	26,295,124	29,372,547
Interfund utility taxes	4,068,667	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
Utility taxes	9,040,015	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
Excise taxes	2,888,797	4,999,517	5,057,013	4,141,146	4,141,146	4,393,134	5,650,339	4,580,114	6,110,151	3,584,905
City Business and Occupation <sup>(1)</sup>	-	-	-	-	-	-	-	-	4,664,551	12,198,944
Other taxes	4,601,925	4,722,482	5,160,215	5,253,964	5,213,217	4,751,163	3,846,314	5,031,185	4,635,655	4,445,514
Investment earnings	105,117	118,399	332,520	787,786	1,657,481	2,134,741	1,027,312	(114,738)	815,061	6,969,307
Miscellaneous	178,482	194,600	157,874	204,306	428,580	258,502	252,441	572,013	1,789,159	799,586
Transfers	5,294,793	(462,955)	424,173	454,436	414,975	394,287	264,371	395,869	304,449	1,151,660
Total governmental activities	61,790,318	61,068,488	64,251,768	69,074,772	70,044,361	71,515,252	68,002,312	77,718,348	85,179,167	103,962,211
Business-type activities:										
Investment earnings	51,261	70,560	196,595	479,132	989,564	1,387,405	364,027	17,401	1,068,685	3,937,300
Miscellaneous	2,700,233	1,881,835	1,085,275	444,110	602,528	1,218,645	3,267,467	277,871	1,194,771	1,547,056
Transfers	(5,294,793)	462,955	(424,173)	(454,436)	(414,975)	(394,287)	(264,371)	(395,869)	(304,449)	(1,151,660)
Total business-type activities:	(2,543,299)	2,415,350	857,697	468,806	1,177,117	2,211,763	3,367,123	(100,597)	1,959,007	4,332,696
Total primary government	\$ 59,247,019	\$ 63,483,838	\$ 65,109,465	\$ 69,543,578	\$ 71,221,478	\$ 73,727,015	\$ 71,369,435	\$ 77,617,751	\$ 87,138,174	\$ 108,294,907
<b>Change in net position Before Change in Accounting Principle</b>										
Governmental activities	7,741,345	18,566,419	12,769,209	12,469,931	10,953,434	19,050,590	6,490,585	27,714,823	16,116,748	32,809,054
Business-type activities	5,598,934	10,771,856	14,054,389	9,763,905	9,987,848	11,952,040	12,694,776	15,521,797	7,519,506	9,927,375
Total primary government	\$ 13,340,279	\$ 29,338,275	\$ 26,823,598	\$ 22,233,836	\$ 20,941,282	\$ 31,002,630	\$ 19,185,361	\$ 43,236,620	\$ 23,636,254	\$ 42,736,430
<b>Change in Accounting Principle</b>										
Governmental activities	-	(13,456,606)	2,512,557	(3,218,004)	(9,389,375)	-	-	-	-	-
Business-type activities	-	(6,366,678)	-	-	-	-	-	-	-	-
Total primary government	\$ -	\$ (19,823,284)	\$ 2,512,557	\$ (3,218,004)	\$ (9,389,375)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in net position After Change in Accounting Principle</b>										
Governmental activities	7,741,345	5,109,813	15,281,766	9,251,927	1,564,059	19,050,590	6,490,585	27,714,823	16,116,748	32,809,055
Business-type activities	5,598,934	4,405,178	14,054,389	9,763,905	9,987,848	11,952,040	12,694,776	15,521,797	7,519,506	9,927,375
Total primary government	\$ 13,340,279	\$ 9,514,991	\$ 29,336,155	\$ 19,015,832	\$ 11,551,907	\$ 31,002,630	\$ 19,185,361	\$ 43,236,620	\$ 23,636,254	\$ 42,736,430

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

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$127	\$127	\$-	\$30,453	\$38,179	\$36,097	\$47,085	\$49,674	\$57,740	\$63,786
Restricted	-	-	-	-	-	-	-	-	-	1,942,799
Committed	-	-	-	-	-	-	-	-	1,311,450	-
Assigned	4,045,598	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
Unassigned	20,914,093	20,267,776	24,991,081	25,414,801	24,627,984	19,068,746	30,634,592	38,646,995	46,001,244	65,993,516
<b>Total General Fund</b>	<b>24,959,818</b>	<b>27,552,062</b>	<b>32,151,179</b>	<b>34,760,782</b>	<b>34,041,633</b>	<b>36,223,116</b>	<b>41,939,224</b>	<b>47,900,705</b>	<b>58,171,881</b>	<b>78,479,689</b>
<b>All other governmental funds</b>										
Nonspendable	1,574,148	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
Restricted	14,830,180	17,885,173	25,079,227	28,137,106	28,226,498	32,085,350	30,916,914	36,123,035	39,207,433	35,013,713
Committed	5,066,181	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
Assigned	4,725,119	4,755,182	1,226,315	1,221,511	2,827,045	2,239,557	1,906,717	1,579,346	1,800,573	4,088,819
<b>Total All Other Governmental Funds</b>	<b>\$ 26,195,628</b>	<b>\$ 27,884,781</b>	<b>\$ 33,393,225</b>	<b>\$ 34,298,859</b>	<b>\$ 35,908,652</b>	<b>\$ 39,323,122</b>	<b>\$ 38,658,926</b>	<b>\$ 44,995,839</b>	<b>\$ 47,393,632</b>	<b>\$ 53,032,581</b>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 51,718,489	\$ 56,632,337	\$ 58,279,984	\$ 62,425,246	\$ 62,430,346	\$ 64,032,701	\$ 62,638,993	\$ 71,897,684	\$ 77,638,547	\$ 90,371,600
Licenses and permits	2,400,662	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
Intergovernmental	9,379,699	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
Charges for services	5,717,712	7,321,295	11,563,678	7,117,774	6,471,503	10,467,203	8,670,078	12,437,155	10,499,530	12,429,506
Fines and forfeits	1,258,408	938,775	905,921	882,254	920,187	914,240	635,209	434,042	390,200	2,733,886
Special assessments	472,800	7,494	4,111	3,835	2,210	2,807	712	591	-	-
Investment earnings	135,709	117,942	279,058	672,713	1,308,888	1,767,742	1,005,175	(187,615)	564,524	6,272,749
Miscellaneous	1,691,274	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
<b>Total revenues</b>	<b>72,774,753</b>	<b>82,603,140</b>	<b>88,606,337</b>	<b>91,162,511</b>	<b>86,821,196</b>	<b>93,554,329</b>	<b>90,545,094</b>	<b>103,560,171</b>	<b>110,671,964</b>	<b>132,718,441</b>
<b>Expenditures</b>										
General government	7,712,018	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
Public safety	27,264,294	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
Transportation	8,979,583	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
Physical environment	3,086,738	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
Economic environment	2,783,898	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
Health and human services	626,681	925,299	573,115	674,270	787,535	619,247	821,362	2,192,261	1,982,524	3,292,302
Culture and recreation	9,759,110	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
Capital outlay <sup>(1)</sup>	3,394,886	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
Debt service:										
Principal	2,704,468	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
Interest / other	2,892,281	1,801,109	1,632,786	1,590,525	1,537,504	1,478,169	822,678	847,629	868,442	915,318
<b>Total expenditures</b>	<b>69,203,957</b>	<b>78,928,940</b>	<b>81,195,654</b>	<b>87,671,516</b>	<b>86,585,527</b>	<b>88,967,026</b>	<b>86,469,056</b>	<b>92,373,155</b>	<b>105,710,370</b>	<b>110,144,627</b>
Excess of revenues over (under) expenditures	3,570,796	3,674,200	7,410,683	3,490,995	235,669	4,587,303	4,076,038	11,187,016	4,961,594	22,573,814
<b>Other financing sources (uses)</b>										
Transfers in	5,309,769	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
Transfers out	(5,003,448)	(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)
Insurance recoveries	136,585	153,041	83,737	134,003	288,518	177,154	189,322	416,066	103,473	497,371
Issuance of debt	240,366	-	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	17,458	21,952	-	2,700	-	-	-	-	2,226,784	10,000
<b>Total other financing sources (uses)</b>	<b>700,730</b>	<b>607,197</b>	<b>184,321</b>	<b>24,242</b>	<b>654,975</b>	<b>1,008,650</b>	<b>975,874</b>	<b>1,111,378</b>	<b>7,707,375</b>	<b>3,372,944</b>
<b>Net change in fund balances</b>	<b>\$ 4,271,526</b>	<b>\$ 4,281,397</b>	<b>\$ 7,595,004</b>	<b>\$ 3,515,237</b>	<b>\$ 890,644</b>	<b>\$ 5,595,953</b>	<b>\$ 5,051,912</b>	<b>\$ 12,298,394</b>	<b>\$ 12,668,969</b>	<b>\$ 25,946,758</b>
Debt service as a percentage of noncapital expenditures	10.68%	5.50%	5.14%	4.66%	4.38%	3.72%	3.36%	2.58%	2.72%	2.93%

(1) Capital outlay reported in governmental funds for 2023 are \$8,849,133 plus \$5,041,677 which is reported for each functional activity with the other funds results in total capital outlay of \$13,890,810 as reported on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.

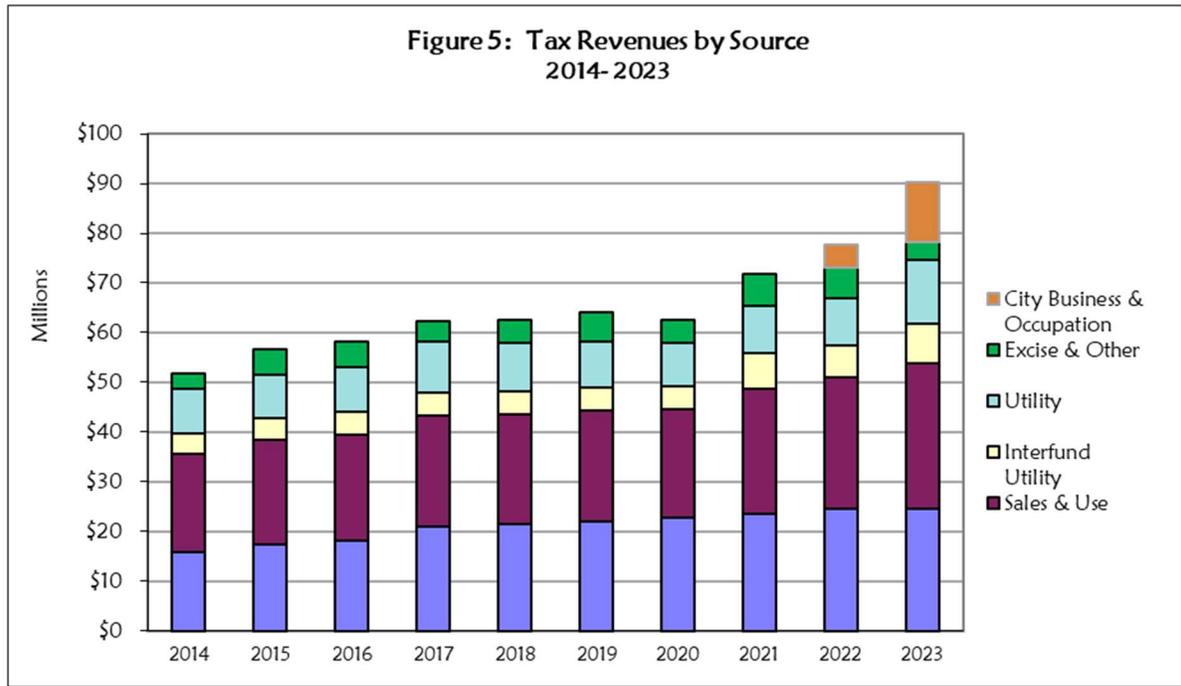
Source: City of Auburn, Finance Department

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
2014	15,933,338	19,744,684	4,068,667	9,040,015	2,888,797	-	42,988	51,718,489
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	29,372,547	7,771,366	13,071,264	3,584,905	12,051,586	-	90,371,600
<b>Change 2014-2023</b>	<b>53.9%</b>	<b>48.8%</b>	<b>91.0%</b>	<b>44.6%</b>	<b>24.1%</b>	<b>100.0%</b>	<b>-100.0%</b>	<b>74.7%</b>

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

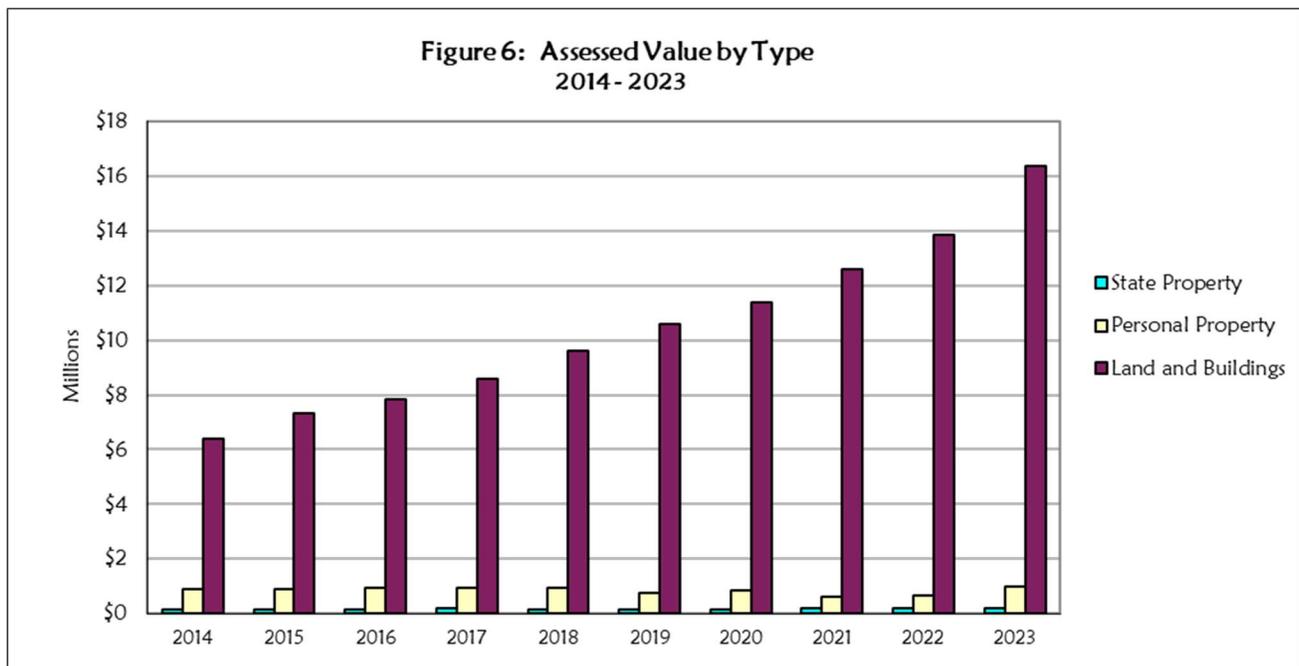
Source: City of Auburn, Finance Department



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
2014	132,854	880,015	6,409,300	7,422,169	2.17
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

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

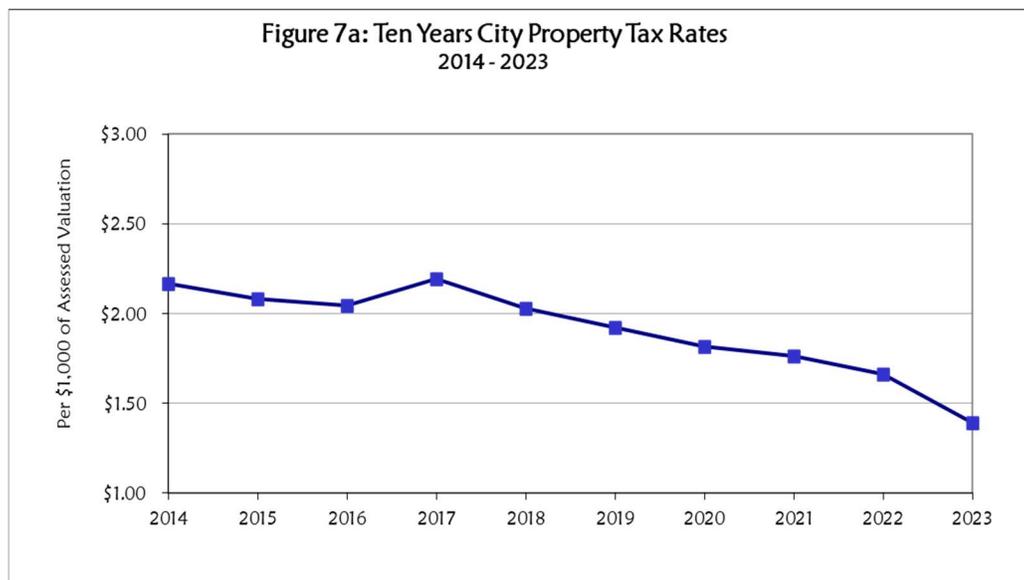


City of Auburn, Washington  
**SCHEDULE 7**  
**PROPERTY TAX DATA**  
 Last Ten Fiscal Years

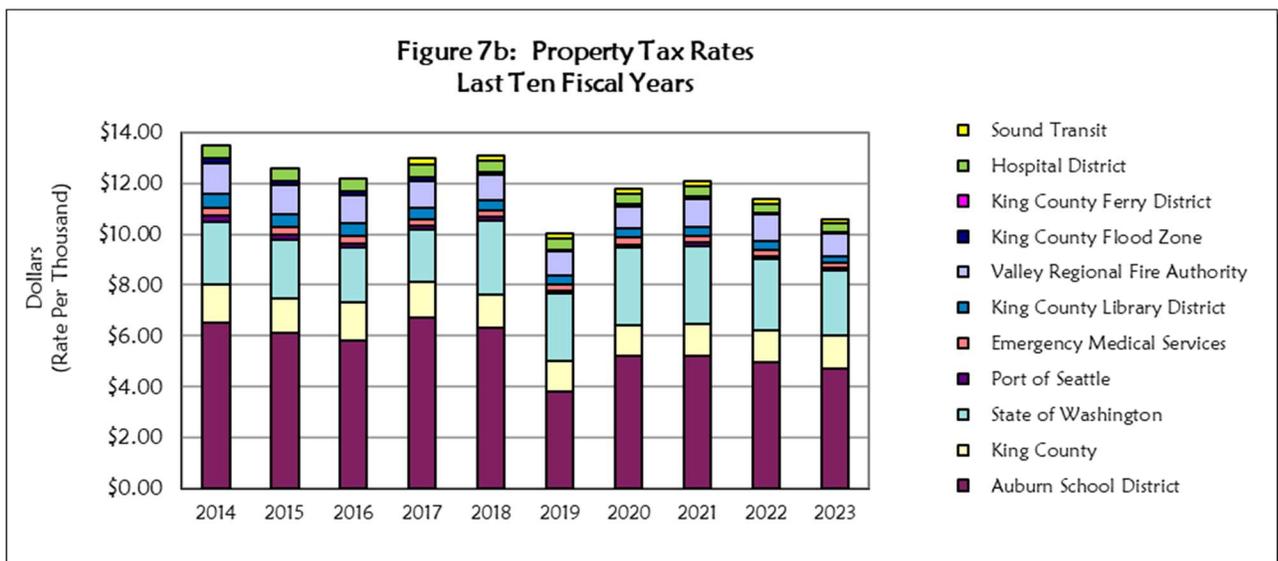
Item	2014	2015	2016	2017
<b>Assessed and estimated actual values <sup>(1)</sup></b>				
Estimated and actual value (in thousands)	\$ 7,422,169	\$ 8,366,653	\$ 8,967,119	\$ 9,721,877
Assessed value (in thousands)	7,422,169	8,366,653	8,967,119	9,721,877
Ratio of assessed to actual	100%	100%	100%	100%
<b>Property tax rates <sup>(1)</sup></b>				
Direct regular and special				
General fund	\$ 2.16739	\$ 2.08085	\$ 2.04719	\$ 2.19668
Subtotal	2.16739	2.08085	2.04719	2.19668
<b>Overlapping regular and special <sup>(1)</sup></b>				
Auburn School District	\$ 6.50262	\$ 6.14079	\$ 5.82831	\$ 6.74299
King County	1.51605	1.34522	1.48027	1.38294
State of Washington	2.47044	2.28514	2.16898	2.03205
Port of Seattle	0.21533	0.18885	0.16954	0.15334
Sound Transit	-	-	-	0.25000
Emergency Medical Services	0.33500	0.30217	0.28235	0.26305
Hospital District	0.50000	0.50000	0.50000	0.50089
King County Library District	0.56175	0.50276	0.47714	0.45118
Valley Regional Fire Authority	1.20294	1.18043	1.13495	1.06821
King County Flood Zone	0.15369	0.13860	0.12980	0.11740
King County Ferry District	0.00349	-	-	-
Subtotal	13.46131	12.58396	12.17134	12.96205
Total direct and overlapping	\$ 15.62870	\$ 14.66481	\$ 14.21853	\$ 15.15873

Sources:

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



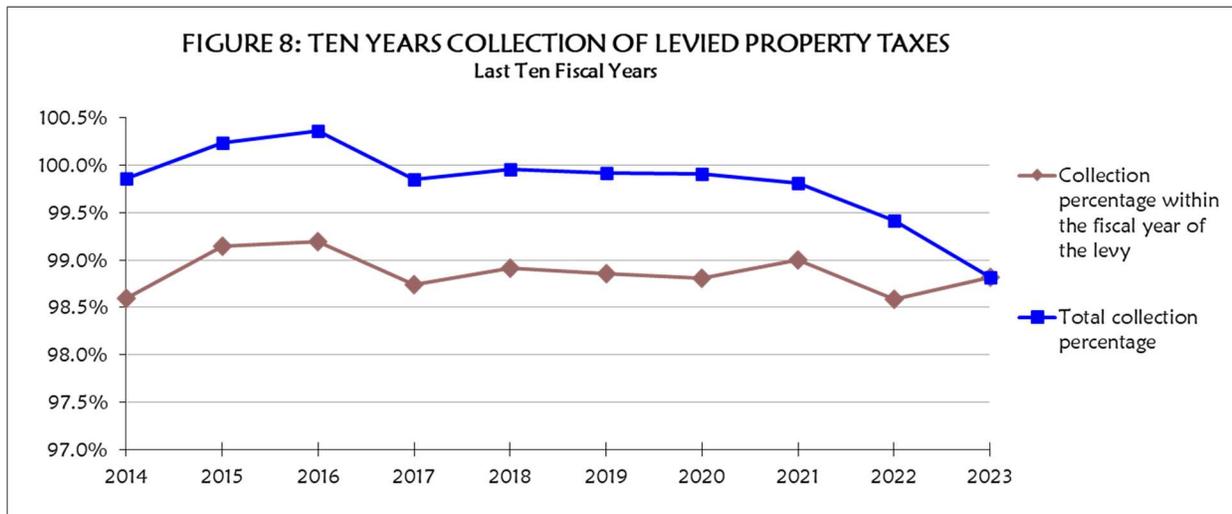
	2018	2019	2020	2021	2022	2023
\$	10,699,721	\$ 11,489,516	\$ 12,380,036	\$ 13,368,770	\$ 14,691,361	\$ 15,666,686
	10,699,721	11,489,516	12,380,036	13,368,770	14,691,361	15,666,686
	100%	100%	100%	100%	100%	100%
\$	2.03239	\$ 1.92435	\$ 1.81928	\$ 1.76739	\$ 1.66241	\$ 1.39068
	2.03239	1.92435	1.81928	1.76739	1.66241	1.39068
\$	6.29971	\$ 3.81351	\$ 5.19948	\$ 5.20244	\$ 4.98502	\$ 4.70683
	1.32735	1.21906	1.23953	1.24688	1.22827	1.33792
	2.91820	2.62922	3.02799	3.08823	2.81695	2.51751
	0.13518	0.12266	0.11944	0.11984	0.11258	0.10470
	0.22745	0.20700	0.19937	0.19709	0.18409	0.16483
	0.23940	0.21762	0.26500	0.26499	0.24841	0.18498
	0.45689	0.41673	0.40069	0.38511	0.35434	0.35434
	0.41190	0.37441	0.36040	0.35733	0.32757	0.28875
	0.98189	0.92352	0.86897	1.10439	1.03322	0.86355
	0.10708	0.09660	0.09199	0.08909	0.08146	0.07067
	-	-	-	-	-	-
	13.10505	10.02033	11.77286	12.05539	11.37191	10.59408
\$	15.13744	\$ 11.94468	\$ 13.59214	\$ 13.82278	\$ 13.03432	\$ 11.98476



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>							
2014	14,182,033	13,970,560	98.5%	189,650	\$ 14,160,210	99.8%	\$ 21,823
2015	15,363,917	15,226,048	99.1%	177,630	15,403,678	100.3%	(39,760)
2016	16,031,663	15,897,626	99.2%	198,303	16,095,929	100.4%	(64,266)
2017	18,674,530	18,418,844	98.6%	224,899	18,643,742	99.8%	30,788
2018	19,097,239	18,872,111	98.8%	216,180	19,088,291	100.0%	8,948
2019	19,542,744	19,298,789	98.8%	226,786	19,525,574	99.9%	17,170
2020	20,041,060	19,775,977	98.7%	243,749	20,019,727	99.9%	21,333
2021	20,702,770	20,480,037	98.9%	179,758	20,659,794	99.8%	42,976
2022	21,784,605	21,449,439	98.5%	193,771	21,643,209	99.4%	141,396
2023	21,591,893	21,316,712	98.7%	-	21,316,712	98.7%	275,181
							<u>\$ 455,588</u>
<b>Pierce County:</b>							
2014	1,595,675	1,586,010	99.4%	9,665	\$ 1,595,675	100.0%	\$ 0
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%	9,471	2,514,894	100.0%	503
2022	2,626,387	2,615,456	99.6%	8,616	2,624,072	99.9%	2,315
2023	2,635,778	2,623,794	99.5%	-	2,623,794	99.5%	11,984
							<u>\$ 14,802</u>
<b>Total current levy balance</b>							<u>\$ 470,390</u>

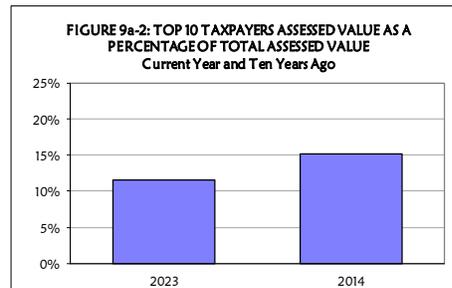
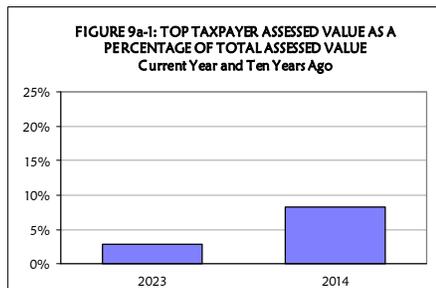
Source: King County Finance and Business Operations Division  
 Pierce County Budget and Finance Department



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

Taxpayer	2023			2014		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BOEING	\$ 440,205,879	1	2.81%	\$ 611,988,779	1	8.25%
EPROPERTY TAX	230,781,400	2	1.47%	74,754,500	4	1.01%
PPF INDUSTRIAL	222,736,600	3	1.42%	74,933,312	3	1.01%
SAFEWAY INC C/O COMP PROPER	211,024,423	4	1.35%	43,081,100	8	0.58%
USPP VALLEY CENTRE CORPORAT	182,034,700	5	1.16%	N/A		N/A
C/O PROLOGIS - RE TAX	133,536,800	6	0.85%	N/A		N/A
MARVIN F POER AND COMPANY	121,810,600	7	0.78%	86,951,812	2	1.17%
GLIMCHER REALTY	114,616,900	8	0.73%	N/A		N/A
AUBURN 18 BUSINESS PARK	80,090,700	9	0.51%	N/A		N/A
LIT INDUSTRIAL	79,193,600	10	0.51%	N/A		N/A
Smith Kendra	N/A			69,112,597	5	0.93%
Harvest Invest	N/A			54,917,400	6	0.74%
DCT Hudson Dist Ctr	N/A			54,061,800	7	0.73%
CREF3 W Valley Owner	N/A			29,323,400	10	0.40%
Emerald Corporate Park	N/A			32,203,327	9	0.43%
<b>TOTALS</b>	<b>\$ 1,816,031,602</b>		<b>11.59%</b>	<b>\$ 1,131,328,027</b>		<b>15.24%</b>

Source: King County and Pierce County Departments of Assessments  
 Total assessed value for 2023: \$ 15,666,685,930  
 Total assessed value for 2014: \$ 7,422,169,137



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

2023				2014			
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
\$ 817,508	Automotive	1	3.6%	\$ 806,869	Transportation Manufacturing	1	3.1%
602,716	Retail Trade	2	2.6%	449,536	General Merchandise Store	2	2.5%
484,305	Automotive	3	2.1%	386,983	Automotive	3	2.5%
430,724	Retail Trade	4	1.9%	360,318	Automotive	4	2.3%
429,171	Automotive	5	1.9%	323,393	Automotive	5	2.0%
394,832	Automotive	6	1.7%	287,739	Automotive	6	1.9%
369,995	Retail Trade	7	1.6%	283,004	Construction	7	1.6%
364,865	Construction	8	1.6%	242,936	General Merchandise Store	8	1.6%
342,679	Transportation	9	1.5%	219,040	Automotive	9	1.5%
339,555	Miscellaneous	10	1.5%	205,857	Bldg. Material & Garden	10	1.4%
<b>\$ 4,576,350</b>			<b>19.9%</b>	<b>\$ 3,565,675</b>			<b>20.4%</b>

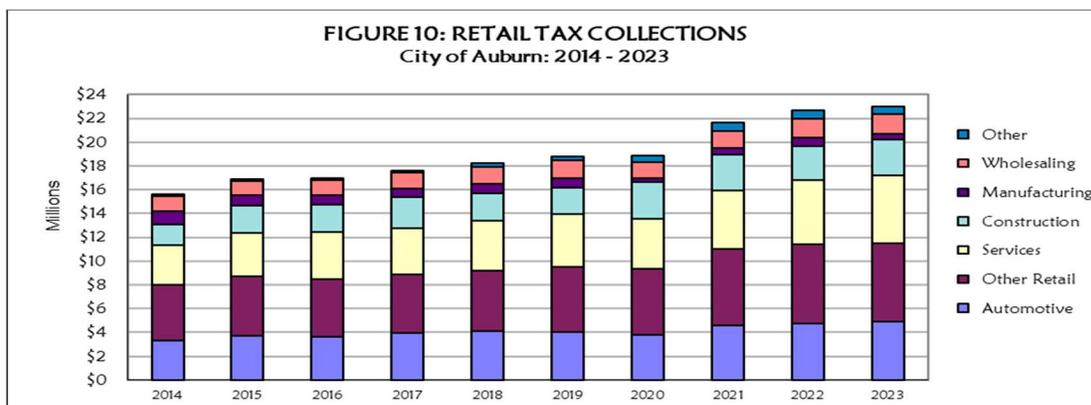
Source: Washington State Department of Revenue

(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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>RETAIL TRADE SECTOR</b>										
Automotive/gas	\$ 3,309	\$ 3,707	\$ 3,659	\$ 3,972	\$ 4,122	\$ 4,069	\$ 3,827	\$ 4,555	\$ 4,780	\$ 4,937
Furniture	254	254	185	197	210	222	209	290	440	223
Electronics & appliances	237	295	221	211	229	277	300	344	190	420
Building materials	502	590	579	580	576	652	751	803	789	730
Food stores	353	368	397	369	388	406	451	487	565	621
Health & personal care	188	221	284	369	420	426	348	391	406	402
Apparel	1,009	1,080	1,136	1,119	1,170	1,236	873	1,123	1,137	1,129
General merchandise	955	988	1,018	993	221	818	878	917	1,026	875
Misc. retail trade	1,182	1,193	1,032	1,033	1,827	1,399	1,689	2,107	2,100	2,173
<b>Subtotal - Retail Trade</b>	<b>7,989</b>	<b>8,695</b>	<b>8,512</b>	<b>8,843</b>	<b>9,163</b>	<b>9,506</b>	<b>9,327</b>	<b>11,017</b>	<b>11,433</b>	<b>11,510</b>
<b>SERVICE SECTOR</b>										
Information	\$ 487	\$ 526	\$ 630	\$ 662	\$ 638	\$ 668	\$ 685	\$ 760	\$ 848	\$ 919
Finance & insurance	88	95	111	122	140	138	178	158	197	148
Real estate, rental, leasing	315	334	359	368	368	434	369	449	463	512
Professional, scientific, technical	216	195	238	239	254	344	394	482	514	551
Administrative, supply & remediation services	350	383	329	276	424	524	652	792	785	897
Educational	49	60	50	56	47	46	40	44	47	55
Healthcare & social services	66	82	92	75	93	93	111	99	120	110
Arts & entertainment	158	208	156	110	119	120	50	74	126	179
Accommodation & food service	1,067	1,159	1,218	1,276	1,435	1,469	1,205	1,429	1,528	1,567
Other services	526	603	788	728	711	609	537	637	767	786
<b>Subtotal - Services</b>	<b>3,322</b>	<b>3,646</b>	<b>3,970</b>	<b>3,912</b>	<b>4,229</b>	<b>4,445</b>	<b>4,220</b>	<b>4,924</b>	<b>5,395</b>	<b>5,725</b>
<b>OTHER SECTORS</b>										
Construction	\$ 1,754	\$ 2,297	\$ 2,292	\$ 2,632	\$ 2,310	\$ 2,193	\$ 3,068	\$ 3,034	\$ 2,828	\$ 2,950
Manufacturing	1,163	862	761	678	754	821	390	501	749	531
Transportation	71	66	99	89	120	89	197	373	249	225
Wholesaling	1,205	1,229	1,265	1,363	1,469	1,496	1,346	1,424	1,578	1,668
Other business	120	72	67	65	154	265	308	410	428	390
<b>Subtotal - Other</b>	<b>4,312</b>	<b>4,525</b>	<b>4,485</b>	<b>4,827</b>	<b>4,807</b>	<b>4,863</b>	<b>5,309</b>	<b>5,742</b>	<b>5,833</b>	<b>5,765</b>
<b>GRAND TOTAL</b>	<b>\$ 15,623</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>OVERLAPPING SALES TAX RATES</b>										
<u>Basic sales tax rates</u>										
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%	0.90%	1.40%	1.40%	1.40%	1.50%	1.50%	1.60%
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%
<b>Total basic sales tax rate</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.10%</b>	<b>10.10%</b>	<b>10.20%</b>
<u>Special sales tax rates</u>										
Motor vehicles	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.37%

Source: City of Auburn Finance Department and State of Washington



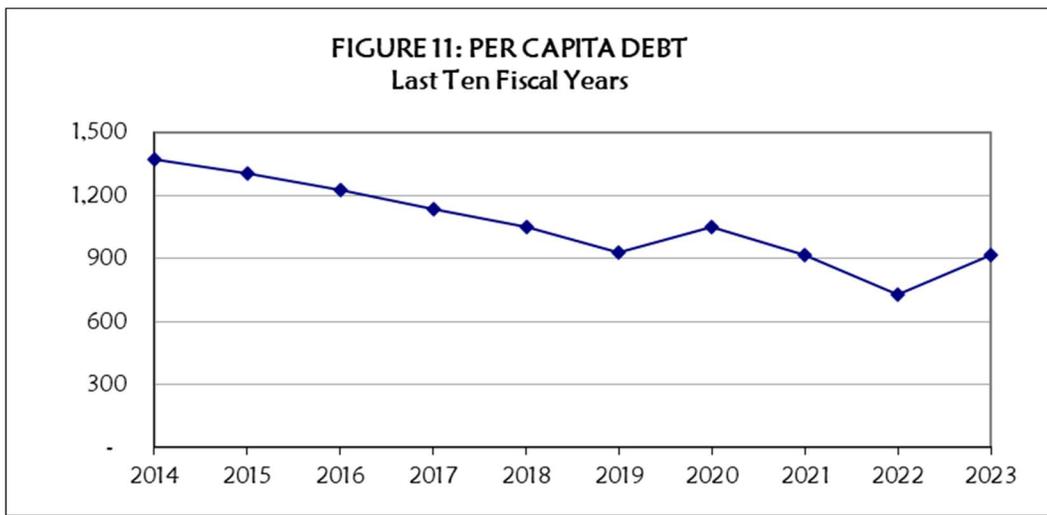
City of Auburn, Washington  
**SCHEDULE 11**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

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 and Subscription Liability	Revenue Bonds	Public Works Trust Fund Loans			
2014	\$57,367,766	\$ 4,284,173	\$ 435,068	-	\$ 32,813,473	\$ 7,524,538	\$ 102,425,018	5.12%	\$ 1,372.44
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	64,437,846	1.96%	726.06
2023	35,147,469	2,507,791	-	8,533,074	30,223,146	4,796,751	81,208,231	2.21%	914.30

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, 2023

	General Capacity		Special Purpose Capacity		Total Capacity	
	Councilmanic	Excess Levy	Parks and Open Spaces	Utility Purpose		
December 31, 2023 - Total Assessed Value:						
\$	17,869,840,473					
2.5% of Assessed Value	\$	-	\$ 446,746,012	\$ 446,746,012	\$ 446,746,012	\$ 1,340,238,036
1.5% of Assessed Value	268,047,607	(268,047,607)	-	-	-	-
Statutory Debt Limit	268,047,607	178,698,405	446,746,012	446,746,012	1,340,238,036	
Debt Outstanding	34,509,925	-	-	-	34,509,925	
Net Debt Outstanding	34,509,925	-	-	-	34,509,925	
Remaining Debt Capacity	\$ 233,537,682	\$ 178,698,405	\$ 446,746,012	\$ 446,746,012	\$ 1,305,728,111	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 617,872	\$ 661,996	\$ 716,628	\$ 791,936	\$ 854,513	\$ 923,770	\$ 990,892	\$ 1,078,980	\$ 1,317,264	\$ 1,340,238
Total net debt applicable to limit	61,892	59,409	57,152	54,208	52,097	46,115	40,356	38,474	36,525	34,510
Legal debt margin	\$ 555,980	\$ 602,588	\$ 659,476	\$ 737,728	\$ 802,416	\$ 877,655	\$ 950,535	\$ 1,040,505	\$ 1,280,738	\$ 1,305,728
Total net debt applicable to the limit as a percentage of debt limit	10.02%	8.97%	7.98%	6.85%	6.10%	4.99%	4.07%	3.57%	2.77%	2.57%

City of Auburn, Washington  
**SCHEDULE 14**  
**COMPUTATION OF NET DIRECT AND ESTIMATED OVERLAPPING DEBT**  
 As of December 31, 2023

	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>			\$ 46,188,334
<b>Estimated net overlapping debt: <sup>(2)</sup></b>			
King County	\$ 870,837,000	1.79%	\$ 15,587,982
Port of Seattle	315,360,000	1.79%	5,644,944
School District No. 210 <sup>(4)</sup>	501,290,000	55.88%	280,120,852
School District No. 408	437,350,000	80.11%	350,361,085
School District No. 415	166,141,000	1.69%	2,807,783
Rural Library District	15,670,000	2.78%	435,626
Valley Regional Fire Authority	5,482,200	89.14%	4,886,833
Pierce County	134,350,000	0.99%	1,330,065
Total estimated net overlapping debt			661,175,170
Total direct and overlapping debt			\$ 707,363,504

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 8/31/2023.

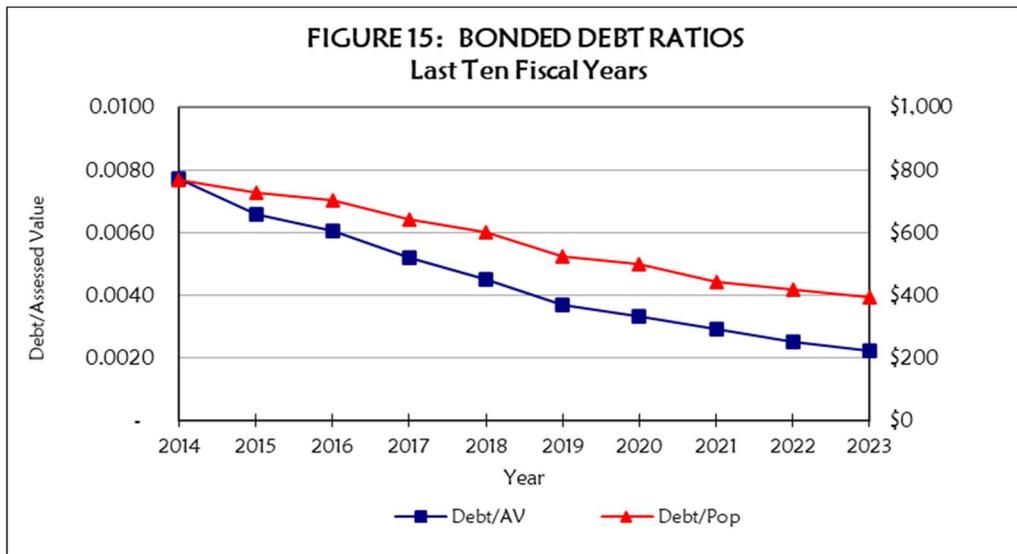
Calculation of overlapping debt: applicable percentage is determined by the ratio of assessed valuation of taxable property in overlapping unit to valuation of property subject to taxation in the City of Auburn.

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
2014	74,630	\$ 7,422,169	\$ 57,367,766	\$ 34,856	\$ 57,333	0.77%	\$ 769
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

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**  
**PLEGGED REVENUE BOND COVERAGES**  
 Last Ten Fiscal Years

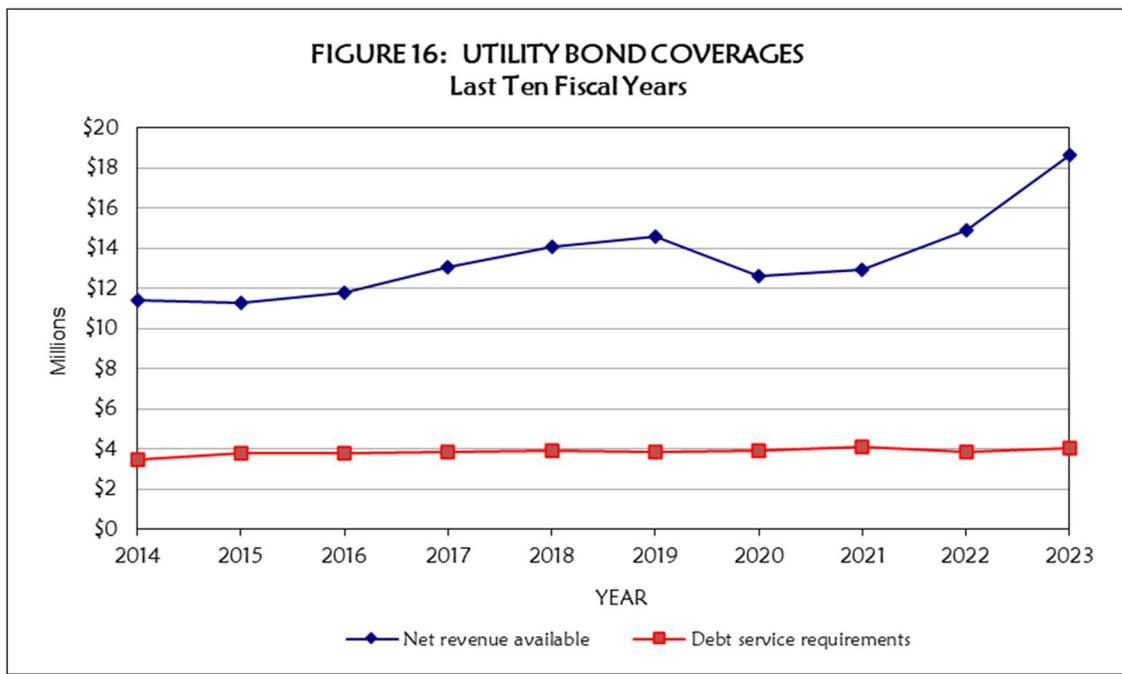
Year	Gross <sup>(1)</sup> Revenue	Direct <sup>(2)</sup> Operating Expense	Net Revenue Available	Debt Service Requirements			Times Coverage
				Principal	Interest	Total <sup>(3)</sup>	
2014	\$ 46,900,016	\$ 35,502,812	\$ 11,397,204	\$ 1,943,830	\$ 1,508,405	\$ 3,452,235	3.30
2015	49,673,159	38,425,799	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

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.

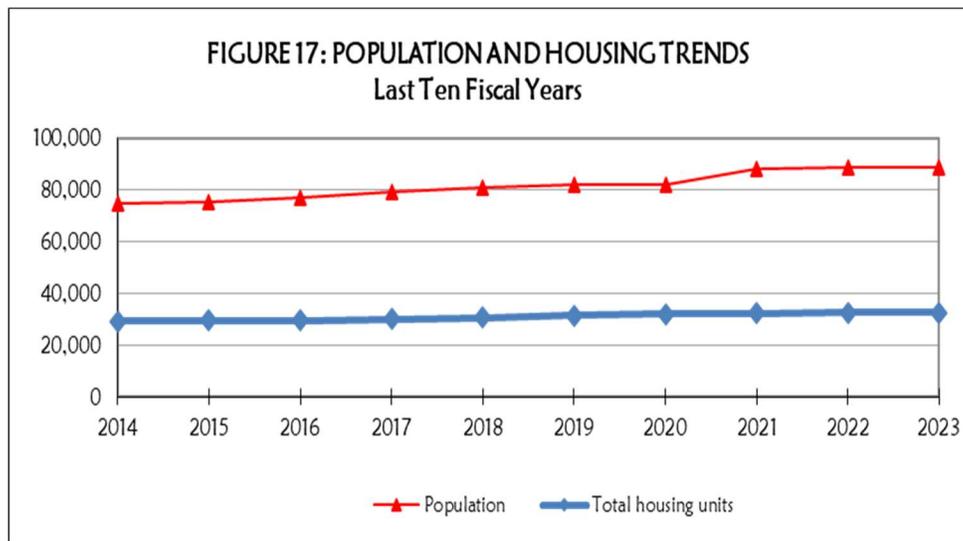
(3) Includes both parity and non-parity debt.



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

Item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School enrollment <sup>(1)</sup>	15,277	15,663	15,945	16,525	16,949	17,300	16,702	16,880	17,640	17,545
Rate of unemployment <sup>(2)</sup>	5.4%	4.9%	4.4%	4.4%	4.2%	3.5%	9.5%	6.4%	3.9%	3.8%
Population <sup>(3)</sup>	74,630	75,545	77,060	78,960	80,615	81,720	81,940	88,080	88,750	88,820
Personal income (thousands of dollars) <sup>(4)</sup>	\$ 1,917,219	\$ 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
Per capita personal income <sup>(4)</sup>	\$ 26,179	\$ 26,807	\$ 26,918	\$ 27,405	\$ 27,940	\$ 29,344	\$ 31,229	\$ 33,795	\$ 35,288	\$ 41,384
Housing units <sup>(5)</sup>										
One unit	15,804	16,042	16,167	16,373	16,616	16,674	17,046	17,128	17,185	17,215
Two or more	10,841	10,847	10,854	11,110	11,417	12,008	12,230	12,532	12,738	12,740
Mobile home or special	2,631	2,637	2,630	2,675	2,659	2,663	2,671	2,674	2,676	2,677
Total housing units	29,276	29,526	29,651	30,158	30,692	31,345	31,947	32,334	32,599	32,632

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



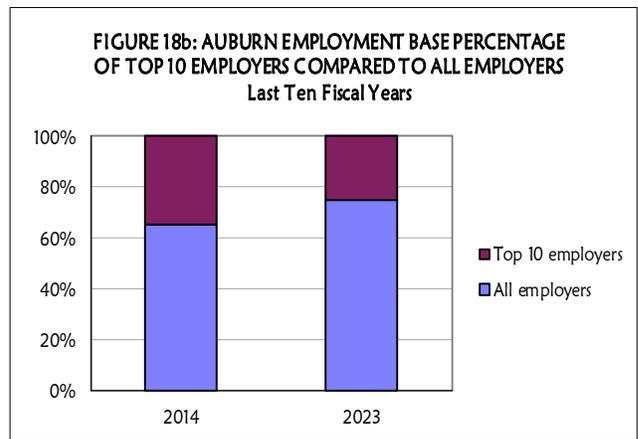
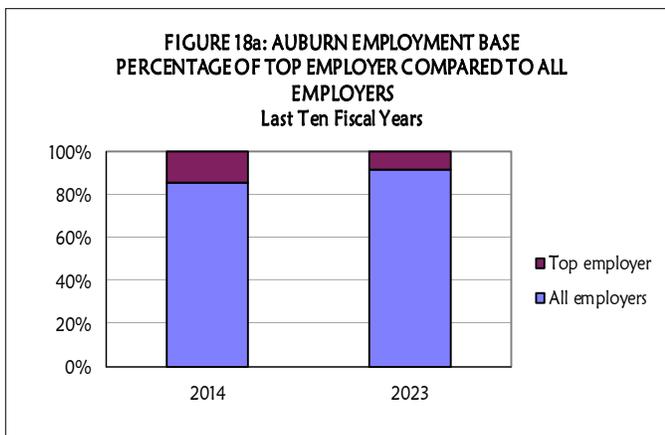
City of Auburn, Washington  
**SCHEDULE 18**  
**MAJOR EMPLOYERS**  
 Current Year and Ten Years Ago

Employer	Product/service	2023			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Boeing Company	Aerospace	3,935	1	9.5%	6,100	1	17.3%
Auburn School District	Education	2,993	2	7.2%	2,373	3	6.7%
Muckleshoot Indian Tribe	Gaming	1,500	3	3.6%	1,643	4	4.6%
Multicare Auburn Medical Center**	Hospital	1,482	4	3.6%	1,106	7	3.1%
Green River Community College	Education	857	5	2.1%	1,121	5	3.2%
Safeway Distribution Center	Distribution	817	6	2.0%	905	8	2.6%
Costco Wholesale/Optical #190	Distribution	782	7	1.9%	-	-	-
City of Auburn	City government	597	8	1.4%	-	-	-
Ply Gem Pacific Windows Corp.	Manufacturing	550	9	1.3%	-	-	-
FAA	Gov't / Public offices	451	10	1.1%	-	-	-
Walmart #2385	Retail	-	-	-	650	9	1.8%
Pepsi Beverages Company	Manufacturing	-	-	-	600	10	1.7%
Zones, LLC	Retail	-	-	-	1,144	6	3.2%
Hospital Central Services	Retail	-	-	-	3,200	2	9.1%
<b>Totals</b>		<b>13,964</b>		<b>33.7%</b>	<b>18,842</b>		<b>53.3%</b>

2023 - City of Auburn, Economic Development  
 2014 - City of Auburn ACFR

\* Previously the Supermall.

\*\*Previously Auburn Regional Medical Center.

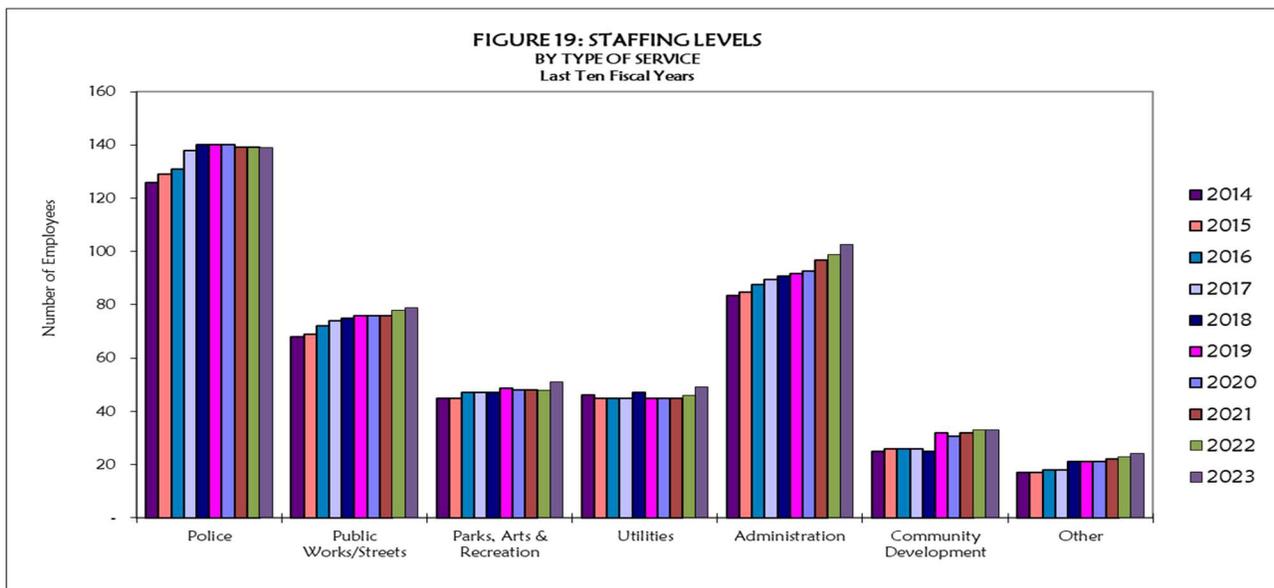


City of Auburn, Washington  
**SCHEDULE 19**  
**STAFFING LEVELS BY DEPARTMENT**  
 Last Ten Fiscal Years

Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Mayor	3	3	3	3	3	3	4	5	6	7
Administration <sup>(1)</sup>	8	8	10	11	12	8	7	5	5	5
Human Resources	8	8	9	8	8	8	9	8	8	9
Finance	23	22	22	22	22	24	24	25	26	27
Legal	14	14	14	15	15	16	16	21	21	21
Community Development	25	26	26	26	25	32	31	32	33	33
Police	126	129	131	138	140	140	140	139	139	139
Public Works	49	50	53	54	55	55	55	55	55	56
Parks, Arts and Recreation	45	45	47	47	47	49	48	48	48	51
Street	19	19	19	20	20	21	21	21	23	23
Water	24	23	23	23	23	23	23	23	24	24
Sewer	10	10	10	10	10	10	10	10	10	11
Storm Drainage	10	10	10	10	12	12	12	12	12	14
Solid Waste	2	2	2	2	2	-	-	-	-	-
Airport <sup>(2)</sup>	-	-	-	-	3	3	3	3	3	3
Cemetery	5	5	6	6	6	6	6	6	7	7
Facilities	9	10	10	10	10	11	11	11	11	11
Multimedia <sup>(3)</sup>	4	4	4	4	4	4	4	4	4	4
Innovation & Technology	15	16	16	17	17	18	18	18	18	19
Equipment Rental	12	12	12	12	12	12	12	13	13	14
<b>TOTAL</b>	<b>411</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>

Source: City of Auburn Finance Department

- (1) The Administration Department was created in 2014. These FTEs were reorganized from several existing departments such as the Mayors Department, Public Works and Community Development. This department primarily consists of Emergency Management, Economic Development and Public Affairs.
- (2) In 2018, 3.0 FTEs were added to the Airport and the Airport is now managed in-house.
- (3) In 2014 the Multimedia Division was reorganized from the Innovation & Technology Fund into its' own Internal Service Fund. The 3.6 FTEs report to the Director of Administration. In 2021, the Multimedia Assistant position was increased from 0.6 FTE to 0.75 FTE.



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Planning*</b>										
Commercial permits	389	386	410	320	322	338	270	278	232	218
Commercial construction value (\$1,000's)	\$ 60,732	\$ 66,223	\$ 151,220	\$ 74,840	\$ 72,623	\$ 157,026	\$ 93,920	\$ 101,169	\$ 75,544	\$ 53,701
Residential permits	463	340	426	345	210	195	202	232	289	55
Residential construction value (\$1,000's)	\$ 84,539	\$ 63,370	\$ 73,679	\$ 52,750	\$ 25,790	\$ 18,832	\$ 32,630	\$ 37,018	\$ 34,235	\$ 20,649
<b>Police</b>										
Crimes:										
Arson	32	-	-	19	20	22	19	16	32	16
Aggravated Assault	156	186	179	198	158	171	208	184	252	246
Burglary	810	851	727	722	615	547	587	611	828	773
DUI	126	188	158	194	223	180	186	159	111	136
Homicide	1	8	6	3	1	5	6	5	13	8
Narcotics	458	511	458	742	912	797	770	231	133	359
Rape	31	31	36	49	42	45	32	47	42	52
Robbery	104	91	98	117	115	125	125	136	127	207
Theft	3,192	2,728	2,235	2,169	2,945	2,223	2,922	3,269	3,566	3,503
Theft - motor vehicle	630	996	756	692	637	580	697	902	1,205	1,542
Traffic:										
Non-criminal	6,520	5,489	5,926	5,074	5,573	4,372	3,421	3,411	2,044	2,300
Parking	5,238	3,737	3,822	3,777	3,477	4,425	2,990	3,013	2,928	2,584
<b>Parks and Recreation</b>										
Athletic teams	358	321	328	306	312	315	15	158	259	344
Recreation activities	3,557	3,511	2,435	3,389	3,498	3,520	1,169	1,828	2,297	2,842
Golf course rounds	47,697	52,718	48,803	47,001	50,720	51,860	51,684	61,771	57,517	59,127
Senior center visits	40,715	38,485	36,636	35,454	32,464	77,378	35,417	35,133	31,593	37,103
Cultural activities	202	204	203	214	211	229	86	163	165	178
Museum audience served	13,968	13,535	14,380	13,570	15,153	14,638	3,463	6,441	5,061	15,613
Cemetery placements	250	237	281	264	263	253	273	353	331	326

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	244	254	238	238	247	248	245	247	247	249
Number of streetlights <sup>(1)</sup>	6,211	6,362	6,552	6,581	6,738	3,429	3,526	3,589	3,628	3,677
Number of traffic signals	94	95	95	95	95	94	95	96	96	112
<b>Utilities</b>										
Number of services	14,573	14,787	14,872	14,746	14,769	14,781	14,909	15,021	15,107	15,129
Miles of water lines <sup>(1)</sup>	316	320	321	323	347	283	287	288	290	290
Miles of sanitary sewer lines <sup>(1)</sup>	220	223	224	225	227	206	209	209	210	210
Miles of storm lines <sup>(1)</sup>	282	294	319	337	362	234	240	244	246	249
Number of fire hydrants <sup>(1)</sup>	3,559	3,580	3,577	3,595	3,664	3,014	3,115	3,132	3,171	3,208
<b>Public Safety</b>										
Number of police stations	2	2	3	3	3	3	4	4	3	4
<b>Parks and Recreation</b>										
Total park acreage	972	977	988.7	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	28	31	31	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Water Customers by Class</b>										
Single Family Residential	11,822	11,973	12,054	12,010	12,010	12,028	12,078	12,132	12,162	12,183
Multifamily	1,000	1,003	1,002	1,009	1,012	1,010	1,023	1,027	1,027	1,028
Commercial	1,146	1,190	1,186	1,158	1,159	1,163	1,168	1,170	1,171	1,172
Mfr./Industrial	38	38	37	2	2	2	2	2	2	2
Schools	37	37	38	37	37	37	37	37	38	38
City Accounts	30	30	31	31	30	30	31	31	31	31
Irrigation	493	509	517	492	512	505	564	616	670	669
Total Retail Water Customers	14,566	14,780	14,865	14,739	14,762	14,775	14,903	15,015	15,101	15,123
Wholesale Water Customers	7	7	7	7	7	7	6	6	6	6
<b>Sewer Customers by Class</b>										
Single Family Residential	12,631	12,890	13,091	13,124	13,176	13,234	13,319	13,368	13,411	13,438
Non-single Family Residential	2,713	2,728	2,725	2,724	2,728	2,731	2,749	2,758	2,761	2,759
Total Sewer Customers	15,344	15,618	15,816	15,848	15,904	15,965	16,068	16,126	16,172	16,197
<b>Storm Customers by Class</b>										
Single Family Residential	16,013	16,222	16,200	16,566	16,610	16,665	16,723	16,820	16,867	17,269
Non-single Family Residential	1,670	1,679	1,913	1,671	1,691	1,696	1,702	1,753	1,759	1,762
Total Storm Customers	17,683	17,901	18,113	18,237	18,301	18,361	18,425	18,573	18,626	19,031

Sources: City of Auburn - Utility Billing

