



YAKIMA  
CONVENTION  
— CENTER —

CITY OF

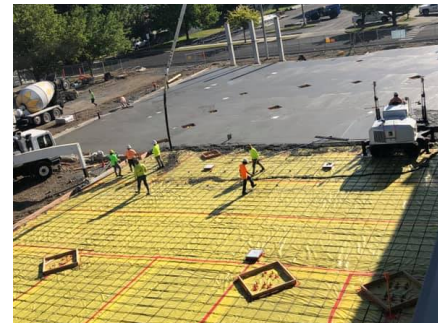
*Yakima*

WASHINGTON

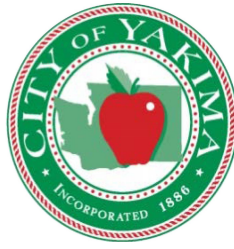


*For the year ended December 31, 2021*

# 2021 Annual Comprehensive Financial Report (ACFR)







CITY OF *Yakima*  
Washington

# *ANNUAL COMPREHENSIVE FINANCIAL REPORT*

For the year ended December 31, 2021

## ***REPORT PREPARED BY:***

### **Department of Finance and Budget**

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Maria Simons	Financial Services Officer
Jennifer Morris	Financial Services Officer
Kathryn Miles	Financial Services Technician - Payroll
Isabel Cruz	Accountant
Andrea Flores	Accountant
Isamar Ramirez	Accountant





CITY OF *Yakima*  
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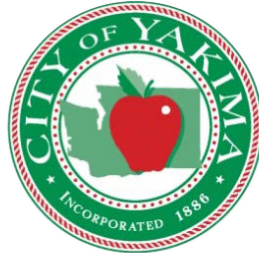
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CITY OF *Yakima*  
Washington

## *PRINCIPAL OFFICIALS*

As of December, 2021

### CITY COUNCIL

Patricia Byers	Mayor, District 3
Holly Cousens	Assistant Mayor, District 7
Eliana Macias	District 1
Jason White	District 2
Kay Funk	District 4
Soneya Lund	District 5
Brad Hill	District 6

### CITY MANAGEMENT EXECUTIVES

Bob Harrison	City Manager
Sara Watkins	City Attorney
Connie Mendoza	Director of Human Resources
Jennifer Ferrer-Santa Ines	Director of Finance & Budget
Joan Davenport	Director of Community Development
Scott Schafer	Director of Public Works
Jaime Vera	Acting Director of Yakima Air Terminal
Matthew Murray	Police Chief
Aaron Markham	Fire Chief
Kelley Olwell	Municipal Court Presiding Judge

129 North Second Street  
Yakima, WA 98901  
(509) 575-6000  
[www.yakimawa.gov](http://www.yakimawa.gov)



CITY OF *Yakima*

# 2021 ORGANIZATIONAL CHART





DEPARTMENT OF FINANCE & BUDGET  
129 North Second Street  
Yakima, WA 98901  
(509) 575-6070



September 27, 2022

Citizens, Honorable Mayor and Members of the City Council  
City of Yakima, Washington

The reporting City of Yakima's financial performance and generally-improved position in the second year of the COVID-19 pandemic merits particular care for the results throughout this report.

This Annual Comprehensive Financial Report of the City of Yakima for the fiscal year ended December 31, 2021, complies with State Statute RCW 43.09.230, but more importantly delivers responsible reporting and careful stewardship of public funds entrusted by our taxpayers, voters and citizens.

Please read the information in this Letter of Transmittal and the [Management Discussion and Analysis \(MD&A\)](#) narrative, which are intended to help understand the history and activity underlying the Basic Financial Statements and the 10-year trend data in the Statistical Section.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report. The data, as presented, is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of City operations, in conformity with Generally Accepted Accounting Principles (GAAP) and with statements issued by the Governmental Accounting Standards Board (GASB). All footnotes, analysis and disclosures are intended to enable the reader to gain the maximum understanding of the City's activities and financial position.

## THE REPORTING ENTITY

This report includes all funds, agencies, and boards controlled by or dependent on the City of Yakima. The City is separate and distinct from overlapping entities: Yakima County, Yakima Valley Regional Library, the Yakima, West Valley and Union Gap School Districts, Yakima Health District, Yakima Conference of Governments, and the Yakima Housing Authority, which have separate governmental or other entity characteristics, substantial autonomy and consequently are not component units of the City. The Yakima Regional Public Facilities District (PFD), however, is a separate governmental agency created by interlocal agreements with the Cities of Yakima, Union Gap, and Selah for the purpose of supporting the capital needs of the City-owned Convention Center and Capitol Theatre. Because most of the PFD revenue is dedicated to debt service and capital maintenance of City-owned facilities, the PFD is a blended component unit, and is accounted for as a special revenue fund.

## CITY PROFILE

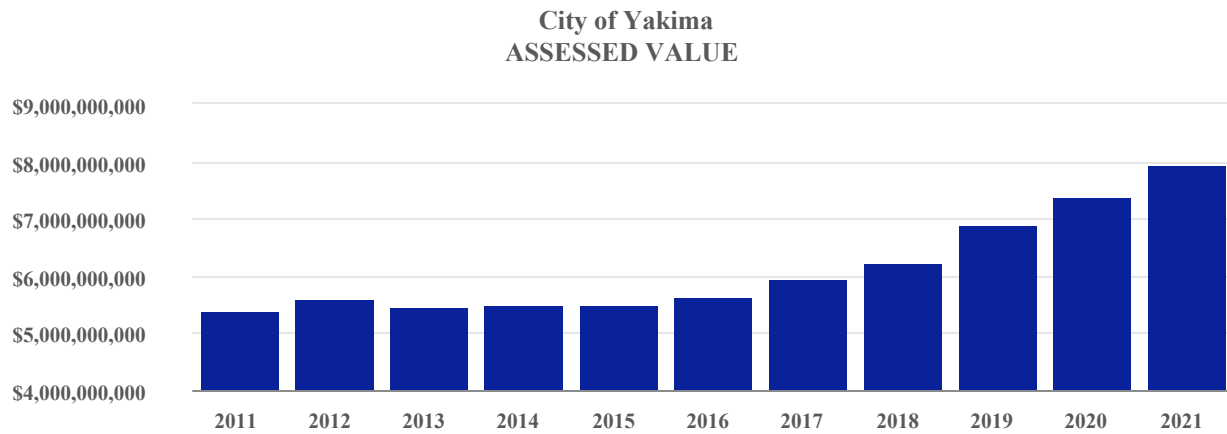
The City of Yakima is located in central Washington State, 145 miles southeast of Seattle, 200 miles southwest of Spokane, and 180 miles northeast of Vancouver, Washington at the confluence of two rivers. The Yakima River from the north defines the city's eastern border and the Naches River from the west defines the city's northern border. It encompasses 28.27 square miles and has an estimated 2021 population of 97,810. The City is a commercial and transit hub of Central Washington, served by rail, highway and air transportation. Yakima is the largest city in Yakima County and the 11th largest, by population, in the State of Washington.

The City of Yakima was incorporated in 1886 as a First Class charter city under the Council/Manager form of government. Council members consist of 7 members elected from separate districts, elected to four-year terms staggered every two years. The Council chooses the Mayor from within its own membership every two years.

The City provides a full range of municipal services, which include public safety (police, fire, and building safety), municipal court, public improvements (engineering, streets, traffic signals), parking and code enforcement, sanitation (solid waste disposal, sanitary wastewater utility), water treatment and distribution, irrigation, airport, transit, cemetery, community development, convention center, parks and recreation, and general administrative services. The City operates two swimming pools - one outdoor and one indoor, two water playground areas, one par-three golf course, two skate parks and one dog park.

## ECONOMIC OUTLOOK

A city thrives when homeowners thrive; in 2021, assessed property valuation grew 7.2%, of which 1.2% was due to growth and new construction.



The 2021 Adopted Budget included three main areas of economic interest:

- The Yakima Revenue Development Area (YRDA) was established in 2011 for the revenue and expenditure activity relating to the infrastructure improvements made to the Cascade Mill Redevelopment area, primarily with State Local Infrastructure Financing Tool (LIFT) funding. With the infusion of over \$10.0 million in budgeted revenue in 2021, the removal of the the Municipal Solid Waste (MSW) and wood waste under the street corridor of Bravo Company Boulevard is now in progress. Future projects in this 25-year project include street construction and remediation of the remaining MSW in the former landfill.
- Phase 2 of the North 1st Street Revitalization project (N St. to J St.) consisting of the design and construction of sidewalks, curb and gutter, bike lanes, utility upgrades and landscaping was planned for 2021. Approximately \$2,000,000 remains of Transportation Benefit District funding for this phase. Phase 3 of this project is expected to begin at the completion of Phase 2, utilizing Transportation Benefit District (TBD) funding.
- The COVID-19 pandemic continues to impact the City. In March 2020, the City of Yakima declared an emergency for the COVID-19 pandemic, in line with the State and County, and while this declaration officially ended on June 1, 2021, the city is still seeing the effects. As in most cities in America, the economic consequences of business restrictions and closures impacted the City's Sales Tax, Lodging Tax, Building Permit Fees, Business Licenses, Fire Inspection fees, Utility Tax, Gambling Tax, Parking Enforcement and various criminal justice revenues. Lodging Tax suffered the greatest prolonged dollar amount decrease and is projected to take another year to come back to pre-COVID levels. While Tourism suffered the most, as in most cities nationwide, Yakima's economic base contributed to a measure of overall resilience.

## LOCAL ECONOMY

The City of Yakima lies within the fertile Yakima River Valley. Apples, cherries, pears, grapes and other fruits, plus a wide variety of field crops including hops and vegetables, make the Yakima Valley one of the top agricultural producing areas of the nation. Irrigation in the valley is made possible from water from the U.S. Bureau of Reclamation's Yakima Project. The Yakima Valley produces about 70% of the hops in the United States and contains about 10,000 acres of wine grapes, making the City of Yakima a key storage, packing, and distribution hub.

There are several higher education institutions serving the Yakima area. The Pacific Northwest University of Health Sciences (PNWU) offers doctoral degrees in osteopathic medicine and has a current enrollment of over 550 students. Yakima Valley College (YVC) offers both 2 and 4-year degrees and a multitude of academic programs, Perry Technical Institute offers nationally-recognized vocational / technical programs, and Heritage University, located a few miles southeast of Yakima, is an accredited four-year liberal arts college.

The "Palm Springs of Washington", Yakima tourism enjoys continued growth due to its dry climate, lots of sunshine and convenient central location in the State. There are 36 parks, which include six little league fields and ten softball fields - eight of which have lighting, eight pickleball courts, 21 public tennis courts and four soccer fields, located within the City. In addition, there are two public and one private 18-hole golf courses and three nine-hole courses.

Prominent event facilities that contribute to Yakima being a regional hub include:

- The City-owned [Yakima Convention Center](#) regularly hosts annual conferences and conventions for organizations across the Pacific Northwest, and has 54,000 square feet of indoor meeting space available, with an additional 6,300 square foot outdoor plaza.
- The City-owned [Capitol Theatre](#) is a magnificent and historical theater originally built in 1920, seats 1,500 and includes a 400-seat black box theater.
- The [Yakima Valley Sun Dome](#), a multipurpose trade and convention center with 56,000 square feet of usable space and seating for up to 8,000 people. The Sun Dome is utilized for meetings, concerts, trade shows and rodeos, and regularly hosts many statewide tournaments and sporting events.
- [SOZO Sports of Central Washington](#) is a championship level sports complex that has both indoor and outdoor sports facilities available, with 15 full-size soccer and football fields (grass and synthetic playing surfaces), a 13,500 square foot indoor facility and regularly hosts statewide sporting events.
- The [Seasons Performance Hall](#) is a non-profit organization that supports regional musical and cultural events for residents and visitors to the Yakima Valley.

The hop and wine grape production sustains many local industries by bringing increasing numbers of tourists to the Yakima Valley's outstanding vineyards, wineries and breweries. There are over 120 wineries located in the Yakima Valley area, and many wines have received significant recognition and awards.

Yakima's population, and residential and commercial property tax base, continues to grow. From agricultural beginnings, the 1905 addition of a lumber mill and post-war manufacturing expanded Yakima into a diversified economy. Advances in fruit-processing technology created a year-round workforce, healthcare and education created new strengths attracting migration from western Washington city residents seeking better weather and economical housing.

## FINANCIAL MANAGEMENT AND CONTROLS

City of Yakima management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their

benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement.

## **BUDGET PROCESS**

Early in the year, City Council begins the strategic planning by reviewing budget priorities, goals and policies, in order to establish the level of services that the City will provide in the following years' budget process. Budget performance is monitored year-round through periodic reports to the City Manager and City Council. The City Council approves the City's operating and capital budget annually, dividing available resources to fund operating and long-term capital needs. The City's budget complies with all mandates of Washington State Law and the City of Yakima's Charter.

The Adopted Budget is at the fund level of control; this means that there is some flexibility within a fund to over or under spend individual line item budgets, but total expenditures for a fund cannot exceed the total approved budget (appropriation) for that fund without an amendment. The City Manager, or designee, is authorized to transfer budgeted amounts between departments within any fund; however, any surprises that exceed the total expenditures of a fund must be approved by the City Council, by ordinance.

The Government Finance Officers Association (GFOA) presented a Distinguished Budget Presentation Award to the City of Yakima, Washington, for its Annual Budget for the fiscal year beginning January 01, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

## **2021 MAJOR CHANGES**

Three new funds were also authorized by Council in 2021:

- A "Clean City Fund" (136), a nonmajor special revenue fund, to account for the utility tax increase imposed on the City's waste systems' commercial refuse collection to meet Clean City program objectives. On November 1, 2021, City Council also approved an increase in the refuse in-lieu tax under Yakima Municipal Code 7.64.030 from 15% to 20% to enhance program efforts. (the Clean City Fund was created in 2019 as a part of the General Fund, but became a Special Revenue fund in 2021).
- The "American Rescue Plan Act (ARPA) Fiscal Recovery Fund" (180), a special revenue and new major fund for 2021, to account for the award and future expenditure of the American Rescue Plan Act funds.
- A "Custodial Fund" (633), a fiduciary fund, was created to account for the resources that are held by the City of Yakima in a purely fiduciary capacity.

The Utility Services Division, which provides the revenue billing and collections function for City utilities and the cashiering function for all City departments, was moved out of the General Fund (001) and became an enterprise fund (481) in 2019. However, this fund was changed to an internal service fund (581) in 2021.

The Yakima Revenue Development Area (YRDA) is a major governmental fund for 2021.

The Air Terminal is considered a nonmajor proprietary fund for 2021.

## **FORMAT OF REPORT**

This report has been prepared in conformance with Generally Accepted Accounting Principles (GAAP). It presents financial data at a city-wide level and incorporates increasing levels of detail as necessary to report the financial position and operating results of the City's individual funds, to demonstrate compliance with finance-related legal and contractual requirements and to assure adequate disclosure at both the individual fund level and on a City-wide basis.

This report is divided into three sections:

- **The Introductory Section** - provides general information on the City including general demographic and economic information useful in assessing the City's financial environment.
- **The Financial Section** - begins with the independent auditor's report, followed by management's discussion and analysis of the financial activities and position of the City. Next, the basic financial statements, required supplemental information and notes to the financial statements are presented in accordance with Generally Accepted Accounting Principals (GAAP). Additional fund level information is then presented for funds not reported separately in the basic financial statements.
- **The Statistical Section** - provides a broad range of trend data covering key financial indicators from the past ten years. It also contains demographic and miscellaneous data that may be useful in assessing the City's financial condition.

## ACKNOWLEDGMENTS

An audit of the City's books of account, financial records, and transactions of all administrative departments are required to be conducted at least once every three years by the State Auditor's Office (Washington State Statute RCW 43.09.260). However, it is the practice of the State Auditor to conduct audits of cities the size of Yakima on an annual basis. The State Auditors' opinion related to their audit of the enclosed financial statements is an integral part of this report. The City of Yakima has received an unmodified opinion on the financial statements (refer to the [Auditor's Opinion](#) in the front of the Financial Section). The assistance of the Examiners from the Office of the State Auditor is also gratefully acknowledged. The Washington State Auditor is instrumental in the training, education and communication of best practices and implementation of new GASB pronouncements.

Preparation of this report was accomplished only with the professional and dedicated services of the Finance staff.

Appreciation should also be noted for the City Council's active interest, encouragement, and support, setting the course for the City with sound and responsible governance.

## SUMMARY

The City of Yakima continues to seek to be an increasingly well-managed city, responsible and responsive in balancing the services that the citizens of Yakima require with the ever-changing level and mix of resources available. The community continues to grow and recognizes the long-term implications for fiscal stewardship and strategic planning. Yakima's City Council has continued to reaffirm its commitment to responsible governance and improving the City's fiscal sustainability.

For more information regarding the City's budget, reporting and strategic planning, please refer to the City's website ([www.yakimawa.gov](http://www.yakimawa.gov)) for ongoing current information and reports.

Respectfully submitted,



Jennifer Ferrer-Santa Ines  
Director of Finance and Budget







**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 Yakima  
Yakima, 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 Yakima as of and for the year then ended December 31, 2021, 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 Yakima, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Neighborhood Development, American Rescue Plan Act and Yakima Revenue Development Area/Millsite funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

## **Matters of Emphasis**

As discussed in Note 14 to the 2021 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## Other Information

The other information comprises introductory and statistical information 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 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 November 1, 2022, 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,



Pat McCarthy, State Auditor

Olympia, WA

November 1, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Annual Comprehensive Financial Report offers readers the City's financial statements for the fiscal year ended December 31, 2021. To best understand the history and activities underlying the City's financial position, readers are encouraged to consider the information in this narrative overview and analysis in conjunction with the accompanying transmittal letter, basic financial statements and the notes to the financial statements immediately following.

## FINANCIAL HIGHLIGHTS

The City of Yakima is committed to fiscal responsibility by focusing on the fundamentals of city management to navigate economic cycles, infrastructure management challenges, and services that often rely on contingency planning and careful course corrections.

- The 2021 ending fund balance of the General Fund was \$15.3 million, which represents 24.7% of total General Fund expenditures. The fund balance of the General Fund improved over prior year due to favorable variances in operating expenses - largely from unfilled vacancies primarily in the Police Department, as well as salary and benefit savings from Legal, Community Development and the reorganization of Information Technology Services. For comparison, the 2020 ending fund balance of the General Fund was \$13.3 million, 21.2% of total General Fund expenditures.
- The total assets and deferred outflows of the City of Yakima, government-wide, encompassing all funds, exceeded its liabilities and deferred inflows at December 31, 2021, by \$390.1 million. Net position invested in capital (net of depreciation and related debt) account for 79.1% of this amount, with a value of \$308.6 million.
- The City's total net position increased by \$54.3 million to \$390.1 million from \$336.5 million, prior to a required prior period adjustment to Nelson Dam depreciation. Funding received for various general revenues increased by \$5.6 million, while charges for services increased by \$4.4 million. Grant funding for capital projects increased by \$17.6 million over 2020 numbers. The increase in net position was primarily due to savings and grant funding, including ARPA funding.

The population of Yakima has grown steadily for 14 decades, with particularly large increases at the 2000 and 2010 censuses. The residential and commercial property tax base has increased, both in assessed value and in growth from new construction. Commerce that generates sales tax continues to be a source of regular and steady growth. Local demographics continue to indicate a below-national-average per capita income, consequently, sound fiscal city management is a key economic factor as the City seeks to provide the foundation for citizens, homeowners and businesses to thrive.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Yakima's basic financial statements. The basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

### Government-Wide Financial Statements

There are two government-wide financial statements, the statement of net position and the statement of activities, which are designed to provide readers with a broad overview of the City of Yakima's finances in a manner similar to a private sector business. Both of the government-wide financial statements distinguish functions of the City of Yakima that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of the City of Yakima include a full range of local governmental services provided to the public, such as public safety (police, municipal court, fire, and building codes); public improvements (streets, traffic signals); parks and recreation;

community development; and general administrative services. The business-type activities of the City of Yakima include sanitation (solid waste disposal, wastewater treatment, and stormwater management); potable and irrigation water systems; transit; and airport.

The Statement of Net Position presents information on all of the City of Yakima's assets and deferred outflows, liabilities and deferred inflows, with the difference between the two groupings reported as net position. This statement serves a purpose similar to that of the balance sheet of a private sector business. Over time, increases or decreases in net position may serve as a useful indicator of changes in the City's financial position. However, this is just one indicator of financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The Statement of Activities (Changes in Net Position) presents information showing how the government's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting which requires that revenue be reported when earned and expenses be reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in 2020, and earned but unused vacation leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items may not be received or distributed in 2021.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Yakima, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Yakima can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's business-type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

**Governmental Funds** - The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present a separate column of financial data for the General Fund, Neighborhood Development Fund (ONDS), American Rescue Plan Act (ARPA) and Yakima Revenue Development Area (YRDA)/Millsite, which are considered to be major funds, based on criteria established by GASB Statement #34. Data from the remaining governmental funds are combined into a single, aggregated presentation. The governmental fund financial statements can be found immediately following the government-wide financial statements. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements, outside of the basic financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements which use accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near term financing requirements in comparison to near term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may

better understand the long term impact of the government's near term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Capital outlays are approved on an item by item basis or project basis. A budgetary comparison statement is provided for the General Fund and all special revenue funds to demonstrate compliance with the budget.

**Proprietary Funds** - There are two types of proprietary funds: Enterprise and Internal Service. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport, Stormwater, Transit, Solid Waste (Refuse), Wastewater, Domestic Water, Irrigation and Utility Services functions. Internal Service Funds (the second type of proprietary funds) accumulate and allocate costs internally among the City's various functions. The revenues and expenses of the internal service funds that are duplicated in other funds through allocations are eliminated in the government-wide statements, with the remaining balances included in the governmental activities column.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statement of Net Position to the business-type column on the Government-Wide Statement of Net Position, you will notice that the total net position agree and, therefore, need no reconciliation. In comparing the total assets and total liabilities between the two statements, you will notice slightly different amounts. This is because the "internal balances" line on the government-wide statement combines the "due from other funds" (asset) and the "due to other funds" (liabilities) from the proprietary fund statement in a single line in the asset section of the government-wide statement.

Individual fund data for each of the nonmajor funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report.

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

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

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

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Yakima's net position totaled \$390.1 million at December 31, 2021. The following table reflects the condensed Government-Wide Statement of Net Position with comparative totals for 2020.

## NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 148,139,040	\$ 90,506,473	\$ 90,325,988	\$ 70,455,410	\$ 238,465,028	\$ 160,961,883
Net capital assets	208,218,296	192,046,343	169,846,775	165,490,580	378,065,071	357,536,923
Total assets	356,357,336	282,552,816	260,172,763	235,945,990	616,530,099	518,498,806
Deferred outflows	5,468,875	5,927,090	1,287,200	1,506,620	6,756,075	7,433,710
Total assets & deferred outflows	361,826,211	288,479,906	261,459,963	237,452,610	623,286,174	525,932,516
<b>Liabilities</b>						
Payables & other liabilities	37,346,366	23,598,034	8,288,121	7,319,394	45,634,487	30,917,428
Long-term liabilities	112,121,266	122,069,696	22,771,970	27,259,990	134,893,236	149,329,686
Total liabilities	149,467,632	145,667,730	31,060,091	34,579,384	180,527,723	180,247,114
Deferred inflows	42,395,657	6,984,983	10,301,196	2,148,143	52,696,853	9,133,126
Total liabilities & deferred inflows	191,863,289	152,652,713	41,361,287	36,727,527	233,224,576	189,380,240
<b>Net position</b>						
Net investment in capital assets	160,761,646	141,826,697	147,875,901	142,388,430	308,637,547	284,215,127
Restricted	60,088,871	36,910,650	1,600,000	1,600,000	61,688,871	38,510,650
Unrestricted	(50,887,596)	(42,910,154)	70,622,775	56,636,653	19,735,179	13,726,499
Total net position	\$ 169,962,921	\$ 135,827,193	\$ 220,098,676	\$ 200,625,083	\$ 390,061,597	\$ 336,452,276

The City of Yakima's assets total \$616.5 million as of December 31, 2021. Of this amount, \$378.1 million is accounted for by capital assets, which includes infrastructure and construction in progress. Out of \$208.2 million in capital assets reported in Governmental activities at December 31, 2021, \$105.8 million (50.8%) is accounted for by infrastructure acquisitions (including the right-of-way land associated with these projects and land under the road).

Of the remaining City assets, approximately \$129.4 million was accounted for in cash, cash equivalents, investments, restricted cash and restricted investments, \$35.3 million in various receivables, \$63.2 million in net pension assets and \$1.4 million inventories and prepayments.

At December 31, 2021, the City had outstanding liabilities of \$180.5 million, of which \$134.9 million is long-term, or due beyond one year. There is a deficit in unrestricted net position in the governmental funds indicating the City has long-term commitments that exceed currently-available resources, primarily long-term future citywide pension benefits and other postemployment benefit liabilities. Refer to the notes to the financial statements for a more in-depth discussion of pension and other long-term liabilities.

The remaining liabilities for the entire City in both governmental and business-type activities total \$45.6 million, and include \$16.0 million in accounts payable, unearned revenue & retainage payable. \$5.6 million in claims and judgments payable, \$9.0 million in accrued salaries and benefits, \$6.2 million in compensated absences accrued and other various liabilities. Also included are debt payments due within the next calendar year totaling \$6.9 million and the current portion of the OPEB liabilities of \$1.9 million

The largest portion of the City's net position (79.1%) reflects its investment in capital, less any outstanding related debt used to acquire those assets. The City's capital assets, which are used to provide services to citizens, are investments in capital assets and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



Currently, 15.8% of the City's net position is subject to external restrictions on how they may be used (restricted by the Revised Code of the State of Washington or by contractual agreements with parties outside of the primary government).

At December 31, 2021, the City of Yakima's net position is \$390.1 million, of which \$170.0 million represents governmental activities and \$220.1 million represents business-type activities.

### CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 14,250,973	\$ 11,953,441	\$ 53,687,104	\$ 51,610,009	\$ 67,938,077	\$ 63,563,450
Operating grants & contributions	14,913,001	11,419,667	4,463,229	3,804,306	19,376,230	15,223,973
Capital grants & contributions	11,001,704	2,697,503	8,536,598	3,398,265	19,538,302	6,095,768
General revenues						
Property taxes	21,685,915	21,208,098	—	—	21,685,915	21,208,098
Sales and use taxes	26,675,974	22,449,902	7,741,336	6,672,033	34,417,310	29,121,935
Other taxes and fees	26,753,995	24,180,481	—	—	26,753,995	24,180,481
Other revenues	(182,424)	2,300,076	165,831	29,140	(16,593)	2,329,216
Grants/contracts not program restricted	3,734,391	3,943,577	16,672	197,398	3,751,063	4,140,975
Total revenues	<u>118,833,529</u>	<u>100,152,745</u>	<u>74,610,770</u>	<u>65,711,151</u>	<u>193,444,299</u>	<u>165,863,896</u>
Expenditures						
General government	13,217,083	15,060,166	—	—	13,217,083	15,060,166
Public safety	40,846,622	45,048,754	—	—	40,846,622	45,048,754
Utilities	510,165	669,707	—	—	510,165	669,707
Transportation	9,713,634	11,753,259	—	—	9,713,634	11,753,259
Economic environment	12,504,918	7,382,489	—	—	12,504,918	7,382,489
Public health services	833,876	765,316	—	—	833,876	765,316
Cultural and recreational	5,045,980	7,782,484	—	—	5,045,980	7,782,484
Interest on long-term debt	1,761,825	1,996,121	—	—	1,761,825	1,996,121
Transit	—	—	9,165,963	8,489,595	9,165,963	8,489,595
Airport	—	—	3,228,206	3,221,341	3,228,206	3,221,341
Refuse	—	—	7,678,097	7,502,521	7,678,097	7,502,521
Wastewater	—	—	19,375,268	19,580,060	19,375,268	19,580,060
Water	—	—	9,692,431	9,406,437	9,692,431	9,406,437
Irrigation	—	—	2,269,416	2,249,452	2,269,416	2,249,452
Stormwater	—	—	3,305,112	2,650,017	3,305,112	2,650,017
Total Expenditures	<u>84,434,103</u>	<u>90,458,296</u>	<u>54,714,493</u>	<u>53,099,423</u>	<u>139,148,596</u>	<u>143,557,719</u>
Excess (deficiency) before transfers	34,399,426	9,694,449	19,896,277	12,611,728	54,295,703	22,306,177
Transfers	84,448	491,429	(84,448)	(491,429)	—	—
Change in net position	<u>34,483,874</u>	<u>10,185,878</u>	<u>19,811,829</u>	<u>12,120,299</u>	<u>54,295,703</u>	<u>22,306,177</u>
Net position - beginning	135,827,192	125,641,314	200,625,085	188,504,786	336,452,277	314,146,100
Change in accounting principle	(348,146)	—	348,146	—	—	—
Prior period adjustment	—	—	(686,382)	—	(686,382)	—
Net position - ending	<u>\$ 169,962,920</u>	<u>\$ 135,827,192</u>	<u>\$ 220,098,678</u>	<u>\$ 200,625,085</u>	<u>\$ 390,061,598</u>	<u>\$ 336,452,277</u>

### **The Statement of Activities (Changes in Net Position)**

The City of Yakima's total net position increased by \$53.6 million over 2020. Net position for governmental activities increased by \$34.1 million, which reflects a change in accounting principle primarily due to increased grant revenues offset by the annual actuarial adjustment to pension assets and liability, while business-type activities increased by \$19.1 million. The increase in business-type activities comes from a combination of rate increases, grant revenue and various capital project expenditures.

Total revenues for the City of Yakima were \$193.4 million in 2021. Governmental activities provided \$118.8 million (61.4%), while business-type activities added \$74.6 million (38.6%).

Expenses for the year totaled \$139.1 million, with governmental activities accounting for \$84.4 million or 60.7% and business-type activities accounting for \$54.7 million or 39.3%. Key elements in changes in net position are shown in the Changes in Net Position table.

**Governmental Activities** - Within governmental activities, tax revenue accounted for 63.2% of total revenue sources, with grants and contributions accounting for 21.8%. The remaining 15.0% of revenue was provided by charges for services, interest income, and miscellaneous revenues.

Governmental activities increased net position by \$34.5 million, or 25.4%, and total government revenues increased by \$18,680,783, or 18.7%. The significant fluctuations in revenue are as follows:

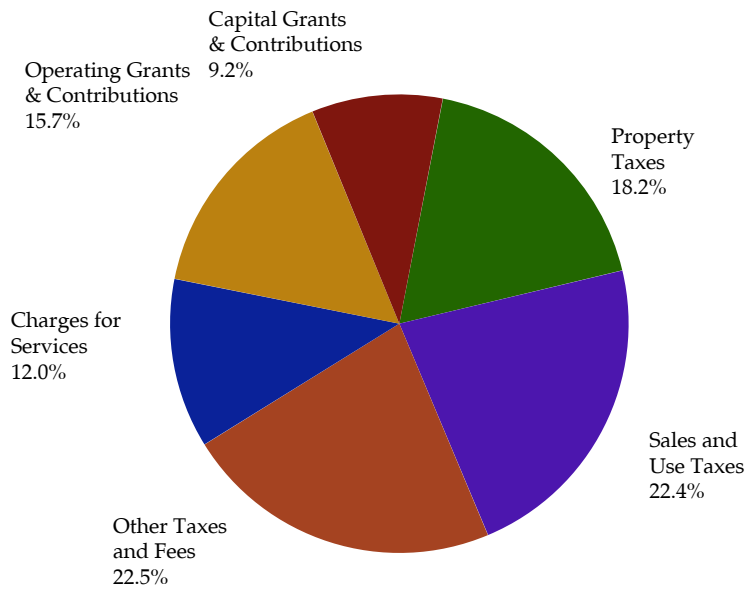
- Grants & Contributions increased by \$11.8 million, primarily due to construction of Millsite, the removal of Nelson Dam and SOZO park.
- Total taxes increased by \$7,277,403 or 10.7% from \$67.8 million to \$75.1 million.
  - Property Taxes increased \$477,817 due to continued increases in assessed value, along with existing property tax increases, subject to a statutory 1% cap.
  - Sales Tax increased by \$4,226,072 or 15.8% from 2020.
  - Other Taxes and Fees increased by \$2,573,514 from 2020.
- As noted in Note 14 - Subsequent Events, the COVID-19 declared emergency in 2020 was expected to impact both revenues and balance sheet reserves well into 2021, in addition to ARPA funds for revenue loss.
- Transfers from Business-Type Activities consists primarily of in-lieu utility taxes of \$9.0 million.

The largest program expenses consist of Public Safety (48.4%); General Government (15.7%), Economic Environment (14.8%) and Transportation (11.5%). These programs accounted for about 90.3% of total governmental expenses.

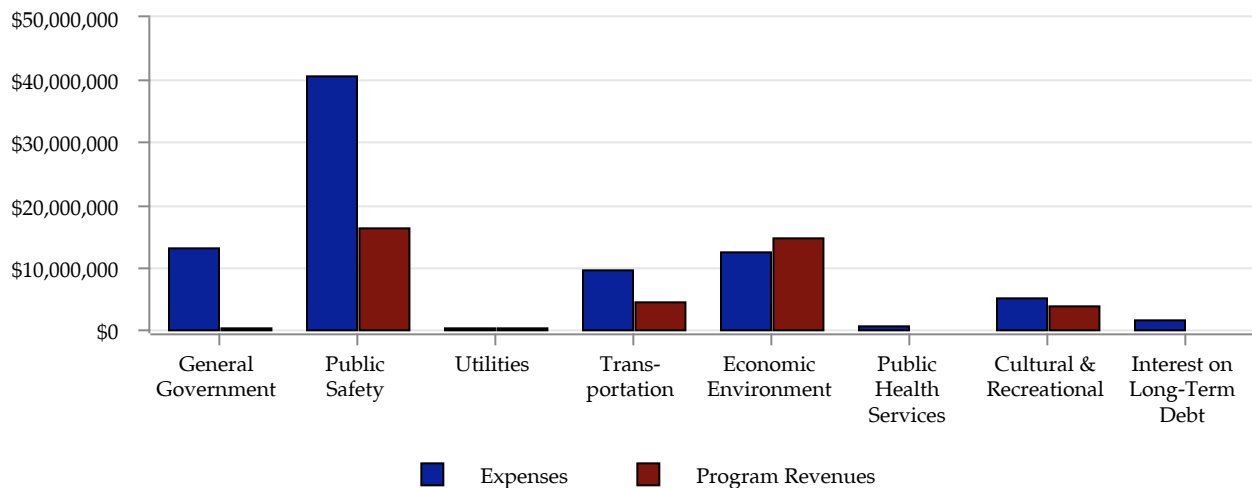
In total, governmental expenses decreased \$6.0 million (6.7%). The decrease is due primarily to a large change in Pension Assets.

Following are graphs which illustrate revenue by source and expenditures by program for governmental funds in 2021.

## REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



## EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES

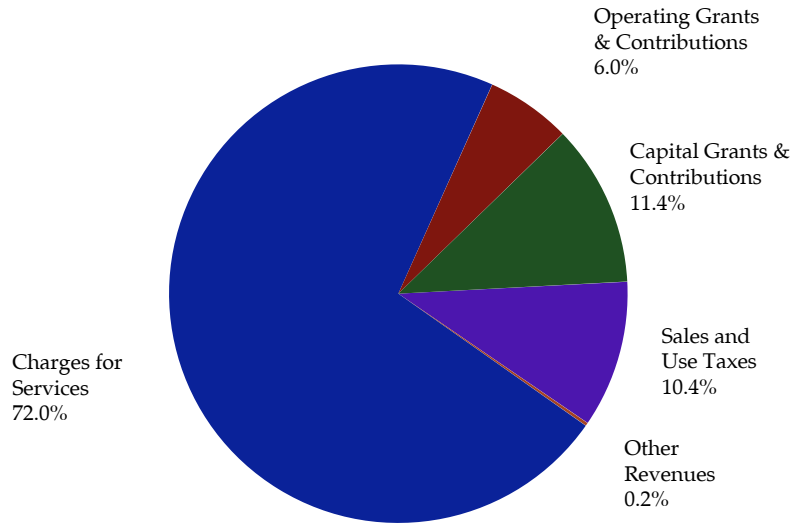


**Business-Type Activities** - Of the \$74.6 million in business type revenues, 72.0% was provided by charges for services, with the remaining amount provided by grants, contributions, transit sales tax and interest income. Overall, business type revenues demonstrated an increase of \$8,899,619 13.5% over 2020. Capital Grants increased by about \$5.1 million, equivalent to 151.2%, due to the progress on the Nelson Dam removal.

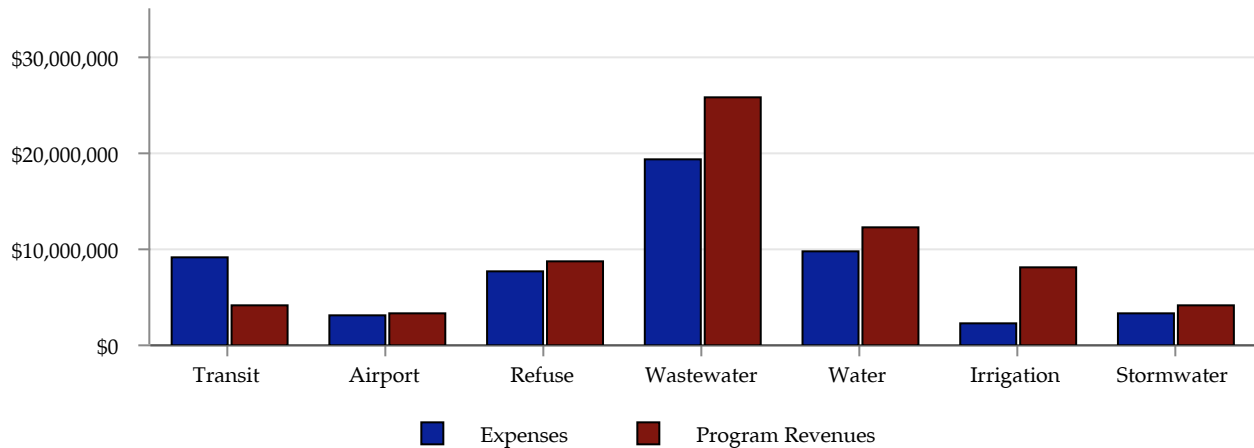
Of the \$54.7 million in business-type expenses, 35.4% are associated with the Wastewater program, while domestic water programs represent about 17.7%, Transit 16.8%, Refuse 14.0%, Stormwater 6.0%, Irrigation 4.1% and Airport 5.9%. Generally, changes in expenses are in line with changes in general operating revenues.

The following charts depict the expenses and program revenues, with a breakdown of revenues by source for the business-type activities.

## REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



## EXPENSES AND PROGRAM REVENUES – BUSINESS TYPE ACTIVITIES



Charges for services represent the majority (72.0%) of revenue in these funds. The only fund that does not rely heavily on charges for service is the Transit fund, which is funded largely by a voter-approved local option sales tax of 0.3% and a federal operating grant.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Yakima uses fund accounting to ensure compliance with finance-related legal and regulatory requirements. All funds except the General Fund are restricted for specific purposes and uses.

#### Governmental Funds Analysis

The General Fund is a major fund and the principal mechanism for delivering general government services. The Neighborhood Development Fund is a major fund, by definition, due to the long term Notes Receivable and Deferred Inflow balances. These balances represent both the current and long term portions of housing loans made to low income residents. The full amount remaining due on the loans is reflected in the Balance Sheet - Governmental Funds. Of the other two major funds, the American Rescue Plan Act (ARPA) Fiscal Recovery

Fund was established to account for the award and expenditures from this federal funding, and the Yakima Revenue Development Area Fund is used to account for the revenue and expenditure activity relating to the infrastructure improvements made to the Cascade Mill Redevelopment area. Both of these funds satisfy and meet the criteria required of a major fund presentation for 2021.

The focus of the City of Yakima's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2021, the City's governmental funds reported combined fund balances of \$41.4 million. Of this total amount, \$13.6 million (32.9%) is unassigned and available for spending within these funds. For 2021, \$923,037 is not spendable (cemetery perpetual care), \$16.3 million is restricted (primarily for transportation, capital improvements, and public safety), \$5.0 million is committed primarily for transportation system improvements and \$5.6 million is assigned primarily for parks and public safety.

The General Fund is the primary operating fund of the City of Yakima, serving all citizens. At the end of the 2021 fiscal year, the fund balance of the General Fund was \$15.3 million, increasing by \$2.0 million during the current fiscal year due to favorable variances in operating expenses versus actual results of tax revenues. The fund balance is about 24.7% of total general fund expenditures (which represents about a 3.0 month reserve). The General Fund accounts for 56.4% of all governmental fund revenue and 52.3% of all expenditures, while total assets in the General Fund amounted to \$24.5 million, accounting for 35.2% of total governmental fund assets.

Of the other major funds, Neighborhood Development saw its fund balance decrease by \$25,347, the American Rescue Plan Act (ARPA) fund balance increased by \$67,700 and the Yakima Revenue Development Area (YRDA)/Millsite decreased by \$715,898

Most other funds had only modest changes in fund balance, due to the timing of revenues vs. project expenses, respectively, with the exception of Economic Development, Streets, Public Safety Communication and PFD Capitol Theatre.

### **Enterprise Funds Analysis**

Transit, Refuse, Wastewater, Domestic (potable) Water and Irrigation are major funds in the City's Financial Statements, while the Yakima Air Terminal and Stormwater are considered nonmajor funds.

As of December 31, 2021, the City's enterprise funds (internal service fund balances are treated entirely as governmental activities) reported combined net position of \$220.1 million, with \$91.5 million, or approximately 41.6%, being contributed by the Wastewater fund. Additionally, about \$147.9 million (67.2%) of net position is accounted for by investment in capital assets, net of related debt, \$1.6 million is restricted for debt service and \$70.6 million is unrestricted. The Notes to the Financial Statements ([Note 12 - Segment Information](#)) present segment information that is grouped according to revenue bond requirements for these business type activities.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The year 2021 was once again impacted by the COVID-19 pandemic. During the year, the 2021 General Fund Expenditure budget (without transfers) was increased from \$67.4 million to \$68.7 million, consisting of the carry forward of appropriations for outstanding encumbrances/commitments which were to be funded from General Fund reserves.

General Fund expenditures totaled \$61.7 million, less than the final budget of \$68.7 million by \$7.0 million. These expenditure savings resulted from reductions in personnel costs due to vacancies and significant jail cost savings.

Total General Fund revenues were originally budgeted at \$69.7 million, with an increase of \$0.3 million in the final budget. Actual revenue results were \$4.2 million below amended budget projections, due primarily to general fund expense allocation being recognized as an expense reimbursement.

The General Fund budget is typically adopted using achievable forecast assumptions and expenditures are managed against budget. Revenue is conservatively estimated and expenditure estimates utilize probable costs. In 2021, revenue was \$4.2 million less than budgeted, while expenditures, including other finance sources, were \$7.1 million less than budgeted, resulting in a net positive change in budgeted fund balance of \$2.9 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City of Yakima's net investment in capital assets, including construction in progress, for its governmental and business-type activities as of December 31, 2021, amounts to \$378.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, infrastructure, and construction in progress on buildings and systems.

Governmental Activities - Capital assets from governmental activities increased \$16.2 million, increasing from \$192.0 million in 2020 to \$208.2 million in 2021.

*Business-Type Activities* - Business-type capital activities increased by \$4.4 million, attributable primarily to more contributed capital.

### CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital assets						
Land	\$ 17,529,399	\$ 17,571,736	\$ 5,504,806	\$ 5,523,404	\$ 23,034,205	\$ 23,095,140
Buildings	28,538,782	27,786,193	19,935,640	21,349,547	48,474,422	49,135,740
Improvements other than buildings	28,066,473	16,312,655	121,600,494	110,892,252	149,666,967	127,204,907
Machinery & equipment	17,697,400	17,136,804	12,279,249	12,971,318	29,976,649	30,108,122
Infrastructure	105,800,249	88,802,959	—	—	105,800,249	88,802,959
Intangibles	—	—	576,272	677,744	576,272	677,744
Construction in progress	10,585,992	24,435,996	9,950,313	14,076,315	20,536,305	38,512,311
Total capital assets	<u>\$ 208,218,295</u>	<u>\$ 192,046,343</u>	<u>\$ 169,846,774</u>	<u>\$ 165,490,580</u>	<u>\$ 378,065,069</u>	<u>\$ 357,536,923</u>

Additional information on the City of Yakima's capital assets can be found in [Note 4 - Capital Assets](#) of this report.

### Long-Term Debt Administration

On December 31, 2021, the City of Yakima had total bonded debt outstanding of \$46.5 million. Of this amount, \$38.8 million is classified as governmental activity and backed by the full faith and credit of the City. The remaining \$7.6 million represents bonds secured solely by pledges of specific revenue sources (i.e. revenue bonds).

The City's remaining capacity for non-voted debt on December 31, 2021, was approximately \$90.5 million in comparison to the total legal debt limit of \$119.0 million. In March, 2020 the City's rating of "A+" from Standard & Poor's for general obligation debt was upgraded to an outlook of stable. This upgrade is the result of strong financial management policies and practices, a formal investment policy that exceeds the state requirement and a reserve policy that is in-line with the best practices of the Government Finance Officers Association. A summary of the City's debt follows. More detailed information on the City's long-term obligations can be found in [Note 9 - Long-Term Liabilities, Debt & Capital Leases](#) of the Notes to the Financial Statements in this report.

## OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 38,839,069	\$ 42,024,415	\$ —	\$ —	\$ 38,839,069	\$ 42,024,415
Revenue bonds	—	—	7,614,288	9,260,299	7,614,288	9,260,299
Intergovernmental loans	5,446,612	4,944,442	14,212,648	13,942,564	19,659,260	18,887,006
Other debt	2,890,193	3,191,844	—	—	2,890,193	3,191,844
Total outstanding debt	<u>\$ 47,175,874</u>	<u>\$ 50,160,701</u>	<u>\$ 21,826,936</u>	<u>\$ 23,202,863</u>	<u>\$ 69,002,810</u>	<u>\$ 73,363,564</u>

### ECONOMIC FACTORS

There are many factors that impact City revenues and expenses. The City is committed to the continued pursuit and application of sound fiscal management practices to ensure balanced budgets are maintained and critical core services are prioritized in the budget.

- **Property Tax Rate Cap.** In 2001 state voters approved Initiative 747, which capped property tax levy growth each year at a maximum of 1%, excluding additions for annexations and new construction. This initiative restricted local government revenue growth, which makes budget balancing difficult because costs driven by actual inflation rates have grown at in excess of the 1% limitation. Property tax receipts rose compared to prior year, and property valuation in Yakima is not expected to be negatively impacted by the pandemic.
- **Revenues.** During 2020, and into 2021, lodging tax revenues tied to tourism were negatively impacted, as were Gambling Taxes, fire inspection fees, interest on investments and fees on building permits, due to the COVID-19 pandemic. Airport and transit revenues were also affected, however Federal programs provided assistance. By the end of 2021, all revenues, with the exception of lodging tax revenue, fire inspection fees and investment interest, have returned to about pre-COVID levels.
- **Local Employment.** The unemployment rate (6.5% for 2021) in the County continues to be higher than the state (5.3% for 2021) and national average (5.3% for 2021). The County's predominant industry is agriculture and related support, which has a history of high unemployment rates, seasonal employment, and low median household income. Heavily affected by the COVID-19 pandemic, Yakima County experienced a decline in total employment. Between 2021 and 2020, the Yakima County civilian labor force gained about 60 jobs, showing virtually no change.
- **Economic Redevelopment.** The city embarked on a major economic development initiative using a competitive state redevelopment/tax increment program called Local Infrastructure Financing Tool (LIFT), as set forth in RCW 39.102. The redevelopment area consists of 556 acres adjacent to Interstate 82, formerly used as a sawmill and plywood plant. The City received an award of up to \$1.0 million per year for 25 years, commencing in 2011, to support required infrastructure improvements to serve the new mixed use proposed development. This project requires coordination with Yakima County, the State Department of Transportation, and current landowners.
- **American Rescue Plan Act (ARPA).** Yakima's economy continued to be impacted by the pandemic. While some business sectors continue to experience financial impacts, some types of businesses demonstrated growth and showed improvement. For instance, both the manufacturing sector and the Accommodation and Food Services industry achieved revenues at pre-pandemic levels by year end.

Federal funding from the Coronavirus State and Local Fiscal Recovery Funds, part of the American Rescue Plan Act (ARPA), have provided the City an opportunity to meet basic financial obligations and it will help the City enhance our services to the community. In 2021, funding was given to the Yakima Convention Center to help offset the impact on the tourist industry. ARPA funds will also enable the City to replace 57 police patrol vehicles, two fire engines, and various investments in new technology for City operations.

- Tourism. City Council approved an 18,000 sq. ft. expansion project in the 2019 budget, completed in May 2021. The 2020 convention center expansion added approximately 10,000 square feet of net rentable space to the existing 41,000 square feet to increase conference and convention capacity, now the 11th largest in the State. This followed the 2019 construction of two new hotels within city of Yakima.
- In 2015, City voters approved a Charter amendment to designate \$750,000 annually to a Parks Capital program. The amount grows annually with the consumer price index, and services the debt on two development projects: a multipurpose sports complex which opened in 2016 (SOZO), and a new aquatic center which opened in 2019.
- In August 2013, members of the community approved a ballot measure to establish a fund dedicated to street overlay and reconstruction. The City's General Fund Budget provides contributions towards this purpose totaling \$2 million per year adjusted annually by consumer price index (CPI). These funds have been used to pay annual debt service payment towards the 2014 Street Improvement project and the 2018 Street Resurfacing project.

The 2022 budget is balanced for all funds, within guidelines established by city management, to accomplish municipal service levels and priorities set by City Council. For the 2022 budget, the major revenues were estimated assuming the continued growth of residential and commercial property valuations and with a cautious eye on the local economy's continued growth. The City Council's budget priorities are aligned around the strategic priorities of public safety; fiscal sustainability; housing; strengthening partnerships; and investment in infrastructure.

#### **REQUESTS FOR INFORMATION**

This report, along with other City financial documents, is posted on the [City of Yakima's Finance website](#). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Yakima – Finance Department, 129 North Second Street, Yakima, WA 98901.



## ***BASIC FINANCIAL STATEMENTS***

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The basic financial statements and note disclosures comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic financial statements are designed to comprehensively assess the overall financial health of a city for all users of financial information in a uniform, easily-comparable format.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position** - City governmental and business-type assets and liabilities, with the difference reported as net position.

**Statement of Activities** - City governmental and business-type revenues and expenses, with the difference reported as change in net position.

### **GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**Balance Sheet, Governmental Funds** - General Fund, Neighborhood Development Fund (ONDS), American Rescue Plan Act (ARPA), Yakima Revenue Development Area (YRDA)/Millsite and aggregated amounts for all other nonmajor governmental funds.

**Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position**

**Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds** - General Fund, Neighborhood Development Fund (ONDS), American Rescue Plan Act (ARPA), Yakima Revenue Development Area (YRDA)/Millsite and aggregated information for all other nonmajor governmental funds.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities** - General Fund, Neighborhood Development Fund (ONDS), American Rescue Plan Act (ARPA), Yakima Revenue Development Area (YRDA)/Millsite and aggregated information for all other nonmajor governmental funds.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government Wide Statement of Activities**

**Statement of Revenues, Expenditures, & Changes in Fund Balance, Budget & Actual** - General Fund, Neighborhood Development Fund (ONDS), American Rescue Plan Act (ARPA) and Yakima Revenue Development Area (YRDA)/Millsite.

### **PROPRIETARY FUNDS**

**Statement of Net Position, Proprietary Funds** - Major funds include Transit, Refuse, Wastewater, Water and Irrigation. The Air Terminal and Stormwater, the only nonmajor funds, are included in the [Nonmajor Proprietary Funds](#) section.

**Statement of Revenues, Expenses, and Changes in Fund Net Position, Proprietary Funds** - Information for each of the major enterprise funds, with a separate column for aggregated information for internal service funds.

**Statement of Cash Flows, Proprietary Funds** - Information on the sources and uses of cash for each of the major enterprise funds and aggregated information for internal service funds.

### **FIDUCIARY FUNDS**

**Statement of Fiduciary Net Position** - Information on the Fiduciary funds, assets and liabilities, and net position.

**Statement of Changes in Fiduciary Net Position** - Shows the inflows and outflows for the Fiduciary funds.

### **NOTES TO THE FINANCIAL STATEMENTS**

Disclosure and further detail information to assist the reader in understanding the financial statements.

**STATEMENT OF NET POSITION**

December 31, 2021

Page 1 of 2

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Primary Gov't Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 36,774,134	\$ 34,379,004	\$ 71,153,138
Cash with fiscal agent	422,893	13,536	436,429
Investments	18,530,277	28,113,363	46,643,640
<b>Restricted Assets</b>			
Cash	5,405,992	—	5,405,992
Investments	4,203,247	—	4,203,247
Receivables, net allowance for uncollectible accounts			
Taxes	7,158,232	1,331,489	8,489,721
Accounts	3,414,184	6,381,221	9,795,405
Notes and contracts receivable	2,514,802	313,675	2,828,477
Due from other governments	5,413,747	5,278,571	10,692,318
Due from other funds	—	3,300,000	3,300,000
Interest receivable	197,018	—	197,018
Inventories and prepayments	879,390	497,143	1,376,533
<b>Total current assets</b>	<b>84,913,916</b>	<b>79,608,002</b>	<b>164,521,918</b>
<b>Noncurrent assets</b>			
Restricted cash	—	1,600,000	1,600,000
<b>Capital assets not being depreciated</b>			
Land	17,529,399	5,504,806	23,034,205
Construction in progress	10,585,992	9,950,313	20,536,305
<b>Capital assets, net of accumulated depreciation</b>			
Buildings	28,538,782	19,935,640	48,474,422
Machinery, equipment & vehicles	17,697,400	12,279,249	29,976,649
Infrastructure	105,800,249	—	105,800,249
Other improvements & utility systems	28,066,473	121,600,494	149,666,967
Intangibles	—	576,272	576,272
<b>Other noncurrent assets</b>			
Net pension asset	63,225,125	9,117,986	72,343,111
<b>Total noncurrent assets</b>	<b>271,443,420</b>	<b>180,564,760</b>	<b>452,008,180</b>
<b>Total assets</b>	<b>356,357,336</b>	<b>260,172,762</b>	<b>616,530,098</b>
<b>Deferred outflows of resources</b>			
Deferred amount on refunding	—	212,732	212,732
Deferred outflows related to pension	5,309,257	1,018,553	6,327,810
Deferred outflows related to OPEB	159,618	55,914	215,532
<b>Total deferred outflows of resources</b>	<b>5,468,875</b>	<b>1,287,199</b>	<b>6,756,074</b>
<b>Total assets &amp; deferred outflows of resources</b>	<b>361,826,211</b>	<b>261,459,961</b>	<b>623,286,172</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF NET POSITION**

December 31, 2021

Page 2 of 2

	Governmental Activities	Business-Type Activities	Primary Gov't Total
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	3,866,458	2,135,060	6,001,518
Unearned revenue	9,363,349	—	9,363,349
Retainage payable	280,776	356,671	637,447
Claims & judgments payable	5,623,934	—	5,623,934
Accrued salaries and benefits	7,347,314	1,627,050	8,974,364
Compensated absences	865,889	181,333	1,047,222
Deposit type accounts	492,447	748,693	1,241,140
Due to other governments	282,742	82	282,824
Due to other funds	3,300,000	—	3,300,000
Other current liabilities	75,201	20,727	95,928
Interest payable	203,862	63,530	267,392
Debt principal due within one year	3,867,569	3,068,174	6,935,743
Other postemployment benefits - current	1,776,824	86,802	1,863,626
<b>Total current liabilities</b>	<b>37,346,365</b>	<b>8,288,122</b>	<b>45,634,487</b>
<b>Noncurrent liabilities</b>			
Compensated absences	8,171,092	1,519,287	9,690,379
Pension Liability	11,346,101	913,672	12,259,773
Total other postemployment benefits (OPEB)	49,295,769	1,580,249	50,876,018
Debt principal due more than one year	43,308,304	18,758,762	62,067,066
<b>Total noncurrent liabilities</b>	<b>112,121,266</b>	<b>22,771,970</b>	<b>134,893,236</b>
<b>Total liabilities</b>	<b>149,467,631</b>	<b>31,060,092</b>	<b>180,527,723</b>
<b>Deferred inflows of resources</b>			
Deferred inflows related to pension	40,401,199	9,602,535	50,003,734
Deferred inflows related to OPEB	1,994,458	698,661	2,693,119
<b>Total deferred inflows of resources</b>	<b>42,395,657</b>	<b>10,301,196</b>	<b>52,696,853</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>191,863,288</b>	<b>41,361,288</b>	<b>233,224,576</b>
<b>Net position</b>			
Net investment in capital assets	160,761,646	147,875,901	308,637,547
Restricted for:			
Public safety & emergency programs	2,433,441	—	2,433,441
Arterial street construction & maintenance	2,206,592	—	2,206,592
Housing & economic development	1,034,692	—	1,034,692
Debt service	200,842	1,600,000	1,800,842
Capital improvements	7,914,864	—	7,914,864
Tourism & conventions	2,494,877	—	2,494,877
Pension plans	43,803,563	—	43,803,563
Unrestricted	(50,887,596)	70,622,775	19,735,179
<b>Total net position</b>	<b>\$ 169,962,921</b>	<b>\$ 220,098,676</b>	<b>\$ 390,061,597</b>

The Notes to the Financial Statements, found in Basic Financial Section, are an integral part of this statement

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

Page 1 of 1

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Grants & Contributions		Government Activities	Business Activities	Primary Gov't Total
			Operating	Capital			
<b>Governmental activities</b>							
General government	\$ 13,217,083	\$ 227,245	\$ —	\$ —	\$ (12,989,838)	\$ —	\$ (12,989,838)
Public safety	40,846,622	8,686,831	7,747,585	—	(24,412,206)	—	(24,412,206)
Customer Services	510,165	383,918	—	—	(126,247)	—	(126,247)
Transportation	9,713,634	37,900	1,296,377	3,201,957	(5,177,400)	—	(5,177,400)
Economic environment	12,504,918	1,118,668	5,723,768	7,790,852	2,128,370	—	2,128,370
Public health services	833,876	—	134,212	—	(699,664)	—	(699,664)
Cultural and recreational	5,045,980	3,796,411	11,058	8,895	(1,229,616)	—	(1,229,616)
Interest on long-term debt	1,761,825	—	—	—	(1,761,825)	—	(1,761,825)
<b>Total governmental activities</b>	<b>84,434,103</b>	<b>14,250,973</b>	<b>14,913,000</b>	<b>11,001,704</b>	<b>(44,268,426)</b>	<b>—</b>	<b>(44,268,426)</b>
<b>Business-type activities</b>							
Transit	9,165,963	540,523	3,589,910	—	—	(5,035,530)	(5,035,530)
Airport	3,228,206	1,271,543	873,319	1,143,555	—	60,211	60,211
Refuse	7,678,097	8,645,980	—	—	—	967,883	967,883
Wastewater	19,375,268	24,044,469	—	1,875,067	—	6,544,268	6,544,268
Water	9,692,431	11,459,627	—	816,793	—	2,583,989	2,583,989
Irrigation	2,269,416	3,965,174	—	4,260,094	—	5,955,852	5,955,852
Stormwater	3,305,112	3,759,789	—	441,090	—	895,767	895,767
<b>Total business-type activities</b>	<b>54,714,493</b>	<b>53,687,105</b>	<b>4,463,229</b>	<b>8,536,599</b>	<b>—</b>	<b>11,972,440</b>	<b>11,972,440</b>
<b>Total activities</b>	<b>\$ 139,148,596</b>	<b>\$ 67,938,078</b>	<b>\$ 19,376,229</b>	<b>\$ 19,538,303</b>	<b>(44,268,426)</b>	<b>11,972,440</b>	<b>(32,295,986)</b>
<b>General revenues and transfers</b>							
<b>Taxes</b>							
Property taxes					21,685,915	—	21,685,915
Sales and use taxes					26,675,974	7,741,336	34,417,310
Other taxes and fees					26,753,995	—	26,753,995
Unrestricted investment earnings					(752,214)	433,474	(318,740)
Miscellaneous					655,314	8,837	664,151
Grants and contributions not restricted to specific programs (ARPA)					3,734,391	16,672	3,751,063
Gain (loss) on disposition of capital assets					(85,525)	(276,480)	(362,005)
Transfers					84,448	(84,448)	—
<b>Total general revenues, special items &amp; transfers</b>					<b>78,752,298</b>	<b>7,839,391</b>	<b>86,591,689</b>
<b>Change in net position</b>					<b>34,483,872</b>	<b>19,811,831</b>	<b>54,295,703</b>
<b>Net position - beginning</b>					<b>135,827,192</b>	<b>200,625,086</b>	<b>336,452,278</b>
Change in accounting principle					(348,146)	348,146	—
Prior period adjustment					—	(686,382)	(686,382)
<b>Net position - ending</b>					<b>\$ 169,962,918</b>	<b>\$ 220,098,681</b>	<b>\$ 390,061,599</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

December 31, 2021

Page 1 of 1

	General Fund	ONDS Fund	ARPA Fund	YRDA / Millsite Fund	Other Gov't Funds	Total Gov't Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 8,342,360	\$ 228,475	\$ 5,405,992	\$ 681,122	\$ 18,812,207	\$ 33,470,156
Cash with fiscal agent	53,916	—	—	—	368,977	422,893
Investments	7,338,582	—	4,203,247	—	6,643,547	18,185,376
Receivables, net allowance for uncollectible accounts						
Taxes	6,164,530	—	—	—	993,702	7,158,232
Accounts	2,045,100	—	—	—	212,777	2,257,877
Notes and contracts receivable	—	2,464,380	—	—	50,423	2,514,803
Due from other governments	361,663	682,664	—	2,758,073	1,407,332	5,209,732
Interest receivable	197,018	—	—	—	—	197,018
Inventories and prepayments	10,100	—	—	—	191,454	201,554
<b>Total assets</b>	<b>24,513,269</b>	<b>3,375,519</b>	<b>9,609,239</b>	<b>3,439,195</b>	<b>28,680,419</b>	<b>69,617,641</b>
Deferred outflows of resources	—	—	—	—	—	—
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 24,513,269</b>	<b>\$ 3,375,519</b>	<b>\$ 9,609,239</b>	<b>\$ 3,439,195</b>	<b>\$ 28,680,419</b>	<b>\$ 69,617,641</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,165,373	\$ 426,857	\$ 177,621	\$ 118,532	\$ 1,539,395	\$ 3,427,778
Unearned revenue	—	—	9,363,349	—	—	9,363,349
Retainage payable	—	—	—	—	280,776	280,776
Accrued salaries and benefits	5,868,509	56,527	—	—	1,050,078	6,975,114
Deposit type accounts	114,956	—	—	—	97,433	212,389
Due to other governments	278,120	—	569	—	3,933	282,622
Due to other funds	—	—	—	3,300,000	—	3,300,000
Other current liabilities	70,183	—	—	—	—	70,183
<b>Total liabilities</b>	<b>7,497,141</b>	<b>483,384</b>	<b>9,541,539</b>	<b>3,418,532</b>	<b>2,971,615</b>	<b>23,912,211</b>
<b>Deferred inflows of resources</b>						
Deferred unavailable revenue/taxes	351,667	—	—	—	37,878	389,545
Unavailable revenue and notes	1,390,509	2,464,380	—	—	58,822	3,913,711
<b>Total deferred inflows of resources</b>	<b>1,742,176</b>	<b>2,464,380</b>	<b>—</b>	<b>—</b>	<b>96,700</b>	<b>4,303,256</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>9,239,317</b>	<b>2,947,764</b>	<b>9,541,539</b>	<b>3,418,532</b>	<b>3,068,315</b>	<b>28,215,467</b>
<b>Fund balance</b>						
Nonspendable	10,100	—	—	—	912,937	923,037
Restricted	—	427,756	67,700	—	15,840,950	16,336,406
Committed	1,649,463	—	—	20,664	3,306,410	4,976,537
Assigned	—	—	—	—	5,551,806	5,551,806
Unassigned	13,614,388	—	—	—	—	13,614,388
<b>Total fund balance</b>	<b>15,273,951</b>	<b>427,756</b>	<b>67,700</b>	<b>20,664</b>	<b>25,612,103</b>	<b>41,402,174</b>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<b>\$ 24,513,268</b>	<b>\$ 3,375,520</b>	<b>\$ 9,609,239</b>	<b>\$ 3,439,196</b>	<b>\$ 28,680,418</b>	<b>\$ 69,617,641</b>

The Notes to the Financial Statements, found in Basic Financial Section, are an integral part of this statement

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

December 31, 2021

Page 1 of 1

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (previous page)	\$ 41,402,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	196,431,099
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	4,303,255
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in government activities in the statement of net position.	19,317,644
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(56,045,730)
Pension and other postemployment benefits are not due and payable in the current period and therefore are not reflected in the funds.	(35,445,522)
Net position of governmental activities	<u>\$ 169,962,921</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

Page 1 of 1

	General Fund	ONDS Fund	ARPA Fund	YRDA / Millsite Fund	Other Gov't Funds	Total Gov't Funds
<b>Revenues</b>						
Taxes and assessments	\$ 56,328,593	\$ —	\$ —	\$ 1,650,000	\$ 21,820,193	\$ 79,798,786
Licenses and permits	1,789,016	—	—	—	621,279	2,410,295
Intergovernmental revenues	3,094,115	2,457,978	3,734,391	9,286,984	4,694,722	23,268,190
Charges for services	4,137,639	—	—	—	4,543,058	8,680,697
Fines and forfeitures	1,385,471	—	—	—	—	1,385,471
Contributions and donations	9,306	—	—	—	640,866	650,172
Investment earnings	(1,046,180)	14,385	67,700	8,500	219,610	(735,985)
Other revenue	90,873	282,040	—	—	867,337	1,240,250
<b>Total revenues</b>	<b>65,788,833</b>	<b>2,754,403</b>	<b>3,802,091</b>	<b>10,945,484</b>	<b>33,407,065</b>	<b>116,697,876</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	11,873,530	—	19,869	—	843,755	12,737,154
Public safety	46,798,090	—	118,012	—	6,257,144	53,173,246
Utilities	—	—	—	—	333,122	333,122
Transportation	799,635	—	—	—	5,278,478	6,078,113
Economic environment	1,580,575	2,750,936	—	5,586	1,356,161	5,693,258
Public health services	201,164	—	—	—	495,153	696,317
Cultural and recreational	—	—	500,000	—	6,046,257	6,546,257
<b>Capital outlay</b>						
General government	163,922	—	1,967,390	—	1,619,072	3,750,384
Public safety	97,185	—	1,129,120	—	79,623	1,305,928
Utilities	—	—	—	—	106,834	106,834
Transportation	—	—	—	11,655,796	9,798,149	21,453,945
Economic environment	—	28,814	—	—	—	28,814
Cultural and recreational	—	—	—	—	275,633	275,633
<b>Debt service</b>						
Principal	166,995	—	—	—	3,639,744	3,806,739
Interest and related charges	39,545	—	—	—	1,892,591	1,932,136
<b>Total Expenditures</b>	<b>61,720,641</b>	<b>2,779,750</b>	<b>3,734,391</b>	<b>11,661,382</b>	<b>38,021,716</b>	<b>117,917,880</b>
Excess (def) of revenue over (under) expenditure	4,068,192	(25,347)	67,700	(715,898)	(4,614,651)	(1,220,004)
<b>Other financing (sources) uses</b>						
Transfers in	—	—	—	—	5,346,795	5,346,795
Transfers out	(2,089,838)	—	—	—	(3,172,509)	(5,262,347)
Proceeds from issuance of long-term debt	—	—	—	—	1,000,000	1,000,000
Sale of capital assets	—	—	—	—	118,021	118,021
<b>Total other financing sources (uses)</b>	<b>(2,089,838)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,292,307</b>	<b>1,202,469</b>
<b>Net change in fund balance</b>	<b>1,978,354</b>	<b>(25,347)</b>	<b>67,700</b>	<b>(715,898)</b>	<b>(1,322,344)</b>	<b>(17,535)</b>
Fund balance - beginning	13,295,595	453,104	—	736,562	26,934,449	41,419,710
Fund balance - ending	\$ 15,273,949	\$ 427,757	\$ 67,700	\$ 20,664	\$ 25,612,105	\$ 41,402,175

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT  
OF ACTIVITIES**

For the Year Ended December 31, 2021

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Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ (17,537)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	14,413,115
In the statement of activities, only the gain on the sale of fund assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the fund assets. This also includes donations of capital assets and infrastructure obtained by annexation.	1,668,401
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	388,659
The issuance of debt proceeds provide current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither has any effect on Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of debt and related items.	2,978,979
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (compensated absences, OPEB, inventory).	14,352,092
Internal service funds are used by management to charge the costs of services to individual funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.	700,165
Change in net position, as reflected on the Statement of Activities	<u>\$ 34,483,874</u>

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The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET & ACTUAL - GENERAL FUND**

For the Year Ended December 31, 2021

Page 1 of 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes and assessments	\$ 53,404,565	\$ 53,348,965	\$ 56,328,593	\$ 2,979,628
Licenses and permits	1,975,200	1,975,200	1,789,016	(186,184)
Intergovernmental revenues	3,134,834	3,251,527	3,094,115	(157,412)
Charges for services	8,031,633	8,250,825	4,137,639	(4,113,186)
Fines and forfeitures	1,869,300	1,869,300	1,385,471	(483,829)
Contributions and donations	500	35,500	9,306	(26,194)
Investment earnings	1,199,900	1,199,900	(1,046,180)	(2,246,080)
Other revenue	48,400	48,400	90,873	42,473
<b>Total revenues</b>	<b>69,664,332</b>	<b>69,979,617</b>	<b>65,788,833</b>	<b>(4,190,784)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	16,873,382	16,778,188	11,873,530	4,904,658
Public safety	46,749,377	48,168,161	46,798,090	1,370,071
Transportation	947,337	955,317	799,635	155,682
Economic environment	1,966,323	1,744,956	1,580,575	164,381
Public health services	556,650	556,650	201,164	355,486
<b>Capital outlay</b>				
General government	100,000	241,569	163,922	77,647
Public safety	—	84,393	97,185	(12,792)
<b>Debt service</b>				
Principal	166,995	166,995	166,995	—
Interest and related charges	39,545	39,545	39,545	—
<b>Total Expenditures</b>	<b>67,399,609</b>	<b>68,735,774</b>	<b>61,720,641</b>	<b>7,015,133</b>
Excess (deficiency) of revenue over (under) expenditure	2,264,723	1,243,843	4,068,192	2,824,349
<b>Other financing (sources) uses</b>				
Transfers out	(2,230,533)	(2,214,553)	(2,089,838)	124,715
Net change in fund balance	34,190	(970,710)	1,978,354	2,949,064
Fund balance - beginning	9,342,846	13,295,598	13,295,595	(3)
Fund balance - ending	\$ 9,377,036	\$ 12,324,888	\$ 15,273,949	\$ 2,949,061

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET & ACTUAL - NEIGHBORHOOD DEVELOPMENT**

For the Year Ended December 31, 2021

Page 1 of 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 3,803,938	\$ 7,347,197	\$ 2,457,978	\$ (4,889,219)
Investment earnings	—	—	14,385	14,385
Other revenue	98,659	98,659	282,040	183,381
Total revenues	<u>3,902,597</u>	<u>7,445,856</u>	<u>2,754,403</u>	<u>(4,691,453)</u>
Expenditures				
Current				
Economic environment	3,975,395	7,518,654	2,750,936	4,767,718
Capital outlay				
Economic environment	—	—	28,814	28,814
Total Expenditures	<u>3,975,395</u>	<u>7,518,654</u>	<u>2,779,750</u>	<u>4,796,532</u>
Excess (deficiency) of revenue over (under) expenditure	(72,798)	(72,798)	(25,347)	47,451
Net change in fund balance	(72,798)	(72,798)	(25,347)	47,451
Fund balance - beginning	2,186,979	453,104	453,104	—
Fund balance - ending	<u>\$ 2,114,181</u>	<u>\$ 380,306</u>	<u>\$ 427,757</u>	<u>\$ 47,451</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET & ACTUAL - AMERICAN RESCUE PLAN ACT (ARPA)**

For the Year Ended December 31, 2021

Page 1 of 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ —	\$ 13,097,740	\$ 3,734,391	\$ (9,363,349)
Investment earnings	—	—	67,700	67,700
Total revenues	—	13,097,740	3,802,091	(9,295,649)
Expenditures				
Current				
General government	—	57,404	19,869	37,535
Public safety	—	113,803	118,012	(4,209)
Cultural and recreational	—	500,000	500,000	—
Capital outlay				
General government	—	2,050,000	1,967,390	82,610
Public safety	—	6,272,260	1,129,120	5,143,140
Total Expenditures	—	8,993,467	3,734,391	5,259,076
Excess (deficiency) of revenue over (under) expenditure	—	4,104,273	67,700	(4,036,573)
Net change in fund balance	—	4,104,273	67,700	(4,036,573)
Fund balance - beginning	—	—	—	—
Fund balance - ending	\$ —	\$ 4,104,273	\$ 67,700	\$ (4,036,573)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET & ACTUAL - YAKIMA REVENUE DEVELOPMENT AREA (YRDA)/MILLSITE**

For the Year Ended December 31, 2021

Page 1 of 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 1,000,000	\$ 1,000,000	\$ 1,650,000	\$ 650,000
Intergovernmental revenues	—	7,406,074	9,286,984	1,880,910
Investment earnings	—	—	8,500	8,500
Total revenues	<u>1,000,000</u>	<u>8,406,074</u>	<u>10,945,484</u>	<u>2,539,410</u>
Expenditures				
Current				
Economic environment	5,697	5,697	5,586	111
Capital outlay				
Transportation	2,505,000	11,910,100	11,655,796	(254,304)
Debt service				
Interest and related charges	33,000	33,000	—	33,000
Total Expenditures	<u>2,543,697</u>	<u>11,948,797</u>	<u>11,661,382</u>	<u>(221,193)</u>
Excess (deficiency) of revenue over (under) expenditure	(1,543,697)	(3,542,723)	(715,898)	2,826,825
Other financing (sources) uses				
Transfers out	(371,990)	(371,990)	—	371,990
Proceeds from issuance of long-term debt	1,500,000	1,500,000	—	(1,500,000)
Total other financing sources (uses)	<u>1,128,010</u>	<u>1,128,010</u>	<u>—</u>	<u>(1,128,010)</u>
Net change in fund balance	(415,687)	(2,414,713)	(715,898)	1,698,815
Fund balance - beginning	—	736,562	736,562	—
Fund balance - ending	<u>\$ (415,687)</u>	<u>\$ (1,678,151)</u>	<u>\$ 20,664</u>	<u>\$ 1,698,815</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

December 31, 2021

Page 1 of 4

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Transit</b>	<b>Refuse</b>	<b>Wastewater</b>	<b>Water</b>
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 7,319,897	\$ 1,565,492	\$ 13,345,866	\$ 5,199,367
Cash with fiscal agent	—	—	—	—
Investments	5,691,252	1,239,407	11,680,728	4,110,061
Receivables, net allowance for uncollectible accounts				
Taxes	1,330,136	—	—	—
Accounts	49,564	1,239,771	3,426,721	1,111,685
Notes and contracts receivable	—	—	—	—
Due from other governments	3,552,541	—	—	150,255
Due from other funds	—	—	2,366,000	467,000
Inventories and prepayments	—	—	—	497,143
Total current assets	17,943,390	4,044,670	30,819,315	11,535,511
Noncurrent assets				
Restricted cash	—	—	1,600,000	—
Capital assets not being depreciated				
Land	1,182,989	—	643,757	167,862
Construction in progress	24,482	—	664,591	1,364,360
Capital assets, net of accumulated depreciation				
Buildings	1,625,063	—	14,377,174	3,639,236
Machinery, equipment & vehicles	3,140,018	—	5,954,526	130,246
Other improve & utility systems	1,112,823	—	50,844,046	33,266,462
Intangibles	—	—	—	143,659
Other noncurrent assets				
Net pension asset	2,122,115	1,013,267	2,895,035	1,613,936
Total noncurrent assets	9,207,490	1,013,267	76,979,129	40,325,761
Total assets	27,150,880	5,057,937	107,798,444	51,861,272
Deferred outflows of resources				
Deferred amount on refunding	—	—	120,811	—
Deferred outflows related to pension	237,058	113,190	323,399	180,290
Deferred outflows related to OPEB	13,375	6,502	16,902	9,687
Total deferred outflows of resources	250,433	119,692	461,112	189,977
Total assets & deferred outflows	27,401,313	5,177,629	108,259,556	52,051,249

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2021

Page 2 of 4

<b>Business-Type Activities</b>			<b>Gov't</b>
<b>Major Funds</b>	<b>Other</b>	<b>Total</b>	<b>Internal</b>
<b>Irrigation</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Service</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
\$ 3,404,513	\$ 3,543,870	\$ 34,379,004	\$ 8,709,969
—	13,536	13,536	—
2,633,848	2,758,067	28,113,363	4,548,148
—	1,352	1,331,489	—
488,630	64,851	6,381,221	1,156,308
—	313,675	313,675	—
1,250,901	324,874	5,278,571	204,016
—	467,000	3,300,000	—
—	—	497,143	677,836
<u>7,777,892</u>	<u>7,487,225</u>	<u>79,608,002</u>	<u>15,296,277</u>
—	—	1,600,000	—
91,400	3,418,797	5,504,806	—
7,514,630	382,250	9,950,313	—
237,168	57,000	19,935,640	331,901
—	3,054,459	12,279,249	11,054,583
14,997,399	21,379,764	121,600,494	400,714
—	432,614	576,272	—
445,914	1,027,719	9,117,986	2,188,495
<u>23,286,511</u>	<u>29,752,603</u>	<u>180,564,760</u>	<u>13,975,693</u>
<u>31,064,403</u>	<u>37,239,828</u>	<u>260,172,762</u>	<u>29,271,970</u>
91,921	—	212,732	—
49,812	114,805	1,018,553	244,473
2,624	6,824	55,914	14,131
<u>144,357</u>	<u>121,629</u>	<u>1,287,199</u>	<u>258,604</u>
<u>31,208,760</u>	<u>37,361,457</u>	<u>261,459,961</u>	<u>29,530,574</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

December 31, 2021

Page 3 of 4

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Transit</b>	<b>Refuse</b>	<b>Wastewater</b>	<b>Water</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	214,068	119,260	706,105	159,346
Retainage payable	—	—	44,801	89,297
Claims & judgments payable	—	—	—	—
Accrued salaries and benefits	402,002	187,726	468,325	283,329
Compensated absences	39,549	21,813	57,866	33,983
Deposit type accounts	—	186,564	393,691	129,491
Due to other governments	133	—	265	245
Other current liabilities	—	444	2,170	18,113
Interest payable	—	—	39,168	17,099
Debt principal due within one year	—	—	2,044,779	838,395
Other postemployment benefits - current	20,763	10,094	26,239	15,039
Total current liabilities	<u>676,515</u>	<u>525,901</u>	<u>3,783,409</u>	<u>1,584,337</u>
Noncurrent liabilities				
Compensated absences	319,548	173,183	491,992	294,444
Pension Liability	212,648	101,535	290,098	161,725
Total other postemployment benefits (OPEB)	377,991	183,762	477,694	273,786
Debt principal due more than one year	—	—	8,493,452	7,384,651
Total noncurrent liabilities	<u>910,187</u>	<u>458,480</u>	<u>9,753,236</u>	<u>8,114,606</u>
Total liabilities	<u>1,586,702</u>	<u>984,381</u>	<u>13,536,645</u>	<u>9,698,943</u>
Deferred inflows of resources				
Deferred inflows related to pension	2,234,889	1,067,114	3,048,884	1,699,704
Deferred inflows related to OPEB	167,118	81,245	211,198	121,047
Total deferred inflows of resources	<u>2,402,007</u>	<u>1,148,359</u>	<u>3,260,082</u>	<u>1,820,751</u>
Total liabilities & deferred inflows	<u>3,988,709</u>	<u>2,132,740</u>	<u>16,796,727</u>	<u>11,519,694</u>
Net position				
Net investment in capital assets	7,085,375	—	62,021,875	30,399,483
Restricted for:				
Debt service	—	—	1,600,000	—
Unrestricted	16,327,230	3,044,888	27,840,955	10,132,073
Total net position	<u>\$ 23,412,605</u>	<u>\$ 3,044,888</u>	<u>\$ 91,462,830</u>	<u>\$ 40,531,556</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2021

Page 4 of 4

<b>Business-Type Activities</b>			<b>Gov't</b>
<b>Major Funds</b>	<b>Other</b>	<b>Total</b>	<b>Activities</b>
<b>Irrigation</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Internal</b>
	<b>Funds</b>	<b>Funds</b>	<b>Service</b>
			<b>Funds</b>
788,660	147,621	2,135,060	438,681
207,274	15,299	356,671	—
—	—	—	5,623,934
74,313	211,355	1,627,050	372,201
10,232	17,889	181,333	40,636
24	38,923	748,693	280,058
—	(562)	82	121
—	—	20,727	5,018
7,263	—	63,530	—
185,000	—	3,068,174	—
4,073	10,594	86,802	21,936
<u>1,276,839</u>	<u>441,119</u>	<u>8,288,122</u>	<u>6,782,585</u>
81,474	158,646	1,519,287	330,351
44,683	102,983	913,672	219,299
74,155	192,861	1,580,249	399,340
<u>2,880,660</u>	<u>—</u>	<u>18,758,762</u>	<u>—</u>
<u>3,080,972</u>	<u>454,490</u>	<u>22,771,970</u>	<u>948,990</u>
<u>4,357,811</u>	<u>895,609</u>	<u>31,060,092</u>	<u>7,731,575</u>
469,611	1,082,334	9,602,535	2,304,796
32,785	85,268	698,661	176,557
<u>502,396</u>	<u>1,167,602</u>	<u>10,301,196</u>	<u>2,481,353</u>
<u>4,860,207</u>	<u>2,063,211</u>	<u>41,361,288</u>	<u>10,212,928</u>
19,659,583	28,709,584	147,875,901	11,787,197
—	—	1,600,000	—
<u>6,688,969</u>	<u>6,588,660</u>	<u>70,622,775</u>	<u>7,530,446</u>
<u>\$ 26,348,552</u>	<u>\$ 35,298,244</u>	<u>\$ 220,098,676</u>	<u>\$ 19,317,643</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 1 of 2

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Transit</b>	<b>Refuse</b>	<b>Wastewater</b>	<b>Water</b>
Operating revenues				
Charges and fees for services	\$ 404,438	\$ 8,645,432	\$ 23,992,851	\$ 11,432,973
Charges for insurance	—	—	—	—
Employer premium payments	—	—	—	—
Employee premium payments	—	—	—	—
Rents and leases	18,353	—	—	—
Special assessments	116,000	—	—	—
Other operating revenue	1,732	548	51,618	26,654
Total operating revenues	<u>540,523</u>	<u>8,645,980</u>	<u>24,044,469</u>	<u>11,459,627</u>
Operating expenses				
Personnel services	3,644,874	1,589,424	3,890,332	2,175,204
Materials and supplies	584,395	444,996	1,050,517	461,237
Contractual services	3,977,552	5,643,677	9,821,543	5,068,551
Claims and other benefits	—	—	—	—
Depreciation	959,142	—	4,428,838	1,936,482
Total operating expense	<u>9,165,963</u>	<u>7,678,097</u>	<u>19,191,230</u>	<u>9,641,474</u>
Operating income (loss)	(8,625,440)	967,883	4,853,239	1,818,153
Nonoperating revenues (expense)				
Grants and subsidies	11,331,245	—	—	—
Interest revenue	95,419	19,600	166,700	65,100
Other nonoperating revenue	8,837	—	—	—
Interest & other debt service costs	—	—	(184,038)	(50,957)
Gain (loss) disposal of capital assets	23,027	—	(81,166)	(176,117)
Total nonoperating revenue (exp)	<u>11,458,528</u>	<u>19,600</u>	<u>(98,504)</u>	<u>(161,974)</u>
Income (loss) before contributions & transfers	2,833,088	987,483	4,754,735	1,656,179
Capital contributions	—	—	1,875,067	816,793
Transfers in	—	—	34,826	—
Transfers (out)	—	—	(84,448)	(34,826)
Change in net position	<u>2,833,088</u>	<u>987,483</u>	<u>6,580,180</u>	<u>2,438,146</u>
Net position - beginning	20,579,517	2,057,405	84,882,650	37,745,262
Change in accounting principle	—	—	—	348,146
Prior period adjustment	—	—	—	—
Net position - ending	<u>\$ 23,412,605</u>	<u>\$ 3,044,888</u>	<u>\$ 91,462,830</u>	<u>\$ 40,531,554</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 2 of 2

Business-Type Activities			Gov't
Major Funds	Other	Total	Internal
Irrigation	Enterprise	Enterprise	Service
	Funds	Funds	Funds
\$ 3,465,174	\$ 4,171,784	\$ 52,112,653	\$ 6,024,252
—	—	—	7,494,634
—	—	—	13,560,180
—	—	—	2,115,595
—	853,030	871,383	—
—	—	116,000	—
500,000	6,517	587,068	1,838
<u>3,965,174</u>	<u>5,031,331</u>	<u>53,687,104</u>	<u>29,196,499</u>
607,209	1,685,915	13,592,958	3,181,626
93,829	160,981	2,795,954	1,093,181
961,713	2,494,487	27,967,523	10,027,229
—	—	—	13,339,775
526,924	2,191,936	10,043,321	1,575,369
<u>2,189,675</u>	<u>6,533,319</u>	<u>54,399,756</u>	<u>29,217,180</u>
1,775,499	(1,501,988)	(712,652)	(20,681)
4,260,094	2,128,545	17,719,885	224,315
42,200	44,455	433,474	113,300
—	—	8,837	447,185
(79,742)	—	(314,736)	—
(13,392)	(28,832)	(276,480)	(63,953)
<u>4,209,160</u>	<u>2,144,168</u>	<u>17,570,980</u>	<u>720,847</u>
5,984,659	642,180	16,858,328	700,166
—	346,090	3,037,950	—
—	—	34,826	—
—	—	(119,274)	—
<u>5,984,659</u>	<u>988,270</u>	<u>19,811,830</u>	<u>700,166</u>
21,050,275	34,309,972	200,625,084	18,965,625
—	—	348,146	(348,146)
(686,382)	—	(686,382)	—
<u>\$ 26,348,552</u>	<u>\$ 35,298,242</u>	<u>\$ 220,098,678</u>	<u>\$ 19,317,645</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 1 of 4

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Transit</b>	<b>Refuse</b>	<b>Wastewater</b>	<b>Water</b>
Cash flows from operating activities				
Receipts from customers	\$ (306,239)	\$ 8,477,591	\$ 21,268,942	\$ 10,529,991
Contributions rec'd employer & employee	—	—	—	—
Payments to suppliers & service providers	(4,453,973)	(6,074,830)	(10,842,964)	(5,621,654)
Payments to employees salaries & benefits	(4,455,117)	(1,949,160)	(5,148,175)	(2,978,713)
Other Operating Revenues	1,732	548	51,618	26,654
Payments to claimants & beneficiaries	—	—	—	—
Net cash flows from operating activities	<u>(9,213,597)</u>	<u>454,149</u>	<u>5,329,421</u>	<u>1,956,278</u>
Cash from noncapital financing activities				
Sales tax received	7,741,336	—	—	—
Operating grants	3,589,910	—	—	—
Other non-operating revenue	—	—	—	—
Transfers to and from other funds	—	—	—	28,605
Net cash from noncapital financing activities	<u>11,331,246</u>	<u>—</u>	<u>—</u>	<u>28,605</u>
Cash flows from capital financing activities				
Proceeds from debt financing	—	—	—	1,737,906
Proceeds from disposal of property	23,027	—	(81,166)	(176,117)
Capital grants & contributions	—	—	1,326,007	608,448
Capital expenditures	—	—	(2,075,977)	(741,844)
Acquisition & construction of capital assets	(29,443)	—	(2,885,976)	(3,381,076)
Interest and related charges paid	—	—	(235,248)	(50,957)
Transfers in	—	—	34,826	—
Transfers (out)	—	—	(84,448)	(34,826)
Net cash provided by (used for) financing	<u>(6,416)</u>	<u>—</u>	<u>(4,001,982)</u>	<u>(2,038,466)</u>
Cash flows from investing activities				
Proceeds from sale of investments	3,965,006.79	856,613.85	8,622,594.90	3,909,012.42
Interest on investments	95,419	19,600	166,700	65,100
Purchase of investments	(5,691,252)	(1,239,407)	(11,680,728)	(4,110,060.57)
Net cash provided by investing activities	<u>(1,630,826)</u>	<u>(363,193)</u>	<u>(2,891,433)</u>	<u>(135,948)</u>
Net increase (decrease) in cash & cash equivalents	480,407	90,956	(1,563,994)	(189,531)
Cash & cash equivalents - beginning	6,839,489	1,474,537	16,509,860	5,388,898
Cash & cash equivalents - ending	<u>\$ 7,319,896</u>	<u>\$ 1,565,493</u>	<u>\$ 14,945,866</u>	<u>\$ 5,199,367</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 2 of 4

<b>Business-Type Activities</b>			<b>Gov't</b>
<b>Major Funds</b>	<b>Other</b>	<b>Total</b>	<b>Internal</b>
<b>Irrigation</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Service</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
\$ 2,166,532	\$ 5,032,508	\$ 47,169,326	\$ 13,328,385
—	—	—	15,668,161
(113,549)	(2,655,880)	(29,762,850)	(9,313,069)
(774,990)	(2,009,215)	(17,315,370)	(3,934,204)
500,000	6,517	587,068	1,838
—	—	—	(13,339,775)
<u>1,777,993</u>	<u>373,930</u>	<u>678,174</u>	<u>2,411,336</u>
—	—	7,741,336	—
4,260,094	2,128,545	9,978,549	—
—	—	—	671,500
—	—	28,605	(28,605)
<u>4,260,094</u>	<u>2,128,545</u>	<u>17,748,490</u>	<u>642,895</u>
—	—	1,737,906	—
(13,392)	(28,832)	(276,480)	(63,953)
—	—	1,934,455	(1,666,006)
—	—	(2,817,822)	—
(5,512,372)	(2,164,699)	(13,973,566)	—
(272,100)	—	(558,304)	—
—	—	34,826	—
—	—	(119,274)	—
<u>(5,797,864)</u>	<u>(2,193,531)</u>	<u>(14,038,259)</u>	<u>(1,729,959)</u>
533,545.87	1,979,486.04	19,866,259.87	3,752,857.00
42,200	44,455	433,474	113,300
<u>(2,633,847.77)</u>	<u>(2,758,067.02)</u>	<u>(28,113,362.60)</u>	<u>(4,548,147)</u>
<u>(2,058,102)</u>	<u>(734,126)</u>	<u>(7,813,629)</u>	<u>(681,990)</u>
(1,817,879)	(425,182)	(3,425,224)	642,282
<u>5,222,391</u>	<u>3,982,588</u>	<u>39,417,763</u>	<u>8,067,488</u>
<u>\$ 3,404,512</u>	<u>\$ 3,557,406</u>	<u>\$ 35,992,539</u>	<u>\$ 8,709,770</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 3 of 4

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Transit</b>	<b>Refuse</b>	<b>Wastewater</b>	<b>Water</b>
Reconciliation - operating income (loss) to net cash provided (used) for operations				
Operating income (loss)	\$ (8,625,440)	\$ 967,883	\$ 4,853,239	\$ 1,818,153
Adj to reconcile operating income (loss) to net cash provided (used) for operations				
Depreciation expense	959,142	—	4,428,838	1,936,482
Change in assets and liabilities				
(Increase) decrease in net accounts receivable	(160,598)	(167,841)	(2,723,909)	(708,980)
(Increase) decrease in due from other governments	(684,432)	—	—	(150,255)
(Increase) decrease in inventory	—	—	—	(43,747)
(Decrease) increase in accounts payable	107,843	13,843	146,161	(173,636)
(Decrease) increase in accrued liabilities	131	—	(1,710)	(428)
(Decrease) increase in wages/benefits payable	4,256	14,780	(9,805)	(116,813)
(Decrease) increase in compensated absences	939	1,742	(42,076)	8,486
(Decrease) increase in contracts payable	—	—	(105,560)	84,084
(Decrease) increase in interest payable	—	—	(9,794)	(1,887)
(Decrease) increase in pension/OPEB liability	(815,438)	(376,258)	(1,205,963)	(695,181)
Total adjustments	(588,157)	(513,734)	476,182	138,125
Net cash prov (used) for operations	<u>\$ (9,213,597)</u>	<u>\$ 454,149</u>	<u>\$ 5,329,421</u>	<u>\$ 1,956,278</u>
Schedule of noncash capital & related financing activities				
Contribution of capital assets	\$ —	\$ —	549,060	\$ 208,345

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

Page 4 of 4

<b>Business-Type Activities</b>			<b>Gov't</b>
<b>Major Funds</b>	<b>Other</b>	<b>Total</b>	<b>Activities</b>
<b>Irrigation</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Internal</b>
	<b>Funds</b>	<b>Funds</b>	<b>Service</b>
			<b>Funds</b>
\$ 1,775,499	\$ (1,501,987)	\$ (712,653)	\$ (20,682)
526,924	2,191,936	10,043,322	1,575,369
(47,741)	(253,183)	(4,062,252)	(198,115)
(1,250,901)	260,876	(1,824,712)	—
—	—	(43,747)	(45,828)
735,169	(6,815)	822,566	1,853,169
—	(7)	(2,015)	—
3,710	50,605	(53,267)	(750,685)
6,804	(21,029)	(45,134)	(1,894)
207,274	6,409	192,207	—
(450)	—	(12,132)	—
(178,296)	(352,876)	(3,624,010)	—
2,493	1,875,916	1,390,826	2,432,016
<u>\$ 1,777,992</u>	<u>\$ 373,929</u>	<u>\$ 678,173</u>	<u>\$ 2,411,334</u>
<u>\$ —</u>	<u>\$ 346,090</u>	<u>1,103,495</u>	<u>\$ —</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF FIDUCIARY NET POSITION**

December 31, 2021

Page 1 of 1

	<b>Custodial Funds</b>
Assets	
Current assets	
Cash and cash equivalents	\$ 1,210,783
Receivables, net allowance for uncollectible accounts	
Accounts	5,138
Noncurrent assets	
Capital assets, net of accumulated depreciation	
Machinery, equipment & vehicles	45,248
Total assets	<u>1,261,169</u>
Liabilities	
Current liabilities	
Accounts payable	177,216
Deposits type accounts	—
Due to other governments	—
Total liabilities	<u>177,216</u>
Total restricted net position	<u>\$ 1,083,953</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2021

Page 1 of 1

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	<u>Custodial Funds</u>
Additions	
Contributions	
Custodial deposits	\$ 6,351,042
Total additions	<u>6,351,042</u>
Deductions	
Disbursements	<u>5,367,039</u>
Total deductions	<u>5,367,039</u>
Net increase (decrease) in fiduciary net position	984,003
Net position - beginning	<u>99,950</u>
Net position - ending	<u>\$ 1,083,953</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

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# NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the City of Yakima, Washington, conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The City has adopted the pronouncements of the Governmental Accounting Standards Board (GASB) the nationally-accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies. The policies should be reviewed as an integral part of the financial statements and are presented to assist the reader in interpreting the financial statements and other data in this report.

### REPORTING ENTITY

The City of Yakima was incorporated in 1886 and operates under a Council/Manager form of government with a full-time City Manager. The City of Yakima provides a full range of municipal services, which include: police, fire, engineering, parks, cemetery, streets, code and parking enforcement, municipal court, economic development, and administrative services. Included in the City's Enterprise Fund financial reports are: water treatment and distribution, irrigation, sanitary wastewater, solid waste, stormwater, transit and airport.

The City's financial statements include all funds, agencies and boards which are financially accountable to the City. Financial accountability is manifest when the primary government appoints the majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify the budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another government.

Although a separate legal entity, the City has elected to account for the operations of the Yakima Regional Public Facilities District, as a blended component unit, in two Nonmajor Special Revenue Funds. The cities of Yakima, Selah and Union Gap formed a Public Facilities District (PFD) for the purpose of managing the expansions of the Yakima Convention Center and the Capitol Theatre. The City appoints a majority of the board members and approves the annual budget. All revenue derived by the PFD (primarily two separate state sales tax credits) is transferred to the City and the City disburses the funds for the applicable debt service, operations, and reimbursement of administrative costs of the PFD. Information on the financial statements for the Yakima Regional Public Facilities District can be found on the [State Auditors Office](#) website.

Applying these criteria, the primary government statements consist of the legal entity of the City and the blended component unit of the Yakima Regional Public Facilities District.

**Related Organizations** – The City's officials are also responsible for appointing the members of the boards of another organization, but the City's accountability for this organization does not extend beyond making the appointments.

The Yakima Housing Authority (YHA) was created by Resolution No. D-1575, in 1971, and, under certain conditions, can be dissolved by the City. Yet, it is an independent entity with distinct governmental character and organization. The City of Yakima created the Housing Authority per Washington State Revised Code Chapter 35.82 which provides that liabilities incurred by the Housing Authority will be satisfied from its assets, and that no person shall have any right of action against the City on account of its debts, obligations, and liabilities.

## **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City's policy is to allocate indirect costs to individual functions, if they are non-tax supported.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) fines and forfeitures; and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

## **MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

### **Government Wide**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### **Fund Financial Statements**

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

Certain charges for service, sales based taxes, and interest associated within the current period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grants are considered measurable and available to the extent that expenditures have been made. Other intergovernmental revenues are considered measurable and available when earned. Other revenues such as state shared revenue, licenses, fines and fees are not considered susceptible to accrual since they are not generally measurable until received. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City of Yakima reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Neighborhood Development Fund (ONDS)** accounts for grant programs supported by the Federal Housing and Urban Development grants which are used to improve housing conditions for low income families and seniors in Yakima.
- The **American Rescue Plan Act (ARPA) Fund** accounts for the award and future expenditure of the American Rescue Plan Act funds.
- The **Yakima Revenue Development Area (YRDA)/Millsite Fund** created to establish a capital fund to account for the activity of the Yakima Revenue Development Area, and utilizes the Washington State Local Infrastructure Financing Tool (LIFT) program, which authorizes the City to use state sales and excise tax revenue to finance public infrastructure needed to accelerate redevelopment of the former sawmill site.

The City reports the following enterprise funds as major funds:

- The **Transit Fund** accounts for the operation of the City Transit System, funded primarily by 0.3% sales tax, federal grants and fares.
- The **Refuse Fund** accounts for the operation and maintenance of household and yard waste collection and disposal for City residents.
- The **Water and Wastewater Funds** account for the provision of water treatment and distribution and wastewater collection and treatment services to City residents and other outside utility agreements.
- The **Irrigation Fund** accounts for the operation, maintenance and reconstruction of the existing irrigation system.

Additionally, the government reports the following fund types:

- **Internal Service Funds** account for utility services, fleet management services, liability insurance, employee benefit reserves, and public works administration services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.
- **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, or other funds. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. These funds are excluded from the government-wide financial statements. In accordance with GASB 73, the Firemen's Relief and Pension Fund is reported as part of the General Fund. The City is the fiduciary agent for the fiscal activity of Yakima Consortium for Regional Public Safety (YakCorps), the state portion of Municipal Court fines & fees, Parks sales tax, Cemetery sales taxes, seized funds, gun permits, Jail Welfare Trust commissary sales and Jail Inmate Trust collection of inmate funds.
- **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 proprietary funds' principal ongoing operations. The principal operating revenues of

the water, wastewater, refuse, stormwater and irrigation enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

## **ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS, AND FUND BALANCE / NET POSITION**

### **Cash, Cash Equivalents and Investments**

Cash is considered to be cash on hand and demand deposits. Cash equivalents are highly liquid investments with maturities of three months or less from the date of acquisition. Included in this category are all funds held in the Washington State Treasurer's Local Government Investment Pool (LGIP), a qualified external investment pool which the City is eligible to participate in.

The City invests funds that exceed operating and liquidity needs. The City is authorized by State law, Municipal Code and the City's [Investment Policy](#) to place cash in: Washington State Treasurer's Local Government Investment Pool (LGIP); U.S. Treasury and Agency securities; state and local government bonds; corporate notes purchased on the secondary market; certificates of deposit issued by Washington State depositories that participate in a state insurance pool managed by the Washington Public Deposit Protection Commission; investment deposits in a qualified public depository located in the State of Washington; banker's acceptances trading in the secondary market; and commercial paper. As further discussed in [Note 4 - Deposits & Investments](#), the City reports investments at fair value.

### **Receivables**

Taxes receivable consists of property and other taxes including related interest and penalties. Customer accounts receivable consists of amounts due from private individuals or organizations for goods and services incurred in the normal course of conducting business. Customer accounts receivable are reported net of estimated uncollectible amounts in proprietary funds. Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments. Accrued interest receivable consists of amounts earned on investments, notes, and contracts as of year-end. Notes and contracts receivable consists of amounts owed on open account from private individuals or organizations for goods and services rendered. The major component of the notes receivable category is in the Neighborhood Development fund and represents a revolving home ownership assistance program.

### **Amounts Due To and From Other Funds; Interfund Loans and Advances Receivable**

These accounts include all interfund receivables and payables. A separate schedule of interfund loans receivable and payable is furnished in [Note 4 - Interfund Receivables, Payables and Transfers](#).

### **Amounts Due To and From Other Governments**

These accounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services, except amounts billed for utility usage which is included in customer receivables.

### **Inventories**

Inventories in the General Fund, Enterprise Funds and Internal Service Funds are valued at cost using the weighted average method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

### **Restricted Assets and Liabilities**

These accounts contain resources for debt service reserve requirements and debt redemption in the enterprise funds.

## Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Infrastructure assets are long-lived assets that normally are stationary in nature and must be preserved perpetually, using a combination of replacement and life-extending repair and maintenance. Examples of infrastructure include roads, bridges, and lighting systems.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. More information can be found in [Note 4 - Capital Assets](#).

The cost of normal maintenance and repairs that do not add to the value of the asset or do not materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings	25 - 40 Years
Improvements other than buildings	7 - 50 Years
Utility plant	33 - 50 Years
Equipment	2 - 25 Years
Intangibles (organization costs and goodwill)	75 - 100 Years
Infrastructure	15 - 50 Years

## Deferred Outflow of Resources

Deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred outflow of resources involved no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. It also represents access to present service capability that is under the government's controls. Other than outflows related to pensions (discussed in the next paragraph), the City of Yakima has only one other item that qualifies in this category, which is the deferred amount on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

## Pensions

For purposes of measuring the net pension liability, net pension asset, 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.



For purposes of calculating the restricted net position related to the net pension asset, the city includes the net pension asset and the related deferred outflows and deferred inflows.

### **Current Liabilities**

Liabilities include primarily salaries and benefits payable and claims and judgments payable in the Internal Service Funds, current portion due on long-term debt and other liabilities due.

### **Noncurrent Liabilities**

Noncurrent liabilities include long-term debt, compensated absences, cumulative unfinanced liability related to postemployment benefits and pension liabilities as prescribed by GASB 68, 73, and 75.

**Long-Term Obligations** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**Compensated Absences** – Contracts with employees call for the accumulation of vacation and sick leave. At termination of employment, employees may receive cash payment for all accumulated vacation up to a certain number of hours and a percentage of sick leave, depending on employee group. The payment is based on current wage at termination.

The amounts of unpaid vacation and sick leave accumulated by City employees are accrued as expenses when incurred in proprietary funds in the government wide Statement of Activities, which use the accrual basis of accounting. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The City uses the last-in, first-out method of recognizing the hours used of compensated absences. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Therefore, the entire unpaid liability for the governmental funds is a reconciling item between the fund and government-wide presentations.

### **Deferred Inflow of Resources**

Deferred inflow of resources is the acquisition of net position that is applicable to a future reporting period. A deferred inflow of resources involved no acquisition of resources resulting in either a net increase in assets or a net decrease in liabilities. It represents a present obligation to sacrifice resources that the government has little or no discretion to avoid. The City has two types of items, deferred inflows related to pension, and OPEB, that qualify for reporting in this category, which is reported in the governmental activities on the Statement of Net Position. The governmental funds report unavailable revenues from two sources, taxes receivable and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Net Positions and Fund Balances**

Net position is segregated into three categories on the government-wide statement of net position: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Restricted assets are usually set aside in a separate fund, specifically used for the purpose of debt service or capital replacement.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which require the City to classify its fund balances based on spending constraints imposed on the use of resources.

**Nonspendable** – Represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Fund balances are required to be maintained intact and include permanent funds and assets not expected to be converted to cash, such as inventories, and notes receivable.

**Restricted** – Are funds that have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which require the resources to be used only for a specific purpose.

**Committed** – These funds have constraints imposed by formal action (resolution or ordinance) of the City Council which may be altered only by a similar formal action of the City Council.

**Assigned** – Funds in this category are amounts constrained by the City to be used for a specific purpose, but are neither restricted nor committed and may be changed. Constraints imposed by the City Council for amounts intended for specific purposes, but do not meet the criteria of restricted or committed. It is the City's policy that intent of use can be assigned by the City Council, the City Manager, or his/her designee, adopted through either the budget ordinance or an amending budget ordinance. For governmental funds, other than the General Fund, the residual fund balance that is not restricted or committed is reported as assigned because the use of fund balance, at a minimum, should be used for the purpose of that fund. Additional action does not need to be taken to remove an assignment, whereas additional action is essential to remove a commitment.

**Unassigned** – This represents the residual amounts that have not been restricted, committed, or assigned.

#### **Net Position Classification**

For government wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the City of Yakima will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **Prior Period Adjustment**

Fruitvale Canal Diversion was not capitalized from 2012-2020 resulting in a total of \$686,382 in prior period adjustments to depreciation.

#### **Deficit in Individual Fund**

Internal Services fund Utility Services has a deficit of \$65,192. The deficit is due to Utility Services being it's own fund so now it has items such as OPEB, Pension and compensated absences allocated to it.

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## **NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

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### **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes reconciliation between *fund balance – total government funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” These details of this difference are as follows:

Land	\$ 17,529,399
Construction in progress	10,585,992
Buildings	59,651,400
Less: Accumulated depreciation - buildings	(31,444,518)
Machinery, equipment and vehicles	27,822,459
Less: Accumulated depreciation - machinery, equipment and vehicles	(21,179,640)
Infrastructure	330,280,903
Less: Accumulated depreciation - infrastructure	(224,480,652)
Other improvements	44,689,535
Less: Accumulated depreciation - other improvements	(17,023,775)
Net adjustment to increase total fund balances - total government funds to arrive at net position - governmental activities	<u>\$ 196,431,103</u>

Another element of that reconciliation explains “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (37,793,153)
Add: Issuance premium (to be amortized over the life of the debt)	(523,280)
Intergovernmental loans	(5,446,612)
Lease purchase agreements	(2,890,193)
Add: Issuance premium (to be amortized over the life of the debt)	(522,636)
Compensated absences	<u>(8,665,994)</u>
Subtotal	<u>(55,841,868)</u>
Accrued interest payable	(203,862)
Net adjustment to reduce total fund balances - total government funds to arrive at net position - governmental activities	<u>\$ (56,045,730)</u>

The effect of long-term pension assets, liabilities and deferred inflows and outflows of resources as well as liabilities for Other Postemployment Benefits do not impact current economic resources and are therefore not reported in the funds. Details of this difference are as follows:

Pension asset	\$ 61,036,630
Net pension liability	(11,126,802)
Deferred outflow change in proportionate share	5,210,271
Deferred inflow change in proportionate share	(39,914,304)
Other postemployment benefit obligation	(50,651,317)
Net adjustment to reduce total fund balances - total government funds to arrive at net position - governmental activities	<u>\$ (35,445,522)</u>

**EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” This is the amount by which depreciation expense exceeded capital outlays in the current period. The details of this difference are as follows:

Capital outlay	\$ 26,921,538
Depreciation expense	(12,508,423)
Net adjustment to decrease net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 14,413,115</u>

Another element of that reconciliation states that “in the statement of activities, only the gain on the sale of fund assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the fund assets. This also includes donations of capital assets and infrastructure obtained by annexation.” The details of this difference are as follows:

In the statement of activities, only loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in the fund balance by the cost of the capital assets sold.	\$ (155,076)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	1,823,477
Net adjustment to increase total government funds to arrive at changes in net position of governmental activities	<u>\$ 1,668,401</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items”. The details of this difference are as follows:

Debt issued	
Issuance of general obligation bonds	\$ (1,000,000)
Principal repayments	
General obligation debt	3,007,261
Intergovernmental loans	497,830
Lease purchase agreements	301,651
Interest accrued	172,240
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 2,978,982</u>

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### ***NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

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#### **BUDGETS AND BUDGETARY ACCOUNTING**

##### **Scope of Budget**

The City Council annually approves the City’s operating budget. The operating budget allocates annually-available resources among the City’s services and programs, capital expenditures and financing decisions with an eye to fiscal sustainability and future fund balances.

Annual appropriated budgets are adopted on the modified accrual basis of accounting. For governmental funds, there are no differences between 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 General Fund and for the Neighborhood Development Fund, which is considered a Special Revenue fund. Budgets for special revenue funds are required to be prepared, but not required to be reported individually in this report. Budgets for debt service and capital projects are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lines of debt issues or projects. Budgets for proprietary funds, although not legally required, are prepared for operational oversight. Budgetary comparisons for all funds not presented in this report are available at [www.yakimawa.gov/finance](http://www.yakimawa.gov/finance).

Annual appropriated budgets are adopted at the fund level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by fund. Appropriations for general and special revenue funds lapse at year end.

### **Procedures for Adopting the Original Budget**

The City's budget procedures are mandated by Washington State Law. The steps in the budget process are as follows:

- Prior to October 1, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by City departments during the preceding months and balanced with revenue estimates.
- The Council conducts two public hearings on the proposed budget in November/December to obtain taxpayer comments.
- During December, the budget is legally enacted through passage of an ordinance.

### **Amending the Budget**

The City Manager or designee is authorized to transfer budgeted appropriations between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of permanently authorized employee positions, salary ranges, or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by an ordinance approved by a simple majority of those council members present after holding two public hearings.

The budget amounts shown in the financial statement represent the original adopted budget and all supplemental appropriations. City-wide, supplemental appropriations totaled \$43.7 million. The substantive amendments were adjustments for American Rescue Plan Act of \$8.9 million and Community Development/ ONDS in the amount of \$3.5 million due to programmatic nature of the budget and differences in the reporting time frame for Federal Programs, and nonlapsing and new appropriations of various construction projects.

General Fund spent less than its \$71.0 million final budget by \$7.1 million due to monthly and quarterly monitoring and reporting of actual expenditures to budget on a departmental basis.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. The City reappropriates outstanding encumbrances in the subsequent year as a budget amendment to the original budget.

## FUND EQUITY

### Nonspendable Fund Balance in Permanent Funds

The fund balance of \$721,484 in the Cemetery Trust Fund represents a portion of the amounts paid for cemetery plots. Provisions of these sales require \$120 of the sales price be held in trust and that the income on the investment of these amounts be used to maintain the plots.

### Firemen's Relief and Pension Fund

The Firemen's Relief and Pension Fund has Net Position of \$1,649,463 held in Trust for Pension Benefits and other purposes which represents the net accumulated contributions made by the government through property taxes plus interest earnings and state fire insurance premium tax proceeds. As a requirement of GASB 73, which was implemented in 2016, this fund is now being reported as a part of the General Fund balance. It will continue to be treated as a separate fund for budgetary purposes.

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## NOTE 4 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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## DEPOSITS AND INVESTMENTS

### Deposits

The City of Yakima maintains deposit relationships with qualified Washington State depositories which are public depositories authorized by the Public Deposit Protection Commission of the State of Washington (PDPC). Collateralization requirements for all deposits above Federal Depository Insurance Corporation (FDIC) insured amounts are prescribed by State statute (RCW 39.58) and PDPC regulations. The PDPC provides protection to Washington cities by defining standards for financial institutions holding public deposits, by monitoring their financial condition as approved public depositories and defining collateralization requirements.

The City of Yakima had the following cash on hand and deposit balances on December 31, 2021:

Banks and savings and loan institutions	\$ 15,519,754
Cash with fiscal agent	436,429
Petty cash and other imprest funds	8,775
Local Government Investment Pool (LGIP)	<u>62,630,601</u>
Subtotal	78,595,559
Agency Fund	863,931
Custodial fund	<u>346,852</u>
Total	<u>\$ 79,806,342</u>

**Custodial Credit Risk: Deposits** – The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the City's deposits over FDIC-insured amounts may not be recovered. Because of PDPC regulatory oversight, the risk to City's deposits is reduced.

The City of Yakima is a participant in the Local Government Investment Pool (LGIP), managed and operated by the Washington State Treasurer, as authorized by Chapter 294, Laws of 1986. Participation is available to eligible government entities as defined by state regulations and is voluntary. The State Treasurer is responsible for establishing and maintaining the investment policy for the pool, reviewing the policy annually, and proposed changes are reviewed by the LGIP advisory committee comprised of six members appointed by the State Treasurer and eight members appointed by state associations appointed to three-year terms.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The LGIP portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external

investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption rates on participant withdrawals. Participating agencies may contribute or withdraw funds with same-day or next-day notice.

The Office of the State Treasurer prepares a stand-alone comprehensive annual financial report. A copy of the LGIP audited financial report, provided annually for review to the Governor, State Auditor, and Joint Legislative Audit and Review Committee, is available online at [www.tre.wa.gov](http://www.tre.wa.gov) or from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200.

**Foreign Currency Risk: Deposits** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City of Yakima has no deposits or investments that are exposed to this type of risk.

### Investments

Cash and investments are managed in accordance with the City’s [Investment Policy](#), approved by City Council on March 5, 2019. The policy applies to all funds as indicated in the policy itself.

State statutes (RCW sections 35.39 and 39.59), limit investments that a Washington Class 1 City may hold to: (1) Direct and Indirect obligations of the US Government; (2) Bonds of Washington State or local government within the State; (3) General Obligation bonds of another State or local government, which at the time of investment have one of the three highest credit ratings of a nationally-recognized rating agency; (4) Corporate Notes purchased on the secondary market with a minimum credit quality rating of upper medium investment grade - at least A by Standard and Poors, A2 by Moody's, or A by Fitch - on the date of purchase; (5) Bankers Acceptances and high quality Commercial Paper as long as they hold one of the 2 highest Credit ratings issued by at least two nationally recognized rating agencies; (6) non-negotiable Certificates of Deposit with financial institutions qualified by the Washington PDPC; and (7) the State Treasurer’s Local Government Investment Pool (LGIP). The LGIP is a 2a7 like pool, and investments in the pool are reported at the share price of 100% of dollars invested. The City’s adopted [Investment Policy](#) adheres to state statutes.

### INVESTMENTS AUTHORIZED BY CITY INVESTMENT POLICY

Authorized Investment Type	Maturity	Maximum % of Portfolio	Maximum Investment per Issuer
US Treasury securities	5 Years	100%	n/a
Government Sponsored Enterprise (GSE)	5 Years	100%	40%
Corporate medium term notes	5 Years	15%	2% or \$1M
Local Government Investment Pool (LGIP)	n/a	100%	n/a
Bankers acceptances	5 Years	15%	n/a
Commercial paper	5 Years	15%	2% or \$1M
Same state local securities	5 Years	15%	2% or \$1M
Certificates of deposit	5 Years	10%	2% or \$1M
Other state/local securities	5 Years	5%	2% or \$1M
Same County - local government issuer	5 Years	Council Resolution	

### Concentration of Credit Risk

Credit risk, generally, is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

The City's [Investment Policy](#) limits the amount that can be invested in obligation of any one entity except US Treasuries, US Government Sponsored Enterprise Securities and the Washington State Local Government Investment Pool (LGIP).

Investments in any one issuer of Corporate Medium Term Notes are as follows:

#### INVESTMENT LIMITS

Issuer	Par Value	Cost	Fair Value	Moody's	S & P	Fitch
Apple	\$ 1,000,000	\$ 991,000	\$ 1,023,852	AA1	AA+	n/a
Microsoft	1,000,000	996,920	1,000,182	Aaa	AAA	AA+
WalMart	1,000,000	1,026,800	1,042,013	Aa2	AA	AA
	<u>\$ 3,000,000</u>	<u>\$ 3,014,720</u>	<u>\$ 3,066,047</u>			

#### Reinvestment Rate Risk

Reinvestment risk is the risk that the proceeds at maturity of an investment could have to be reinvested at a lower rate than the original investment due to the maturity date chosen at time of purchase. In accordance with its adopted investment policy, the City manages its exposure to market rate fluctuations by diversifying maturity dates. The following table shows the distribution of fair values by investment type and remaining maturity. As of December 31, 2021, the City of Yakima had the following investments:

#### DISTRIBUTION OF FAIR VALUE

Investment Type	Fair Value	Remaining Maturity				
		12 Months or Less	12 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months
Local Government Investment Pool (LGIP)	\$ 62,630,601	\$ 62,630,601	\$ —	\$ —	\$ —	\$ —
US Treasury securities	21,208,710	—	1,034,531	14,272,657	5,901,522	—
Government Sponsored Enterprise (GSE)	26,572,129	8,092,197	11,267,299	6,192,329	1,020,304	—
Corporate medium term notes	3,066,047	1,000,182	2,065,865	—	—	—
	<u>\$113,477,487</u>	<u>\$ 71,722,980</u>	<u>\$ 14,367,695</u>	<u>\$ 20,464,986</u>	<u>\$ 6,921,826</u>	<u>\$ —</u>

#### 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: 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-than-quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

The city's investments consist of Treasuries, Agencies and Corporate Medium Term Notes, all actively traded instruments and therefore able to be reasonably priced by nationally-known vendors. Fair Value is priced using ICE (Intercontinental Exchange) as the primary source and Bloomberg as a secondary source for monthly valuations on monthly custodial safekeeping reports. At December 31, the city had the following investments measured at fair value:



## FAIR VALUE MEASUREMENTS

	12/31/2021	Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
US Treasury securities	\$ 21,208,710	\$ 21,208,710	\$ —	\$ —
Federal agency obligations	26,572,129	—	26,572,129	—
Corporate bonds	3,066,047	—	3,066,047	—
Total investments measured at fair value	50,846,886	21,208,710	29,638,176	—
Investments measured at amortized cost				
State Local Government Investment Pool (LGIP)	62,630,601	62,630,601	—	—
Total Investments	<u>\$ 113,477,487</u>	<u>\$ 83,839,311</u>	<u>\$ 29,638,176</u>	<u>\$ —</u>

### Carrying Value

Investments are reported at fair value on the Financial Statements. Fair value reflects the market price on a given date, reported independently by the third-party custodian using quoted prices in active markets for identical assets. Securities traded on a national exchange are valued at the last reported sales price or fair value when market quotations are readily available. Changes in fair value may create unrealized gains and losses which are usually not realized due to the strategy outlined in the City’s investment policy of primarily holding investments until maturity.

The city is a voluntary participant in the Local Government Investment Pool (LGIP), an external investment pool managed by the Washington State Treasurer. The pool is not rated and not registered with the SEC. rather, oversight is provided by the State Finance Committee in accordance with RCW 43.20. Investments in the LGIP are reported at amortized cost, which is the same as the per-share value of the pool. The LGIP does not impose any restrictions on participant withdrawals.

A copy of the stand-alone financial report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200 or online at [www.tre.wa.gov](http://www.tre.wa.gov).

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the market value of an investment. In accordance with its adopted investment policy, the City manages its exposure to declines in fair value due to rising interest rates by limiting the weighted average maturity of its cash and security portfolio as a whole. The City does not purchase derivatives, pass-through obligations or other interest rate sensitive instruments in its portfolio. Weighted average maturity on callable securities is calculated using both the expected call date and the final maturity date.

### Custodial Credit Risk

The City’s [Investment Policy](#) does not include Repurchase, Reverse – Repurchase agreements or securities lending as allowable investment activity; therefore no custodial credit risk exists. All investments are held in the City’s name by a third party custodian through a Trust Agreement, with the exception of the LGIP and Local Improvement District (LID) notes.

### PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied within the county for all taxing authorities. Collections are distributed after the end of each month, on the tenth day of the following month.

## PROPERTY TAX CALENDAR

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property is established for next year's levy at 100% of market value.
October 31	Second installment payment is due.

During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections in the hands of the County Treasurer at December 31st. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Delinquent taxes are reported as unearned in the governmental funds and as part of the net position in the government wide funds.

The City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general government services, less a maximum levy of \$0.50 per \$1,000 for the Library District. This amount may be reduced for either of the following reasons:

- The Washington State Constitution limits total regular property tax levies to one-percent of assessed valuation or \$10 per \$1,000 of value. If the tax levies of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.
- Washington State law, RCW 84.55.010, limits the total dollar amount of regular property taxes that may be levied annually to 101% of the highest levy in the three previous years (excluding new construction, annexations and state assessed property).

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

For 2021, the City's regular tax levy was \$2.5337 per \$1,000 on a total assessed valuation of \$7.9 billion, for a total regular levy of \$20,107,990. Included in the City's regular levy is an authorization to levy for the Firemen's Relief and Pension Fund. This levy is subject to the same limitations as the levy for general government services. The Firemen's Relief and Pension portion of the regular tax levy for 2021 was \$.1354 per \$1,000, or \$1,074,618.

### RECEIVABLES

Receivables as of year-end for the City's individual major funds, nonmajor, internal service and agency funds in the aggregate are included in the statements.

Accounts receivable balances of the Enterprise funds are reported net of allowances for uncollectible accounts. Estimated uncollectible balances are as follows:

#### ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLE – ENTERPRISE FUNDS

Refuse	\$	282,203
Wastewater		646,614
Water		377,614
Irrigation		73,551
Irrigation Capital		36,227
Total	\$	<u>1,416,209</u>

### INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

#### Interfund Receivables and Payables

Under the City's Interfund Loan program established in Chapter 3.123 of the City of Yakima Municipal code, loans between funds are authorized in order to fund short term working capital requirements of funds that may be in a negative cash position. Generally, such needs are due to timing differences between a fund's regular receipts of revenue and ordinary operating expenditures or expenses. Interfund loans for brief periods up to a calendar quarter will not be subject to interest.

Interfund balances have been eliminated on the government-wide financial statement. Interfund balances were as follows at year end:

### INTERFUND BALANCES

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Yakima Revenue Dev Area	Wastewater	\$ 1,899,000
Yakima Revenue Dev Area	Water Capital	467,000
Yakima Revenue Dev Area	Wastewater Capital	467,000
Yakima Revenue Dev Area	Stormwater Capital	467,000
	Total	<u>\$ 3,300,000</u>

### Interfund Transfers

Interfund transfers represent subsidies and contributions provided to other funds with no corresponding debt or promise to repay. General Fund transfers are primarily used to: 1) allocate the portion of utility taxes that are designated to support Parks and Recreation and Law and Justice Capital programs; and 2) support the Public Safety dispatch operation with a portion of the telephone tax. Other transfers generally represent debt service and capital project funding.

The following chart depicts interfund transfer activity during 2021:

### INTERFUND TRANSFERS

<u>Transfer out</u>	<u>Transfer In</u>		
	<u>Gen Gov't</u>	<u>Wastewater</u>	<u>Total</u>
General Fund	\$ 2,089,838	\$ —	\$ 2,089,838
Other Gen Gov't	3,172,509	—	3,172,509
Wastewater	84,448	—	84,448
Water	—	34,826	34,826
Total	<u>\$ 5,346,795</u>	<u>\$ 34,826</u>	<u>\$ 5,381,621</u>

### CAPITAL ASSETS

### CAPITAL ASSET ACTIVITY

	<u>Balance</u>				<u>Balance</u>
	<u>1/1/2021</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>12/31/2021</u>
Governmental activities					
Capital assets - not being depreciated					
Land	\$ 17,571,736	\$ —	\$ —	\$ (42,337)	\$ 17,529,399
Construction in progress	24,435,996	6,634,733	(20,479,783)	(4,954)	10,585,992
Total capital assets not being depreciated	<u>42,007,732</u>	<u>6,634,733</u>	<u>(20,479,783)</u>	<u>(47,291)</u>	<u>28,115,391</u>
Capital assets being depreciated					
Buildings	57,628,807	2,044,322	—	(21,729)	59,651,400
Other improvements	31,330,614	3,907,135	9,494,639	(42,853)	44,689,535
Machinery, equipment and vehicles	26,833,066	1,622,477	—	(633,084)	27,822,459
Infrastructure	304,809,819	14,536,349	10,985,145	(50,410)	330,280,903
Total capital assets being depreciated	<u>420,602,306</u>	<u>22,110,283</u>	<u>20,479,784</u>	<u>(748,076)</u>	<u>462,444,297</u>

## CAPITAL ASSET ACTIVITY

	Balance 1/1/2021	Additions	Adjustments	Deletions	Balance 12/31/2021
Less accumulated depreciation					
Buildings	(30,213,730)	(1,249,004)	—	18,216	(31,444,518)
Other improvements	(15,438,214)	(1,612,302)	—	26,741	(17,023,775)
Machinery, equipment and vehicles	(20,601,651)	(1,156,209)	—	578,220	(21,179,640)
Infrastructure	(216,006,860)	(8,490,908)	—	17,116	(224,480,652)
Total accumulated depreciation	(282,260,455)	(12,508,423)	—	640,293	(294,128,585)
Total capital assets being depreciated - net	138,341,851	9,601,860	20,479,784	(107,783)	168,315,712
Governmental activities capital assets - net	180,349,583	16,236,593	1	(155,074)	196,431,103
Internal service funds - governmental activities					
Capital assets being depreciated					
Buildings	423,457	—	—	(900)	422,557
Other improvements	722,430	24,639	—	(4,046)	743,023
Machinery, equipment and vehicles	27,964,138	1,864,038	—	(1,886,393)	27,941,783
Total capital assets being depreciated	29,110,025	1,888,677	—	(1,891,339)	29,107,363
Less accumulated depreciation					
Buildings	(52,341)	(39,215)	—	900	(90,656)
Other improvements	(302,175)	(40,538)	—	405	(342,308)
Machinery, equipment and vehicles	(17,058,748)	(1,495,616)	—	1,667,163	(16,887,201)
Total accumulated depreciation	(17,413,264)	(1,575,369)	—	1,668,468	(17,320,165)
Total capital assets being depreciated - net	11,696,761	313,308	—	(222,871)	11,787,198
Internal service - gov't act cap assets - net	<u>\$ 192,046,344</u>	<u>\$ 16,549,901</u>	<u>\$ 1</u>	<u>\$ (377,945)</u>	<u>\$ 208,218,301</u>
Business-type activities					
Capital assets - not being depreciated					
Land	\$ 5,523,404	\$ —	\$ —	\$ (18,598)	\$ 5,504,806
Construction in progress	14,076,315	6,515,471	(10,631,445)	(10,028)	9,950,313
Total capital assets not being depreciated	19,599,719	6,515,471	(10,631,445)	(28,626)	15,455,119
Capital assets being depreciated					
Buildings	88,362,671	—	—	(22,256)	88,340,415
Other improvements	206,217,219	7,811,670	10,441,662	(685,705)	223,784,846
Machinery, equipment and vehicles	41,966,730	1,057,869	189,783	(218,120)	42,996,262
Intangibles	2,190,138	—	—	—	2,190,138
Total capital assets - depreciated	338,736,758	8,869,539	10,631,445	(926,081)	357,311,661
Less accumulated depreciation					
Buildings	(67,013,123)	(1,412,402)	—	20,751	(68,404,774)
Other improvements	(95,324,968)	(6,581,817)	(686,382)	408,813	(102,184,354)
Machinery, equipment and vehicles	(28,995,412)	(1,947,631)	—	226,029	(30,717,014)
Intangibles	(1,512,395)	(101,471)	—	—	(1,613,866)
Total accumulated depreciation	(192,845,898)	(10,043,321)	(686,382)	655,593	(202,920,008)
Total capital assets being depreciated - net	145,890,860	(1,173,782)	9,945,063	(270,488)	154,391,653
Total capital assets - business activities	<u>\$ 165,490,579</u>	<u>\$ 5,341,689</u>	<u>\$ (686,382)</u>	<u>\$ (299,114)</u>	<u>\$ 169,846,772</u>

**NOTE** - The adjustment column represents construction work in progress that were completed and either classified into the appropriate capital asset category, or expensed. Assets transferred between fund categories are also included as an adjustment. Depreciation expense was charged to functions/programs as follows:

### DEPRECIATION EXPENSE

Function/Program	Amount
General government	\$ 282,074
Public safety	1,052,554
Transportation	7,952,467
Economic environment	1,042,662
Cultural and recreational	2,178,667
Capital Assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,575,369
Total depreciation - governmental activities	\$ 14,083,793
Transit	\$ 959,142
Wastewater	4,428,838
Water	1,936,482
Irrigation	526,924
Stormwater	298,215
Airport	1,893,721
Total depreciation - business-type activities	\$ 10,043,322

### COMMITMENTS

#### Construction Commitments

The City had active construction projects as of December 31, 2021. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

Water Capital continues to work on the Intake River redirection, 1st Level Reservoir improvements, ASR Permit Modifications, Water Main replacement, and N. 1st Street to Martin Luther King Street.

In 2021, the Nelson Dam project received funds from Abbot Fish Barrier, Floodplain by design, Resources Legacy Fund, and State Community Capital with construction to continue into next year, and is in the process of seeking funding for the next phase.

The Sewer collection system improvements that will continue into 2022 include replacement of aging manholes & pipes and the continuation of the Wastewater Collection System Master Plan update. These projects are funded with rates and fees.

Stormwater projects at the end of 2021 include Drainage Improvement District Evaluation & Design, and the Stormwater Collection System Master Plan update. Stormwater is solely funded by Stormwater Utility Capital fund.

City Engineering (Arterial Streets) completed many projects and the projects that will be continue into 2022 are Spring Creek, and 48th Ave & Washington Improvement. Projects are paid for with Federal and State grants, Transportation Improvement Board (TIB), Transportation Improvement District (TBD), and Supporting Investment in Economic Development (SIED) grants and loans, and the Arterial Street Gas Tax.

Yakima Cascade Mill Site Development municipal solid waste was completed in 2021. The project continues into 2022, with the design and environmental work on Bravo Company Blvd. This project is currently using Sales Taxes Credit, Department of Ecology Grant, and local funds.

The Yakima Air Terminal-McAllister Field continues to work on the East General Aviation Apron that was constructed in the 1980's. The apron consists of approximately 29,400 square yards of asphalt and requires rehabilitation in order to meet Federal Aviation Administration safety standards. This project will continue into 2022. Airport projects are funded with FAA grants and Passenger Facility Charges (PFC).

### CURRENT CONSTRUCTION COMMITMENTS

Project	Contract Amount	Spent to Date	Remaining Commitment
Water	\$ 2,835,772	\$ 1,253,356	\$ 1,582,416
Irrigation System Design/Rebuild	21,414,433	7,373,152	14,041,281
Street Construction	2,678,374	2,249,985	428,389
REET Capital	942,427	38,038	904,389
Transportation Benefit District (TBD) Street Capital	3,060,734	409,789	2,650,945
Stormwater Capital	3,000,000	100,000	2,900,000
Millsite Street Construction	2,401,876	1,550,725	851,151
Wastewater Projects	2,318,794	599,844	1,718,950
Airport	2,085,082	25,765	2,059,317
Total	<u>\$ 40,737,492</u>	<u>\$ 13,600,654</u>	<u>\$ 27,136,838</u>

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### NOTE 5 – PENSION PLANS

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The following table represents the aggregate pension amounts for all state sponsored plans for the year 2021:

#### AGGREGATE PENSION AMOUNTS - ALL STATE SPONSORED PLANS

Pension liabilities	\$ (2,581,615)
Pension assets	72,343,111
Deferred outflows of resources	6,327,811
Deferred inflows of resources	(50,003,734)
Pension expense/expenditures	(12,207,982)

#### STATE SPONSORED PENSION PLANS

Substantially all Yakima 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 obtained by writing to:

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

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

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

### Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18%. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

#### PERS PLAN 1

<u>Actual Contribution Rates</u>	<u>Employer</u>	<u>Employee</u>
January - June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	n/a
Administrative Fee	0.18%	n/a
Total	12.97%	6.00%
July - December 2021		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	n/a
Total	10.25%	6.00%

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3.00% for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5% for each year of retirement before age 65. This option is available only to those who are age 55 or older and

have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

### Contributions

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

#### PERS PLAN 2/3

<u>Actual Contribution Rates</u>	<u>Employer 2/3</u>	<u>Employee 2</u>
January - June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	n/a
Administrative Fee	0.18%	n/a
Employee PERS Plan 3	-	Varies
Total	12.97%	7.90%
July - December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	n/a
Administrative Fee	0.18%	n/a
Employee PERS Plan 3	-	Varies
Total	10.25%	6.36%

The City of Yakima's actual PERS plan contributions were \$1,390,651 to PERS Plan 1 and \$2,223,260 to PERS Plan 2/3 for the year ended December 31, 2021.

### PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS)

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

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



PSERS membership includes:

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

PSERS covered employers include:

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

**PSERS Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the average final compensation (AFC) for each year of service. The AFC is based on the member’s 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member’s age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

**Contributions**

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

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2021 were as follows:

**PSERS PLAN 2**

<u>Actual Contribution Rates</u>	<u>Employer</u>	<u>Employee</u>
January - June 2021		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	n/a
Administrative Fee	0.18%	n/a
Total	12.25%	7.20%
July - December 2021		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	n/a
Administrative Fee	0.18%	n/a
Total	10.39%	6.50%

The City of Yakima's actual plan contributions were \$64,110 to PSERS Plan 2 for the year ended December 31, 2021.

### **LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM (LEOFF)**

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

#### **LEOFF Plan 1**

This plan 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% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

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

#### **Contributions**

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18% of covered payroll.

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

#### **Contributions**

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

## LEOFF PLAN 2

Actual Contribution Rates	Employer	Employee
January - June 2021		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	n/a
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	n/a
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>
July - December 2021		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	n/a
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	n/a
<b>Total</b>	<b>8.71%</b>	<b>8.53%</b>

The City of Yakima’s actual contributions to the plan were \$1,311,683 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the the City of Yakima as its proportionate share of this amount is (\$37,628,068).

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) 2013-2018 Experience Study and the 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation - 2.75% total economic inflation; 3.5% salary inflation
- Salary increases - In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return - 7.4%

Mortality rates were developed using the Society of Actuaries’ Pub. H-2020 mortality rates, which vary by member status, 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 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 his or her lifetime.

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

### Discount Rate

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

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 7.4% was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4% was determined using a building-block-method. In selecting this assumption, the 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

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, are summarized in the table below. 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	% LT Expected
		Real Rate of Return Arithmetic
Fixed income	20.00%	2.20%
Tangible assets	7.00%	5.10%
Real estate	18.00%	5.80%
Global equity	32.00%	6.30%
Private Equity	23.00%	9.30%
	100.00%	

### Sensitivity of Net Pension Liability

The table below presents the City of Yakima’s proportionate share of the net pension liability calculated using the discount rate of 7.4%, as well as what the City of Yakima’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.4%) or 1% point higher (8.4%) than the current rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.4%	7.4%	8.4%
PERS 1	\$ 4,397,927	\$ 2,581,615	\$ 997,604
PERS 2/3	(7,339,439)	(25,763,211)	(40,935,196)
PSERS 2	(48,473)	(309,174)	(515,505)
LEOFF 1	(7,780,677)	(8,642,659)	(9,388,419)
LEOFF 2	(23,728,286)	(37,628,068)	(49,009,216)

### 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, 2021, the City of Yakima reported total pension assets of (\$72,343,112) and total liabilities of \$2,581,615 as follows:

	Asset	Liability
PERS 1	\$ —	\$ 2,581,615
PERS 2/3	(25,763,211)	—
PSERS 2	(309,174)	—
LEOFF 1	(8,642,659)	—
LEOFF 2	(37,628,068)	—
Total	<u>\$ (72,343,112)</u>	<u>\$ 2,581,615</u>

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City of Yakima. 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:

Risk	LEOFF 1	LEOFF 2
	Asset	Asset
Employer’s proportionate share	\$ (8,642,659)	\$ (37,628,068)
State’s proportionate share of the net pension asset associated with the employer	(58,458,729)	(24,274,211)
Total	<u>\$ (67,101,388)</u>	<u>\$ (61,902,279)</u>

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

	<u>Proportionate Share 6/30/20</u>	<u>Proportionate Share 6/30/21</u>	<u>Change in Proportion</u>
PERS 1	0.2126%	0.2114%	(0.0012)%
PERS 2/3	0.2592%	0.2586%	(0.0006)%
PSERS 2	0.1493%	0.1346%	(0.0147)%
LEOFF 1	0.2593%	0.2523%	(0.0070)%
LEOFF 2	0.6456%	0.6478%	0.0022%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 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 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2021, the state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% 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 2021, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61% of employer contributions.

The collective net pension liability (asset) was measured as of December 31, 2021, and the actuarial valuation date on which the total pension liability (asset) is based was as of January 1, 2021, with update procedures used to roll forward the total pension liability to the measurement date.

### Pension Expense

For the year ended December 31, 2021, the City of Yakima’s recognized pension expense as follows:

	<u>Pension Expense</u>
PERS 1	\$ (524,040)
PERS 2/3	(5,986,258)
PSERS 2	(13,384)
LEOFF 1	(1,156,187)
LEOFF 2	(4,528,114)
Total	<u>\$ (12,207,983)</u>

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

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## DEFERRED OUTFLOWS/INFLOWS

Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS Plan 1		
Net difference between projected and actual investment earnings on pension plan investments	\$ —	\$ 2,864,729
Contributions subsequent to the measurement date	600,306	—
Total PERS Plan 1	<u>600,306</u>	<u>2,864,729</u>
PERS Plan 2/3		
Differences between expected and actual experience	1,251,282	315,832
Net difference between projected and actual investment earnings on pension plan investments	—	21,532,001
Changes of assumptions	37,648	1,829,614
Changes in proportion and differences between contributions and proportionate share of contributions	—	590,145
Contributions subsequent to the measurement date	988,724	—
Total PERS Plan 2/3	<u>2,277,654</u>	<u>24,267,592</u>
PSERS Plan 2		
Differences between expected and actual experience	31,725	1,222
Net difference between projected and actual investment earnings on pension plan investments	—	221,462
Changes of assumptions	48	31,614
Changes in proportion and differences between contributions and proportionate share of contributions	859	6,507
Contributions subsequent to the measurement date	31,433	—
Total PSERS Plan 2	<u>64,065</u>	<u>260,805</u>
LEOFF 1		
Net difference between projected and actual investment earnings on pension plan investments	—	2,640,864
Total LEOFF 1	<u>—</u>	<u>2,640,864</u>
LEOFF 2		
Differences between expected and actual experience	1,706,665	198,862
Net difference between projected and actual investment earnings on pension plan investments	—	17,941,333
Changes of assumptions	16,266	1,789,593
Changes in proportion and differences between contributions and proportionate share of contributions	1,010,837	39,956
Contributions subsequent to the measurement date	652,016	—
Total LEOFF 2	<u>3,385,784</u>	<u>19,969,744</u>
Total	<u>\$ 6,327,809</u>	<u>\$ 50,003,734</u>

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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1	PERS 2/3	PSERS	LEOFF 1	LEOFF 2
2022	\$ (758,867)	\$ (6,037,569)	\$ (58,695)	\$ (701,508)	\$ (4,666,792)
2023	(695,398)	(5,650,709)	(55,490)	(641,658)	(4,340,463)
2024	(657,527)	(5,404,254)	(52,682)	(605,464)	(4,093,906)
2025	(752,936)	(5,766,169)	(58,392)	(692,234)	(4,624,864)
2026	—	(124,784)	(877)	—	53,827
Thereafter	—	4,822	(2,037)	—	436,223

### VOLUNTEER FIREFIGHTERS' AND RESERVE OFFICERS' RELIEF AND PENSION FUND (VFFRPF)

VFFRPF is a cost-sharing, multiple-employer defined benefit plan administered by the State Board for Volunteer Fire Fighters and Reserve Officers. The Board is appointed by the Governor and is comprised of five members of fire departments covered by [Chapter 41.24 RCW](#). Administration costs of the VFFRPF are funded through legislative appropriation. Approximately 362 local governments, consisting of fire departments, emergency medical service districts and law enforcement agencies, contribute to the plan. In addition, the state, a nonemployer contributing entity, contributes 40% of the fire insurance premium tax. Retirement benefits are established in [Chapter 41.24 RCW](#) and may be amended only the Legislature

The VFFRPF plan does not issue a stand-alone financial report, but is included in the Annual Comprehensive Financial Report (ACFR) of the State of Washington. The State ACFR may be downloaded from the [Office of Financial Management \(OFM\) website](#).

Membership in the VFFRPF includes volunteer firefighters, emergency medical technicians, and commissioned reserve law enforcement officers of participating employers. After 25 years of active membership, members having reached the age of 65 and who have paid their annual retirement fee for 25 years are entitled to receive a monthly benefit of \$50 plus \$10 per year of service, for a maximum monthly benefit of \$300. Reduced pensions are available for members under the age of 65 or with less than 25 years of service.

Members are vested after ten years of service. The VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination. Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of \$214,000 and funeral and burial expenses of \$2,000. Members receiving disability benefits at the time of death shall be paid \$500.

### Contributions

Contribution rates for Emergency Medical Service Districts (EMSD) and law enforcement agencies are set each year by the Board based on the actual cost of participation as determined by the OSA. All other contribution rates are set by the Legislature. Municipalities may opt to pay the member's fee on their behalf.

The contribution rates for 2021 were as follows:

<b>VFFRPF</b>		
<u>Actual Contribution Rates</u>	<b>EMSD and Reserve Officers</b>	
	<b>Firefighters</b>	<b>Officers</b>
Municipality fee	\$ 30	\$ 105
Member Fee	30	30

The City of Yakima's actual contributions to the plan were \$0 for the year ended December 31, 2021. There were no participants in 2021.

In accordance with [Chapter 41.24 RCW](#), the state contributes 40% of the fire insurance premium tax to the plan. For fiscal year 2021, the fire insurance premium tax contribution was \$7.7 million. The city received \$113,779 of this amount.



## Actuarial Assumptions

The total pension asset for the VFFRPF was determined by an actuarial valuation by the Office of the State Actuary (OSA) as of June 30, 2020, and rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

- Inflation: 2.25%
- Salary increases: n/a
- Investment rate of return: 6%

The actuarial assumptions used in the valuation were based on the results of the OSA's 2021 *Report on Financial Condition and Economic Experience Study*, the 2021 *Pension Experience Study*, and the 2018 *Relief Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2020 valuation report.

Mortality assumptions used for this plan are consistent with assumptions used for Public Employees' Retirement System. 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.

## Discount Rate

The discount rate used to measure the total VFFRPF pension liability was 6%. To determine that rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included as assumed 6% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 6% future investment rate of return on invested assets was assumed for the test. Contributions from plan members, municipalities, and the state will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

## Long-Term Expected Rate of Return

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

## Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.25% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target	% LT Expected
	Allocation	Real Rate of Return
Fixed income	20.00%	2.20%
Tangible assets	7.00%	5.10%
Real estate	18.00%	5.80%
Global equity	32.00%	6.30%
Private Equity	23.00%	9.30%
	100.00%	

**Sensitivity of Net Pension Asset**

The following presents the City of Yakima’s proportionate share of the VFFRPF net pension asset calculated using the discount rate of 7%, as well as what the City of Yakima’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% point lower (6%) or 1% point higher (8%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6%	7%	8%
VFFRPF	\$ —	\$ —	\$ —

**Pension Plan Fiduciary Net Position**

Detailed information about the VFFRPF plan’s fiduciary net position is available in the separately issued State of Washington ACFR.

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

At June 30, 2021, the City of Yakima reported an asset of \$0 for its proportionate share of the VFFRPF plan’s net pension asset. The City of Yakima’s proportion of the net pension asset was based on actual contributions to the plan relative to total contributions of all participating municipalities. At June 30, 2021, the City of Yakima had no proportion of percentage.

The VFFRPF collective net pension asset was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

For the year ended December 31, 2021, the City of Yakima recognized pension expense of \$0. Deferred outflows of resources and deferred inflows of resources are not material to the VFFRPF plan.

**FIRE PENSION**

**AGGREGATE PENSION AMOUNTS - FIRE**

Pension liabilities	\$ 6,185,676
Pension assets	—
Deferred outflows of resources	—
Deferred inflows of resources	—
Pension expense/expenditures	13,011

The City has a single employer, defined benefit pension plan for Firefighters employed prior to March 1, 1970, and governed by [Chapter 41.26 RCW](#). Under the terms of the governing law, the pension member is entitled to payment from the City’s pension plan for those benefits in excess of those calculated under the LEOFF plan.

The City’s Firemen’s Pension Fund is a closed group. The number of inactive, retired members and survivors covered by the benefit terms is 55, with a combined monthly pension of \$39,736 paid by the City. Cost of Living Adjustment (COLA) was 2.0% and Collective Bargaining Agreement (CBA) was 2.5%. There are no active members covered by the benefit terms; no new members are permitted. Employees attaining the age of fifty who have completed 25 or more years of service are entitled to annual benefits of 50% of their salary plus an additional 2% for each year of service in excess of 25 years, up to a maximum of 60% of salary. The pension plan also provides death and disability pension benefits plus sick benefits for eligible active and retired employees.

If the employee terminates his employment with the Fire Department and is not eligible for any other benefit under the Firemen’s Pension, the employee is entitled to the following:

- Return of accumulated contributions less any benefits paid.
- When a Firefighter would have had 25 years of service, 2% of salary for each year of service.

During the year ended December 31, 2021, there were no plan amendments.

**Contributions**

The Firemen's Pension is a department within the General Fund. The City engaged Milliman U.S.A., Consultant & Actuaries, to perform the pension’s actuarial study. They issued a valuation dated January 1, 2021.

Firefighters are no longer required to contribute to the Firemen’s Pension. The City is required to contribute the amount necessary to fund the Firemen’s Pension, using the aggregate projected benefit method. Under state law, partial funding of the Firemen’s Pension Fund is provided by:

- An annual tax levy of \$.1354 per \$1,000 of assessed valuation of all taxable property of the City in the amount of \$1,069,974 for fiscal year 2021.
- The Firemen’s Pension Fund also receives a proportionate share of the 25% of the tax on fire insurance premiums set aside by the state for all paid firemen in the state which totaled \$113,779 for fiscal year 2021.
- There was no additional funding is provided by investment interest earnings in fiscal 2021.

**Actuarial Assumptions**

The City’s funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

Actuarial assumptions valuation date is January 1, 2021, measurements were based on the results of an actuarial experience study covering the period from January 1, 2021 through December 31, 2021. Those assumptions, applied to all periods included in the measurement, are as follows.

- Inflation - 2.25%
- Salary increases, including inflation - 3.25%
- Mortality - RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members).
- Actuarial cost method - Entry age normal

The following presents the total pension liability of the City, calculated using the discount rate of 2%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1% point lower (1%) or 1% point higher (3%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1%	2%	3%
Total Pension Liability	\$ 6,713,141	\$ 6,185,676	\$ 5,727,405

**Pension Expenses**

For the year ended December 31, 2021, the pension expense is \$13,011.

**Total Pension Liability**

Due to the implementation of GASB 73, the City is now required to report the pension liability of this single employee non-trust pension plan. The City recognizes its total pension liability, rather than a net pension liability. In order for the City to recognize a net pension liability, assets must be accumulated in a trust that meets all of the following criteria:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

No assets are accumulated in a trust that meets all of the above criteria because the City’s contributions are not irrevocable. Accordingly, the City’s total pension liability is not reduced by any assets accumulated in a trust that meets the criteria and the City must report its total pension liability.

The City’s total pension liability was determined by an actuarial valuation as of the measurement date of December 31, 2021. Changes in the City’s total pension liability were as follows:

<u>Fire Pension</u>	<u>Total Pension Liability</u>
Balances at 12/31/2020	\$ 6,617,462
Changes for the year:	
Interest on total pension liability	126,790
Effect of economic/ demographic gains or losses	—
Effect of assumptions changes or inputs	—
Benefit payments	(558,576)
Net changes in total pension liability	<u>(431,786)</u>
Balance at 12/31/2021	<u>\$ 6,185,676</u>

The liability has decreased since the last valuation. This is due to the fact that the discount rate used to discount the projected benefit payments into a present value did not change and remained at 2.00%.

The Plan remains sensitive to demographic experience that deviates from expectations due to the small size of the Plan membership. The Plan also remains sensitive to deviations in the excess benefit amounts from expectations.

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Fire Pension</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Total	<u>\$ —</u>	<u>\$ —</u>

Deferred outflows of resources related to pensions resulting from the City of Yakima's payments subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2021. There are no deferred outflows as of December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
December 31	Amount
2022	\$ —
2023	—
2024	—
2025	—
2026	—
Thereafter	—

## POLICE PENSION

### AGGREGATE PENSION AMOUNTS - POLICE

Pension liabilities	\$ 3,492,482
Pension assets	—
Deferred outflows of resources	—
Deferred inflows of resources	—
Pension expense/expenditures	71,377

The City has a single employer, defined benefit pension plan for Police Officers employed prior to March 1, 1970, and governed by [Chapter 41.20 RCW](#) and [Chapter 41.26 RCW](#). Under the governing law, the pension member is entitled to payment from the City's pension plan for those benefits in excess of those calculated under the LEOFF plan. The City also covers four members who were ineligible under the State Law Enforcement Officers and Firefighters (LEOFF) Program.

The City's Police Pension Fund is a closed group. The number of inactive, retired members and survivors covered by the benefit terms is 51, with a combined monthly pension of \$19,737 paid by the City. Cost of Living Adjustment (COLA) was 2.0% and Collective Bargaining Agreement (CBA) was 2%. There are no active members covered by the benefit terms; no new members are permitted. Employees who have completed 25 years or more of service are entitled to annual benefits of 50% of their salary plus an additional 2% for each year of service in excess of 25 years – up to a maximum of 60% of salary. The plan provides death and disability pension benefits plus sick benefits for eligible active and retired employees.

There are no longer any active employees who are eligible for this benefit.

During the year ended December 31, 2021, there were no plan amendments.

#### Contributions

The Police Pension is a department within the General Fund. The City engaged Milliman U.S.A., Consultant & Actuaries, to perform the pension's actuarial study. They issued a valuation dated January 1, 2021. The valuation provided actuarially determined rates to accumulate sufficient assets to pay benefits when due rather than the current pay as you go basis.

#### Actuarial Assumptions

The City's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

The total pension liability was determined by an actuarial measurement date of December 31, 2021 the valuation date, calculated based on the discount rate and actuarial assumptions below.

- Inflation - 2.25%
- Salary increases, including inflation - 3.25%
- Mortality - RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members).
- Actuarial cost method - Entry age normal

The following presents the total pension liability of the City, calculated using the discount rate of 2%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1% point lower (1%) or 1% point higher (3%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1%	2%	3%
Total Pension Liability	\$ 3,776,710	\$ 3,492,482	\$ 3,242,527

### Pension Expenses

For the year ended December 31, 2021, the pension expense is \$71,377.

### Total Pension Liability

Due to the implementation of GASB 73, the City is now required to report the pension liability of this single employee non-trust pension plan. The City recognizes its total pension liability, rather than a net pension liability. In order for the City to recognize a net pension liability, assets must be accumulated in a trust that meets all of the following criteria:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

No assets are accumulated in a trust that meets all of the above criteria because the City's contributions are not irrevocable. Accordingly, the City's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria and the City must report its total pension liability.

The City's total pension liability was determined by an actuarial valuation as of the measurement date of December 31, 2021. Changes in the City's total pension liability were as follows:

<u>Police Pension</u>	<u>Total Pension Liability</u>
Balances at 12/31/2020	\$ 3,715,125
Changes for the year:	
Interest on total pension liability	71,377
Effect of economic/ demographic gains or losses	—
Effect of assumptions changes or inputs	—
Benefit payments	(294,020)
Net changes in total pension liability	(222,643)
Balance at 12/31/2021	<u>\$ 3,492,482</u>

The liability has decreased since the last valuation. This is due to the fact that the discount rate used to discount the projected benefit payments into a present value did not change and remained at 2.00%.

The Plan remains sensitive to demographic experience that deviates from expectations due to the small size of the Plan membership. The Plan also remains sensitive to deviations in the excess benefit amounts from expectations.

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Police Pension</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Total	<u>\$ —</u>	<u>\$ —</u>

Deferred outflows of resources related to pensions resulting from the City of Yakima's payments subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2021. There are no deferred outflows as of December 31, 2021. 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>Amount</b>
2022	\$ —
2023	—
2024	—
2025	—
2026	—
Thereafter	—

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## **NOTE 6 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

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The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2021.

### **AGGREGATE AMOUNTS - ALL OPEB PLANS**

OPEB liabilities	\$ 52,739,644
OPEB assets	—
Deferred outflows of resources	215,532
Deferred inflows of resources	(2,693,119)
OPEB expense/expenditures	1,217,721

In addition to providing pension benefits, the City provides certain health care (100% of medically necessary costs) and life insurance benefits for retired employees under the City's Firemen's and Police Pensions as prescribed by state statutes. Current employees under these two pensions become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care insurance and life insurance benefits is recognized as an expenditure as claims are paid. Both plans are being funded 100% by the City on a pay as you go basis. For 2021, the costs totaled \$570,343 for the Firemen's Pension and \$426,642 for the Police Pension.

## **Mortality**

The mortality assumptions used in this valuation are based on the most recent Experience Study done for the LEOFF Retirement System as prepared by the Office of the State Actuary.

Mortality rates are expected to continue to decrease in the future, and the resulting longevity should be anticipated in the actuarial valuation. This is done through the use of a generational mortality table. A generational mortality table anticipates future improvements in mortality by using a different static mortality table for each year of birth, with the tables for later years of birth assuming lower mortality than the tables for earlier years of birth.

Members Retired from Service and Spouses: The mortality rates are based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females.

Disabled Members: The mortality rates are based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years.

## **LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' OPEB (LEOFF 1)**

Under RCW law, retiree medical, hospital, and nursing care, as long as a disability exists, are covered for any active firefighter hired prior to March 1, 1970. For any retired officer hired prior to March 1, 1970, retiree medical, hospital, and nursing 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 retiree medical benefits during retirement. Under LEOFF Law, the necessary hospital, retiree medical, and nursing care expenses not payable by Workers' Compensation, Social Security, etc. are covered for any active or retired LEOFF 1 member.

Employees are eligible to receive lifetime retiree medical benefits upon service retirement after age 50 with at least five years of service. If they are not eligible to retire when leaving LEOFF, but have 20 years of service credit, they are eligible for retiree medical benefits when pension benefits commence. Employees also receive lifetime benefits upon disability.

Effective January 1, 2007, the City began reimbursing dental costs up to an annual maximum of \$500 for LEOFF I Fire/Police employees.

The number of inactive, retired members and survivors, covered by the benefit terms is 122. There are no active members covered by the benefit terms.

## **Funding Policy**

Funding for LEOFF retiree health care costs is provided entirely by the City as required by RCW. The City's funding policy is based upon pay as you go financing requirements, and there are no assets accumulated in a qualifying trust.

## **FIRE OPEB**

### **Assumptions and Other Inputs**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The total OPEB liability was determined by an actuarial valuation as of the valuation date of January 1, 2021, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2021. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.



The following presents the total OPEB liability of the City of Yakima calculated using the discount rate of 2%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1%) or 1% point higher (3%) that the current rate.

	<b>Current Discount</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
	<b>1%</b>	<b>2%</b>	<b>3%</b>
Total December 31, 2021 OPEB liability	\$ 27,256,905	\$ 23,813,442	\$ 20,972,774

The following presents the total OPEB liability of the City of Yakima calculated using the current healthcare cost trend rates, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher that the current rate.

	<b>Current Healthcare Cost Trend</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
Total December 31, 2021 OPEB liability	\$ 20,956,314	\$ 23,813,442	\$ 27,183,543

The number of inactive, retired members and survivors, covered by the benefit terms is 55. There are no active members covered by the benefit terms.

#### CHANGES IN FIRE OPEB LIABILITY

	<b>Total OPEB Liability</b>
<b>Fire OPEB</b>	
Total OPEB liability - Beginning	\$ 24,147,639
Service cost	—
Interest on total OPEB liability	474,902
Effect of economic/demographic gains or losses	—
Effect of assumptions, changes or inputs	—
Expected benefit payments	(809,099)
Net change in total OPEB liability	(334,197)
Total OPEB liability - ending	<u>\$ 23,813,442</u>

#### CHANGES IN FIRE OPEB EXPENSE

	<b>Jan. 1, 2021 to Dec. 31, 2021</b>
<b>OPEB Expense</b>	
Interest on total OPEB liability	\$ 474,902
Effect of plan changes	—
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	—
Effect of assumptions changes or inputs	—
OPEB Expense	<u>\$ 474,902</u>

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Fire OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Total	<u>\$ —</u>	<u>\$ —</u>

Deferred outflows of resources of \$0 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
December 31	Amount
2022	\$ —
2023	—
2024	—
2025	—
2026	—
Thereafter	—

## POLICE OPEB

### Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The total OPEB liability was determined by an actuarial valuation as of the valuation date of January 1, 2021, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2021. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.

The following presents the total OPEB liability of the City of Yakima calculated using the discount rate of 2%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1%) or 1% point higher (3%) that the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1%	2%	3%
	Total December 31, 2021 OPEB liability	\$ 25,743,535	\$ 22,500,246

The following presents the total OPEB liability of the City of Yakima calculated using the current healthcare cost trend rates, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher that the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	1%	2%	3%
	Total December 31, 2021 OPEB liability	\$ 19,805,466	\$ 22,500,246

The number of inactive, retired members and survivors, covered by the benefit terms is 51. There are no active members covered by the benefit terms.

## CHANGES IN POLICE OPEB LIABILITY

	<u>Total OPEB Liability</u>
<b>Police OPEB</b>	
Total OPEB liability - Beginning	\$ 22,771,904
Interest on total OPEB liability	448,274
Effect of economic/demographic gains or losses	—
Effect of assumptions, changes or inputs	—
Expected benefit payments	(719,932)
Net change in total OPEB liability	<u>(271,658)</u>
Total OPEB liability - ending	<u><u>\$ 22,500,246</u></u>

## CHANGES IN POLICE OPEB EXPENSE

	<u>Jan. 1, 2021 to Dec. 31, 2021</u>
<b>OPEB Expense</b>	
Interest on total OPEB liability	\$ 448,274
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	—
Effect of assumptions changes or inputs	—
OPEB Expense	<u><u>\$ 448,274</u></u>

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Police OPEB</b>		
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Total	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

Deferred outflows of resources of \$0 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u>	<u>Amount</u>
<u>December 31</u>	
2022	\$ —
2023	—
2024	—
2025	—
2026	—
Thereafter	—

**NON-LEOFF I OPEB**

The City of Yakima provides to its retirees employer-provided subsidies associated with postemployment medical benefits. Retirees eligible to receive pension benefit payments along with their qualifying dependents are eligible to remain on the medical insurance plan up to Medicare eligible age 65, by self-paying the entire composite premium rates which blend both active and inactive (i.e. retired) member claims history.

City members under the age of 65 are eligible for retiree medical benefits after becoming eligible for retirement pension benefits (either reduced or full pension benefits). Spouses of retired members of Plan 1 of LEOFF under the age of 65 are also eligible for benefits. Also, dependent children of retirees under the age of 25 are eligible for benefits.

Former members who are entitled to a deferred vested pension benefit are eligible to receive medical benefits after pension benefit commencement. Spouses under age 65 of covered members are eligible for medical benefits after the members’ benefits terminate due to death or obtaining age 65.

Upon retirement, members are permitted to receive medical benefits. Retirees paid \$821.75 per month for pre-65 Medical coverage for 2021. If a retiree chooses to cover his spouse and/or eligible family an amount of \$1,925.40 per month for pre-65 Medical coverage was paid in 2021.

**Funding Policy**

The funding policy is based upon the pay as you go financing requirements.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The total OPEB liability was determined by an actuarial valuation as of the valuation date of January 1, 2021, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2021. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.

The following presents the total OPEB liability of the City of Yakima calculated using the discount rate of 2%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1%) or 1% point higher (3%) that the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1%	2%	3%
Total December 31, 2021 OPEB liability	\$ 6,901,960	\$ 6,425,956	\$ 5,971,067

The following presents the total OPEB liability of the City of Yakima calculated using the current healthcare cost trend rates, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher that the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total December 31, 2021 OPEB liability	\$ 5,586,792	\$ 6,425,956	\$ 7,430,813

The number of inactive, retired members and survivors, covered by the benefit terms is 53. There are no active members covered by the benefit terms.

## CHANGES IN NON-LEOFF OPEB LIABILITY

	<u>Total OPEB Liability</u>
<b>Non-LEOFF OPEB</b>	
Total OPEB liability - Beginning	\$ 6,186,687
Service cost	444,569
Interest on total OPEB liability	129,295
Effect of economic/demographic gains or losses	—
Effect of assumptions, changes or inputs	—
Expected benefit payments	(334,595)
Net change in total OPEB liability	<u>239,269</u>
Total OPEB liability - ending	<u>\$ 6,425,956</u>

## CHANGES IN NON-LEOFF OPEB EXPENSE

	<u>Jan. 1, 2021 to Dec. 31, 2021</u>
<b>OPEB Expense</b>	
Service cost	\$ 444,569
Interest on total OPEB liability	129,295
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(212,844)
Effect of assumptions changes or inputs	(66,475)
OPEB Expense	<u>\$ 294,545</u>

At December 31, 2021, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Non-LEOFF OPEB</b>		
Differences between expected and actual experience	\$ —	\$ (1,979,454)
Changes of assumptions	215,532	(713,665)
Total	<u>\$ 215,532</u>	<u>\$ (2,693,119)</u>

Deferred outflows of resources of \$0 resulting from payments subsequent to the measurement date will have no affect on the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended</b>	<b>Amount</b>
<u>December 31</u>	
2022	\$ (279,319)
2023	(279,319)
2024	(279,319)
2025	(279,319)
2026	(279,319)
Thereafter	(1,080,992)

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## **NOTE 7 – SELF-INSURANCE**

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The City maintains Reserve Funds to provide for self-insurance coverage in the areas of Unemployment Compensation, Medical/Dental coverage, and Workers' Compensation. In addition, the City maintains a Risk Management Fund to provide for property, liability, and other coverage.

### **UNEMPLOYMENT COMPENSATION**

In 1978, the City of Yakima established an Unemployment Compensation Reserve Fund to provide unemployment compensation coverage for its employees, and thereby elected to participate with the State of Washington in a cost reimbursement instead of monthly premium program. In doing so, the City retained its right to appeal awards and determinations made by the State Department of Employment Security.

The State of Washington invoices the City on a quarterly basis for reimbursement of claims which represent payment of unemployment compensation and related administrative costs. Resources accrue to the Unemployment Compensation Reserve Fund through monthly charges made to each Operating Fund based on employee earnings. Accrual rates have been .38% of gross payroll. Interfund premiums are based primarily upon the insured funds claims experience and are reported as quasi external interfund transactions - these totaled \$229,128 for 2021. The reserve balance at the end of 2021 was \$354,264.

### **MEDICAL & DENTAL COVERAGE**

In August, 1979, the City self-insured its medical and dental programs for all eligible employees (temporary employees and employees hired to work less than half time are not eligible to participate in the plan). The City's Human Resources Office administers the self-insured program and claims payments. The third party administrator is Employee Benefit Management Services (EBMS).

Each Operating Fund is charged an accrual amount per covered employee which would otherwise have been paid to an insurance carrier. These amounts are determined by the City based upon recommendations made by HUB International, the contracted broker. Factors considered by the broker include the amount of claims paid the previous year, increases over prior years, claims administration costs, projected insurance industry inflation rates and the status of the Fund's Reserve. Interfund premiums for 2021 were \$11,380,009. The reserve balance at the end of 2021 was \$1,574,633, after considering incurred but not reported claims of \$2,352,164 that have been accrued as a liability.

In order to avoid catastrophic losses, the City reinsures the program by purchasing insurance known as "stop loss insurance." Two types of "stop loss" insurance are purchased: 1) individual stop loss; and, 2) aggregate stop loss, provided through Optum/Unimerica and Aetna respectively. Under the individual stop loss insurance, the City pays the first \$275,000 of claims for an individual employee or dependent. Any charges accrued by an individual in excess of \$275,000 in a calendar year are thereafter reimbursed through the insurer. The aggregate stop loss is designed to protect the City from multiple large claims which may not reach the individual stop loss attachment point. The aggregate stop loss attachment point is calculated by determining the projected amount of claims for the year and adding an additional 25% of that amount (125% of projected claims).

### **WORKERS COMPENSATION**

The City self-insured its workers' compensation program for all employees except those covered by the LEOFF 1 Retirement System in July, 1984. This workers' compensation program provides coverage identical to the state administered workers' compensation program; however, the City pays only the direct injury related costs and certain administrative fees. The program is administered by the City's Human Resources Office with claims administration and safety services provided by Intermountain Claims, Inc.

Each operating fund is charged an appropriate accrual amount, per employee, based on rate requirements prescribed by the State of Washington. Each year the reserve fund balance is reviewed to determine a contribution rate which provides for an appropriate reserve. Interfund premiums to the fund were \$1,851,044.

The reserve balance at the end of 2021 was \$7,846 after considering, based on the claims manager's estimate, the accrual for incurred but not reported claims of \$650,000 at December 31, 2021.

In order to avoid catastrophic losses, the City "reinsures" the program by purchasing insurance known as "stop loss" insurance. This insurance is provided through Payne West Insurance under a policy purchased from Safety National Casualty Corporation. Under the individual stop loss coverage, the City pays the first \$650,000 of a claim and the insurance company pays the balance for an individual claim or the balance up to a maximum of \$25 million for multiple claims arising from a single incident.

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## **NOTE 8 – RISK MANAGEMENT**

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The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Risk Management Fund was established in 1986 to account for its risk management program. Resources accrue to the fund through interfund premiums to operating funds for appropriate insurance coverage and the replenishment and building of reserves for potential liability claims. City interfund contributions to the Risk Management Reserve Fund were \$5,042,916. The fund provides for administration, legal services, and claims adjustment and for the purchase of property, general liability, and other insurance coverage.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider recent claim settlement trends, inflation, and other economic or social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims. Estimated recoveries, for example, from subrogation, are another component of the claims liability estimate. The City has not experienced any claims exceeding insurance coverage limits in the past three years. Based on these factors, the claims manager's estimate of claims liability at December 31, 2021, is \$2,621,770.

The Risk Management fund balance was \$2,090,326 at the end of 2021.

### **PROPERTY AND LIABILITY INSURANCE**

#### **Affiliated FM Insurance Company**

The City of Yakima purchases property insurance and boiler and machinery insurance from Affiliated FM Insurance Company covering loss or damage to City owned property from various perils including earthquake and flood.

*Coverage* – The policy is subject to a \$100,000,000 limit per occurrence and up to a \$100,000 per occurrence deductible, depending on the nature of the claim.

#### **Cities Insurance Association of Washington (CIAW)**

[Chapter 48.62 RCW](#) authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. The CIAW insurance pool is administered by Clear Risk Solutions. The program provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts are included to fit members' various needs.

The City of Yakima became an associate member effective December 14, 2005, and became a member effective September 1, 2010. As of December 31, 2021, there were over 200 members in the program. The City's

participation in the CIAW insurance pool expired November 30, 2019, though CIAW continues to provide coverage for covered incidents that occurred before November 30, 2019.

**Coverage** – The City of Yakima has a \$100,000 deductible, and the CIAW pool is responsible for claims between \$100,000 and \$200,000, while insurance covers insured losses over \$200,000 to the limits of each policy.

**Safety National Insurance Company**

As of December 31, 2019, the City of Yakima purchases liability insurance from Safety National Insurance Company, including general, auto, public officials, and law enforcement liability, as well as cyber insurance. Additionally, the City purchases excess liability layers through Safety National, Princeton, and Arch insurance companies. The City’s total policy limits depends on the type of coverage.

**Coverage** - The policy limits vary by coverage type, with \$15,000,000 per occurrence and \$25,000,000 policy aggregate for general liability, and \$15,000,000 per occurrence and \$20,000,000 policy aggregate for law enforcement liability. Deductibles under the policy also vary by coverage type, and are either \$500,000 or \$750,000.

**Washington State Transit Insurance Pool (WSTIP)**

WSTIP is a 25-member self-insurance program with public transit members who provide transit services and is located in Olympia, Washington. The City of Yakima Transit Division is insured for liability insurance through the WSTIP, and has been a member since September 1, 2005. WSTIP supplies Yakima Transit auto liability, general liability, and public officials’ liability coverage.

**Coverage** – The City of Yakima Transit Division has liability coverage, which is not subject to a deductible amount, and public official liability coverage, subject to a deductible amount of \$5,000. The per occurrence and aggregate limits of liability of the liability coverage through WSTIP are \$20,000,000. Since joining on September 1, 2005, the City of Yakima Transit Division has not presented any claims to WSTIP that exceeded its coverage limits.

**WSTIP LIABILITY COVERAGE**

<b>Risk</b>	<b>Coverage Period</b>	<b>Coverage</b>
Auto liability	12/1/2020 - 12/1/2021	\$15,000,000 per occurrence with a \$500,000 deductible
General liability	12/1/2020 - 12/1/2021	\$15,000,000 per occurrence, \$25,000,000 aggregate with a \$750,000 deductible
Public officials	12/1/2020 - 12/1/2021	\$15,000,000 per occurrence, \$25,000,000 aggregate with a \$750,000 deductible

**NOTE 9 – LONG-TERM LIABILITIES, DEBT AND CAPITAL LEASES**

The State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City.

**LEGAL DEBT PERCENTAGE**

		<b>Limit by Section</b>	<b>Cumulative Limit</b>
General purpose			
Without a vote (includes capital leases)	1.5%		
With a vote	1.0%	2.5%	2.5%
Utilities purpose		2.5%	5.0%
Open space and parks facilities		2.5%	7.5%
Total legal limit		<u>7.5%</u>	



The basic percentages for Section I are the maximum levels of indebtedness those sections may incur. However, utility or parks indebtedness may each exceed 2.5% and reduce the general indebtedness margin. The percentages are applied to the taxable assessed value (regular levies) of about \$7.9 billion, resulting in the debt limits, as of December 31, 2021, for the City as follows:

### CUMULATIVE DEBT LIMITS

Assessed valuation of taxable property in the City of Yakima - tax year 2021	<b>\$7,936,363,031</b>			
	<b>Without a Vote</b>	<b>With a Vote</b>		
	<b>General Purpose</b>	<b>General Purpose</b>	<b>Utilities</b>	<b>Open Space &amp; Parks</b>
	<b>1.5%</b>	<b>+1.0%=2.5%</b>	<b>+2.5%=5.0%</b>	<b>+2.5%=7.5%</b>
Legal limit - percent of assessed valuation	\$ 119,045,445	\$ 198,409,076	\$ 396,818,152	\$ 595,227,227
Less: net outstanding indebtedness (see below)	28,506,426	28,506,426	28,506,426	28,506,426
Margin available	<u>\$ 90,539,019</u>	<u>\$ 169,902,650</u>	<u>\$ 368,311,726</u>	<u>\$ 566,720,801</u>
Net outstanding indebtedness				
Outstanding debt	\$ 47,175,874			
Less: available resources to repay debt	18,669,448			
Net outstanding indebtedness	<u>\$ 28,506,426</u>			

There have been no material violations of finance related legal or contractual provisions in any of the funds of the City. We believe the City to be in compliance with applicable IRS & SEC regulations.

The accompanying schedule of long-term debt provides a listing of the outstanding debt of the City and summarizes the City's debt transactions for 2021.

### LONG-TERM LIABILITIES

	Balance 1/1/2021	Additions	Payments/ Retirements	Balance 12/31/2021	Amounts	
					Due Within One Year	Noncurrent Portion
Governmental activities						
General obligation debt						
Bonds	\$ 40,800,414	\$ —	\$ 3,007,261	\$ 37,793,153	\$ 3,033,541	\$ 34,759,612
Unamortized premium (discount)	1,224,001		178,085	1,045,916	—	1,045,916
Intergovernmental loans	4,944,442	1,000,000	497,830	5,446,612	510,251	4,936,361
Lease purchase agreements	3,191,844		301,651	2,890,193	323,778	2,566,415
Net pension liability	17,357,388	(6,011,287)	—	11,346,101	—	11,346,101
Total OPEB liability	51,492,667	(420,074)	—	51,072,593	1,776,824	49,295,769
Compensated absences <sup>1</sup>	9,430,276	(393,295)	—	9,036,981	865,889	8,171,092
Total liabilities - governmental activities	<u>128,441,032</u>	<u>(5,824,656)</u>	<u>3,984,827</u>	<u>118,631,549</u>	<u>6,510,283</u>	<u>112,121,266</u>

<sup>1</sup> Change in beginning balance due to Utility Services moving from a Water Fund to an Internal Service Fund.

## LONG-TERM LIABILITIES

	Amounts					
	Balance 1/1/2021	Additions	Payments/ Retirements	Balance 12/31/2021	Due Within One Year	Noncurrent Portion
Business-type activities						
Revenue debt						
Revenue bonds	8,710,000		1,530,000	7,180,000	1,580,000	5,600,000
Unamortized premium (discount)	550,299		116,012	434,287	—	434,287
Intergovernmental loans	13,942,564	1,737,906	1,467,822	14,212,648	1,488,174	12,724,474
Net pension liability	3,797,448	(2,883,776)	—	913,672	—	913,672
Total OPEB liability	1,613,563	53,488	—	1,667,051	86,802	1,580,249
Compensated absences <sup>1</sup>	1,745,754	(45,134)	—	1,700,620	181,333	1,519,287
Noncurrent liabilities - business-type	30,359,628	(1,137,516)	3,113,834	26,108,278	3,336,309	22,771,969
Total noncurrent liabilities	\$ 158,800,660	\$ (6,962,172)	\$ 7,098,661	\$ 144,739,827	\$ 9,846,592	\$ 134,893,235

### GENERAL OBLIGATION DEBT

General obligation bonds consist of serial and term bonds, to be retired through the fiscal year ending December 31, 2044. The City levies a special property tax; collects motel/hotel taxes, business license fees, utility taxes; and receives state sales tax credits and gas tax for the principal and interest payments due within a fiscal year and provides the amounts in the respective Debt Service Fund.

### GENERAL OBLIGATION BONDS

	Date of Final Maturity	Interest Rate	Original Issue	Outstanding 12/31/2021	Average Annual Debt Service
Regular property tax levy					
2020 Refunded Fire Ladder Truck	12/01/21	3.0%	\$ 140,000	\$ —	\$ —
2014 Street Resurfacing Project	06/01/24	3.0% - 5.0%	13,140,000	4,595,000	1,649,125
2018 Street Resurfacing Project (Refunding)	12/01/28	3.25% - 3.85%	3,500,000	2,447,160	399,664
2018 Yakima Sports Complex (Refunding)	06/01/35	4.85%	4,440,127	3,881,553	436,430
2018 Aquatic Center YMCA	12/01/42	4.85%	8,009,873	7,906,991	627,058
Total regular property tax levy			29,230,000	18,830,704	
Regular property tax levy/real excise tax					
2020 Refunded WV Fire Station	12/01/22	3.0%	140,000	68,250	70,298
2020 Refunded Downtown Futures	12/01/22	3.0%	260,000	126,750	130,553
Total regular property tax levy/real excise tax			400,000	195,000	
Public Facilities District (state sales tax credit)					
2020 Refunded Conv Center	12/01/44	2.20% - 4.083%	2,495,000	2,380,000	156,765
2020 Conv Center Addition	12/01/44	2.20% - 4.083%	12,620,000	12,050,000	792,880
2020 Refunded Capital Theatre	12/01/32	2.20% - 4.083%	4,910,000	4,220,000	459,252
Total Public Facilities District			20,025,000	18,650,000	
Business licenses & real estate excise tax					
2003 SunDome Expansion	12/01/23	2.34%-4.72%	1,430,528	117,449	148,967
			\$ 51,085,528	\$ 37,793,153	

## REVENUE BONDS

Water, Wastewater and Irrigation revenue bonds consist of serial and term bonds, to be retired through the fiscal year ending December 31, 2034. The principal and interest for the water and wastewater parity revenue bonds are provided by the results of operations. Principal and interest on Irrigation System Bonds are provided by capital rates.

## UTILITY REVENUE BONDS

	Date of Final Maturity	Interest Rate	Original Issue	Outstanding 12/31/2021	Average Annual Debt Service
2020A Irrigation 04 Refunded	12/01/34	3.0	\$ 3,260,000	\$ 2,905,000	\$ 273,093
2020A Wastewater 08 Refunded	12/01/27	3.0	2,590,000	2,080,000	384,357
2012 Wastewater Rev Bonds (refund 2003)	11/01/23	2.0% - 4.0%	9,400,000	2,195,000	1,163,933
			<u>\$ 15,250,000</u>	<u>\$ 7,180,000</u>	

The following schedule sets forth revenue debt service requirements to maturity (in thousands) and depicts both bond and intergovernmental loans and contracts.

## REVENUE DEBT SERVICE

(In Thousands)

	Bonded		Notes & Contracts	
	Debt	Interest	Contracts	Interest
2022	\$ 1,580	\$ 237	\$ 1,488	\$ 106
2023	1,645	179	1,490	105
2024	540	119	1,356	95
2025	560	102	1,358	86
2026	570	86	1,188	76
2027-2031	1,515	232	5,118	254
2032-2036	770	47	1,844	77
2037-2041	—	—	371	10
	<u>\$ 7,180</u>	<u>\$ 1,002</u>	<u>\$ 14,213</u>	<u>\$ 809</u>

At December 31, 2021, the City had \$1.6 million in restricted net position for debt service for the enterprise funds. These are in compliance with reserve requirements as contained in the various indentures.

## INTERGOVERNMENTAL LOANS AND CONTRACTUAL AGREEMENTS

The City participated in a program administered by the State's Department of Community Development on behalf of the Public Works Board. The program provides financial assistance for general government activities, such as street/bridge improvements, or proprietary activities, such as water or sewage projects. The City has several loans through the Washington State Loan Programs as described in the following chart.

## INTERGOVERNMENTAL LOANS

	Interest	Maturity Date	Maximum Authorized	Outstanding 12/31/2021
General long-term debt				
Arterial street gas tax				
PC-08-951-052 - 2009 Railroad grade separation	0.5%	06/01/28	\$ 3,000,000	\$ 1,155,702
2015 SIED Loan - 2015 Yakima County SIED loan	2.4%	06/01/23	307,000	112,062
2016 SIED Loan - 2016 Yakima County SIED loan	2.6%	06/01/27	900,000	582,509
2017 SIED Loan - YV Brewing Project	3.2%	06/01/24	61,580	39,901
2018 SIED Loan - River Road	3.8%	06/01/29	500,000	427,216
2021 SIED Loan - SOZO	2.4%	06/01/32	1,000,000	1,000,000
Real estate excise tax				
L1000030-0 - 2010 Railroad grade separation	2.9%	06/01/34	1,229,295	879,222
General fund telephone utility tax - Yakima County				
Comm Ctr 911 - 2014 City Portion of 911 Call Dispatch Center	2.0% - 4.0%	05/01/34	1,716,500	1,250,000
Sub-total general long-term debt				<u>5,446,612</u>
Revenue debt				
Wastewater operating revenue				
PW-05-691-064 - 2005 River Road sewer	0.5%	06/01/25	2,307,000	496,983
PW-07-962-019 - 2007 Ultra violet disinfection	0.5%	06/01/27	2,300,000	728,333
PC-12-951-065 - 2012 Wastewater Treatment Plan	0.3%	06/01/31	5,000,000	2,690,791
PC-13-961-059 - 2012 Industrial sewer main extensions	0.5%	06/01/37	2,000,000	1,301,435
PC20-96103-044 2021 Waterline Improvement	1.1%	06/01/39	1,740,000	1,737,906
L1100008 - 2011 Energy efficiency project	2.8%	03/31/33	516,192	340,086
L1200019 - 2012 Industrial waste anaerobic	2.6%	07/01/34	602,634	431,974
Water operating revenue				
PW-03-691-027 - 2003 Naches WTP improvements	0.5%	06/01/23	2,559,775	269,450
SRF-04-65104-037 - 2005 Naches River WTP filter rehabilitation	0.5%	10/01/25	894,380	188,291
PC-08-951-051 - 2009 New water well	0.5%	06/01/28	2,257,200	848,042
PC-13-961-074 - 2013 Automated reading system	0.3%	06/01/32	5,000,000	2,894,737
DM-11-952-038 - 2013 Design WTP lagoons	1.5%	10/01/34	3,480,000	2,284,620
Sub-total revenue debt				<u>14,212,648</u>
Total intergovernmental loans				<u>\$ 19,659,260</u>

The Public Works Trust Fund loans have a term not to exceed twenty years and require 1/19th of the original principal plus interest to be paid annually. These are subordinate to utility systems' parity debt and do not require a full faith and credit pledge.

The following schedule sets forth the general obligation debt and intergovernmental loans and contracts, debt service requirements including interest, to maturity (in thousands).

## GENERAL OBLIGATION DEBT SERVICE

(In Thousands)

	Bonded		Notes &	
	Debt	Interest	Contracts	Interest
2022	\$ 3,034	\$ 1,585	\$ 510	\$ 108
2023	2,955	1,467	580	151
2024	3,099	1,256	567	107
2025	1,548	1,165	562	94
2026	1,595	1,111	576	82
2027-2031	7,656	4,693	2,000	236
2032-2036	6,502	3,312	652	35
2037-2041	7,965	1,788	—	—
2042-2045	3,440	245	—	—
	\$ 37,794	\$ 16,622	\$ 5,447	\$ 813

At December 31, 2021, the City had \$200,842 available in debt service funds to service the General Obligation Bonds and notes.

There are a number of other limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

### LEASE PURCHASE AGREEMENTS

#### General Capital Assets

As part of the City's capital equipment budgeting program, selected items are obtained via lease purchase and municipal lease/deferred purchase plans. Since the leases are financing agreements which transfer ownership to the City at the end of the lease term, the City records the present value of future lease payments as a capital outlay expenditure and as an offset to other financial sources in the year that the asset is received. The present value of payments due in future periods is shown as a liability in the financial statements and the cost of the asset is recorded in the financial statements.

On March 19, 2013 the City of Yakima borrowed \$310,414 using Washington State's Local Option Capital Lending (LOCAL) program. The proceeds were used to purchase one Fire apparatus, approved by City Council on December 4, 2012. The certificates of participation have an all-inclusive financing cost of 1.93% and will be repaid annually over the next 10 years out of General Fund.

On September 28, 2017 the City of Yakima borrowed \$2,189,736 using Washington State's Local Option Capital Lending (LOCAL) program. The proceeds are being used to add new lighting fixtures and upgrade existing fixtures, approved by City Council on April 16, 2013. The certificates of participation have an all-inclusive financing cost of 1.76% and will be repaid annually over the next 10 years out of General Fund. In 2018, due to ongoing legal issues with the contractor for the LED Streetlights project, a substitution was requested and approved by the LOCAL program to use a portion of the proceeds to finance Fire apparatus.

On July 21, 2020 the City of Yakima borrowed \$1,415,000 using Washington State's Local Option Capital Lending (LOCAL) program. The proceeds were used to finish adding new lighting fixtures and to upgrade existing fixtures, and was approved by City Council on May 5, 2020. The certificates of participation have an all-inclusive financing cost of 1.63% and will be repaid annually over the next 15 years out of General Fund.

## LEASED EQUIPMENT

One Fire Apparatus	\$ 74,652
Energy Project (Lighting)	614,757
Fire Aerial & Pump	845,784
Energy Efficiency Project	1,355,000
<b>Total</b>	<b><u>\$ 2,890,193</u></b>

The following is a schedule of the future minimum lease payments under the above capital leases and the present value of net minimum lease payments at December 31, 2021, for the fiscal year listed:

## LEASE PAYMENTS

Due in 2022	\$ 439,453
Due in 2023	440,556
Due in 2024	397,305
Due in 2025	400,647
Due in 2026	402,704
Due in 2027-2031	935,653
Due in 2032-2035	535,125
<b>Total minimum lease payments</b>	<b><u>3,551,443</u></b>
Less: Amount representing interest	661,250
<b>Present value of minimum lease payments</b>	<b><u>\$ 2,890,193</u></b>

## UNFUNDED POSTEMPLOYMENT BENEFIT LIABILITIES

An initial actuarial evaluation was performed as of January 1, 2021. By State statute, the City is required to provide health care benefits for certain retired police officers and firefighters. The City's self-insured medical plan allows retirees and the eligible dependents to self-pay premiums using the same rate as active employees, until they reach age 65, thereby creating an "implicit rate subsidy". All three of the programs are pay as you go.

## OUTSTANDING LIABILITIES

	Balance 1/1/21	Additions	Balance 12/31/21
OPEB Fire - medical	\$ 24,147,639	\$ (334,197)	\$ 23,813,442
OPEB Police - medical	22,771,904	(271,658)	22,500,246
OPEB Non-LEOFF - medical	6,186,687	239,269	6,425,956
<b>Total</b>	<b><u>\$ 53,106,230</u></b>	<b><u>\$ (366,586)</u></b>	<b><u>\$ 52,739,644</u></b>

The Police OPEB and Fire OPEB are paid out of a department in the General Fund. The non-LEOFF retiree benefits are being paid annually through the Employees Health Benefit Reserve fund. The unfunded pension liability will be adjusted annually to the actuarially determined contribution.

See [Note 5](#) for additional information on the pension funds, and [Note 6](#) for additional information on Other Postemployment Benefits.

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## NOTE 10 – CONTINGENCIES AND LITIGATION

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The City participates in a number of 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. City management believes that such disallowances, if any, will be immaterial.

### SECTION 108 LOAN PROGRAM

In 2003, the City was authorized to administer a Housing and Urban Development (HUD) Section 108 Loan program. These federal loans were available for the purpose of funding property rehabilitation for economic development activities that create new jobs within the target area. HUD authorized the City to lend up to a maximum of \$6.945 million in two separate loan pools (\$3.310 million in 2003 and \$3.635 million in 2005). As of December 31, 2020, the City had approved all its authorized maximum Section 108 loans of \$6.945 million. The nature of this program is the City approves qualified projects for the loan within HUD guidelines and acts as a conduit for HUD funds. The loan proceeds flow directly to the ultimate Corporate Borrower. Payments flow from the Corporate Borrower to the City's Custodian and then to HUD. The loans are on an amortization schedule from 10 years to 25 years. The HUD contract specifically provides that the loans are not full faith and credit obligations of the City, but instead, future Community Development Block Grant (CDBG) allocations are pledged on these loans. The City has entered into agreements to collateralize their position within HUD underwriting guidelines. In 2005, one of the loans was defeased and another defeased in 2009. As of December 31, 2021, there is only one HUD 108 loan remaining with an aggregate outstanding principal amount of \$2.238 million.

### POTENTIAL LITIGATION

The City is a defendant in various legal actions and claims that arise during the normal course of business, most of which, but not all, are covered by insurance. Although certain pending lawsuits and claims seek significant sums of money and their final dispositions are indeterminable, it is the opinion of City management that the outcomes of these matters are not expected to have a material adverse effect on the City's operations or financial position, since the City maintains adequate reserves and/or insurance.

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## NOTE 11 – FUND BALANCE CLASSIFICATION

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The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which require the City to classify its fund balances based on spending constraints imposed on the use of resources. The following is a schedule of the ending fund balance as of December 31, 2021.

### FUND BALANCE

	General	ONDS	ARPA	YRDA / Millsite	Other Gov't	Total
Fund Balance	Fund	Fund	Fund	Fund	Funds	
Nonspendable						
Inventories and Prepayments	10,100	—	—	—	191,454	201,554
Permanent fund	—	—	—	—	721,484	721,484
Total nonspendable	10,100	—	—	—	912,938	923,038

**FUND BALANCE**

<b>Fund Balance</b>	<b>General Fund</b>	<b>ONDS Fund</b>	<b>ARPA Fund</b>	<b>YRDA / Millsite Fund</b>	<b>Other Gov't Funds</b>	<b>Total</b>
<b>Restricted</b>						
Emergency programs	—	—	—	—	145,497	145,497
Arterial street construction & maint	—	—	—	—	2,206,592	2,206,592
Housing & economic development	—	427,756	—	—	606,936	1,034,692
Public safety	—	—	—	—	2,287,943	2,287,943
Debt service	—	—	—	—	184,239	184,239
Capital improvements	—	—	—	—	7,914,864	7,914,864
Other purposes	—	—	67,700	—	—	67,700
Tourism & conventions	—	—	—	—	2,494,877	2,494,877
<b>Total restricted</b>	<b>—</b>	<b>427,756</b>	<b>67,700</b>	<b>—</b>	<b>15,840,950</b>	<b>16,336,404</b>
<b>Committed</b>						
Public safety & emergency programs	1,649,463	—	—	—	—	1,649,463
Community relations	—	—	—	—	870,766	870,766
Parks and recreation	—	—	—	—	1,097,390	1,097,390
Streets	—	—	—	—	1,059,134	1,059,134
Capital improvements	—	—	—	20,664	—	20,664
Other purposes	—	—	—	—	191,192	191,192
Tourism & conventions	—	—	—	—	87,930	87,930
<b>Total committed</b>	<b>1,649,463</b>	<b>—</b>	<b>—</b>	<b>20,664</b>	<b>3,306,410</b>	<b>4,976,539</b>
<b>Assigned</b>						
Parks and recreation	—	—	—	—	313,601	313,601
Streets	—	—	—	—	3,066,264	3,066,264
Public safety & emergency programs	—	—	—	—	1,826,692	1,826,692
Debt service	—	—	—	—	16,603	16,603
Tourism & conventions	—	—	—	—	328,647	328,647
<b>Total assigned</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,551,806</b>	<b>5,551,806</b>
Unassigned	13,614,388	—	—	—	—	13,614,388
<b>Total fund balance</b>	<b>\$ 15,273,951</b>	<b>\$ 427,756</b>	<b>67,700</b>	<b>\$ 20,664</b>	<b>\$ 25,612,104</b>	<b>\$ 41,402,175</b>

**NOTE 12 – SEGMENT INFORMATION**

**WATER AND WASTEWATER UTILITIES**

For the purposes of revenue bond debt issuance, the water and wastewater utilities are combined in a single segment (i.e., the System). Therefore, investors in the revenue bonds rely on the revenue generated by both activities for repayment. Investors in irrigation revenue bonds rely solely on the revenue generated from the irrigation utility for repayment. Summary financial information for the System and irrigation utility follows.



## SYSTEM INFORMATION

	<u>Water / Wastewater</u>	<u>Irrigation</u>
Condensed statement of net position		
Assets		
Current Assets	\$ 42,354,825	\$ 7,777,891
Restricted assets	1,600,000	—
Capital assets, net of accumulated depreciation	115,704,892	23,286,510
Total assets	<u>159,659,717</u>	<u>31,064,401</u>
Deferred outflows of resources	651,089	144,357
Total assets & deferred outflows of resources	<u>160,310,806</u>	<u>31,208,758</u>
Liabilities		
Current liabilities	5,367,745	1,276,839
Noncurrent liabilities	17,867,842	3,080,971
Total liabilities	<u>23,235,587</u>	<u>4,357,810</u>
Deferred inflows of resources	5,080,833	502,396
Total liabilities & deferred inflows of resources	<u>28,316,420</u>	<u>4,860,206</u>
Net position		
Net investment in capital assets	92,421,358	19,659,583
Restricted	1,600,000	—
Unrestricted	37,973,028	6,688,969
Total net position	<u>\$ 131,994,386</u>	<u>\$ 26,348,552</u>
Condensed statement of revenues, expenses and changes in net position		
Operating revenues		
Charges and fees for services	\$ 35,425,824	\$ 3,465,174
Other operating revenue	78,271	500,000
Total operating revenues	<u>35,504,095</u>	<u>3,965,174</u>
Operating expenses		
Personnel services	6,065,536	607,209
Materials and supplies	1,511,754	93,829
Contractual services	14,890,094	961,713
Depreciation	6,365,320	526,924
Total operating expense	<u>28,832,704</u>	<u>2,189,675</u>
Operating income (loss)	6,671,391	1,775,499
Nonoperating revenues (expense)		
Grants and subsidies	—	4,260,094
Interest revenue	231,800	42,200
Interest & other debt service costs	(234,995)	(79,742)
Gain (loss) disposal of capital assets	(257,283)	(13,392)
Total nonoperating revenue (exp)	<u>(260,478)</u>	<u>4,209,160</u>
Income (loss) before contributions & transfers	6,410,913	5,984,659
Capital contributions	2,691,860	—
Operating transfers (net)	(84,448)	—
Change in net position	<u>9,018,325</u>	<u>5,984,659</u>
Net position - beginning	122,627,912	21,050,275
Change in accounting principle	348,146	—
Prior period adjustment	—	(686,382)
Net position - ending	<u>\$ 131,994,383</u>	<u>\$ 26,348,552</u>

**SYSTEM INFORMATION**

	<u>Water /</u>	
	<u>Wastewater</u>	<u>Irrigation</u>
Condensed statement of cash flows		
Net cash provided (used)		
Operating activities	\$ 7,285,698	\$ 1,777,993
Non-capital financing activities	28,605	4,260,094
Capital financing activities	(6,040,447)	(5,797,863)
Investing activities	(3,027,381)	(2,058,102)
Net increase (decrease)	<u>(1,753,525)</u>	<u>(1,817,878)</u>
Beginning cash and cash equivalents	21,898,758	5,222,391
Ending cash and cash equivalents	<u>\$ 20,145,233</u>	<u>\$ 3,404,513</u>

**NOTE 13 – POLLUTION REMEDIATION OBLIGATIONS**

GASB Statement No. 49 provides guidance on accounting and financial reporting for pollution remediation obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The City has identified “Interstate 82 Exit 33A Yakima City Landfill”, also known as Millsite, as a Pollution Remediation Obligation. The mutual objective of the State of Washington, Department of Ecology and the City under the Agreed Order 15861 is to provide for remedial action at Millsite where there has been a release or threatened release of hazardous substances. The Agreed Order requires the City to complete an interim action, an updated conceptual site model, Feasibility Study, and Draft Cleanup Action Plan, for Millsite.

Future estimated liabilities cannot be determined as the Conceptual Site Model and Feasibility Study, and Draft Cleanup Action Plan as required by Agreed Order have not been completed. Current plan for completion of those items is 2026 and beyond.

The City received \$8,700,000 in a Toxic Cleanup grant in 2020. That money was used to for the Interim Action work performed on Contract 2529 in 2021. Another \$3,000,000 Toxic Cleanup grant from DOE was awarded to the City in 2022. It will be used for cleanup efforts related to utility installations. Future recoveries cannot be determined as the City does not yet know the cleanup requirements or eligibility of future cleanup efforts.

**NOTE 14 – ASSET RETIREMENT OBLIGATIONS (AROS)**

In accordance with GASB Statement No. 83 the city is to report Asset Retirement Obligations (AROs). AROs are legally enforceable deferred outflows of resources that should be recognized in the financial statements. When both an external obligating event and an internal obligating event result from normal operations occur, the city must attempt to estimate the expected current value of outlays expected to be incurred.

The City has six water wells, of the six three have been identified as having a legally enforceable liability associated with the retirement of a tangible capital asset. However, estimates are not currently available as the city has no past experience decommissioning these types of assets. Once the City has an estimable cost to decommission an ARO liability and the associated deferred outflow will be reflected in the City’s financial statements.

Other tangible capital assets that have been identified as AROs however are not reflected in the City’s financial statements due to having no remaining useful life are underground fuel tanks, the Nelson Dam and three water wells.

Additional tangible capital assets identified, however there is no formal written plans on decommissioning, are the Wastewater Treatment Plan, the Water Treatment Plant and lagoons. The City plans on continuing its operation in perpetuity and the remaining life of its operations are not able to be estimated, there for the City has not recognized an obligation for the costs that would be incurred in the event the City would cease its operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.

**NOTE 15 – TAX ABATEMENTS**

**Multi-Unit Urban Housing Property Tax Exemption**

The City of Yakima provides tax abatements through the Multi-Unit Urban Housing Property Tax Exemption referenced in RCW 84.14.020. RCW 84.14.020 allows for a property tax exemption to improve residential opportunities, including affordable housing opportunities, in urban centers. In order to qualify for the exemption, the new or rehabilitated multiple-housing unit must be located in a targeted residential area designated by the city or county, provide for a minimum of 50 percent of the space for permanent residential occupancy, meet all construction and development regulations of the city, and be completed within three years from the date of approval of the application. To qualify as a rehabilitated unit, the property must also fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.

The property owner must apply for the exemption certificate with the city where the property is located before beginning construction. If the city approves the application, the exemption certificate will be issued after the owner certifies all requirements have been met upon completion of the project. If the application for a tax exemption certificate was submitted before July 22, 2007, the property is exempt for ten years. If the application for a tax exemption certificate was submitted on or after July 22, 2007, the property is exempt for eight years, unless the applicant commits to renting or selling at least 20 percent of the units as affordable housing units to low and moderate-income households, making it exempt for 12 years. Each tax exemption certificate recipient must submit an annual report to the city. If the city determines that a portion of the property no longer meets the exemption requirements, the tax exemption is canceled and a lien will be placed on the land for the additional real property tax on the value of the on-qualifying improvements, plus a 20 percent penalty, and interest.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Multi-Unit Urban Housing Property Tax Exemption	\$ 279.00

**NOTE 16 – OTHER DISCLOSURES**

**RELATED PARTIES**

By Interlocal Agreement, the City of Yakima serves as fiscal agent for the Yakima Consortium for Regional Public Safety (YakCorps), a separate legal entity which serves to the benefit of citizens within the service area of participating jurisdictions. The 2011 agreement provides for the structure, governance, operations, funding and accounting for public safety activity within the jurisdictions of participating county, cities and fire districts: Grandview, Granger, Mabton, Moxee, Prosser, Selah, Sunnyside, Tieton, Toppenish, Union Gap, Yakima, Wapato, Zillah, Fire District #1 (Highland), Fire District #3 (Naches), Fire District # 4 (East Valley), Fire District #5 (Lower Valley), Fire District #6 (Gleed), Fire District #7 (Glade), Fire District #9 (Naches Heights), Fire District #12 (West Valley), Nile Fire District, and County of Yakima . All local public safety-related governmental agencies/ jurisdictions whose governing body is located within the geographic boundaries of Yakima County are eligible to become a member of the consortium. The Executive Board of the YakCorps consortium consists of seven member representatives of which one is the Mayor of the City of Yakima. The Operations Board of the YakCorps

consortium consists of eleven member representatives, of which three are the City's Police Chief, Fire Chief and 911 Director. Funding resources consist of annual assessments to the member agencies to allocate annual budgeted expenditures to operate and maintain a county-wide multi-discipline public safety system.

## **NEW FUNDS**

The ARPA Fiscal Recovery Fund 180 (also known as the American Rescue Plan Act Fiscal Recovery Fund), was created for the purpose of segregating revenues received through and expenditures eligible under the American Rescue Plan Act of 2021. This fund was approved by Council at its September 7, 2021 meeting, creating the new City of Yakima Municipal Code, Chapter 3.124. The ARPA Fiscal Recovery Fund, adopted by Ordinance 2021-020, shall consist of monies allocated to the City under the American Rescue Plan Act of 2021 and distributed to the City in 2021 and 2022. The City shall appropriate and use the ARPA Fiscal Recovery Fund only for the eligible purposes as permitted by the ARPA and the U.S. Department of the Treasury.

Clean City, fund 136, was created to address the blight, illegal dumping and excessive refuse in problem areas throughout the City.

A "Custodial Fund" (633), a fiduciary fund, was created to account for the resources that are held by the City of Yakima in a purely fiduciary capacity.

## **CHANGES IN ACCOUNTING PRINCIPLE**

Utility Services, fund 581, was originally set up as an enterprise fund, however, it was determined that it was actually an internal service fund, as the purpose of the department was to help the other enterprise funds. This fund does not generate any revenue on its own. The fund was then changed to an internal service fund, 581, and the budget is completely covered by the enterprise funds serviced. There's a change in accounting principle of \$348,146 in Governmental Activities and Business Activities.

## **COVID-19 PANDEMIC**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

On March 12, 2020, the Yakima County Commissioners declared a state of emergency in Yakima County as a result of confirmed cases of COVID-19 in Yakima County, and on March 13, 2020, the City Council ratified and confirmed the Mayor's Proclamation of Civil Emergency and Order issued on March 12, 2020 in response to the outbreak of COVID-19. The City coordinated responses with the Yakima Health District, Yakima County, and the Washington State Department of Health. At this time, the City cannot yet predict the overall health impact nor calculate the final economic impact of COVID-19 on the City of Yakima or the region, including but not limited to the impact on the local tourism industry and commerce within the city.

City services resumed in person services in June of 2021, and like most municipalities, Yakima experienced revenue shortfalls in a variety of areas, primarily in tourism related receipts. The City was fortunate in not needing to lay off personnel, but management was mindful in finding opportunities to work within budget appropriations and deferred filling vacant positions due to the uncertain effects of the pandemic on City finances.

In May 2021, the City of Yakima was allocated \$26.2 million from the federal government under the American Rescue Plan Act (ARPA). These funds are provided in two installments of \$13.1 million of which the first was received in May 2021 and the second installment is expected in May 2022. The ARPA funds have provided the City an opportunity to meet basic financial obligations, community needs, enhance productivity of City operations and assist in economic development.

The length of time these measures will continue to be in place, and the full extent of the direct or indirect financial impact on the City is unknown at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**Schedule of Proportionate Share of the Net Pension Liability** - Added in 2015 per GASB 68 which required cost-sharing employers to present a 10-year schedule containing the net pension liability and certain related ratios. This information was added to improve transparency, and offer an indication of the extent to which the total pension liability is covered by resources held by the pension plan.

**Schedule of Employer Contributions** - Also added in 2015 per GASB 68, this schedule was added to provide measures to evaluate decisions related to the assessment of contribution rates and help to provide information about whether employers and nonemployer contributing entities, if applicable, are keeping pace with those contribution rates. This schedule will incorporate 10 years of information by 2025.

**Schedule of Changes in Net Pension Liability and Related Ratios** - A ten year schedule of changes in the total pension liability, along with the ratios of net position as a percent of total pension liability and net pension liability as a percent of covered payroll.

**Schedule of Changes in Total OPEB Liability and Related Ratios** - A ten year schedule of changes in the total OPEB pension liability, along with the ratios of net position as a percent of total pension liability and net pension liability as a percent of covered payroll.

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

As of June 30

Last 10 Fiscal Years\*

Page 1 of 2

	<b>2021</b>	<b>2020</b>
<b>PERS 1</b>		
Employer's proportion of the net pension liability (asset)	0.2114%	0.2126%
Employer's proportionate share of the net pension liability (asset)	\$ 2,581,615	\$ 7,507,587
Covered employee payroll	32,154,893	31,609,557
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	8.0%	23.8%
Plan fiduciary net position as a percentage of the total pension liability	88.7%	68.6%
<b>PERS 2/3</b>		
Employer's proportion of the net pension liability (asset)	0.2586%	0.2592%
Employer's proportionate share of the net pension liability (asset)	\$ (25,763,211)	\$ 3,314,662
Covered employee payroll	31,002,101	30,344,986
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	(83.1%)	10.9%
Plan fiduciary net position as a percentage of the total pension liability	120.3%	97.2%
<b>PSERS</b>		
Employer's proportion of the net pension liability (asset)	0.1346%	0.1493%
Employer's proportionate share of the net pension liability (asset)	\$ (309,174)	\$ (20,538)
Covered employee payroll	913,085	919,785
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	33.9%	2.2%
Plan fiduciary net position as a percentage of the total pension liability	123.7%	101.7%
<b>LEOFF 1</b>		
Employer's proportion of the net pension liability (asset)	0.2523%	0.2593%
Employer's proportionate share of the net pension liability (asset)	\$ (8,642,659)	\$ (4,896,828)
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	—%	—%
Plan fiduciary net position as a percentage of the total pension liability	187.5%	146.9%
<b>LEOFF 2</b>		
Employer's proportion of the net pension liability (asset)	0.6478%	0.6455%
Employer's proportionate share of the net pension liability (asset)	\$ (37,628,068)	\$ (13,167,462)
State's proportion of the net pension liability (asset) associated with the employer	(24,274,211)	(8,419,594)
Total	<u>\$ (61,902,279)</u>	<u>\$ (21,587,056)</u>
Covered employee payroll	\$ 25,210,904	\$ 24,461,464
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	(149.3%)	(53.8%)
Plan fiduciary net position as a percentage of the total pension liability	142.0%	115.8%

**Notes to the Schedule:**

Until a full 10-year trend is compiled, only information for those years available is presented.

The City of Yakima has no current LEOFF I employees.

Significant changes: Discount Rate did not change and remained at 2.00%.

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

As of June 30

Last 10 Fiscal Years\*

Page 2 of 2

2019	2018	2017	2016	2015
0.2239%	0.2304%	0.2396%	0.2437%	0.2473%
\$ 8,608,173	\$ 10,291,797	\$ 11,370,630	\$ 13,085,797	\$ 12,938,339
30,981,922	30,238,586	29,549,697	28,675,000	22,406,624
28.0%	34.0%	38.5%	46.0%	58.0%
67.1%	63.2%	61.2%	59.0%	59.1%
0.2730%	0.2771%	2.8844%	0.2903%	0.2942%
\$ 2,651,884	\$ 4,731,133	\$ 10,021,946	\$ 14,618,037	\$ 10,512,470
29,750,683	29,077,617	29,284,000	27,400,579	21,024,500
8.9%	16.3%	34.2%	53.3%	50.0%
97.8%	96.8%	91.0%	85.8%	89.2%
0.1852%	0.2135%	0.2143%	0.2172%	0.2462%
\$ (24,082)	\$ 2,645	\$ 41,981	\$ 92,291	\$ 44,929
861,074	845,912	765,000	705,303	718,242
2.8%	0.3%	5.5%	13.1%	6.3%
101.9%	99.8%	96.3%	90.4%	95.1%
0.2608%	0.2633%	0.2625%	0.2642%	0.2686%
\$ (5,154,646)	\$ (4,781,106)	\$ (3,982,551)	\$ (27,222,428)	\$ (3,237,356)
—%	—%	—%	—%	—%
148.8%	144.4%	136.0%	123.7%	127.4%
0.6823%	0.7097%	0.7399%	0.7434%	0.7426%
\$ (15,806,217)	\$ (14,409,269)	\$ (10,267,387)	\$ (4,323,611)	\$ (7,632,597)
(10,350,954)	(9,329,730)	(6,660,262)	(741,394)	(719,689)
<u>\$ (26,157,171)</u>	<u>\$ (23,738,999)</u>	<u>\$ (16,927,649)</u>	<u>\$ (5,065,005)</u>	<u>\$ (8,352,286)</u>
\$ 23,998,147	\$ 23,520,795	\$ 23,238,000	\$ 22,519,542	\$ 21,561,911
(65.9%)	(61.2%)	(44.2%)	(19.2%)	(35.4%)
119.4%	118.5%	113.4%	106.0%	111.7%

Benefit changes: None to report.

Valuation assumptions: As of January 1, 2021: Economic assumptions - salary increases 3.25%, investment return assumption (discount rate) 2.0%, growth in membership 0.0%, postretirement benefit increases; related to salaries 3.25%; related to consumer price index 2.5%.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

For the year ended December 31

Last 10 Fiscal Years\*

Page 1 of 2

	2021	2020
<b>PERS 1</b>		
Statutorily or contractually required contributions	1,390,651	\$ 1,553,225
Contributions in relation to the statutorily or contractually required contributions	(1,390,651)	(1,553,225)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 32,197,771	\$ 31,835,568
Contributions as a percentage of covered employee payroll	4.3%	4.9%
<b>PERS 2/3</b>		
Statutorily or contractually required contributions	\$ 2,223,260	\$ 2,422,004
Contributions in relation to the statutorily or contractually required contributions	(2,223,260)	(2,422,004)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 31,133,321	\$ 30,580,945
Contributions as a percentage of covered employee payroll	7.1%	7.9%
<b>PSERS</b>		
Statutorily or contractually required contributions	\$ 64,110	\$ 66,594
Contributions in relation to the statutorily or contractually required contributions	(64,110)	(66,594)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 937,407	\$ 924,911
Contributions as a percentage of covered employee payroll	6.8%	7.2%
<b>LEOFF 2</b>		
Statutorily or contractually required contributions	\$ 1,311,683	\$ 1,257,023
Contributions in relation to the statutorily or contractually required contributions	(1,311,683)	(1,257,023)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 25,541,326	\$ 24,407,692
Contributions as a percentage of covered employee payroll	5.1%	5.2%

**Notes to the Schedule:**

Until a full 10-year trend is compiled, only information for those years available is presented.

The City of Yakima has no current LEOFF I employees.

Significant changes: Discount Rate did not change and remained at 2.00%.



**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

For the year ended December 31

Last 10 Fiscal Years\*

Page 2 of 2

2019	2018	2017	2016	2015
\$ 1,588,430	\$ 1,570,927	\$ 1,489,000	\$ 1,432,792	\$ 1,263,237
(1,588,430)	(1,570,927)	(1,489,000)	(1,432,792)	(1,263,237)
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 31,546,711	\$ 30,471,519	\$ 29,079,000	\$ 29,271,148	\$ 28,060,087
5.0%	5.2%	5.1%	4.9%	4.5%
\$ 2,337,893	\$ 2,194,199	\$ 1,930,423	\$ 1,740,727	\$ 1,510,959
(2,337,893)	(2,194,199)	(1,930,423)	(1,740,727)	(1,510,959)
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 30,285,570	\$ 29,256,142	\$ 28,706,000	\$ 27,400,579	\$ 26,793,741
7.7%	7.5%	6.7%	6.4%	5.6%
\$ 63,637	\$ 57,599	\$ 52,963	\$ 48,978	\$ 46,106
(63,637)	(57,599)	(52,963)	(48,978)	(46,106)
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 891,749	\$ 840,693	\$ 800,000	\$ 705,303	\$ 712,214
7.1%	6.6%	6.6%	6.9%	6.5%
\$ 1,290,668	\$ 1,233,450	\$ 1,198,134	\$ 1,152,459	\$ 1,120,514
(1,290,668)	(1,233,450)	(1,198,134)	(1,152,459)	(1,120,514)
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 24,804,414	\$ 23,473,737	\$ 23,417,000	\$ 22,519,542	\$ 22,188,444
5.2%	5.3%	5.1%	5.1%	5.0%

Benefit changes: None to report.

Valuation assumptions: As of January 1, 2021: Economic assumptions - salary increases 3.25%, investment return assumption (discount rate) 2.0%, growth in membership 0.0%, postretirement benefit increases; related to salaries 3.25%; related to consumer price index 2.5%.

## SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS FIRE & POLICE PENSIONS

For the year ended December 31

Last 10 Fiscal Years\*

Page 1 of 1

	2021	2020	2019	2018	2017
<b>Fire Pension</b>					
Balances at 12/31/2020	\$ 6,617,462	\$ 6,236,408	\$ 6,029,283	\$ 6,635,284	\$ 6,902,294
Changes for the year:					
Interest on total pension liability	126,790	163,713	229,640	221,918	247,672
Effect of economic/ demographic gains or losses	—	401,168	—	—	(43,347)
Effect of assumptions changes or inputs	—	386,453	559,744	(233,241)	129,589
Benefit payments	(558,576)	(570,280)	(582,259)	(594,678)	(600,924)
Net changes in total pension liability	(431,786)	381,054	207,125	(606,001)	(267,010)
Balance at 12/31/2021	<u>\$ 6,185,676</u>	<u>\$ 6,617,462</u>	<u>\$ 6,236,408</u>	<u>\$ 6,029,283</u>	<u>\$ 6,635,284</u>
Covered payroll	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Police Pension</b>					
Balances at 12/31/2020	\$ 3,715,125	\$ 4,451,427	\$ 4,269,513	\$ 4,664,239	\$ 5,381,844
Changes for the year:					
Interest on total pension liability	71,377	118,369	163,222	156,580	194,378
Effect of economic/ demographic gains or losses	—	(769,827)	—	—	(604,017)
Effect of assumptions changes or inputs	—	211,346	400,381	(166,958)	92,572
Benefit payments	(294,020)	(296,190)	(381,689)	(384,348)	(400,538)
Net changes in total pension liability	(222,643)	(736,302)	181,914	(394,726)	(717,605)
Balance at 12/31/2021	<u>\$ 3,492,482</u>	<u>\$ 3,715,125</u>	<u>\$ 4,451,427</u>	<u>\$ 4,269,513</u>	<u>\$ 4,664,239</u>
Covered payroll	\$ —	\$ —	\$ —	\$ —	\$ —

**Notes to the Schedule**

Due to the implementation of GASB 73, the City is now required to report the pension liability of this single employee non-trust pension plan. The City recognizes its total pension liability, rather than a net pension liability. In order for the City to recognize a net pension liability, assets must be accumulated in a trust that meets all of the following criteria from paragraph 4 of GASB 68:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

No assets are accumulated in a trust that meets all of the above criteria because the City's contributions are not irrevocable. Accordingly, the City's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria and the City must report its total pension liability.

Until a full 10-year trend is compiled, only information for those years available is presented.

Economic assumptions: Salary increases 3.25%, investment return assumption (discount rate) 2.0%, growth in membership 0.0%.

Family composition: All active members are assumed to be married with no children when they retire. Marital status of retirees was supplied by the City. Wives are assumed to be three years younger than their husbands. Surviving spouses are assumed not to remarry.

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

For the year ended December 31

Last 10 Fiscal Years\*

Page 1 of 1

	2021	2020	2019	2018
<b>LEOFF 1 Fire</b>				
Total OPEB liability - Beginning	\$ 24,147,639	\$ 25,326,993	\$ 21,471,567	\$ 22,910,332
Interest on total OPEB liability	474,902	686,436	842,411	789,207
Effect of economic/demographic gains or losses	—	(863,583)	—	—
Effect of assumptions, changes or inputs	—	(265,860)	3,843,768	(1,498,572)
Expected benefit payments	(809,099)	(736,347)	(830,753)	(729,400)
Net change in total OPEB liability	(334,197)	(1,179,354)	3,855,426	(1,438,765)
Total OPEB liability - ending	<u>\$ 23,813,442</u>	<u>\$ 24,147,639</u>	<u>\$ 25,326,993</u>	<u>\$ 21,471,567</u>
Covered payroll	\$ —	\$ —	\$ —	\$ —
Total OPEB liability as a % of covered payroll	n/a	n/a	n/a	n/a
<b>LEOFF 1 Police</b>				
Total OPEB liability - Beginning	\$ 22,771,904	\$ 24,999,972	\$ 21,153,082	\$ 22,457,760
Interest on total OPEB liability	448,274	678,519	831,587	775,314
Effect of economic/demographic gains or losses	—	(1,753,899)	—	—
Effect of assumptions, changes or inputs	—	(495,138)	3,749,293	(1,462,797)
Expected benefit payments	(719,932)	(657,550)	(733,990)	(617,195)
Net change in total OPEB liability	(271,658)	(2,228,068)	3,846,890	(1,304,678)
Total OPEB liability - ending	<u>\$ 22,500,246</u>	<u>\$ 22,771,904</u>	<u>\$ 24,999,972</u>	<u>\$ 21,153,082</u>
Covered payroll	\$ —	\$ —	\$ —	\$ —
Total OPEB liability as a % of covered payroll	n/a	n/a	n/a	n/a
<b>Non-LEOFF</b>				
Total OPEB liability - Beginning	\$ 6,186,687	\$ 8,079,332	\$ 8,316,041	\$ 8,189,958
Service cost	444,569	378,171	533,439	563,641
Interest on total OPEB liability	129,295	227,730	345,146	299,553
Effect of economic/demographic gains or losses	—	(2,405,142)	—	—
Effect of assumptions, changes or inputs	—	261,882	(669,196)	(343,848)
Expected benefit payments	(334,595)	(355,286)	(446,098)	(393,263)
Net change in total OPEB liability	239,269	(1,892,645)	(236,709)	126,083
Total OPEB liability - ending	<u>\$ 6,425,956</u>	<u>\$ 6,186,687</u>	<u>\$ 8,079,332</u>	<u>\$ 8,316,041</u>
Covered payroll	\$ —	\$ —	\$ —	\$ —
Total OPEB liability as a % of covered payroll	n/a	n/a	n/a	n/a

**Notes to the Schedule**

Due to the implementation of GASB 75, the City is now required to report the OPEB liability of this single employee non-trust pension plan. The City recognizes its total OPEB liability, rather than a net OPEB liability. In order for the City to recognize a net OPEB liability, assets must be accumulated in a trust that meets all of the following criteria from paragraph 4 of GASB 75:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

No assets are accumulated in a trust that meets all of the above criteria because the City's contributions are not irrevocable. Accordingly, the City's total OPEB liability is not reduced by any assets accumulated in a trust that meets the criteria and the City must report its total OPEB liability.

Until a full 10-year trend is compiled, only information for those years available is presented.



**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2021

Page 1 of 1

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 8,992,007	\$ 151,730	\$ 8,947,875	\$ 720,594	\$ 18,812,206
Cash with fiscal agent	30,896	6,412	331,668	—	368,976
Investments	1,944,601	—	4,698,946	—	6,643,547
Receivables, net allowance for uncollectible accounts					
Taxes	798,240	42,699	152,762	—	993,701
Accounts	194,388	—	17,500	889	212,777
Notes and contracts receivable	50,423	—	—	—	50,423
Due from other governments	1,407,332	—	—	—	1,407,332
Inventories and prepayments	191,454	—	—	—	191,454
<b>Total assets</b>	<b>\$ 13,609,341</b>	<b>\$ 200,841</b>	<b>\$ 14,148,751</b>	<b>\$ 721,483</b>	<b>\$ 28,680,416</b>
<b>Liabilities</b>					
Accounts payable	\$ 999,045	\$ —	\$ 540,350	\$ —	\$ 1,539,395
Retainage payable	128,422	—	152,354	—	280,776
Accrued salaries and benefits	1,050,078	—	—	—	1,050,078
Deposit type accounts	94,432	—	3,001	—	97,433
Due to other governments	953	—	2,979	—	3,932
<b>Total liabilities</b>	<b>2,272,930</b>	<b>—</b>	<b>698,684</b>	<b>—</b>	<b>2,971,614</b>
<b>Deferred inflows of resources</b>					
Deferred unavailable revenue/taxes	37,878	—	—	—	37,878
Unavailable revenue and notes	58,822	—	—	—	58,822
<b>Total deferred inflows of resources</b>	<b>96,700</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>96,700</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>2,369,630</b>	<b>—</b>	<b>698,684</b>	<b>—</b>	<b>3,068,314</b>
<b>Fund balance</b>					
Nonspendable	191,454	—	—	721,484	912,938
Restricted	7,741,846	184,239	7,914,864	—	15,840,949
Committed	3,306,410	—	—	—	3,306,410
Assigned	—	16,603	5,535,204	—	5,551,807
<b>Total fund balance</b>	<b>11,239,710</b>	<b>200,842</b>	<b>13,450,068</b>	<b>721,484</b>	<b>25,612,104</b>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<b>\$ 13,609,340</b>	<b>\$ 200,842</b>	<b>\$ 14,148,752</b>	<b>\$ 721,484</b>	<b>\$ 28,680,418</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

Page 1 of 1

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Total
<b>Revenues</b>					
Taxes and assessments	\$ 13,243,957	\$ 2,715,350	\$ 5,860,886	\$ —	\$ 21,820,193
Licenses and permits	621,279	—	—	—	621,279
Intergovernmental revenues	4,694,722	—	—	—	4,694,722
Charges for services	4,462,558	—	80,500	—	4,543,058
Contributions and donations	631,971	—	8,895	—	640,866
Investment earnings	104,855	—	114,755	—	219,610
Other revenue	674,801	—	176,721	15,816	867,338
<b>Total revenues</b>	<b>24,434,143</b>	<b>2,715,350</b>	<b>6,241,757</b>	<b>15,816</b>	<b>33,407,066</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	843,755	—	—	—	843,755
Public safety	5,986,769	—	270,375	—	6,257,144
Utilities	333,122	—	—	—	333,122
Transportation	4,781,603	—	496,875	—	5,278,478
Economic environment	1,332,941	—	23,221	—	1,356,162
Public health services	495,153	—	—	—	495,153
Cultural and recreational	5,893,462	—	152,795	—	6,046,257
<b>Capital outlay</b>					
General government	57,436	—	1,561,636	—	1,619,072
Public safety	42,394	—	37,229	—	79,623
Utilities	—	—	106,834	—	106,834
Transportation	3,514,675	—	6,283,473	—	9,798,148
Cultural and recreational	—	—	275,633	—	275,633
<b>Debt service</b>					
Principal	409,849	3,007,261	222,634	—	3,639,744
Interest and related charges	177,679	1,681,394	33,518	—	1,892,591
<b>Total Expenditures</b>	<b>23,868,838</b>	<b>4,688,655</b>	<b>9,464,223</b>	<b>—</b>	<b>38,021,716</b>
Excess (deficiency) of revenue over (under) expenditure	565,305	(1,973,305)	(3,222,466)	15,816	(4,614,650)
<b>Other financing (sources) uses</b>					
Transfers in	2,734,595	1,939,754	672,446	—	5,346,795
Transfers out	(2,145,600)	—	(1,014,909)	(12,000)	(3,172,509)
Proceeds from issuance of long-term debt	1,000,000	—	—	—	1,000,000
Sale of capital assets	48,470	—	69,551	—	118,021
<b>Total other financing sources (uses)</b>	<b>1,637,465</b>	<b>1,939,754</b>	<b>(272,912)</b>	<b>(12,000)</b>	<b>3,292,307</b>
Net change in fund balance	2,202,770	(33,551)	(3,495,378)	3,816	(1,322,343)
Fund balance - beginning	9,036,941	234,393	16,945,448	717,668	26,934,450
Fund balance - ending	<u>\$ 11,239,711</u>	<u>\$ 200,842</u>	<u>\$ 13,450,070</u>	<u>\$ 721,484</u>	<u>\$ 25,612,107</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET & ACTUAL - OTHER GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

Page 1 of 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 20,720,059	\$ 21,036,659	\$ 21,820,193	\$ 783,534
Licenses and permits	638,000	638,000	621,279	(16,721)
Intergovernmental revenues	7,652,479	8,178,701	4,694,722	(3,483,979)
Charges for services	5,662,522	5,854,522	4,543,058	(1,311,464)
Contributions and donations	—	—	640,866	640,866
Investment earnings	—	—	219,610	219,610
Other revenue	1,181,025	1,436,320	867,337	(568,983)
Total revenues	<u>35,854,085</u>	<u>37,144,202</u>	<u>33,407,065</u>	<u>(3,737,137)</u>
Expenditures				
Current				
General government	905,437	908,002	843,755	64,247
Public safety	6,811,030	7,374,728	6,257,144	1,117,584
Utilities	327,523	333,823	333,122	701
Transportation	6,532,117	6,884,117	5,278,478	1,605,639
Economic environment	947,283	1,476,892	1,356,161	120,731
Public health services	656,646	659,346	495,153	164,193
Cultural and recreational	7,046,709	6,777,216	6,046,257	(730,959)
Capital outlay				
General government	2,809,500	2,898,946	1,619,072	1,279,874
Public safety	114,000	194,000	79,623	114,377
Utilities	400,000	631,460	106,834	524,626
Transportation	10,134,516	15,709,854	9,798,149	5,911,705
Cultural and recreational	91,005	648,822	275,633	(373,189)
Debt service				
Principal	3,861,564	3,861,564	3,639,744	221,820
Interest and related charges	1,983,762	2,042,762	1,892,591	150,171
Total Expenditures	<u>42,621,092</u>	<u>50,401,532</u>	<u>38,021,716</u>	<u>10,171,520</u>
Excess (deficiency) of revenue over (under) expenditure	(6,767,007)	(13,257,330)	(4,614,651)	8,642,679
Other financing (sources) uses				
Transfers in	5,806,637	5,841,637	5,346,795	(494,842)
Transfers out	(3,580,711)	(3,173,146)	(3,172,509)	637
Proceeds from issuance of long-term debt	1,000,000	1,000,000	1,000,000	—
Sale of capital assets	145,000	145,000	118,021	(26,979)
Total other financing sources (uses)	<u>3,370,926</u>	<u>3,813,491</u>	<u>3,292,307</u>	<u>(521,184)</u>
Net change in fund balance	(3,396,081)	(9,443,839)	(1,322,344)	8,121,495
Fund balance - beginning	32,739,863	26,934,449	26,934,449	—
Fund balance - ending	<u>\$ 29,343,782</u>	<u>\$ 17,490,610</u>	<u>\$ 25,612,105</u>	<u>\$ 8,121,495</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



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## ***NONMAJOR SPECIAL REVENUE FUNDS***

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**Economic Development Fund (123)** - Accounts for economic development within the City using Local Government Assistance funding.

**Community Relations Fund (125)** - Created by Ordinance No. 2510 in 1981 to pay expenses incurred by the City in administering Cable TV franchises for Cable TV operators doing business in the City and formulate community access television programming.

**Parks and Recreation Fund (131)** - Accounted for the Metropolitan Park District which was made a part of the General Fund in 1970 by Ordinance 1276. In 1971 it became a separate fund primarily supported by program fees and tax levies.

**Clean City Fund (136)** was originally created in 2019 as a part of the General Fund, but became a Special Revenue fund in 2021. This account was set up for the utility tax increase imposed on the City's waste systems' commercial refuse collection to meet Clean City program objectives.

**Streets Fund (141)** - While not a self-supporting fund, it is required to be a separate fund for the purpose of accounting for the disbursement of the Motor Vehicle Fuel Tax revenues paid by the State of Washington to the City. Primarily, the fund is used for maintenance of existing City streets and traffic signalization, supported by a portion of the gas tax and an allocation of property taxes.

**Arterial Street Fund (142)** - Created for the purpose of maintaining existing arterial streets and constructing new arterial streets out of moneys provided by the State from the one-half cent per gallon gas tax levied by the State for this purpose.

**Cemetery Fund (144)** - A self-supporting fund for the operation of the Tahoma Cemetery. Revenues are provided through the sale of grave sites and other services; it receives interest from Cemetery Trust Fund investments. Disbursements from this fund are for all expenses for the care of lots, blocks or parts thereof under endowment or annual care.

**Emergency Services Fund (150)** - Established in 1991 when a special property tax levy was approved by the voters to provide for emergency medical services.

**Public Safety Communications Fund (151)** - Created in 1996 to consolidate 9-1-1 call taking and public safety dispatch both for Yakima County and the City. This is supported by 9-1-1 and dispatching contracts with neighboring jurisdictions, and telephone utility tax transferred from the General Fund.

**Police Grants (152)** - The Police Grants Fund was created in 2009 to account for supplemental police grant-funded programs that are restricted for specific purposes, and therefore segregated from the General Fund. The City's portion of drug related seizures and forfeited assets are managed through this fund.

**Downtown Yakima Business Improvement District (DYBID) Fund (161)** - Formed to record the operating receipts and expenditures for Parking and Business Improvement. The major source of revenue is the assessment levied on businesses. Expenditures include costs associated with enhanced maintenance and other promotion of the Downtown area.

**Trolley Fund (162)** - Accounts for the operations, maintenance and capital improvements of the Trolley System. The major source of revenue is grants.

**Front Street Parking & Business Improvement Area (PBIA) Fund (163)** - Established in 1997 for the purpose of assisting trade, economic viability and livability within the area. Revenues are derived from self-assessments on businesses located within the boundaries.

**Tourist Promotion / Convention Center Fund (170)** - Established in 1978 and centralizes all City expenditures for the support of tourist and convention activities and publicity, including operational expenses of the city-owned Convention Center.

**Capitol Theatre Operating Fund (171)** - Created in 1980 for the purpose of maintaining, managing, and operating the Capitol Theatre.

**Public Facilities District - Convention Center (172)** - Created in 2002 to account for the revenues received from the Yakima Regional Public Facilities District, a separate legal taxing entity funded by a 0.33% Sales Tax Credit enabled by State Statute, directed by a governing board, which was established to expand the local convention center.

**Tourism Promotion Area (173)** - Created in 2005 to account for a \$2 per room night fee restricted to specific tourism uses directed by a governing board, a self-assessment of the lodging industry to fund activities designed to increase tourism and convention business within Yakima County.

**Public Facilities District - Capitol Theatre (174)** - Created in 2009 to account for the revenues received from the Yakima Regional Public Facilities District, a separate legal taxing entity funded by a 0.25% Sales Tax Credit enabled by State Statute, directed by a governing board, which was established for the expansion of the Capitol Theatre.

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

Page 1 of 3

	<u>Economic</u>	<u>Community</u>	<u>Parks and</u>	<u>Clean</u>		<u>Arterial</u>
	<u>Dev</u>	<u>Relations</u>	<u>Recreation</u>	<u>City</u>	<u>Streets</u>	<u>Street</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 606,936	\$ 932,723	\$ 751,474	\$ 5,069	\$ 688,732	\$ 1,059,158
Cash with fiscal agent	—	—	7,536	—	12,025	—
Investments	—	—	583,236	—	537,922	823,443
Receivables, net allowance for uncollectible accounts						
Taxes	—	—	—	57,236	—	—
Accounts	—	630	12,401	—	1,470	—
Notes and contracts receivable	—	—	—	—	—	—
Due from other governments	—	—	5,958	—	198,292	1,059,788
Inventories and prepayments	—	—	—	—	191,454	—
<b>Total assets</b>	<b>\$ 606,936</b>	<b>\$ 933,353</b>	<b>\$ 1,360,605</b>	<b>62,305</b>	<b>\$ 1,629,895</b>	<b>\$ 2,942,389</b>
<b>Liabilities</b>						
Accounts payable	\$ —	\$ 2,219	\$ 53,002	25,189	\$ 102,055	\$ 607,374
Retainage payable	—	—	—	—	—	128,422
Accrued salaries and benefits	—	59,730	203,897	18,304	274,853	—
Deposit type accounts	—	—	—	—	—	—
Due to other governments	—	8	17	—	929	—
<b>Total liabilities</b>	<b>—</b>	<b>61,957</b>	<b>256,916</b>	<b>43,493</b>	<b>377,837</b>	<b>735,796</b>
<b>Deferred inflows of resources</b>						
Deferred unavailable revenue/taxes	—	—	—	—	—	—
Unavailable revenue and notes	—	630	6,299	—	1,470	—
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>630</b>	<b>6,299</b>	<b>—</b>	<b>1,470</b>	<b>—</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>—</b>	<b>62,587</b>	<b>263,215</b>	<b>43,493</b>	<b>379,307</b>	<b>735,796</b>
<b>Fund balance</b>						
Nonspendable	—	—	—	—	191,454	—
Restricted	606,936	—	—	—	—	2,206,592
Committed	—	870,766	1,097,390	18,813	1,059,134	—
<b>Total fund balance</b>	<b>606,936</b>	<b>870,766</b>	<b>1,097,390</b>	<b>18,813</b>	<b>1,250,588</b>	<b>2,206,592</b>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<b>\$ 606,936</b>	<b>\$ 933,353</b>	<b>\$ 1,360,605</b>	<b>\$ 62,306</b>	<b>\$ 1,629,895</b>	<b>\$ 2,942,388</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

Page 2 of 3

	<u>Cemetery</u>	<u>Emergency Services</u>	<u>Public Safety Comm</u>	<u>Police Grants</u>	<u>DYBID</u>	<u>Trolley</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 185,050	\$ 290,483	\$ 1,632,700	\$ 858,686	\$ 120,259	\$ 42,261
Cash with fiscal agent	—	7,170	4,161	4	—	—
Investments	—	—	—	—	—	—
Receivables, net allowance for uncollectible accounts						
Taxes	—	44,797	38,950	—	—	—
Accounts	5,414	—	—	4,368	433	—
Notes and contracts receivable	—	—	—	—	43,214	—
Due from other governments	—	—	—	143,294	—	—
Inventories and prepayments	—	—	—	—	—	—
<b>Total assets</b>	<b>\$ 190,464</b>	<b>\$ 342,450</b>	<b>\$ 1,675,811</b>	<b>\$ 1,006,352</b>	<b>\$ 163,906</b>	<b>\$ 42,261</b>
<b>Liabilities</b>						
Accounts payable	\$ 682	\$ 4,418	\$ 22,097	\$ 50,889	\$ 40,000	\$ 1,018
Retainage payable	—	—	—	—	—	—
Accrued salaries and benefits	17,402	154,657	302,619	18,616	—	—
Deposit type accounts	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—
<b>Total liabilities</b>	<b>18,084</b>	<b>159,075</b>	<b>324,716</b>	<b>69,505</b>	<b>40,000</b>	<b>1,018</b>
<b>Deferred inflows of resources</b>						
Deferred unavailable revenue/taxes	—	37,878	—	—	—	—
Unavailable revenue and notes	—	—	—	—	43,214	—
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>37,878</b>	<b>—</b>	<b>—</b>	<b>43,214</b>	<b>—</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>18,084</b>	<b>196,953</b>	<b>324,716</b>	<b>69,505</b>	<b>83,214</b>	<b>1,018</b>
<b>Fund balance</b>						
Nonspendable	—	—	—	—	—	—
Restricted	—	145,497	1,351,097	936,847	—	41,242
Committed	172,379	—	—	—	80,691	—
<b>Total fund balance</b>	<b>172,379</b>	<b>145,497</b>	<b>1,351,097</b>	<b>936,847</b>	<b>80,691</b>	<b>41,242</b>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<b>\$ 190,463</b>	<b>\$ 342,450</b>	<b>\$ 1,675,813</b>	<b>\$ 1,006,352</b>	<b>\$ 163,905</b>	<b>\$ 42,260</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

Page 3 of 3

<u>PBIA</u>	<u>Tourist Promo Conv Center</u>	<u>Capitol Theatre</u>	<u>PFD Conv Ctr</u>	<u>Tourist Promo Area</u>	<u>PFD Cap Theatre</u>	<u>Total</u>
\$ 7,238	\$ 541,990	\$ 70,134	\$ 949,080	\$ 54,029	\$ 196,008	\$ 8,992,007
—	—	—	—	—	—	30,896
—	—	—	—	—	—	1,944,601
—	111,378	19,676	299,378	—	226,825	798,240
—	78,708	—	—	90,964	—	194,388
7,209	—	—	—	—	—	50,423
—	—	—	—	—	—	1,407,332
—	—	—	—	—	—	191,454
<u>\$ 14,447</u>	<u>\$ 732,076</u>	<u>\$ 89,810</u>	<u>\$ 1,248,458</u>	<u>\$ 144,993</u>	<u>\$ 422,833</u>	<u>\$ 13,609,341</u>
\$ —	\$ 30,500	\$ 6,395	\$ —	\$ 53,208	\$ —	999,045
—	—	—	—	—	—	128,422
—	—	—	—	—	—	1,050,078
—	94,432	—	—	—	—	94,432
—	—	—	—	—	—	953
—	<u>124,932</u>	<u>6,395</u>	<u>—</u>	<u>53,208</u>	<u>—</u>	<u>2,272,930</u>
—	—	—	—	—	—	37,878
<u>7,209</u>	—	—	—	—	—	<u>58,822</u>
<u>7,209</u>	—	—	—	—	—	<u>96,700</u>
<u>7,209</u>	<u>124,932</u>	<u>6,395</u>	<u>—</u>	<u>53,208</u>	<u>—</u>	<u>2,369,630</u>
—	—	—	—	—	—	191,454
—	607,144	83,416	1,248,458	91,785	422,833	7,741,846
7,238	—	—	—	—	—	3,306,410
<u>7,238</u>	<u>607,144</u>	<u>83,416</u>	<u>1,248,458</u>	<u>91,785</u>	<u>422,833</u>	<u>11,239,710</u>
<u>\$ 14,447</u>	<u>\$ 732,076</u>	<u>\$ 89,811</u>	<u>\$ 1,248,458</u>	<u>\$ 144,993</u>	<u>\$ 422,833</u>	<u>\$ 13,609,340</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

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	<b>Economic Dev</b>	<b>Community Relations</b>	<b>Parks and Recreation</b>	<b>Clean City</b>	<b>Streets</b>	<b>Arterial Street</b>
<b>Revenues</b>						
Taxes and assessments	\$ —	\$ —	\$ 2,702,528	\$ 367,204	\$ 3,742,125	\$ —
Licenses and permits	—	621,279	—	—	—	—
Intergovernmental revenues	—	—	24,048	—	1,426,144	2,934,541
Charges for services	—	—	690,454	—	13,219	—
Contributions and donations	546,322	—	85,649	—	—	—
Investment earnings	7,600	11,700	9,400	100	8,600	13,300
Other revenue	—	(60)	61,636	—	—	—
<b>Total revenues</b>	<b>553,922</b>	<b>632,919</b>	<b>3,573,715</b>	<b>367,304</b>	<b>5,190,088</b>	<b>2,947,841</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	—	652,043	—	—	—	—
Public safety	—	—	147,138	—	—	—
Utilities	—	—	—	—	—	—
Transportation	—	—	—	—	4,652,815	111,533
Economic environment	—	—	—	348,492	—	—
Public health services	—	—	495,153	—	—	—
Cultural and recreational	—	—	4,511,465	—	—	—
<b>Capital outlay</b>						
General government	—	57,436	—	—	—	—
Public safety	—	—	—	—	—	—
Transportation	—	—	—	—	—	3,514,675
<b>Debt service</b>						
Principal	—	—	—	—	147,143	187,706
Interest and related charges	—	—	—	—	93,437	39,380
<b>Total Expenditures</b>	<b>—</b>	<b>709,479</b>	<b>5,153,756</b>	<b>348,492</b>	<b>4,893,395</b>	<b>3,853,294</b>
Excess (def) of revenue over (under) expenditure	553,922	(76,560)	(1,580,041)	18,812	296,693	(905,453)
<b>Other financing (sources) uses</b>						
Transfers in	—	65,853	1,770,987	—	—	62,800
Transfers out	—	—	(154,000)	—	(10,000)	—
Proceeds from issuance of long-term debt	—	—	—	—	—	1,000,000
Sale of capital assets	—	—	—	—	48,470	—
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>65,853</b>	<b>1,616,987</b>	<b>—</b>	<b>38,470</b>	<b>1,062,800</b>
<b>Net change in fund balance</b>	<b>553,922</b>	<b>(10,707)</b>	<b>36,946</b>	<b>18,812</b>	<b>335,163</b>	<b>157,347</b>
Fund balance - beginning	53,014	881,473	1,060,444	—	915,423	2,049,246
<b>Fund balance - ending</b>	<b>\$ 606,936</b>	<b>\$ 870,766</b>	<b>\$ 1,097,390</b>	<b>\$ 18,812</b>	<b>\$ 1,250,586</b>	<b>\$ 2,206,593</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

Page 2 of 3

Cemetery	Emergency Services	Public Safety Comm	Police Grants	DYBID	Trolley	PBIA	Tourist Promo Area	Capitol Theatre
\$ —	\$ 1,561,594	\$ 1,759,288	\$ —	\$ —	\$ —	\$ —	\$ 760,308	\$ 291,901
—	—	—	—	—	—	—	—	—
—	21,672	—	290,093	—	(1,777)	—	—	—
203,969	—	2,844,793	23,448	—	—	—	60,996	—
—	—	—	—	—	—	—	—	—
2,300	3,541	10,300	11,854	1,500	500	100	6,800	900
4	—	10,100	118,758	169,674	1,275	2,860	310,554	—
206,273	1,586,807	4,624,481	444,153	171,174	(2)	2,960	1,138,658	292,801
—	—	—	191,713	—	—	—	—	—
—	1,365,441	4,135,784	338,406	—	—	—	—	—
333,122	—	—	—	—	—	—	—	—
—	—	—	—	—	17,256	—	—	—
—	—	—	—	—	—	—	395,610	—
—	—	—	—	—	—	—	—	—
—	—	—	—	166,292	—	—	714,885	472,212
—	—	—	—	—	—	—	—	—
—	—	28,584	13,810	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	75,000	—	—	—	—	—	—
—	—	44,863	—	—	—	—	—	—
333,122	1,365,441	4,284,231	543,929	166,292	17,256	—	1,110,495	472,212
(126,849)	221,366	340,250	(99,776)	4,882	(17,258)	2,960	28,163	(179,411)
166,000	—	100,000	—	—	10,000	—	350,000	208,955
—	(175,000)	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
166,000	(175,000)	100,000	—	—	10,000	—	350,000	208,955
39,151	46,366	440,250	(99,776)	4,882	(7,258)	2,960	378,163	29,544
133,228	99,131	910,846	1,036,623	75,810	48,500	4,278	228,980	53,872
\$ 172,379	\$ 145,497	\$ 1,351,096	\$ 936,847	\$ 80,692	\$ 41,242	\$ 7,238	\$ 607,143	\$ 83,416

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

Page 3 of 3

	PFD Conv Ctr	Tourist Promotion	PFD Cap Theatre	Total
Revenues				
Taxes and assessments	\$ 1,171,497	\$ —	\$ 887,512	\$ 13,243,957
Licenses and permits	—	—	—	621,279
Intergovernmental revenues	—	—	—	4,694,722
Charges for services	—	625,679	—	4,462,558
Contributions and donations	—	—	—	631,971
Investment earnings	12,461	974	2,925	104,855
Other revenue	—	—	—	674,801
Total revenues	<u>1,183,958</u>	<u>626,653</u>	<u>890,437</u>	<u>24,434,143</u>
Expenditures				
Current				
General government	—	—	—	843,755
Public safety	—	—	—	5,986,769
Utilities	—	—	—	333,122
Transportation	—	—	—	4,781,603
Economic environment	—	588,839	—	1,332,941
Public health services	—	—	—	495,153
Cultural and recreational	14,447	—	14,161	5,893,462
Capital outlay				
General government	—	—	—	57,436
Public safety	—	—	—	42,394
Transportation	—	—	—	3,514,675
Debt service				
Principal	—	—	—	409,849
Interest and related charges	—	—	—	177,679
Total Expenditures	<u>14,447</u>	<u>588,839</u>	<u>14,161</u>	<u>23,868,838</u>
Excess (def) of revenue over (under) expenditure	1,169,511	37,814	876,276	565,305
Other financing (sources) uses				
Transfers in	—	—	—	2,734,595
Transfers out	(1,150,000)	—	(656,600)	(2,145,600)
Proceeds from issuance of long-term debt	—	—	—	1,000,000
Sale of capital assets	—	—	—	48,470
Total other financing sources (uses)	<u>(1,150,000)</u>	<u>—</u>	<u>(656,600)</u>	<u>1,637,465</u>
Net change in fund balance	<u>19,511</u>	<u>37,814</u>	<u>219,676</u>	<u>2,202,770</u>
Fund balance - beginning	<u>1,228,948</u>	<u>53,971</u>	<u>203,157</u>	<u>9,036,941</u>
Fund balance - ending	<u>\$ 1,248,459</u>	<u>\$ 91,785</u>	<u>\$ 422,833</u>	<u>\$ 11,239,711</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



## ***NONMAJOR DEBT SERVICE FUNDS***

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**Convention Center/Capitol Theatre Expansion Long-Term General Obligation (LTGO) Bonds (272)** - These bonds were issued to fund additions to the Yakima Convention Center in 2002 and the Capital Theatre in 2009.

**Various General Obligation Bonds Fund (281)** - The proceeds are for the purpose of providing various projects such as Parks, Streets, Fire and Downtown Revitalization.

**Convention Center Remodel LTGO (287)** - These bonds were issued to expand/remodel the Convention Center in 1996.

**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**

December 31, 2021

Page 1 of 1

	<u>Conv Ctr/ Cap Th Bond</u>	<u>Various GO Bonds</u>	<u>Conv Ctr Rem Bond</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 141,540	\$ 10,190	\$ —	\$ 151,730
Cash with fiscal agent	—	6,412	—	6,412
Receivables, net allowance for uncollectible accounts				
Taxes	42,699	—	—	42,699
Total assets	<u>\$ 184,239</u>	<u>\$ 16,602</u>	<u>\$ —</u>	<u>\$ 200,841</u>
Fund balance				
Restricted	\$ 184,239	\$ —	\$ —	\$ 184,239
Assigned	—	16,603	—	16,603
Total fund balance	<u>184,239</u>	<u>16,603</u>	<u>—</u>	<u>200,842</u>
Total liabilities, deferred inflows & fund balances	<u>\$ 184,239</u>	<u>\$ 16,603</u>	<u>\$ —</u>	<u>\$ 200,842</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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

December 31, 2021

Page 1 of 1

	<u>Conv Ctr/ Cap Th Bond</u>	<u>Various GO Bonds</u>	<u>Conv Ctr Rem Bond</u>	<u>Total</u>
Revenues				
Taxes and assessments	\$ 373,136	2,342,214	\$ —	\$ 2,715,350
Expenditures				
Debt service				
Principal	740,000	2,267,261	—	3,007,261
Interest and related charges	653,696	1,027,698	—	1,681,394
Total Expenditures	<u>1,393,696</u>	<u>3,294,959</u>	<u>—</u>	<u>4,688,655</u>
Excess (deficiency) of revenue over (under) expenditure	(1,020,560)	(952,745)	—	(1,973,305)
Other financing (sources) uses				
Transfers in	987,645	952,109	—	1,939,754
Net change in fund balance	(32,915)	(636)	—	(33,551)
Fund balance - beginning	217,154	17,239	—	234,393
Fund balance - ending	<u>\$ 184,239</u>	<u>\$ 16,603</u>	<u>\$ —</u>	<u>\$ 200,842</u>



The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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## ***NONMAJOR CAPITAL PROJECT FUNDS***

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**Central Business District Capital Improvement Fund (321)** - Created by Ordinance No. 1599. The Central Business District Improvement Program works to develop a long range guide for evaluating proposals for physical changes and the scheduling of improvements to the Central Business District. Resources are derived from private contributions and transfers from other funds.

**Capitol Theatre Construction Fund (322)** - Created by Ordinance 1654 on April 15, 1974. The purpose of this fund was for the acquisition of the Capitol Theatre and capital repairs to that building. The Theatre was destroyed by fire in 1975. After the Theatre was rebuilt in 1978, the fund was deactivated. The fund was then reactivated in 2007 when additional funding for renovation became available.

**Parks and Recreation Capital Fund (331)** - Created to receive the proceeds from bond issues approved by the voters for improvements to City parks. This fund continues to accumulate resources for Park capital improvement projects. Revenues consist of grants, interest earnings, contributions and transfers from the Parks and Recreation operating fund.

**Fire Capital Fund (332)** - Created to acquire firefighting and fire training equipment and facilities, including real property, for the City of Yakima Fire Department. Funding sources include Bond Issues, contributions from other funds for equipment replacement, investment income, and proceeds from sale of fire equipment and retired stations.

**Law and Justice Capital Fund (333)** - Created in 1990 for the purpose of constructing capital facilities for the City's Law and Justice Programs. Funds are provided by an allocation of local Criminal Justice Sales Tax, grants, and interest earnings.

**REET 1 Public Works Trust Fund (342)** - Accounts for the first 1/4% Real Estate Excise Tax, restricted primarily for planned streets, parks, law enforcement and administrative capital projects.

**REET 2 Capital Fund (343)** - Created in 2005 to track Capital improvement projects funded with the second 1/4% of Real Estate Excise Tax, more restrictive than REET 1, primarily streets, water, sewer and parks projects.

**Streets Capital Fund (344)** - Created in 2014 to account for the 2013 voter supported investment of \$2 million annually into streets projects. This fund also accounts for Transportation Benefit District revenue and expenditures.

**Yakima Convention Center Capital Fund (370)** - Was established for the Convention Center and Performing Arts Center Facilities and is used for paying all or any part of the cost of acquiring, constructing or operating convention center facilities. The fund was originally created by Ordinance 1624, February 19, 1974. In 2002, proceeds from a \$6.6 million bond issue were used to expand the Convention Center. An allocation of local option Hotel/Motel Tax and interest earnings are this fund's primary revenue sources.

**Cumulative Reserve for Capital Improvement Fund (392)** - Is used to account for general government capital projects that are not eligible to be included in other capital funds.

**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2021

Page 1 of 2

	<u>Central Bus</u> <u>District Impr</u>	<u>Capitol</u> <u>Theatre Cons</u>	<u>Parks &amp;</u> <u>Recreation</u>	<u>Fire</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 58,013	\$ 273,635	\$ 313,516	\$ 497,655
Cash with fiscal agent	—	—	85	—
Investments	—	—	—	—
Receivables, net allowance for uncollectible accounts				
Taxes	—	—	—	—
Accounts	—	—	—	17,500
<b>Total assets</b>	<u>\$ 58,013</u>	<u>\$ 273,635</u>	<u>\$ 313,601</u>	<u>\$ 515,155</u>
<b>Liabilities</b>				
Accounts payable	\$ —	\$ —	\$ —	\$ 57,251
Retainage payable	—	—	—	—
Deposit type accounts	3,001	—	—	—
Due to other governments	—	—	—	2,853
<b>Total liabilities</b>	<u>3,001</u>	<u>—</u>	<u>—</u>	<u>60,104</u>
<b>Fund balance</b>				
Restricted	—	—	—	—
Assigned	55,012	273,635	313,601	455,050
<b>Total fund balance</b>	<u>55,012</u>	<u>273,635</u>	<u>313,601</u>	<u>455,050</u>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<u>\$ 58,013</u>	<u>\$ 273,635</u>	<u>\$ 313,601</u>	<u>\$ 515,154</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2021

Page 2 of 2

<u>Law and Justice</u>	<u>REET 1 PW Trust</u>	<u>REET 2 Capital</u>	<u>Streets Capital</u>	<u>Yak Conv Center</u>	<u>Cumulative Reserve</u>	<u>Total</u>
\$ 1,386,960	\$ 2,433,496	\$ 836,222	\$ 1,750,127	\$ 1,023,794	\$ 374,457	\$ 8,947,875
—	165,509	165,509	565	—	—	331,668
—	1,892,164	650,023	1,360,769	795,991	—	4,698,946
21,740	1,901	1,901	118,721	8,499	—	152,762
—	—	—	—	—	—	17,500
<u>\$ 1,408,700</u>	<u>\$ 4,493,070</u>	<u>\$ 1,653,655</u>	<u>\$ 3,230,182</u>	<u>\$ 1,828,284</u>	<u>\$ 374,457</u>	<u>\$ 14,148,751</u>
\$ 37,059	\$ 128,264	\$ 92,935	\$ 45,517	\$ 168,747	\$ 10,577	\$ 540,350
—	3,895	30,057	118,402	—	—	152,354
—	—	—	—	—	—	3,001
—	126	—	—	—	—	2,979
<u>37,059</u>	<u>132,285</u>	<u>122,992</u>	<u>163,919</u>	<u>168,747</u>	<u>10,577</u>	<u>698,684</u>
—	4,360,786	1,530,662	—	1,659,537	363,879	7,914,864
1,371,642	—	—	3,066,264	—	—	5,535,204
<u>1,371,642</u>	<u>4,360,786</u>	<u>1,530,662</u>	<u>3,066,264</u>	<u>1,659,537</u>	<u>363,879</u>	<u>13,450,068</u>
<u>\$ 1,408,701</u>	<u>\$ 4,493,071</u>	<u>\$ 1,653,654</u>	<u>\$ 3,230,183</u>	<u>\$ 1,828,284</u>	<u>\$ 374,456</u>	<u>\$ 14,148,752</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2021

Page 1 of 2

	<u>Central Bus</u> <u>District Impr</u>	<u>Capitol</u> <u>Theatre Cons</u>	<u>Parks &amp;</u> <u>Recreation</u>	<u>Fire</u>
Revenues				
Taxes and assessments	\$ —	\$ —	\$ 31,005	\$ —
Charges for services	—	—	—	80,500
Contributions and donations	—	—	8,895	—
Investment earnings	703	3,400	3,900	6,200
Other revenue	4,954	—	—	3,515
Total revenues	<u>5,657</u>	<u>3,400</u>	<u>43,800</u>	<u>90,215</u>
Expenditures				
Current				
Public safety	—	—	—	58,396
Transportation	—	—	—	—
Economic environment	23,221	—	—	—
Cultural and recreational	—	—	57,630	—
Capital outlay				
General government	—	—	—	—
Public safety	—	—	—	37,229
Utilities	—	—	—	—
Transportation	—	—	—	—
Cultural and recreational	—	49,535	63,923	—
Debt service				
Principal	—	—	—	—
Interest and related charges	—	—	—	—
Total Expenditures	<u>23,221</u>	<u>49,535</u>	<u>121,553</u>	<u>95,625</u>
Excess (deficiency) of revenue over (under) expenditure	(17,564)	(46,135)	(77,753)	(5,410)
Other financing (sources) uses				
Transfers in	—	60,000	—	75,000
Transfers out	—	—	—	—
Sale of capital assets	—	—	—	3,600
Total other financing sources (uses)	<u>—</u>	<u>60,000</u>	<u>—</u>	<u>78,600</u>
Net change in fund balance	(17,564)	13,865	(77,753)	73,190
Fund balance - beginning	<u>72,576</u>	<u>259,770</u>	<u>391,355</u>	<u>381,861</u>
Fund balance - ending	<u>\$ 55,012</u>	<u>\$ 273,635</u>	<u>\$ 313,602</u>	<u>\$ 455,051</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2021

Page 2 of 2

<u>Law and Justice</u>	<u>REET 1 PW Trust</u>	<u>REET 2 Capital</u>	<u>Streets Capital</u>	<u>Yak Conv Center</u>	<u>Cumulative Reserve</u>	<u>Total</u>
\$ 221,862	\$ 1,753,127	\$ 1,753,127	\$ 2,031,392	\$ 70,374	\$ —	\$ 5,860,886
—	—	—	—	—	—	80,500
—	—	—	—	—	—	8,895
17,400	30,500	10,500	21,900	15,552	4,700	114,755
69	5,898	—	83,698	—	78,586	176,721
<u>239,331</u>	<u>1,789,525</u>	<u>1,763,627</u>	<u>2,136,990</u>	<u>85,926</u>	<u>83,286</u>	<u>6,241,757</u>
211,979	—	—	—	—	—	270,375
—	1,517	362,534	132,825	—	—	496,875
—	—	—	—	—	—	23,221
—	—	—	—	95,165	—	152,795
—	192,279	1,369,357	—	—	—	1,561,636
—	—	—	—	—	—	37,229
—	—	—	—	—	106,834	106,834
—	—	—	2,708,727	3,574,747	—	6,283,473
—	162,174	—	—	—	—	275,633
—	57,534	165,100	—	—	—	222,634
—	26,914	6,604	—	—	—	33,518
<u>211,979</u>	<u>440,418</u>	<u>1,903,595</u>	<u>2,841,552</u>	<u>3,669,912</u>	<u>106,834</u>	<u>9,464,224</u>
27,352	1,349,107	(139,968)	(704,562)	(3,583,986)	(23,548)	(3,222,467)
252,998	84,448	—	—	200,000	—	672,446
—	(617,754)	(334,355)	(62,800)	—	—	(1,014,909)
65,951	—	—	—	—	—	69,551
<u>318,949</u>	<u>(533,306)</u>	<u>(334,355)</u>	<u>(62,800)</u>	<u>200,000</u>	<u>—</u>	<u>(272,912)</u>
346,301	815,801	(474,323)	(767,362)	(3,383,986)	(23,548)	(3,495,379)
<u>1,025,340</u>	<u>3,544,984</u>	<u>2,004,985</u>	<u>3,833,625</u>	<u>5,043,523</u>	<u>387,427</u>	<u>16,945,448</u>
<u>\$ 1,371,641</u>	<u>\$ 4,360,785</u>	<u>\$ 1,530,662</u>	<u>\$ 3,066,263</u>	<u>\$ 1,659,537</u>	<u>\$ 363,879</u>	<u>\$ 13,450,069</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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## *PERMANENT FUND*

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**Cemetery Trust Fund (710)** - This non-expendable Trust is credited for all money received from owners for endowment care. The principal shall be held forever in trust by the City of Yakima, while interest earnings are transferred to the Cemetery Fund.

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**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUND**

December 31, 2021

Page 1 of 1

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	<b>Cemetery</b>
	<b>Trust</b>
	<u>          </u>
Assets	
Cash and cash equivalents	\$ 720,594
Receivables, net allowance for uncollectible accounts	
Accounts	<u>889</u>
Total assets	<u>\$ 721,483</u>
Fund balance	
Nonspendable	<u>\$ 721,484</u>
Total liabilities, deferred inflows & fund balances	<u><u>\$ 721,484</u></u>

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The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR PERMANENT FUND**

December 31, 2021

Page 1 of 1

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	<u>Cemetery Trust</u>
Revenues	
Other revenue	\$ 15,816
Excess (deficiency) of revenue over (under) expenditure	15,816
Other financing (sources) uses	
Transfers out	<u>(12,000)</u>
Net change in fund balance	3,816
Fund balance - beginning	<u>717,668</u>
Fund balance - ending	<u><u>\$ 721,484</u></u>



The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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## ***NONMAJOR PROPRIETARY FUNDS***

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**Airport Fund (421)** – Accounts for the operation of the Yakima Air Terminal. In 2013, the Joint Air Terminal Operations Agreement between Yakima County and the City of Yakima was terminated. Both parties agreed that it was in the public interest for a single entity to take over ownership and operations of the Airport. All real and personal property owned by the parties as tenants in common was conveyed to the City of Yakima in consideration of the City’s assumption of joint obligations and liabilities. The Airport began operating as a department of the City of Yakima subsequent to the termination of the agreement.

**Stormwater Fund (441)** - Created in 2009, this fund was set up to meet the responsibilities and obligations set forth by the City’s Eastern Washington Phase II Municipal Stormwater Permit and the State mandated Underground Injection Control (UIC) Program (WAC 173-218). The Federal and State mandated responsibilities include collecting, transporting, and treatment of surface water (stormwater) to protect the environment, public health and welfare, and assess and comply with regulatory agency requirements.

**STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**

December 31, 2021

Page 1 of 2

	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 718,675	\$ 2,825,195	\$ 3,543,870
Cash with fiscal agent	—	13,536	13,536
Investments	558,800	2,199,267	2,758,067
Restricted Assets			
Cash	—	—	—
Investments	—	—	—
Receivables, net allowance for uncollectible accounts			
Taxes	—	1,352	1,352
Accounts	64,494	357	64,851
Notes and contracts receivable	—	313,675	313,675
Due from other governments	324,874	—	324,874
Due from other funds	—	467,000	467,000
Total current assets	<u>1,666,843</u>	<u>5,820,382</u>	<u>7,487,225</u>
Noncurrent assets			
Capital assets not being depreciated			
Land	3,418,797	—	3,418,797
Construction in progress	333,097	49,153	382,250
Capital assets, net of accumulated depreciation			
Buildings	57,000	—	57,000
Machinery, equipment & vehicles	3,051,536	2,923	3,054,459
Other improvements & utility systems	14,861,532	6,518,231	21,379,763
Intangibles	432,614	—	432,614
Other noncurrent assets			
Net pension asset	503,975	523,744	1,027,719
Total noncurrent assets	<u>22,658,551</u>	<u>7,094,051</u>	<u>29,752,602</u>
Total assets	<u>24,325,394</u>	<u>12,914,433</u>	<u>37,239,827</u>
Deferred outflows of resources			
Deferred outflows related to pension	56,298	58,507	114,805
Deferred outflows related to OPEB	3,121	3,703	6,824
Total deferred outflows of resources	<u>59,419</u>	<u>62,210</u>	<u>121,629</u>
Total assets & deferred outflows of resources	<u>24,384,813</u>	<u>12,976,643</u>	<u>37,361,456</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**

December 31, 2021

Page 2 of 2

	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Liabilities			
Current liabilities			
Accounts payable	66,224	81,398	147,622
Retainage payable	—	15,299	15,299
Accrued salaries and benefits	107,414	103,940	211,354
Compensated absences	4,291	13,599	17,890
Deposit type accounts	38,923	—	38,923
Due to other governments	(562)	—	(562)
Other postemployment benefits - current	4,845	5,749	10,594
Total current liabilities	<u>221,135</u>	<u>219,985</u>	<u>441,120</u>
Noncurrent liabilities			
Compensated absences	38,416	120,230	158,646
Pension Liability	50,501	52,482	102,983
Total other postemployment benefits (OPEB)	88,199	104,662	192,861
Total noncurrent liabilities	<u>177,116</u>	<u>277,374</u>	<u>454,490</u>
Total liabilities	<u>398,251</u>	<u>497,359</u>	<u>895,610</u>
Deferred inflows of resources			
Deferred inflows related to pension	530,757	551,577	1,082,334
Deferred inflows related to OPEB	38,995	46,273	85,268
Total deferred inflows of resources	<u>569,752</u>	<u>597,850</u>	<u>1,167,602</u>
Total liabilities & deferred inflows of resources	<u>968,003</u>	<u>1,095,209</u>	<u>2,063,212</u>
Net position			
Net investment in capital assets	22,154,576	6,555,008	28,709,584
Unrestricted	1,262,235	5,326,426	6,588,661
Total net position	<u>\$ 23,416,811</u>	<u>\$ 11,881,434</u>	<u>\$ 35,298,245</u>

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS**

December 31, 2021

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	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues			
Charges and fees for services	\$ 411,996	\$ 3,759,789	\$ 4,171,785
Rents and leases	853,030	—	853,030
Other operating revenue	6,517	—	6,517
Total operating revenues	<u>1,271,543</u>	<u>3,759,789</u>	<u>5,031,332</u>
Operating expenses			
Personnel services	721,273	964,642	1,685,915
Materials and supplies	117,885	43,095	160,980
Contractual services	495,327	1,999,160	2,494,487
Depreciation	1,893,721	298,215	2,191,936
Total operating expense	<u>3,228,206</u>	<u>3,305,112</u>	<u>6,533,318</u>
Operating income (loss)	(1,956,663)	454,677	(1,501,986)
Nonoperating revenues (expense)			
Grants and subsidies	2,033,545	95,000	2,128,545
Interest revenue	9,055	35,400	44,455
Gain (loss) disposal of capital assets	1,202	(30,034)	(28,832)
Total nonoperating revenue (exp)	<u>2,043,802</u>	<u>100,366</u>	<u>2,144,168</u>
Income (loss) before conts & transfers	87,139	555,043	642,182
Capital contributions	—	346,090	346,090
Change in net position	<u>87,139</u>	<u>901,133</u>	<u>988,272</u>
Net position - beginning	23,329,672	10,980,300	34,309,972
Net position - ending	<u>\$ 23,416,811</u>	<u>\$ 11,881,433</u>	<u>\$ 35,298,244</u>

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The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**

December 31, 2021

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	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from customers	\$ 1,530,929	\$ 3,501,579	\$ 5,032,508
Payments to suppliers & service providers	(617,138)	(2,038,743)	(2,655,881)
Payments to employees salaries & benefits	(934,583)	(1,074,632)	(2,009,215)
Transfers to other funds	6,517	—	6,517
Net cash flows from operating activities	<u>(14,275)</u>	<u>388,204</u>	<u>373,929</u>
Cash from noncapital financing activities			
Operating grants	2,033,545	95,000	2,128,545
Net cash from noncapital financing activities	<u>2,033,545</u>	<u>95,000</u>	<u>2,128,545</u>
Cash flows from capital financing activities			
Proceeds from disposal of property	1,202	(30,034)	(28,832)
Acquisition & construction of capital assets	(1,299,083)	(865,616)	(2,164,699)
Net cash provided by (used for) financing	<u>(1,297,881)</u>	<u>(895,650)</u>	<u>(2,193,531)</u>
Cash flows from investing activities			
Proceeds from sale of investments	—	1,979,486	1,979,486
Interest on investments	9,055	35,400	44,455
Purchase of investments	(558,800)	(2,199,267)	(2,758,067)
Net cash provided by investing activities	<u>(549,745)</u>	<u>(184,381)</u>	<u>(734,126)</u>
Net increase (decrease) in cash & cash equivalents	171,644	(596,827)	(425,183)
Cash & cash equivalents - beginning	547,030	3,435,558	3,982,588
Cash & cash equivalents - ending	<u>\$ 718,674</u>	<u>\$ 2,838,731</u>	<u>\$ 3,557,405</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**

December 31, 2021

Page 2 of 2

	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Reconciliation - operating income (loss) to net cash provided (used) for operations			
Operating income (loss)	\$ (1,956,663)	\$ 454,676	\$ (1,501,987)
Adj to reconcile operating income (loss) to net cash provided (used) for operations			
Depreciation expense	1,893,721	298,215	2,191,936
Change in assets and liabilities			
(Increase) decrease in net accounts receivable	5,027	(258,210)	(253,183)
(Increase) decrease in due from other governments	260,876	—	260,876
(Decrease) increase in accounts payable	(3,925)	(2,896)	(6,821)
(Decrease) increase in accrued liabilities	22,110	28,495	50,605
(Decrease) increase in compensated absences	(44,744)	23,715	(21,029)
(Decrease) increase in contracts payable	—	6,409	6,409
(Decrease) increase in pension liability-current yr	(190,676)	(162,200)	(352,876)
Total adjustments	<u>1,942,389</u>	<u>(66,472)</u>	<u>1,875,917</u>
Net cash prov (used) for operations	<u>\$ (14,274)</u>	<u>\$ 388,204</u>	<u>\$ 373,930</u>
Schedule of noncash capital financing activities			
Contribution of capital assets	<u>\$ —</u>	<u>\$ 346,090</u>	<u>\$ 346,090</u>



The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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## ***INTERNAL SERVICE FUNDS***

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**Unemployment Compensation Reserve Fund (512)** - Established in 1978 to provide unemployment compensation coverage for City employees as required by state law.

**Employees' Health Benefit Reserve Fund (513)** - Established for the transfer of premiums from the operating funds in order to pay medical and dental costs incurred by persons covered by the Employees' Health Benefit Plan of the City and to pay expenses incurred in connection with administering that plan.

**Workers' Compensation Reserve Fund (514)** - Created when City Council adopted Ordinance No. 2783 effective July 1, 1984, to self-insure a Workers' Compensation Program for the City employees pursuant to RCW Chapter 51.14.

**Risk Management Reserve Fund (515)** - Created by Ordinance No. 2941, on February 11, 1986, to account for general liability and purchased insurance coverage. Funding revenues are contributions from other fund groups and are planned to match expenses of insurance premiums for coverage in excess of self-insured amounts, claims resulting from the self-insured program, and operating expenses.

**Wellness and Employee Assistance Program (EAP) Fund (516)** - Established in 1998 to provide the opportunity to all City employees to improve their physical, mental and emotional well-being.

**Equipment Rental Fund (551)** - A self-supporting fund for ensuring cash flow and stabilized budgeting for the systematic replacement of vehicles and equipment. Participating departments share in the allocated cost sufficient to cover maintenance and operating costs of each vehicle plus depreciation sufficient to provide for the eventual replacement of each vehicle.

**Environmental Fund (555)** - Established in 1991 to accumulate a reserve for environmental contingencies, funded by a surcharge on fuel purchased by the operating funds.

**Public Works Administration Fund (560)** - Established in 1983. The fund centralizes both the accountability and costs for supervision of funds which are housed at the Public Works facility.

**Utility Services Fund (581)** - The Utility Services Division provides the revenue billing and collections function for City utilities and the cashiering function for all City departments. The division delivers customer service to external utility customers and internal utility operating divisions. In 2019, Utility Services was moved out of the General Fund and became an Enterprise fund, and in 2021, moved from an Enterprise fund to an Internal Service fund.

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

Page 1 of 4

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 400,504	\$ 1,705,449	\$ 697,920	\$ 2,857,326
Investments	—	1,314,726	—	2,202,747
Receivables, net allowance for uncollectible accounts				
Accounts	23,298	997,582	135,428	—
Due from other governments	—	—	—	—
Inventories and prepayments	—	1,855	—	—
<b>Total current assets</b>	<b>423,802</b>	<b>4,019,612</b>	<b>833,348</b>	<b>5,060,073</b>
<b>Noncurrent assets</b>				
<b>Capital assets, net of accumulated depreciation</b>				
Buildings	—	—	—	—
Machinery, equipment & vehicles	—	—	—	—
Other improvements & utility systems	—	—	—	—
<b>Other noncurrent assets</b>				
Net pension asset	45,130	114,416	90,183	484,974
<b>Total noncurrent assets</b>	<b>45,130</b>	<b>114,416</b>	<b>90,183</b>	<b>484,974</b>
<b>Total assets</b>	<b>468,932</b>	<b>4,134,028</b>	<b>923,531</b>	<b>5,545,047</b>
<b>Deferred outflows of resources</b>				
Deferred outflows related to pension	5,041	12,781	10,074	54,176
Deferred outflows related to OPEB	280	711	627	1,734
<b>Total deferred outflows of resources</b>	<b>5,321</b>	<b>13,492</b>	<b>10,701</b>	<b>55,910</b>
<b>Total assets &amp; deferred outflows of resources</b>	<b>473,973</b>	<b>4,146,809</b>	<b>933,605</b>	<b>5,599,223</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

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Wellness/ EAP	Equipment Rental	Environmental	Public Works Administration	Utility Services	Total
\$ 176,250	\$ 1,348,404	\$ 376,560	\$ 596,017	\$ 551,540	\$ 8,709,969
—	1,030,675	—	—	—	4,548,148
—	—	—	—	—	1,156,308
—	—	204,016	—	—	204,016
—	675,981	—	—	—	677,836
<u>176,250</u>	<u>3,055,060</u>	<u>580,576</u>	<u>596,017</u>	<u>551,540</u>	<u>15,296,277</u>
—	—	—	331,901	—	331,901
—	10,919,718	—	16,065	118,800	11,054,583
7,827	—	292,843	100,044	—	400,714
—	653,061	—	369,889	430,842	2,188,495
<u>7,827</u>	<u>11,572,779</u>	<u>292,843</u>	<u>817,899</u>	<u>549,642</u>	<u>13,975,693</u>
<u>184,077</u>	<u>14,627,839</u>	<u>873,419</u>	<u>1,413,916</u>	<u>1,101,182</u>	<u>29,271,970</u>
—	72,952	—	41,320	48,129	244,473
—	3,934	—	2,308	4,537	14,131
—	76,886	—	43,628	52,666	258,604
<u>184,077</u>	<u>14,704,725</u>	<u>873,419</u>	<u>1,457,544</u>	<u>1,153,848</u>	<u>29,530,574</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

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	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Liabilities				
Current liabilities				
Accounts payable	28,966	11,216	116,935	129,658
Claims & judgments payable	—	2,352,164	650,000	2,621,770
Accrued salaries and benefits	7,553	17,417	14,684	52,016
Compensated absences	1,976	3,146	1,645	5,705
Deposit type accounts	—	—	—	23,696
Due to other governments	—	—	—	—
Other current liabilities	—	—	—	—
Other postemployment benefits - current	435	1,104	973	2,691
<b>Total current liabilities</b>	<b>38,930</b>	<b>2,385,047</b>	<b>784,237</b>	<b>2,835,536</b>
Noncurrent liabilities				
Compensated absences	17,582	26,892	12,604	45,089
Pension Liability	4,522	11,465	9,037	48,597
Total other postemployment benefits (OPEB)	7,923	20,099	17,706	48,998
<b>Total noncurrent liabilities</b>	<b>30,027</b>	<b>58,456</b>	<b>39,347</b>	<b>142,684</b>
<b>Total liabilities</b>	<b>68,957</b>	<b>2,443,503</b>	<b>823,584</b>	<b>2,978,220</b>
Deferred inflows of resources				
Deferred inflows related to pension	47,529	120,497	94,975	510,747
Deferred inflows related to OPEB	3,503	8,886	7,828	21,663
<b>Total deferred inflows of resources</b>	<b>51,032</b>	<b>129,383</b>	<b>102,803</b>	<b>532,410</b>
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>119,989</b>	<b>2,572,886</b>	<b>926,387</b>	<b>3,510,630</b>
Net position				
Net investment in capital assets	—	—	—	—
Unrestricted	354,264	1,574,632	7,845	2,090,326
<b>Total net position</b>	<b>\$ 354,264</b>	<b>\$ 1,574,632</b>	<b>\$ 7,845</b>	<b>\$ 2,090,326</b>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

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Wellness/ EAP	Equipment Rental	Environmental	Public Works Administration	Utility Services	Total
13,689	62,800	18,756	34,855	21,804	438,681
—	—	—	—	—	5,623,934
—	100,141	—	61,179	119,211	372,201
—	6,213	—	7,628	14,323	40,636
—	—	—	—	256,362	280,058
—	—	121	—	—	121
—	—	—	—	5,018	5,018
—	6,107	—	3,583	7,043	21,936
<u>13,689</u>	<u>175,261</u>	<u>18,877</u>	<u>107,245</u>	<u>423,761</u>	<u>6,782,585</u>
—	51,121	—	63,594	113,468	330,351
—	65,440	—	37,065	43,173	219,299
—	111,170	—	65,231	128,213	399,340
—	227,731	—	165,890	284,854	948,990
<u>13,689</u>	<u>402,992</u>	<u>18,877</u>	<u>273,135</u>	<u>708,615</u>	<u>7,731,575</u>
—	687,766	—	389,546	453,738	2,304,796
—	49,151	—	28,840	56,686	176,557
—	736,917	—	418,386	510,424	2,481,353
<u>13,689</u>	<u>1,139,909</u>	<u>18,877</u>	<u>691,521</u>	<u>1,219,039</u>	<u>10,212,928</u>
7,827	10,919,718	292,843	448,010	118,800	11,787,197
162,561	2,645,098	561,698	318,014	(183,992)	7,530,446
<u>\$ 170,388</u>	<u>\$ 13,564,816</u>	<u>\$ 854,541</u>	<u>\$ 766,024</u>	<u>\$ (65,192)</u>	<u>\$ 19,317,643</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2021

Page 1 of 2

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Operating revenues				
Charges and fees for services	\$ —	\$ —	\$ —	\$ —
Charges for insurance	—	—	—	5,042,916
Employer premium payments	229,128	11,380,009	1,851,044	—
Employee premium payments	—	2,022,527	93,078	—
Other operating revenue	—	—	—	1,549
Total operating revenues	<u>229,128</u>	<u>13,402,536</u>	<u>1,944,122</u>	<u>5,044,465</u>
Operating expenses				
Personnel services	47,601	155,980	15,732	191,643
Materials and supplies	—	2,369	1,179	6,102
Contractual services	5,804	2,166,110	648,831	4,946,067
Claims and other benefits	69,516	11,779,528	1,439,841	2,816
Depreciation	—	—	—	—
Total operating expense	<u>122,921</u>	<u>14,103,987</u>	<u>2,105,583</u>	<u>5,146,628</u>
Operating income (loss)	106,207	(701,451)	(161,461)	(102,163)
Nonoperating revenues (expense)				
Grants and subsidies	—	—	—	—
Interest revenue	5,000	21,400	8,700	35,800
Other nonoperating revenue	—	—	47,977	388,059
Gain (loss) disposal of capital assets	—	—	—	—
Total nonoperating revenue (exp)	<u>5,000</u>	<u>21,400</u>	<u>56,677</u>	<u>423,859</u>
Income (loss) before contributions & transfers	111,207	(680,051)	(104,784)	321,696
Net position - beginning	243,057	2,254,684	112,630	1,768,629
Change in accounting principle	—	—	—	—
Net position - ending	<u>\$ 354,264</u>	<u>\$ 1,574,633</u>	<u>\$ 7,846</u>	<u>\$ 2,090,325</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF REVENUES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2021

Page 2 of 2

Wellness/ EAP	Equipment Rental	Environmental	Public Works Administration	Utility Services	Total
\$ —	\$ 2,720,234	\$ 36,575	\$ 672,627	\$ 2,594,815	\$ 6,024,252
—	1,759,935	—	691,783	—	7,494,634
100,000	—	—	—	—	13,560,180
—	—	—	(9)	—	2,115,595
190	—	—	—	99	1,838
100,190	4,480,169	36,575	1,364,401	2,594,914	29,196,499
—	929,877	—	445,790	1,395,002	3,181,626
1,227	1,001,911	3,737	66,310	10,348	1,093,181
47,993	569,913	281,538	478,236	882,737	10,027,229
—	29,638	—	7,764	10,673	13,339,775
681	1,477,686	29,506	54,297	13,200	1,575,369
49,901	4,009,025	314,781	1,052,397	2,311,960	29,217,180
50,289	471,144	(278,206)	312,004	282,954	(20,681)
—	—	224,315	—	—	224,315
2,200	28,000	4,700	7,500	—	113,300
—	10,454	—	695	—	447,185
—	(60,312)	—	(3,641)	—	(63,953)
2,200	(21,858)	229,015	4,554	—	720,847
52,489	449,286	(49,191)	316,558	282,954	700,166
117,898	13,115,529	903,732	449,466	—	18,965,625
—	—	—	—	(348,146)	(348,146)
\$ 170,387	\$ 13,564,815	\$ 854,541	\$ 766,024	\$ (65,192)	\$ 19,317,645

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

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	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Cash flows from operating activities				
Receipts from customers	\$ —	\$ —	\$ —	\$ 5,042,916
Contributions rec'd employer & employee	229,022	13,394,480	1,944,659	—
Payments to suppliers & service providers	(9,450)	(1,881,975)	(610,231)	(3,641,135)
Payments to employees salaries & benefits	(79,656)	(196,744)	(187,511)	(486,492)
Transfers to other funds	—	—	—	1,549
Payments to claimants & beneficiaries	(69,516)	(11,779,528)	(1,439,841)	(2,816)
Net cash flows from operating activities	<u>70,400</u>	<u>(463,767)</u>	<u>(292,924)</u>	<u>914,022</u>
Cash from noncapital financing activities				
Transfer in/other nonoperating revenue	—	—	47,977	388,059
Transfer to and from other funds	—	—	—	—
Net cash from noncapital financing activities	<u>—</u>	<u>—</u>	<u>47,977</u>	<u>388,059</u>
Cash flows from capital financing activities				
Proceeds from disposal of property	—	—	—	—
Capital expenditures	—	—	—	—
Net cash provided by (used for) financing	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows from investing activities				
Proceeds from sale of investments	—	1,270,675	—	1,365,961
Interest on investments	5,000	21,400	8,700	35,800
Purchase of investments	—	(1,314,726)	—	(2,202,747)
Net cash provided by investing activities	<u>5,000</u>	<u>(22,651)</u>	<u>8,700</u>	<u>(800,986)</u>
Net increase (decrease) in cash & cash equivalents	75,400	(486,418)	(236,247)	501,095
Cash & cash equivalents - beginning	325,103	2,191,866	934,166	2,356,232
Cash & cash equivalents - ending	<u>\$ 400,503</u>	<u>\$ 1,705,448</u>	<u>\$ 697,919</u>	<u>\$ 2,857,327</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

Page 2 of 4

Wellness/ EAP	Equipment Rental	Environmental	Public Works Admin	Utility Services	Total
\$ —	\$ 4,461,924	\$ (135,671)	\$ 1,364,401	\$ 2,594,815	\$ 13,328,385
100,000	—	—	—	—	15,668,161
(37,858)	(1,648,377)	(272,055)	(531,143)	(680,845)	(9,313,069)
—	(1,133,543)	—	(659,008)	(1,191,251)	(3,934,204)
190	—	—	—	99	1,838
—	(29,638)	—	(7,764)	(10,673)	(13,339,775)
62,332	1,650,366	(407,726)	166,486	712,145	2,411,336
—	10,454	224,315	695	—	671,500
—	—	—	—	(28,605)	(28,605)
—	10,454	224,315	695	(28,605)	642,895
—	(60,312)	—	(3,641)	—	(63,953)
—	(1,505,449)	—	(28,557)	(132,000)	(1,666,006)
—	(1,565,761)	—	(32,198)	(132,000)	(1,729,959)
—	1,116,221	—	—	—	3,752,857
2,200	28,000	4,700	7,500	—	113,300
—	(1,030,675)	—	—	—	(4,548,147)
2,200	113,546	4,700	7,500	—	(681,990)
64,532	208,605	(178,711)	142,483	551,540	642,282
111,718	1,139,598	555,271	453,534	—	8,067,488
\$ 176,250	\$ 1,348,203	\$ 376,560	\$ 596,017	\$ 551,540	\$ 8,709,770

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

Page 3 of 4

	<b>Unemployment Compensation Reserve</b>	<b>Employees' Health Benefit Reserve</b>	<b>Workers' Compensation Reserve</b>	<b>Risk Management Reserve</b>
Reconciliation - operating income (loss) to net cash provided (used) for operations				
Operating income (loss)	\$ 106,207	\$ (701,452)	\$ (161,461)	\$ (102,162)
Adj to reconcile operating income (loss) to net cash provided (used) for operations				
Depreciation expense	—	—	—	—
Change in assets and liabilities				
(Increase) decrease in net accounts receivable	(106)	(8,056)	538	—
(Increase) decrease in inventory	—	—	—	—
(Decrease) increase in accounts payable	(3,645)	286,504	39,778	1,311,033
(Decrease) increase in wages/benefits payable	(30,969)	(42,322)	(169,790)	(297,850)
(Decrease) increase in compensated absences	(1,085)	1,558	(1,988)	3,000
Total adjustments	<u>(35,805)</u>	<u>237,684</u>	<u>(131,462)</u>	<u>1,016,183</u>
Net cash prov (used) for operations	<u>\$ 70,402</u>	<u>\$ (463,768)</u>	<u>\$ (292,923)</u>	<u>\$ 914,021</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

December 31, 2021

Page 4 of 4

<u>Wellness/ EAP</u>	<u>Equipment Rental</u>	<u>Environmental</u>	<u>Public Works Admin</u>	<u>Utility Services</u>	<u>Total</u>
\$ 50,290	\$ 471,144	\$ (278,206)	\$ 312,004	\$ 282,954	\$ (20,682)
681	1,477,686	29,506	54,297	13,200	1,575,369
—	(18,245)	(172,246)	—	—	(198,115)
—	(45,828)	—	—	—	(45,828)
11,362	(30,725)	13,219	13,402	212,240	1,853,169
—	(203,387)	—	(204,403)	198,036	(750,685)
—	(279)	—	(8,815)	5,716	(1,894)
<u>12,043</u>	<u>1,179,222</u>	<u>(129,521)</u>	<u>(145,519)</u>	<u>429,191</u>	<u>2,432,016</u>
<u>\$ 62,333</u>	<u>\$ 1,650,366</u>	<u>\$ (407,727)</u>	<u>\$ 166,485</u>	<u>\$ 712,145</u>	<u>\$ 2,411,334</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement



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## ***FIDUCIARY FUNDS***

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**YakCorps (632)** - This fund was established in 2011 to account for the fiscal activity of the Yakima Consortium for Regional Public Safety (YakCorps). YakCorps consists of a variety of local agencies and governments. All local public safety-related governmental agencies/jurisdictions whose governing body is located within the geographic boundaries of Yakima County are eligible to become a member of the consortium. It was formed to operate and maintain a county-wide multi-discipline public safety system. The Inter-Local Agreement provides for the structure governance, operations and funding of the Consortium and its activities. Participating entities are: Grandview, Granger, Mabton, Moxee, Prosser, Selah, Sunnyside, Tieton, Toppenish, Union Gap, Yakima, Wapato, Zillah, Fire District #1 (Highland), Fire District #3 (Naches), Fire District # 4 (East Valley), Fire District #5 (Lower Valley), Fire District #6 (Gleed), Fire District #7 (Glade), Fire District #9 (Naches Heights), Fire District #12 (West Valley), Nile Fire District, and County of Yakima. Per the Agreement the City of Yakima acts as fiscal agent for the Consortium.

**Custodial Fund (633)** - The Governmental Accounting Standards Board (GASB) came out with GASB Statement 84, Fiduciary Activities for purposes of accounting and financial reporting, with the purpose of determining whether a government is controlling the asset and the beneficiaries with whom a custodial relationship exists. A custodial relationship typically involves the collection of receipts and remittance of the fiduciary resources to individuals, private organizations or other governments. Fund 633 was created to separately account for these resources as required by GASB Statement 84, and is used solely to account for the resources that are held by the City of Yakima in a purely custodial capacity.

**COMBINING STATEMENT FIDUCIARY NET POSITION**

December 31, 2021

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	<u>YakCorps Fund</u>	<u>Other Funds</u>	<u>Total Fiduciary Activity</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 863,931	\$ 346,852	\$ 1,210,783
Receivables, net allowance for uncollectible accounts			
Accounts	5,138	—	5,138
Noncurrent assets			
Capital assets, net of accumulated depreciation			
Machinery, equipment & vehicles	45,248	—	45,248
Total assets	<u>914,317</u>	<u>346,852</u>	<u>1,261,169</u>
Liabilities			
Current liabilities			
Accounts payable	380	176,836	177,216
Deposits type accounts	—	—	—
Due to other governments	—	—	—
Total liabilities	<u>380</u>	<u>176,836</u>	<u>177,216</u>
Total restricted net position	<u>\$ 913,937</u>	<u>\$ 170,016</u>	<u>\$ 1,083,953</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2021

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	<u>YakCorps</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Total</u> <u>Fiduciary</u> <u>Activity</u>
Additions			
Contributions			
Custodial deposits	\$ 1,269,434	\$ 5,081,608	\$ 6,351,042
Total additions	<u>1,269,434</u>	<u>5,081,608</u>	<u>6,351,042</u>
Deductions			
Disbursements	455,448	4,911,591	5,367,039
Total deductions	<u>455,448</u>	<u>4,911,591</u>	<u>5,367,039</u>
Net increase (decrease) in fiduciary net position	813,986	170,017	984,003
Net position - beginning	99,950	—	99,950
Net position - ending	<u>\$ 913,936</u>	<u>\$ 170,017</u>	<u>\$ 1,083,953</u>



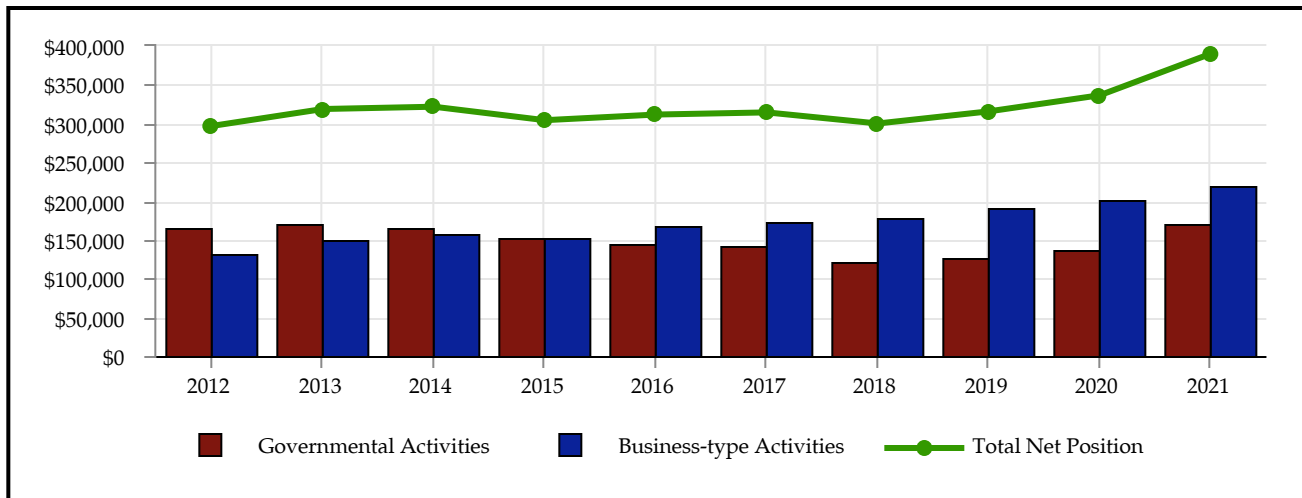
The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

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**NET POSITION BY COMPONENT**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net invested/capital assets	\$149,222	\$155,430	\$153,733	\$152,325	\$154,345	\$151,106	\$140,858	\$149,000	\$141,827	160,762
Restricted	18,548	21,768	18,483	22,371	17,491	\$ 25,020	28,292	30,865	36,911	60,089
Unrestricted	(2,528)	(7,268)	(7,320)	(23,566)	(27,984)	\$ (34,325)	(48,223)	(54,244)	(42,910)	(50,888)
<b>Total governmental activities</b>	<b>\$165,242</b>	<b>\$169,930</b>	<b>\$164,896</b>	<b>\$151,130</b>	<b>\$143,852</b>	<b>\$141,801</b>	<b>\$120,927</b>	<b>\$125,621</b>	<b>\$135,828</b>	<b>\$169,963</b>
<b>Business-type activities</b>										
Net invested/capital assets	\$109,844	\$126,846	\$130,496	\$127,576	\$135,655	\$136,112	\$135,946	\$141,504	\$142,388	\$147,876
Restricted	1,757	1,761	1,808	2,019	1,835	1,835	1,835	1,600	1,600	1,600
Unrestricted	19,984	20,151	24,463	23,554	30,201	34,580	41,308	46,927	56,637	70,623
<b>Total business-type activities</b>	<b>\$131,585</b>	<b>\$148,758</b>	<b>\$156,767</b>	<b>\$153,149</b>	<b>\$167,691</b>	<b>\$172,527</b>	<b>\$179,089</b>	<b>\$190,031</b>	<b>\$200,625</b>	<b>\$220,099</b>
<b>Net position</b>										
Net invested/capital assets	\$259,066	\$282,276	\$284,229	\$279,901	\$290,000	\$287,218	\$276,804	\$290,504	\$284,215	\$308,638
Restricted	20,305	23,529	20,291	24,390	19,326	\$ 26,855	30,127	32,465	38,511	61,689
Unrestricted	17,456	12,883	17,143	(12)	2,217	\$ 255	(6,915)	(7,317)	13,727	19,735
<b>Total net position</b>	<b>\$296,827</b>	<b>\$318,688</b>	<b>\$321,663</b>	<b>\$304,279</b>	<b>\$311,543</b>	<b>\$314,328</b>	<b>\$300,016</b>	<b>\$315,652</b>	<b>\$336,453</b>	<b>\$390,062</b>



**CHANGE IN NET POSITION**

Last Ten Fiscal Years (Amounts expressed in Thousands - Accrual Basis of Accounting)

Page 1 of 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenditures</b>										
Governmental activities										
General government	\$ 8,668	\$ 8,744	\$ 11,307	\$ 10,935	\$ 11,992	\$ 12,578	\$ 11,570	\$ 18,289	\$ 15,060	\$ 13,217
Public safety	42,996	47,682	48,645	48,221	49,780	47,245	42,831	49,007	45,049	40,847
Utilities	658	794	1,729	455	524	708	576	1,126	670	510
Transportation	11,530	13,075	10,839	14,368	12,074	12,837	10,364	9,364	11,753	9,714
Economic environment	3,950	4,407	4,477	5,159	6,340	7,308	6,503	8,193	7,382	12,505
Public health services	24	18	640	682	614	626	759	1,676	765	834
Cultural and recreational	7,522	8,205	7,146	7,711	7,368	7,492	7,370	7,594	7,782	5,046
Interest on long-term debt	1,122	1,175	1,434	1,776	1,540	1,493	1,557	1,656	1,996	1,762
<b>Total gov't activities</b>	<b>76,470</b>	<b>84,100</b>	<b>86,217</b>	<b>89,307</b>	<b>90,232</b>	<b>90,287</b>	<b>81,530</b>	<b>96,905</b>	<b>90,457</b>	<b>84,435</b>
Business-type activities										
Transit	9,085	8,806	8,891	9,045	9,187	9,490	9,092	9,167	8,490	9,166
Airport	—	1,407	1,825	1,846	2,012	2,236	1,976	2,100	3,221	3,228
Refuse	4,679	4,808	4,993	4,337	4,603	4,847	4,950	6,518	7,503	7,678
Wastewater	13,634	14,255	15,541	14,403	15,145	17,326	16,802	21,381	19,580	19,375
Water	5,834	6,368	7,111	7,297	7,567	7,749	7,928	10,424	9,406	9,692
Irrigation	1,891	2,071	2,078	2,135	2,276	2,363	2,329	2,287	2,249	2,269
Stormwater	1,318	1,322	1,351	1,609	2,052	2,890	2,411	2,517	2,650	3,305
<b>Total business-type activities</b>	<b>36,441</b>	<b>39,037</b>	<b>41,790</b>	<b>40,672</b>	<b>42,842</b>	<b>46,901</b>	<b>45,488</b>	<b>54,394</b>	<b>53,099</b>	<b>54,713</b>
<b>Total Expenditures</b>	<b>\$112,911</b>	<b>\$123,137</b>	<b>\$128,007</b>	<b>\$129,979</b>	<b>\$133,074</b>	<b>\$137,188</b>	<b>\$127,018</b>	<b>\$151,299</b>	<b>\$143,556</b>	<b>\$139,148</b>
<b>Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 9	\$ 32	\$ 400	\$ 421	\$ 443	\$ 419	\$ 429	\$ 467	\$ 292	\$ 227
Public safety	2,385	2,075	7,077	8,504	9,081	8,681	8,357	8,717	7,538	8,687
Utilities	735	619	217	239	202	257	331	311	220	384
Transportation	232	245	12	47	20	44	41	38	45	38
Economic environment	1,231	1,520	2,398	1,730	1,478	1,476	1,900	1,119	900	1,119
Public health services	—	—	—	—	—	21	15	14	5	—
Culture & recreational	2,122	2,618	3,896	3,922	3,823	3,990	4,097	4,030	2,954	3,796
Operating grants	10,848	10,093	5,126	6,700	8,132	6,982	10,362	11,847	11,420	14,913
Cap grants/contributions	4,883	12,819	5,099	1,698	2,358	2,340	2,562	4,954	2,698	11,002
<b>Total gov't activities</b>	<b>22,445</b>	<b>30,021</b>	<b>24,225</b>	<b>23,261</b>	<b>25,537</b>	<b>24,210</b>	<b>28,094</b>	<b>31,497</b>	<b>26,072</b>	<b>40,166</b>
Business-type activities										
Charges for services										
Transit	1,047	1,252	1,368	1,354	1,408	1,347	1,091	1,053	587	541
Airport	—	931	1,236	1,314	1,344	1,428	1,481	1,619	1,195	1,272
Refuse	5,430	5,440	5,822	5,671	6,918	6,967	7,562	8,018	8,326	8,646
Wastewater	18,703	19,154	21,471	20,932	21,571	20,993	22,255	23,007	23,282	24,044
Water	8,599	8,126	8,650	8,582	9,007	9,177	10,069	10,101	10,805	11,460
Irrigation	2,901	2,986	3,148	3,048	3,053	3,087	3,102	3,181	3,406	3,965
Stormwater	2,183	2,142	2,176	2,272	2,383	3,684	3,719	3,816	4,009	3,760
Operating grants	2,713	2,703	2,547	3,206	2,817	2,602	2,938	3,068	3,804	4,463
Cap grants/contributions	2,118	1,761	4,265	3,226	12,263	4,790	3,262	6,126	3,398	8,537
<b>Total business-type activities</b>	<b>43,694</b>	<b>44,495</b>	<b>50,683</b>	<b>49,605</b>	<b>60,764</b>	<b>54,075</b>	<b>55,479</b>	<b>59,989</b>	<b>58,812</b>	<b>66,688</b>
<b>Total revenues</b>	<b>\$ 66,139</b>	<b>\$ 74,516</b>	<b>\$ 74,908</b>	<b>\$ 72,866</b>	<b>\$ 86,301</b>	<b>\$ 78,285</b>	<b>\$ 83,573</b>	<b>\$ 91,486</b>	<b>\$ 84,884</b>	<b>\$106,854</b>



**CHANGE IN NET POSITION**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

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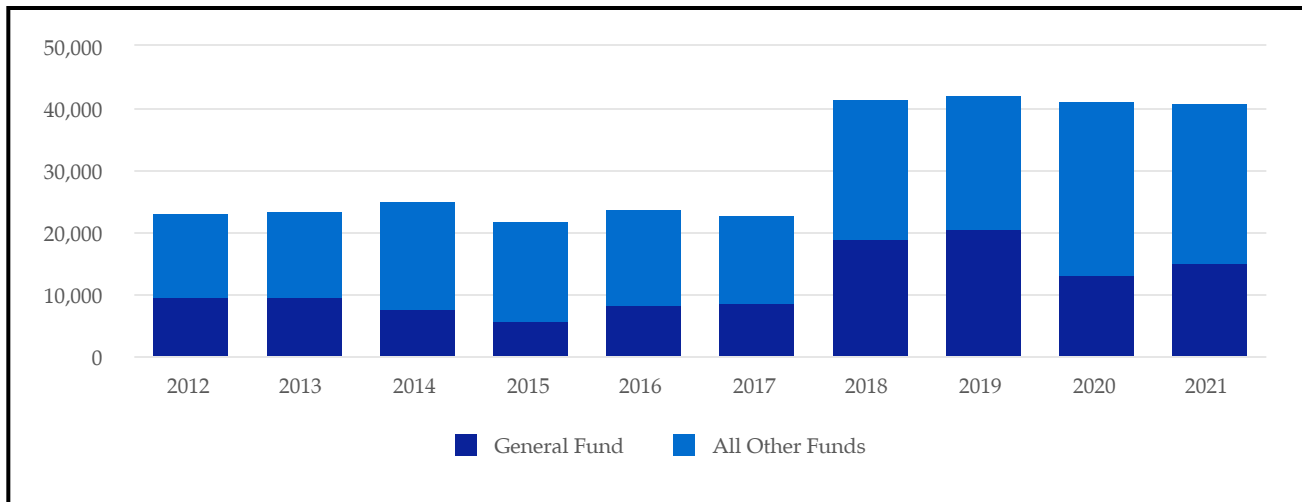
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Change in net position										
Governmental activities	\$ (54,025)	\$ (54,079)	\$ (61,991)	\$ (66,045)	\$ (64,692)	\$ (66,076)	\$ (53,438)	\$ (65,407)	\$ (64,388)	\$ (44,268)
Business-type activities	7,254	5,458	8,895	8,932	17,922	7,172	9,989	5,594	5,713	11,972
Total net position	<u>\$ (46,771)</u>	<u>\$ (48,621)</u>	<u>\$ (53,096)</u>	<u>\$ (57,113)</u>	<u>\$ (46,770)</u>	<u>\$ (58,904)</u>	<u>\$ (43,449)</u>	<u>\$ (59,813)</u>	<u>\$ (58,675)</u>	<u>\$ (32,296)</u>
General revenues & transfers										
Governmental activities										
Taxes										
Property taxes	\$ 15,565	\$ 15,989	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,839	\$ 20,688	\$ 21,208	\$ 21,686
Sales and use taxes	19,599	21,306	21,537	22,037	22,809	23,146	21,542	22,404	22,450	26,676
Other taxes and fees	12,454	12,289	12,301	12,587	11,989	13,453	14,591	24,238	24,180	26,754
Unrestricted investments	309	101	371	452	688	711	991	1,395	2,070	(752)
Judgments & settlements	—	—	1,350	8	—	249	—	—	—	—
Miscellaneous	42	40	356	198	106	15	89	146	241	655
Extraordinary item	—	—	—	—	—	—	(1,747)	—	3,944	3,734
Gain/(loss) disp cap asset	73	403	(20)	29	217	(91)	(1,191)	68	(11)	(86)
Transfers	6,172	6,372	6,643	8,021	9,563	8,263	8,918	1,182	491	84
Debt issue cost	—	489	—	—	—	—	—	—	—	—
Total gov't activities	<u>54,214</u>	<u>56,989</u>	<u>58,669</u>	<u>59,759</u>	<u>63,655</u>	<u>64,024</u>	<u>63,032</u>	<u>70,121</u>	<u>74,573</u>	<u>78,751</u>
Business-type activities										
Sales and use taxes	4,762	5,081	5,457	5,566	5,855	5,887	6,171	6,447	6,672	7,741
Unrestricted investments	11	6	5	(43)	5	7	12	19	9	433
Judgments & settlements	—	—	14	—	—	—	—	—	—	—
Miscellaneous	—	—	400	247	12	4	44	4	—	9
Gain/(loss) disp cap asset	7	(98)	(118)	43	309	28	87	60	20	(276)
Transfers	(6,191)	(6,372)	(6,643)	(8,021)	(9,563)	(8,263)	(8,918)	(1,182)	(491)	(84)
Total bus-type activities	<u>(1,411)</u>	<u>(1,383)</u>	<u>(885)</u>	<u>(2,207)</u>	<u>(3,382)</u>	<u>(2,337)</u>	<u>(2,604)</u>	<u>5,348</u>	<u>6,210</u>	<u>7,823</u>
Total revenues & transfers	<u>\$ 52,803</u>	<u>\$ 55,606</u>	<u>\$ 57,784</u>	<u>\$ 57,552</u>	<u>\$ 60,273</u>	<u>\$ 61,687</u>	<u>\$ 60,428</u>	<u>\$ 75,469</u>	<u>\$ 80,783</u>	<u>\$ 86,574</u>
Change in net position										
Governmental activities	\$ 189	\$ 2,977	\$ (3,322)	\$ (6,286)	\$ (1,038)	\$ (2,051)	\$ 9,594	\$ 4,714	\$ 10,186	\$ 34,484
Business-type activities	5,842	4,076	8,010	6,725	14,541	4,836	7,385	10,942	12,120	19,812
Total change in net position	<u>\$ 6,031</u>	<u>\$ 7,053</u>	<u>\$ 4,688</u>	<u>\$ 439</u>	<u>\$ 13,503</u>	<u>\$ 2,785</u>	<u>\$ 16,979</u>	<u>\$ 15,656</u>	<u>\$ 22,306</u>	<u>\$ 54,296</u>
Prior period adjustment <sup>2</sup>	—	—	—	(17,823)	1,020	(7,261)	(31,290)	—	(1,527)	(686)
Change net position as restated	<u>\$ 6,031</u>	<u>\$ 7,053</u>	<u>\$ 4,688</u>	<u>\$ (17,384)</u>	<u>\$ 14,523</u>	<u>\$ (4,476)</u>	<u>\$ (14,311)</u>	<u>\$ 15,656</u>	<u>\$ 20,779</u>	<u>\$ 53,610</u>

<sup>2</sup> Prior period adjustments include the institution of GASB Statements 68 (2015), 73 (2016/2017) and 75 (2018), an adjustment for Airport depreciation in 2020, and a depreciation adjustment for the Fruitvale Canal Diversion, which was not capitalized from 2012-2020, resulting in a total of \$686,382 in prior period adjustments.

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General fund</b>										
Nonspendable	\$ 42	\$ 35	\$ —	\$ —	\$ —	\$ —	\$ 10,000	\$ 10,000	\$ 10	\$ 10
Committed	—	—	—	—	1,170	1,359	1,438	1,538	1,539	1,649
Unassigned	9,738	9,692	7,874	5,867	7,097	7,392	7,614	9,209	11,747	13,614
<b>Total general fund</b>	<b>9,780</b>	<b>9,727</b>	<b>7,874</b>	<b>5,867</b>	<b>8,267</b>	<b>8,751</b>	<b>19,052</b>	<b>20,747</b>	<b>13,296</b>	<b>15,273</b>
<b>All other governmental funds</b>										
Nonspendable	694	623	632	648	655	667	915	908	909	913
Restricted	8,601	7,264	9,453	11,501	9,275	9,402	12,683	13,189	17,617	15,909
Committed	3,082	3,478	5,111	2,700	3,907	4,021	3,678	3,243	3,616	3,327
Assigned	975	2,405	2,104	1,643	1,814	1,256	5,969	4,081	5,982	5,552
Unassigned	—	—	—	(366)	—	(1,082)	(533)	(13)	—	—
<b>Total all other gov't funds</b>	<b>13,352</b>	<b>13,770</b>	<b>17,300</b>	<b>16,126</b>	<b>15,651</b>	<b>14,264</b>	<b>22,712</b>	<b>21,408</b>	<b>28,124</b>	<b>25,701</b>
<b>Governmental funds</b>										
Nonspendable	736	658	632	648	655	667	10,915	10,908	919	923
Restricted	8,601	7,264	9,453	11,501	9,275	9,402	12,683	13,189	17,617	16,337
Committed	3,082	3,478	5,111	2,700	5,077	5,380	5,116	4,781	5,155	4,976
Assigned	975	2,405	2,104	1,643	1,814	1,256	5,969	4,081	5,982	5,552
Unassigned	9,738	9,692	7,874	5,501	7,097	6,310	7,081	9,196	11,747	13,614
<b>Grand total gov't funds</b>	<b>\$ 23,132</b>	<b>\$ 23,497</b>	<b>\$ 25,174</b>	<b>\$ 21,993</b>	<b>\$ 23,918</b>	<b>\$ 23,015</b>	<b>\$ 41,764</b>	<b>\$ 42,155</b>	<b>\$ 41,420</b>	<b>\$ 41,402</b>



**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

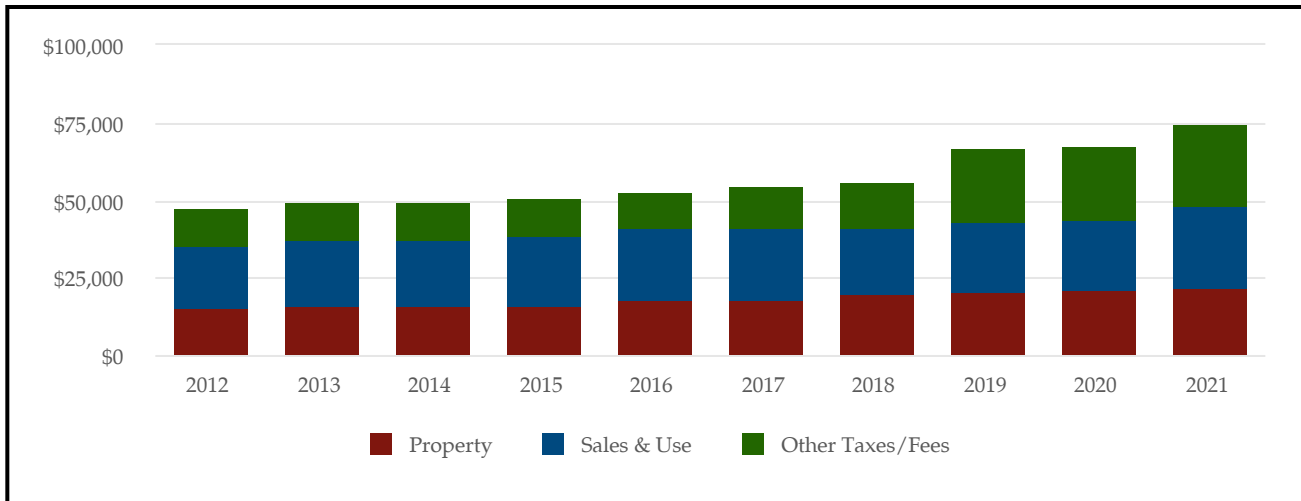
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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes and assessments	\$53,685	\$55,839	\$58,653	\$59,927	\$62,432	\$64,116	\$67,244	\$71,031	\$72,223	\$79,799
Licenses and permits	892	818	2,093	2,218	1,913	2,123	2,391	2,456	2,456	2,410
Intergov't revenues	13,023	21,366	8,803	6,842	8,441	7,061	6,864	12,320	12,320	23,268
Charges for services	6,300	7,772	10,766	12,171	13,988	15,039	16,584	15,074	15,074	8,681
Fines and forfeitures	1,542	1,603	1,600	1,606	1,684	2,120	1,766	1,606	1,606	1,385
Contributions/donations	—	—	—	—	890	510	933	68	68	650
Investment earnings	508	186	411	484	725	749	1,040	1,450	1,450	(736)
Other revenue	3,550	2,400	5,014	1,811	1,708	1,750	1,689	1,305	1,305	1,240
<b>Total revenues</b>	<b>79,500</b>	<b>89,984</b>	<b>87,340</b>	<b>85,059</b>	<b>91,781</b>	<b>93,468</b>	<b>98,511</b>	<b>105,310</b>	<b>106,502</b>	<b>116,697</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	11,558	12,285	12,742	13,179	14,345	14,914	15,011	15,526	15,321	12,737
Public safety	40,725	42,712	42,143	44,364	45,222	48,345	49,908	50,643	51,759	53,173
Utilities	1,164	1,190	1,551	1,643	1,640	1,857	2,001	333	318	333
Transportation	5,406	5,724	5,735	6,388	6,302	7,912	5,875	6,503	8,153	6,078
Economic environment	3,890	4,237	3,948	4,365	4,167	4,286	3,634	4,610	4,372	5,693
Public health services	24	18	610	651	594	596	592	613	294	696
Cultural/recreational	6,390	6,659	5,612	5,940	5,816	5,835	6,150	6,061	6,221	6,546
Capital outlay	6,743	20,021	27,104	11,990	9,788	5,913	6,747	13,556	13,860	26,922
<b>Debt service</b>										
Principal	3,010	3,322	3,284	4,198	4,460	5,476	4,581	4,845	3,669	3,807
Interest & other charges	1,131	1,180	1,272	2,116	1,708	1,669	1,706	1,873	2,174	1,932
<b>Total Expenditures</b>	<b>80,041</b>	<b>97,348</b>	<b>104,001</b>	<b>94,834</b>	<b>94,042</b>	<b>96,803</b>	<b>96,205</b>	<b>104,563</b>	<b>106,141</b>	<b>117,918</b>
Excess (deficiency) revenue over (under) expenditures	(541)	(7,364)	(16,661)	(9,775)	(2,261)	(3,335)	2,306	747	(4,857)	(1,221)
<b>Other financing (sources) uses</b>										
Transfers in	6,220	5,844	9,593	9,033	10,367	7,874	13,763	5,157	5,492	5,347
Transfers out	(6,115)	(5,727)	(8,947)	(9,065)	(8,878)	(7,973)	(14,165)	(5,986)	(5,942)	(5,262)
Proceeds from cap lease	—	310	—	—	—	—	—	—	—	—
Proceeds-issuance LT debt	—	9,633	14,207	5,457	900	2,462	16,450	—	22,389	1,000
Proceeds-intergov't loans	450	—	—	—	—	—	—	—	—	—
Payments to refunded debt	—	—	—	—	—	—	(7,887)	—	(7,957)	—
Premium issuance/LT debt	—	488	1,672	—	—	—	—	—	—	—
Intergov't agreements	(97)	(92)	—	—	—	—	—	—	—	—
Sale of capital assets	100	448	44	230	777	68	42	470	129	118
Other	600	—	—	8	—	—	—	—	—	—
<b>Total other fin sources (uses)</b>	<b>1,158</b>	<b>10,904</b>	<b>16,569</b>	<b>5,663</b>	<b>3,166</b>	<b>2,431</b>	<b>8,203</b>	<b>(359)</b>	<b>14,111</b>	<b>1,203</b>
Extraordinary item	—	—	—	—	—	—	(1,747)	—	—	—
<b>Net change in fund balances</b>	<b>\$ 617</b>	<b>\$ 3,540</b>	<b>\$ (92)</b>	<b>\$(4,112)</b>	<b>\$ 905</b>	<b>\$ (904)</b>	<b>\$ 8,762</b>	<b>\$ 388</b>	<b>\$ 9,254</b>	<b>\$ (18)</b>
Debt service as a percentage of noncapital expenses	5.6 %	5.8 %	5.9 %	7.6 %	7.3 %	7.9 %	7.0 %	7.4 %	6.3 %	6.3 %

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE - ACCRUAL**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

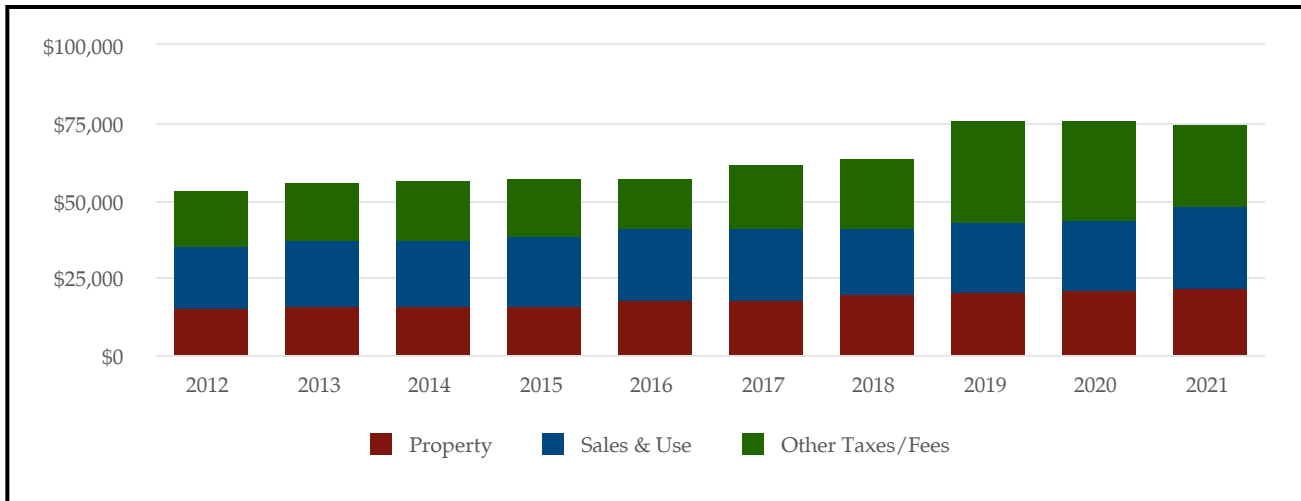
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Source										
Property tax	\$ 15,565	\$ 15,989	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,839	\$ 20,688	\$ 21,208	\$ 21,686
Sales & use tax	19,599	21,306	21,537	22,037	22,809	23,146	21,542	22,404	22,450	26,676
Utility & other taxes/fees	12,454	12,289	12,301	12,587	11,989	13,453	14,591	24,238	24,180	26,754
Total	<u>\$ 47,618</u>	<u>\$ 49,584</u>	<u>\$ 49,969</u>	<u>\$ 51,051</u>	<u>\$ 53,081</u>	<u>\$ 54,877</u>	<u>\$ 55,972</u>	<u>\$ 67,330</u>	<u>\$ 67,838</u>	<u>\$ 75,116</u>



**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE - MODIFIED ACCRUAL**

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

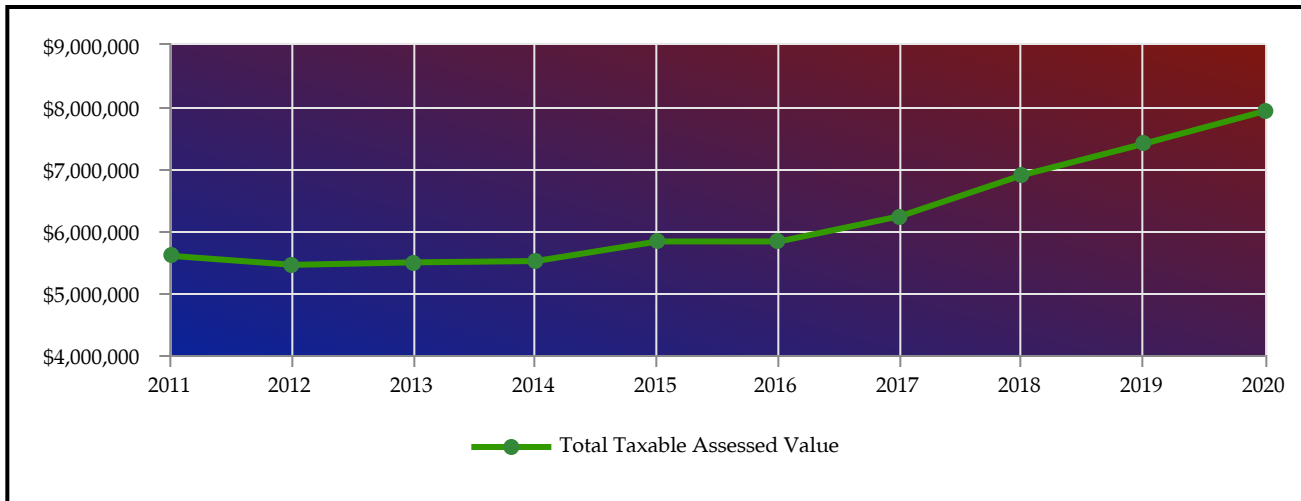
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Source										
Property tax	\$ 15,565	\$ 15,989	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,838	\$ 20,687	\$ 21,208	\$ 21,686
Sales & use tax	19,599	21,306	21,537	22,037	22,808	23,146	21,541	22,403	22,450	26,676
Utility & other taxes/fees	18,520	18,544	18,945	18,723	16,608	20,466	22,275	32,837	32,684	26,793
<b>Total</b>	<b>\$ 53,684</b>	<b>\$ 55,839</b>	<b>\$ 56,613</b>	<b>\$ 57,187</b>	<b>\$ 57,699</b>	<b>\$ 61,890</b>	<b>\$ 63,654</b>	<b>\$ 75,927</b>	<b>\$ 76,342</b>	<b>\$ 75,155</b>



**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years (Rate/1000 - Dollar Amounts Expressed in Thousands)

<u>Fiscal Year</u>	<u>Count</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2012	32,415	\$ 5,154,871	\$ 444,407	\$ 5,599,278	2.9715
2013	32,539	4,995,574	458,645	5,454,219	3.0559
2014	32,312	5,080,398	414,099	5,494,497	3.0895
2015	32,164	5,083,412	431,853	5,515,265	3.1188
2016	32,331	5,357,890	473,413	5,831,303	3.1239
2017	32,681	5,421,658	536,170	5,831,303	3.0879
2018	32,656	5,698,610	542,501	6,241,111	3.0830
2019	32,880	6,350,982	550,357	6,901,339	2.9942
2020	32,920	6,842,856	563,583	7,406,439	2.8137
2021	33,102	7,366,826	569,537	7,936,363	2.5337

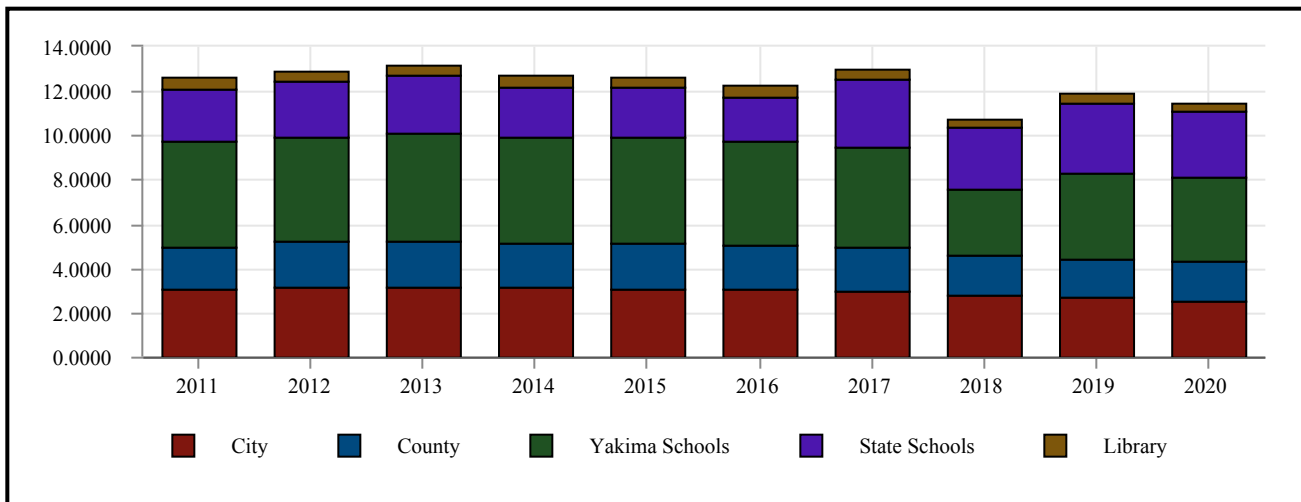


Source: Yakima County Assessor

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years (Rate/1000)

Fiscal Year	City of Yakima			Yakima County			Yakima School District			State		
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Bonds	M & O	Total School	School Levy	Library	Total
2012	3.0559	0.0545	3.1104	1.8511	0.0472	1.8983	1.6640	3.0667	4.7307	2.3983	0.4724	12.6101
2013	3.0895	0.0541	3.1436	2.0655	0.0001	2.0656	1.6607	3.0385	4.6992	2.5116	0.4763	12.8963
2014	3.1188	0.0197	3.1385	2.1059	—	2.1059	1.7009	3.1316	4.8325	2.6149	0.4812	13.1730
2015	3.1239	—	3.1239	2.0387	—	2.0387	1.6835	3.1154	4.7989	2.2645	0.4762	12.7022
2016	3.0879	—	3.0879	2.0181	—	2.0181	1.6816	3.1252	4.8068	2.2550	0.4745	12.6423
2017	3.0830	—	3.0830	2.0036	—	2.0036	1.6116	3.0221	4.6337	2.0549	0.4737	12.2489
2018	2.9942	—	2.9942	1.9468	—	1.9468	1.5729	2.9352	4.5081	3.0683	0.4609	12.9783
2019	2.8137	—	2.8137	1.8232	—	1.8232	1.4817	1.5000	2.9817	2.7282	0.4345	10.7813
2020	2.6732	—	2.6732	1.7263	—	1.7263	1.4128	2.5000	3.9128	3.1806	0.4116	11.9045
2021	2.5337	—	2.5337	1.7933	—	1.7933	1.3273	2.4531	3.7804	2.9573	0.3932	11.4579



Source: Yakima County Assessor

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Yakima. Not all overlapping rates apply to all City of Yakima property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the district).

**PRINCIPAL PROPERTY TAXPAYERS**

Amounts Expressed in Thousands - Current Year and Nine Years Ago

Page 1 of 1

Taxpayer	2021			2012		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Washington Fruit & Produce	\$ 10,514	1	1.1%	\$ 39,018	2	0.2%
Shields Bag & Printing	51,049	2	0.6%	30,312	4	0.2%
Chiawana	41,404	3	0.5%			
Walmart Stores	39,335	4	0.4%	38,735	3	0.2%
Frosty Packing	37,274	5	0.4%			
John I Haas	36,052	6	0.4%			
Yakima Valley Memorial Hospital	34,909	7	0.4%			
Longview Fibre Paper & Packaging	33,635	8	0.4%			
The Lodges Yakima	33,602	9	0.4%			
Castle Creek Apartments	29,355	10	0.3%			
Yakima HMA	—			59,381	1	0.2%
Qwest Communications	—			24,627	5	0.2%
Cascade Natural Gas	—			22,886	6	0.1%
Pacificorp / Pacific Power & Light	—			22,806	7	0.1%
Michelsen Packaging	—			21,844	8	0.1%
Safeway Stores	—			21,560	9	0.1%
Wide Hollow Development	—			21,270	10	0.1%
<b>Total</b>	<b>\$ 347,129</b>		<b>4.9%</b>	<b>\$ 302,439</b>		<b>1.5%</b>

Source: Yakima County Treasurer

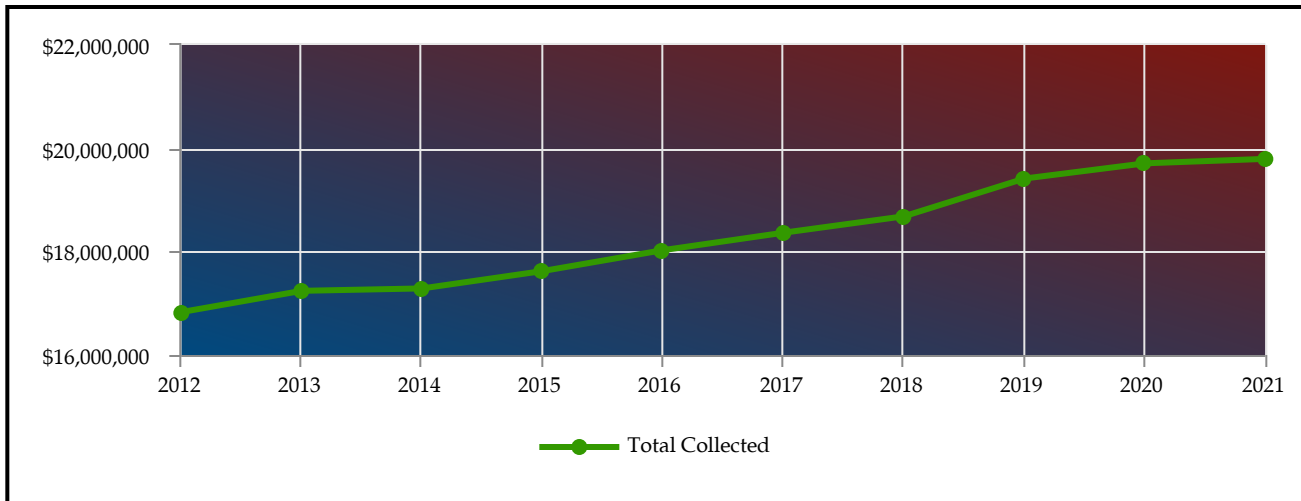




**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Fiscal Year Ended	Total Levy for the Year	Collected Within the Year of the Levy		Collected/ Adjusted in Subsequent Years	Total Collection to Date	
		Amount	Percentage		Amount	Percentage
			of Levy			of Levy
2012	\$ 16,830,550	\$ 16,493,387	98.0%	\$ 337,141	\$ 16,830,528	100.0%
2013	17,242,183	16,870,392	97.8%	371,714	17,242,106	100.0%
2014	17,288,693	16,975,648	98.2%	313,049	17,288,697	100.0%
2015	17,624,958	17,325,866	98.3%	299,063	17,624,929	100.0%
2016	18,029,818	17,721,666	98.3%	308,071	18,029,737	100.0%
2017	18,367,991	18,040,023	98.2%	326,892	18,366,915	100.0%
2018	18,686,841	18,226,175	97.5%	458,388	18,684,563	100.0%
2019	19,418,144	19,103,316	98.4%	312,136	19,415,452	100.0%
2020	19,799,077	19,468,539	98.3%	240,963	19,709,502	99.5%
2021	20,107,990	19,795,903	98.4%	—	19,795,903	98.4%

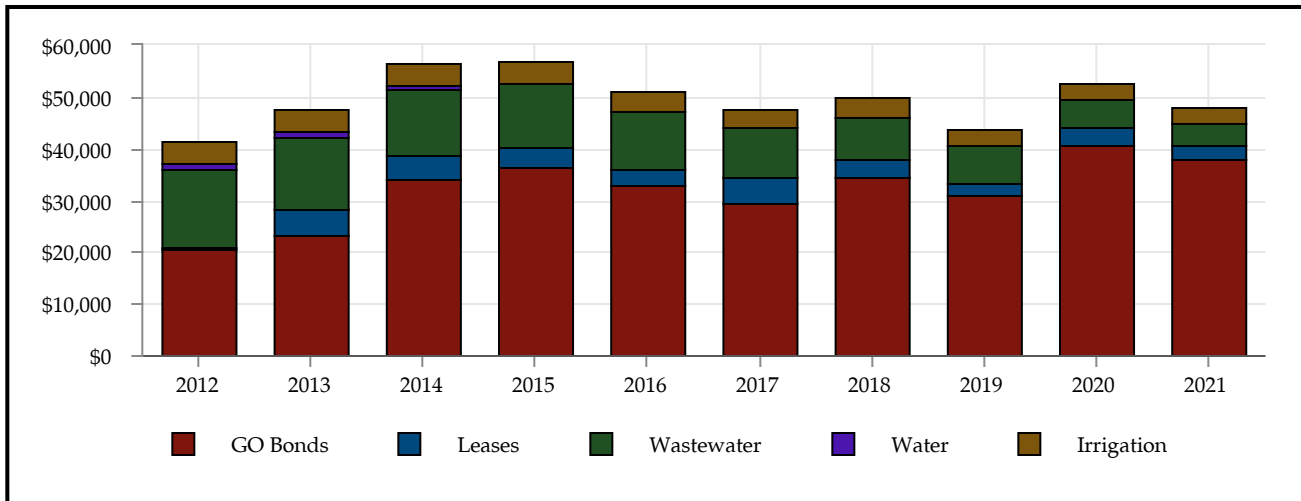


Source: Yakima County Website.

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years (Dollar Amounts Expressed in Thousands)

Year	Governmental Activities		Business-Type Activities			Total Primary Gov't	Percent of Income	Population	Per Capita
	General Obligation	Capital	Wastewater	Water	Irrigation				
	Bonds	Leases	Bonds	Bonds	Bonds				
2012	\$ 20,502	\$ 520	\$ 14,970	\$ 1,210	\$ 4,345	\$ 41,547	2.3%	91,930	\$ 452
2013	23,053	5,374	13,940	1,030	4,220	47,617	2.7%	92,620	514
2014	34,039	4,574	12,860	835	4,090	56,398	3.0%	93,080	606
2015	36,213	4,167	12,390	—	3,960	56,730	3.2%	93,220	609
2016	32,902	3,182	11,050	—	3,825	50,959	2.6%	93,410	546
2017	29,472	4,806	9,680	—	3,680	47,638	2.4%	93,900	507
2018	34,380	3,598	8,255	—	3,530	49,763	2.2%	94,190	528
2019	31,098	2,348	7,010	—	3,375	43,831	2.1%	94,440	464
2020	40,800	3,192	5,625	—	3,085	52,702	2.3%	95,490	552
2021	37,793	2,890	4,275	—	2,905	47,863	2.3%	97,810	489

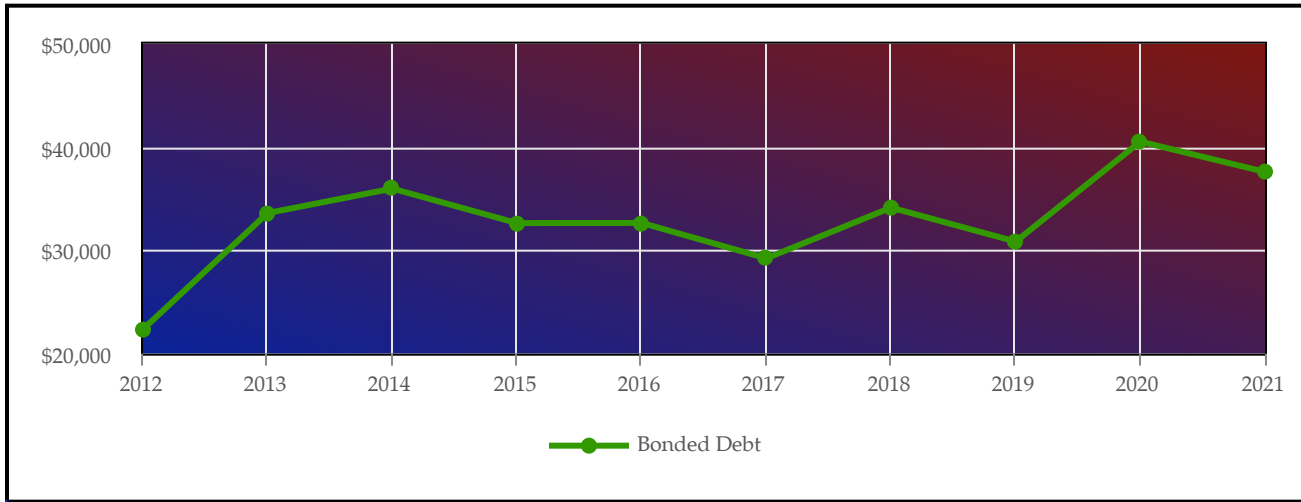


Note: Details regarding the city's outstanding debt can be found in the [Notes of the Financial Statements](#). See the schedule of [Demographic and Economic Statistics](#) in this section for personal income.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years (Dollar Amounts Expressed in Thousands)

Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percent of Estimated Actual Taxable Value of Property	Per Capita
2012	\$ 23,053	\$ 692	\$ 22,361	0.4%	\$ 243
2013	34,039	431	33,608	0.6%	363
2014	36,213	239	35,974	0.7%	386
2015	32,902	267	32,635	0.6%	350
2016	32,902	248	32,654	0.6%	350
2017	29,472	248	29,224	0.5%	311
2018	34,380	248	34,132	0.5%	362
2019	31,098	250	30,848	0.4%	327
2020	40,800	279	40,521	0.5%	424
2021	37,793	201	37,592	0.5%	394



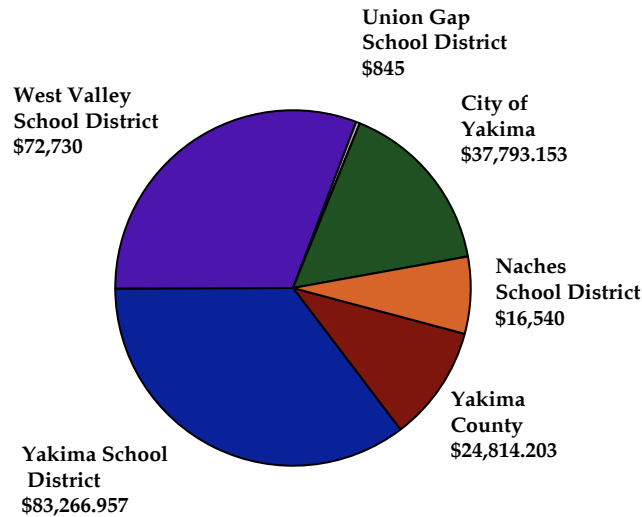
Note: Excludes Local Improvement Districts' bonded debt and their respective funds in the Debt Service Funds.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2021 (Amounts Expressed in Thousands)

Governmental Unit	Debt	Estimated %	Estimated Share of
	Outstanding	Applicable	Overlapping Debt
Debt repaid with property taxes			
Yakima County	\$ 24,814	36.3%	\$ 9,007
Yakima School District	83,267	92.5%	77,022
West Valley School District	72,730	61.6%	44,802
Union Gap School District	845	1.0%	8
Naches School District	16,540	0.4%	66
Subtotal - overlapping debt	198,196		130,905
City of Yakima direct debt	37,793		37,793
Total direct and overlapping debt	\$ 235,989		\$ 168,698

**OUTSTANDING DEBT**



Source: Yakima County Assessor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Yakima. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Naches School Districts are excluded in the overlapping debt chart due to estimate debt overlap is less than 1% (0.37%).

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years (Amounts Expressed in Thousands)

Page 1 of 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$412,087	\$412,087	\$413,645	\$424,379	\$437,348	\$446,537	\$468,083	\$517,600	\$555,483	\$595,227
Net outstanding indebtedness	22,401	30,504	43,235	49,962	43,662	29,244	31,667	24,572	32,857	28,506
Legal debt margin	<u>\$389,686</u>	<u>\$381,583</u>	<u>\$370,410</u>	<u>\$374,417</u>	<u>\$393,686</u>	<u>\$417,293</u>	<u>\$436,416</u>	<u>\$493,028</u>	<u>\$522,626</u>	<u>\$566,721</u>
Total net debt applicable to the limit as a percentage of debt limit	5.4%	7.4%	10.5%	11.8%	10.0%	6.5%	6.8%	4.7%	5.9%	4.8%

**Legal Debt Margin Calculation for fiscal year 2021**

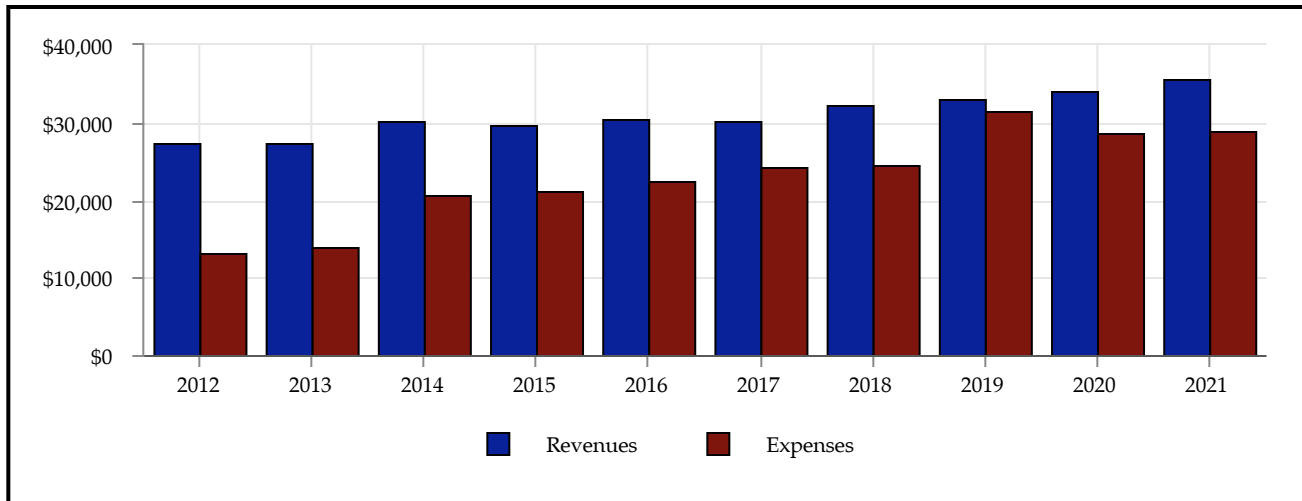
Total assessed value	\$ 7,936,363
Debt limit (7.5%) of total assessed value	595,227
General purpose legal debt margin	
Councilmanic debt (without a vote) 1.5% of total assessed value	119,045
Debt applicable to councilmanic limit:	
General obligation bonds & other debt	47,176
Less: amount set aside for repayment of general obligation debt	<u>18,669</u>
Net debt applicable to councilmanic limit	<u>28,507</u>
Total legal debt margin - councilmanic	90,538
Voted general obligation debt (additional 1% Total assessed value)	79,364
Debt applicable to limit	—
Voted utility purposed debt (additional 2.5% total assessed value)	198,409
Debt applicable to limit	—
Voted open space and park debt (additional 2.5% total assessed value)	198,409
Debt applicable to limit	—
Total legal debt margin - all categories	<u>\$ 566,720</u>

Note: Debt cannot be incurred in excess of the percentages of the value of the taxable property of the City as described in the State Constitution and State Statutes, principally Title 39.

**PLEDGED REVENUE COVERAGE - WATER AND WASTEWATER**

Last Ten Fiscal Years (Amounts Expressed in Thousands)

Year	Water & Wastewater Operating Revenue	Water & Wastewater Revenue Bonds					Coverage
		Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2012	\$ 27,302	\$ 13,110	\$ 14,192	\$ 1,165	\$ 831	\$ 7.11	
2013	27,279	14,000	13,279	1,210	596	7.35	
2014	30,122	20,708	9,414	1,275	809	4.52	
2015	29,711	21,061	8,650	1,305	667	4.39	
2016	30,578	22,346	8,232	1,340	551	4.35	
2017	30,170	24,177	5,993	1,370	519	3.17	
2018	32,324	24,430	7,894	1,425	440	4.23	
2019	33,113	31,416	1,697	1,245	394	1.04	
2020	34,087	28,705	5,382	1,195	281	3.65	
2021	35,504	28,833	6,671	221	235	14.63	

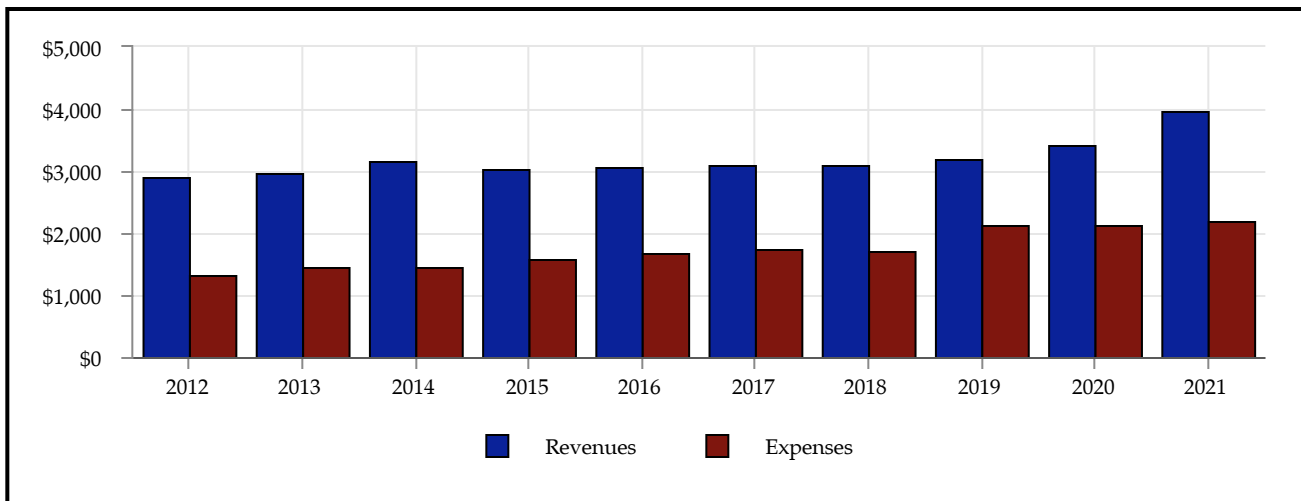


Note: Operating expenses exclude depreciation, amortization and City taxes

**PLEDGED REVENUE COVERAGE - IRRIGATION**

Last Ten Fiscal Years (Amounts Expressed in Thousands)

Year	Irrigation Revenue Bonds						Coverage
	Irrigation Operating Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2012	\$ 2,894	\$ 1,337	\$ 1,557	\$ 120	\$ 201	\$ 4.85	
2013	2,982	1,443	1,539	125	197	4.78	
2014	3,148	1,456	1,692	130	228	4.73	
2015	3,048	1,570	1,478	130	192	4.59	
2016	3,053	1,679	1,374	135	186	4.28	
2017	3,087	1,736	1,351	145	181	4.14	
2018	3,102	1,707	1,395	150	175	4.29	
2019	3,181	2,118	1,063	155	169	3.28	
2020	3,406	2,133	1,273	175	117	4.36	
2021	3,965	2,190	1,775	180	80	6.83	

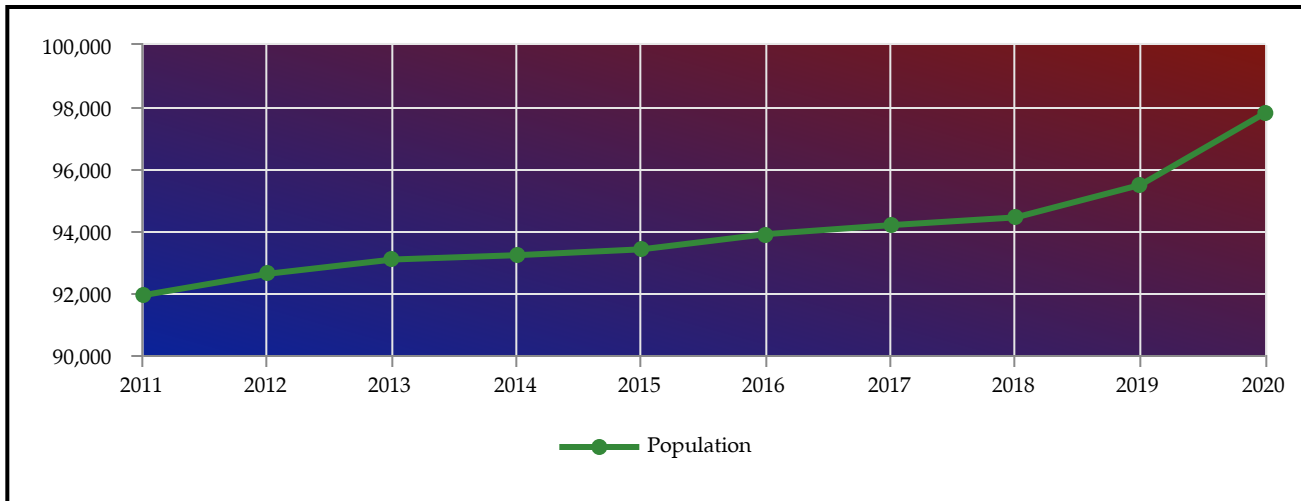


Note: Operating expenses exclude depreciation, amortization and City taxes.

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>City Population</b>	<b>Personal Income</b>	<b>County Median Earnings</b>	<b>Median Age</b>	<b>Education Level in Years of Formal Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2012	91,930	\$ 1,802,876	\$ 42,162	32.6	12.6	15,627	9.8%
2013	92,620	1,756,992	40,696	33.2	12.5	15,786	9.7%
2014	93,080	1,870,059	43,050	34.5	12.5	15,428	8.4%
2015	93,220	1,799,143	46,422	34.0	12.5	15,768	7.8%
2016	93,410	1,986,540	46,957	32.5	12.6	15,999	7.5%
2017	93,900	1,956,489	46,316	32.5	12.6	15,658	6.7%
2018	94,190	2,217,294	50,019	35.5	12.6	15,974	6.3%
2019	94,440	2,039,098	54,203	33.8	12.4	16,066	6.9%
2020	95,490	2,268,972	58,736	33.4	12.6	16,013	9.7%
2021	97,810	----- Not Yet Available -----				16,406	6.5%



Sources: Population - Office of Financial Management (OFM), Income, Age and Education - U.S. Census Bureau (4/28/20), School Enrollment - Yakima School District and Unemployment Rate (seasonally adjusted/Yakima) -Employment Security Department.



**PRINCIPAL EMPLOYERS - YAKIMA COUNTY**

Current Year and Nine Years Ago

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	2021			2012		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Yakima Valley Memorial Hospital	2,500	1	1.9%	2,500	1	2.1%
Walmart - Yakima/Sunnyside/Grandview	1,700	2	1.3%	1,555	3	1.3%
Yakima School District, No. 7	1,594	3	1.2%	1,747	2	1.5%
Zirkle Fruit	1,500	4	1.1%			
Washington Fruit & Produce	1,500	5	1.1%			
Yakama Nation Government Operations	1,289	6	1.0%			
Astria Regional - Yakima/Sunnyside/Toppenish	1,200	7	0.9%	927	8	0.8%
Borton Fruit	1,212	8	0.9%	1,212	4	1.0%
Yakama Nation Enterprises	1,170	9	0.9%			
Yakima County	1,074	10	0.8%	1,077	5	0.9%
Monson Fruit	1,023	—	0.8%	1,023	6	0.9%
Yakima Valley Farm Workers Clinic	1,006	—	0.8%	964	7	0.8%
AB Foods/Washington Beef	900	—	0.7%	900	9	0.8%
City of Yakima	722	—	0.6%	720	10	0.6%
<b>Total Top 10</b>	<b>14,739</b>		<b>11.1%</b>	<b>12,625</b>		<b>10.7%</b>

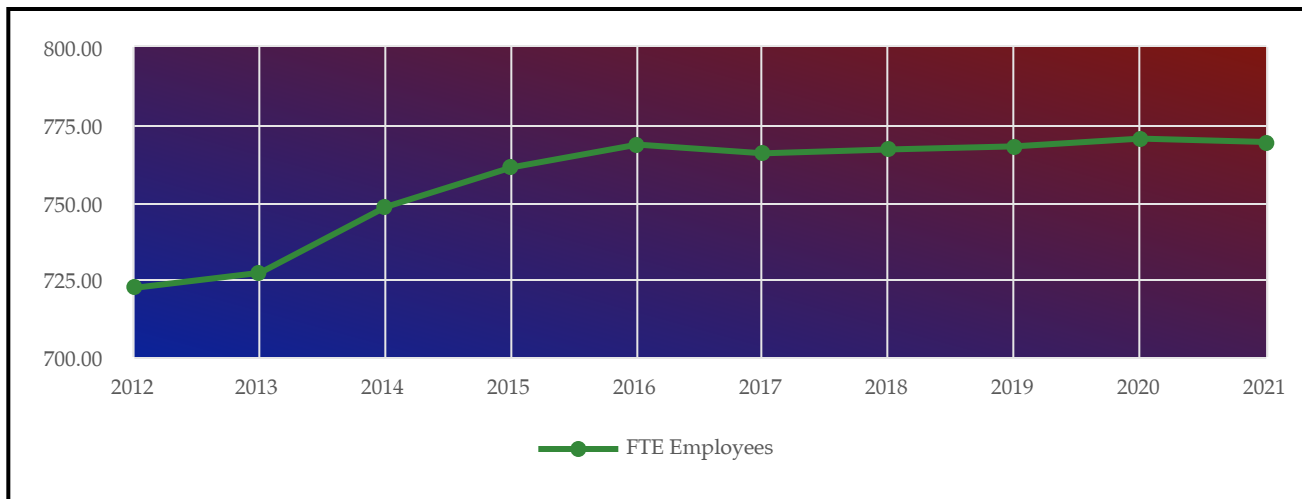
Sources: Number of employees are approximated via Yakima County Development Association and corporate websites. Percentages based on the Civilian Labor Force from the Employment Security Department - Local Area Unemployment Statistic (LAUS).



**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years - Adopted Budget

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	139.75	138.87	147.47	150.72	152.22	148.30	148.55	136.55	135.55	135.55
Police										
Officers	139.00	143.00	145.00	145.00	145.00	148.00	148.00	144.00	143.00	143.00
Civilians	49.00	49.00	50.00	52.00	52.00	47.00	47.00	45.00	45.00	45.00
Fire										
Firefighters and officers	84.00	83.00	86.00	96.00	100.00	101.00	100.00	101.00	101.00	101.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Highways & Streets										
Traffic Engineering	11.00	11.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00
Streets	24.00	23.00	23.00	22.00	22.00	22.00	22.00	24.00	24.00	24.00
Parks & Recreation	20.30	20.30	21.30	21.30	21.30	20.90	20.90	22.90	23.40	23.40
Total General Government	470.05	471.17	484.77	499.02	504.52	499.20	498.45	485.45	483.95	482.95
Neighborhood Development	7.75	7.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
Community Relations	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	5.00
Cemetery	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety Communications	36.00	38.00	35.00	35.00	35.00	36.00	36.00	36.00	36.00	36.00
Airport	—	—	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.70
Transit	52.00	52.50	53.95	54.95	56.80	54.30	54.30	54.30	55.30	55.50
Refuse	20.50	20.50	20.50	20.00	20.00	21.00	22.00	22.00	22.00	24.00
Wastewater/Stormwater	69.00	69.00	69.20	70.20	70.20	72.20	72.20	72.20	72.20	72.20
Water	31.00	35.00	35.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Irrigation	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Utility Services <sup>3</sup>	—	—	—	—	—	—	—	14.00	16.00	15.00
Equipment Rental	12.00	12.00	12.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Public Works	9.00	8.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00
	<u>722.30</u>	<u>727.17</u>	<u>748.42</u>	<u>761.17</u>	<u>768.52</u>	<u>765.70</u>	<u>766.95</u>	<u>767.95</u>	<u>770.45</u>	<u>769.35</u>



<sup>3</sup> In 2019, Utility Services was moved from the General Fund and became an Enterprise fund.

**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

Page 1 of 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police</b>										
Incidents cleared by arrest <sup>1</sup>	6,136	6,034	4,270	4,950	5,006	4,836	4,815	4,616	4,128	4,223
Parking violations	3,778	3,252	3,150	3,218	1,545	2,379	2,062	1,224	811	651
Traffic violations	11,436	13,270	13,953	13,437	14,241	16,238	13,510	14,281	7,490	8,304
<b>Fire</b>										
Number of calls answered	9,439	8,232	7,606	8,987	9,318	9,690	10,063	10,551	11,605	12,994
Inspections	30	2,669	3,799	5,101	5,658	5,458	5,766	4,993	1,828	2,171
<b>Culture and recreation</b>										
Community Center admissions	125,040	124,683	125,428	117,881	110,136	125,382	126,516	125,702	38,739	69,452
<b>Highways and streets</b>										
Street resurfacing (miles)	2	8	23	3	22	2	4	3	3	2
<b>Refuse</b>										
Refuse collected (tons/day)	103	107	100	90	104	116	109	111	131	130
Yard waste collected (tons/day)	19	17	19	14	19	19	32	18	21	21
<b>Irrigation</b>										
Customers	10,601	10,619	10,619	10,619	10,620	11,545	12,225	10,323	10,353	10,359
<b>Water</b>										
Customers	19,771	19,844	19,558	19,588	18,977	22,505	23,034	19,579	19,732	19,549
New connections	74	68	52	71	76	44	119	126	139	153
Water main breaks	4	3	5	5	7	18	6	13	10	4
Average daily consumption (thousands of gallons)	10,200	10,307	10,518	10,899	11,057	10,661	10,421	10,077	10,155	10,402
<b>Wastewater</b>										
Customers	27,421	26,298	27,598	29,956	27,098	31,169	31,729	25,817	25,985	28,554
Average daily sewage treatment (thousands of gallons)	10,100	10,500	10,200	9,244	10,500	9,700	8,410	9,002	8,470	8,700

<sup>1</sup> Numbers indicate that an arrest was made during the incident which includes custody and non-custody arrests. It does not represent the actual number of subjects arrested in each incident.

**CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Fiscal Years

Page 1 of 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	5	5	5	6	6	6	6	6	6	6
<b>Culture and recreation</b>										
Parks acreage	352	351	346	393	436	403	393	377	377	377
Parks	34	34	34	35	39	36	35	35	35	36
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis/pickleball courts	24	22	24	24	24	24	24	29	29	29
Community centers	3	3	2	2	3	3	3	3	3	3
<b>Highways and streets</b>										
Streets (miles)	380	380	369	398	404	400	404	406	406	406
Streetlights	4,240	4,260	4,280	3,706	4,214	4,340	4,352	5,008	5,008	5,008
Traffic signals / Flashers	152	154	154	165	173	175	179	181	181	181
<b>Refuse</b>										
Collection trucks	16	21	22	22	21	21	21	21	22	22
<b>Water</b>										
Water mains (miles)	300	300	300	300	300	300	300	300	306	306
Fire hydrants (city owned)	2,279	2,285	2,285	2,285	2,345	2,357	2,384	2,401	2,405	2,410
Maximum daily capacity (thousands of gallons)	36,520	36,520	36,520	36,520	36,250	36,250	36,250	36,250	36,250	36,250
<b>Wastewater</b>										
Sanitary sewers (miles)	337	337	337	344	350	355	357	359	361	364
Storm sewers (miles)	105	105	105	105	138	148	148	149	165	166
Maximum daily capacity (millions of gallons)	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	22

Note: Fire stations went up by 1 in 2015 due to the Fire services agreement with Union Gap - the City of Yakima Fire Department budgets personnel, supplies and equipment for this station. Highways and Streets were recalculated in 2015 due reconfiguration of assets.

**2021 GENERAL INFORMATION\***

<b>Statistics</b>		<b>Animal License Fees - Rabies Vaccination Required</b>	
Date of incorporation	1886	1 Year License - Altered, New	\$15.00
Form of government	Council-Manager	1 Year License - Altered, Renewal	\$12.00
Type of government	Charter City	Senior Citizens Lifetime - Altered	\$25.00
Location	Central Washington	Senior Citizens Lifetime - Not Altered	\$30.00
Land area	28.27 square miles	1 Year License - Not Altered	\$40.00
Rank in size - State	11	1 Year License - Not Altered, Renewal	\$30.00
Rank in size - County	1	Disabled/Guide Dog	Free
Population	97,810	Replacement License	\$5.00
Assessed valuation	\$7,936,363,031		
City employees (FTE's)	769.35	<b>Fire Protection</b>	
Precincts	61	Commissioned fire fighting personnel	101
Registered voters	47,189	Number of non-commissioned personnel	3
		Total number of fire personnel	104
<b>Property Tax Levy</b>		<b>Police Protection</b>	
Regular levy	\$20,107,990	Commissioned police personnel	143
		Non-commissioned police personnel	45
<b>Sales Tax Rates</b>		Total number of police personnel	188
State	6.50 %	2021 calls for service	145/day
Transit	0.30 %		
City of Yakima	0.85 %	<b>Utility and Franchise Tax Rates</b>	
Yakima County	0.25 %	Electricity, Gas, Telephone	6 %
Criminal Justice (County)	0.40 %	Water, Wastewater	20 %
Total Sales Tax rate	8.30 %	Stormwater	6 %
		Refuse	15 %
<b>Parks and Recreation</b>		TV/Cable	6 %
Total acreage	377	<b>Utility Rates (2 months)</b>	
Number of parks	36	Water - average/family of 4	\$71.42
Number of playgrounds	20	Each unit	\$1.98
Major facilities: Fisher Golf Course, two swimming pools, (one indoor, one outdoor), two water playground areas, 16 ball fields (eight lighted), two skate parks, 21 tennis courts, 8 pickleball courts, four soccer fields, Harman Community Center, Henry Beauchamp Community Center, Washington Fruit Community Center, Tahoma Cemetery, and a 1.6 acre Dog Park		Wastewater - average/family of 4	\$88.48
		Each unit	\$3.49
<b>Bus Passes (1 month)</b>		Refuse (carry-out available for additional charge)	
Adult	\$25.00	Automated collection	
Youth	\$18.00	32 gallon cart	\$38.20
Senior citizen/disabled	\$9.00	96 gallon cart	\$43.70
		Yard waste	
<b>Licenses and Permits Issued</b>		96 gallon cart	\$35.10
2021 Business Licenses - sliding scale starts at		Irrigation (per square foot)	\$0.0396
\$42.90 for 1 - 2 employees, maximum of			
\$1,285.20 for over eighty employees	5,225	<b>Water/Wastewater Customers - January 1st</b>	
2021 Regulatory Licenses -		Water (inside the City)	19,843
Varies from \$11.00 to \$1,000	454	Water (outside the City)	95
		Total water customers	19,938
		Wastewater residential (inside the City)	24,186
		Wastewater residential (outside the City)	53
		Wastewater commercial	2,039
		Total wastewater customers	26,278
		Irrigation customers	10,359
		Refuse accounts	25,634

Note: For informational purposes only - not intended for official or legal purposes.

