



2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

For the year ended December 31, 2023

Nelson Dam Project



CITY OF *Yakima*
Washington

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2023

REPORT PRESENTED BY:

Members of Financial Services

Rosylen Oglesby	Interim Director of Finance & Budget
Kimberly Dominé	Financial Services Manager
Maria Simons	Financial Services Officer
Jennifer Paxton	Financial Services Officer
Kathryn Miles	Finance Department Analyst
Isabel Cruz	Accountant
Andrea Rocha	Accountant
Isamar Ramirez	Accountant
Lea Reyes	Accountant



CITY OF *Yakima*
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CITY OF *Yakima*
Washington

PRINCIPAL OFFICIALS

As of December, 2023

CITY COUNCIL

Janice Deccio	Mayor, District 4
Soneya Lund	Assistant Mayor, District 5
Eliana Macias	District 1
Danny Herrera	District 2
Patricia Byers	District 3
Matt Brown	District 6
Holly Cousens	District 7

CITY MANAGEMENT EXECUTIVES

Bob Harrison	City Manager
Rosylen Oglesby	Assistant City Manager and Interim Director of Finance & Budget
Sara Watkins	City Attorney
Connie Mendoza	Director of Human Resources
Joan Davenport	Director of Community Development
Scott Schafer	Director of Public Works
Robert Hodgman	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



CITY OF *Yakima*

2023 ORGANIZATIONAL CHART





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



September 16, 2024

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

This Annual Comprehensive Financial Report of the City of Yakima for the fiscal year ended December 31, 2023, 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, along with 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 Yakima Convention & Event 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

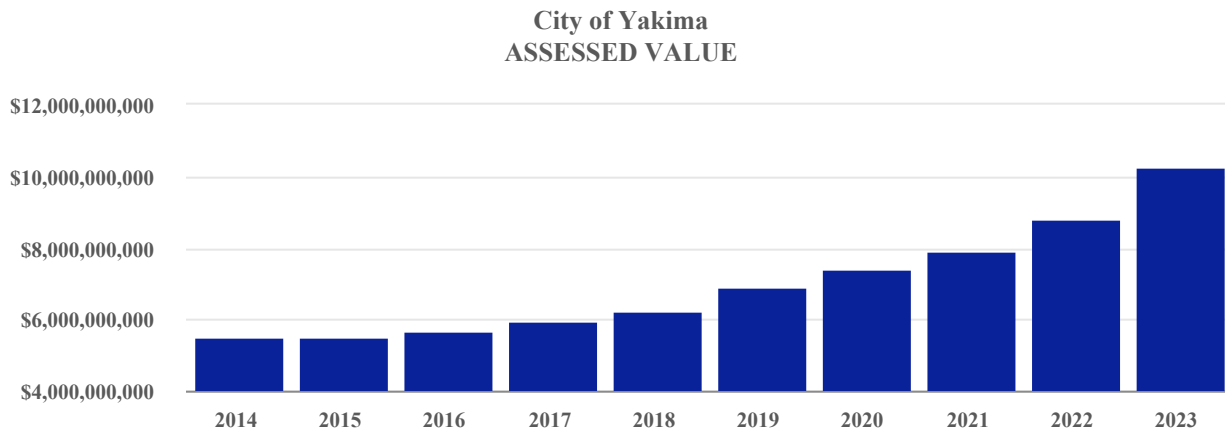
The City of Yakima is located in central Washington State, 145 miles southeast of Seattle, 200 miles southwest of Spokane, and 180 miles northeast of Vancouver, Washington at the confluence of two rivers. The Yakima River from the north defines the city's eastern border and the Naches River from the west defines the city's northern border. It encompasses 28.32 square miles and has an estimated 2023 population of 98,650. 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 & event center, parks and recreation, and general administrative services. In addition to 36 parks, 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

In 2023, assessed property valuation grew 16.8%, of which 1.4% was due to growth and new construction.



The 2023 - 2024 Biennial Adopted Budget included two 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. Future projects in this 25-year project include street construction and remediation of the remaining Millsite Solid Waste (MSW) in the former landfill.
- The North 1st Street Revitalization project, consisting of the design and construction of sidewalks, curb and gutter, bike lanes, utility upgrades and landscaping was begun in March of 2019. Phase 1 has been completed, as well as Phase 2. Phase 3 of this project began in February 2024.

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 75% of the hops in the United States and contains about 18,000 acres of wine grapes, making the City of Yakima a key storage, packing, and distribution hub. 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 90 wineries located in the Yakima Valley area, and many wines have received significant recognition and awards.

There are several higher education institutions serving the Yakima area. The Pacific Northwest University of Health Sciences (PNWU) offers doctoral degrees in osteopathic medicine. 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 & Event 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 SunDome](#), 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 the Central Washington State Fair, 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.

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

In 2022, a biennial budget was approved starting in the 2023 - 2024 cycle. City Council begins strategic planning for each budget cycle by reviewing budget priorities, goals and policies, in order to establish the level of services that the City will provide in the next biennial budget process. Council then approves the City's biennial operating budget the first year, and then the and updated Mid-Biennial Budget the following year, as needed. Budget performance is monitored year-round through periodic reports to the City Manager and City Council.

The City's budget complies with all mandates of Washington State Law and the City of Yakima's Charter.

The Biennial 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 2023 - 2024 Biennial Adopted Budget. 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.

2023 MAJOR CHANGES

The 2023 financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use (RTU) an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The Yakima City Council adopted Ordinance 2022-007 approving a biennial budget for the City of Yakima beginning in budget years 2023 - 2024.

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 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 is 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) for ongoing current information and reports.

Respectfully submitted,



Rosylen Oglesby
Interim Director of Finance and Budget





Office of the Washington State Auditor Pat McCarthy

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

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Yakima, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and American Rescue Plan Act (ARPA) funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the

basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated September 16, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

September 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Annual Comprehensive Financial Report offers readers the City's financial statements for the fiscal year ended December 31, 2023. 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 [Letter of Transmittal](#), [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 2023 ending fund balance of the General Fund, was \$13.2 million, which represents 17.8% of total General Fund expenditures, compared to an ending fund balance of \$12.6 million, or 18.1%, in 2022. The fund balance of the General Fund is more than prior year mainly due to mid-year budget cuts and interest on investments coming in higher than expected.
- The total assets and deferred outflows of the City of Yakima, government-wide, encompassing all funds, exceeded its liabilities and deferred inflows, by \$465.6 million. Net position invested in capital (net of depreciation and related debt) account for 75.6% of this amount, with a value of \$351.8 million.
- The City's total net position increased by \$36.0 million to \$465.6 million from \$429.6 million. Funding received for program revenues increased by \$4.0 million, while funding for various general revenues increased by \$11.6 million, mainly due to investment earnings due to a favorable market.

The population of Yakima has grown steadily for 14 decades. 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 this creates some challenges,, 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](#) 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 2022, 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 2023.

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 and the American Rescue Plan Act (ARPA), 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 each major special revenue fund 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, and Irrigation. 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 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 [Statement of Net Position, Proprietary Funds](#) 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. These notes 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 \$465.6 million at December 31, 2023. The following table reflects the condensed [Government-Wide Statement of Net Position](#) with comparative totals for 2022.

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 130,924,850	\$ 134,037,899	\$ 92,708,820	\$ 90,132,046	\$ 223,633,670	\$ 224,169,945
Net capital assets	212,586,292	207,989,211	194,916,680	187,921,708	407,502,972	395,910,919
Total assets	343,511,142	342,027,110	287,625,500	278,053,754	631,136,642	620,080,864
Deferred outflows	19,259,343	16,862,403	3,135,853	3,551,579	22,395,196	20,413,982
Liabilities						
Payables & other liabilities	40,918,326	49,634,591	9,555,807	12,996,669	50,474,133	62,631,260
Long-term liabilities	97,482,992	100,136,602	18,106,099	20,583,856	115,589,091	120,720,458
Total liabilities	138,401,318	149,771,193	27,661,906	33,580,525	166,063,224	183,351,718
Deferred inflows	13,910,634	17,234,197	7,978,730	10,289,008	21,889,364	27,523,205
Net position						
Net investment in capital assets	172,505,162	164,505,944	179,277,104	168,698,476	351,782,266	333,204,420
Restricted	54,659,426	50,127,098	6,041,373	4,829,846	60,700,799	54,956,944
Unrestricted	(16,706,055)	(22,748,920)	69,802,240	64,207,479	53,096,185	41,458,559
Total net position	\$ 210,458,533	\$ 191,884,122	\$ 255,120,717	\$ 237,735,801	\$ 465,579,250	\$ 429,619,923

The City of Yakima's assets total \$631.1 million as of December 31, 2023. Of this amount, \$407.5 million is accounted for by capital assets, which includes infrastructure and construction in progress. Out of \$212.6 million in capital assets reported in Governmental activities at December 31, 2023, \$90.1 million (42.4%) 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 \$144.9 million was accounted for in cash, cash equivalents, investments, restricted cash and restricted investments, \$42.6 million in various receivables, \$34.5 million in net pension assets and \$1.7 million inventories and prepayments.

At December 31, 2023, the City had outstanding liabilities of \$166.1 million, of which \$115.6 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 \$50.5 million, and include \$21.3 million in accounts payable, unearned revenue & retainage payable, \$6.2 million in claims and judgments payable, \$8.8 million in accrued salaries and benefits, \$6.3 million in compensated absences accrued and other various liabilities. Also included are debt and subscription asset payments due within the next calendar year totaling \$6.0 million and the current portion of the OPEB liabilities of \$1.9 million

The largest portion of the City's net position (75.6%) 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, 13.0% of the City's net position is subject to external restrictions on how they may be used (restricted by the [Revised Code of Washington](#) or by contractual agreements with parties outside of the primary government).

At December 31, 2023, the City of Yakima's net position is \$465.6 million, of which \$210.5 million represents governmental activities and \$255.1 million represents business-type activities.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 16,292,430	\$ 15,158,457	\$ 56,651,389	\$ 55,230,228	\$ 72,943,819	\$ 70,388,685
Operating grants & contributions	13,892,637	13,067,814	5,680,173	4,418,096	19,572,810	17,485,910
Capital grants & contributions	4,564,967	4,468,732	8,708,060	9,396,790	13,273,027	13,865,522
General revenues						
Property taxes	22,779,895	22,059,758	—	—	22,779,895	22,059,758
Sales and use taxes	28,240,569	27,346,631	8,222,136	7,979,198	36,462,705	35,325,829
Other taxes and fees	28,448,477	28,674,956	—	—	28,448,477	28,674,956
Unrestricted investment earnings	5,606,916	(602,716)	176,131	27,962	5,783,047	(574,754)
Other revenues	304,606	155,680	793,972	239,825	1,098,578	395,505
Grants/contracts not program restricted	5,021,498	2,016,560	511,356	606,041	5,532,854	2,622,601
Total revenues	125,151,995	112,345,872	80,743,217	77,898,140	205,895,212	190,244,012
Expenditures						
General government	15,725,820	11,227,896	—	—	15,725,820	11,227,896
Public safety	61,197,716	50,674,234	—	—	61,197,716	50,674,234
Utilities	414,091	385,439	—	—	414,091	385,439
Transportation	11,726,848	11,816,286	—	—	11,726,848	11,816,286
Economic environment	5,057,900	5,575,838	—	—	5,057,900	5,575,838
Public health services	556,836	524,124	—	—	556,836	524,124
Cultural and recreational	10,513,855	9,204,596	—	—	10,513,855	9,204,596
Interest on long-term debt	1,468,963	1,650,118	—	—	1,468,963	1,650,118
Transit	—	—	10,704,987	10,589,270	10,704,987	10,589,270
Airport	—	—	3,980,858	3,890,909	3,980,858	3,890,909
Refuse	—	—	9,045,001	8,396,611	9,045,001	8,396,611
Wastewater	—	—	22,298,447	20,750,999	22,298,447	20,750,999
Water	—	—	11,358,573	10,555,977	11,358,573	10,555,977
Irrigation	—	—	2,961,514	2,462,180	2,961,514	2,462,180
Stormwater	—	—	2,924,479	3,310,491	2,924,479	3,310,491
Total Expenditures	106,662,029	91,058,531	63,273,859	59,956,437	169,935,888	151,014,968
Excess (deficiency) before transfers	18,489,966	21,287,341	17,469,358	17,941,703	35,959,324	39,229,044
Transfers	84,448	84,448	(84,448)	(84,448)	—	—
Change in net position	18,574,414	21,371,789	17,384,910	17,857,255	35,959,324	39,229,044
Net position - beginning	191,884,120	169,962,919	237,735,804	220,098,678	429,619,924	390,061,597
Error corrections	—	549,412	—	(220,130)	—	329,282
Net position - ending	\$ 210,458,534	\$ 191,884,120	\$ 255,120,714	\$ 237,735,803	\$ 465,579,248	\$ 429,619,923

The Statement of Activities (Changes in Net Position)

The City's total net position increased by \$36.0 million to \$465.6 million from \$429.6 million. Net position for governmental activities increased by \$18.6 million, primarily due to an increase in investments and pooled cash due to ARPA, the State Opioid settlement and the change in pension expense. Net positions in business-type activities increased by \$17.4 million primarily due to rate increases, various capital expenditures and an increase in investment earnings which is the result of a favorable market.

Total revenues for the City of Yakima were \$205.9 million in 2023. Governmental activities provided \$125.2 million (60.8%), while business-type activities added \$80.7 million (39.2%).

Expenses for the year totaled \$169.9 million, with governmental activities accounting for \$106.7 million or 62.8% and business-type activities accounting for \$63.3 million or 37.2%. 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 63.5% of total revenue sources, with grants and contributions accounting for 14.7%. The remaining 21.8% of revenue was provided by charges for services, interest income, and miscellaneous revenues.

Total taxes increased by \$1.4 million or 1.8% from \$78.1 million to \$79.5 million.

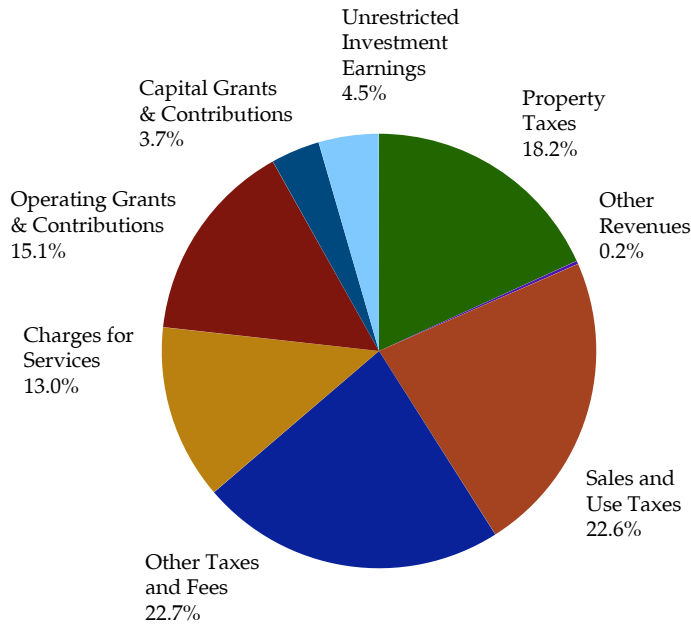
- Property Taxes increased \$720,137 due to an increase in assessed value and in increase in the Implicit Price Deflator (IPD) subject to a statutory cap of 1% plus new construction. The City also annexed approximately 103 acres of unincorporated Yakima County which is expected to generate approximately \$135,427 in new property taxes.
- Sales Tax and lodging taxes increased by \$893,938 or 3.2% from 2022 due to consumer confidence continuing to grow post COVID Pandemic and traveling increases.
- Other Taxes and Fees decreased by \$226,480 due mainly to a drop in REET revenue.

Business Type Activities - Transfers consist primarily of in-lieu utility taxes of \$9.2 million.

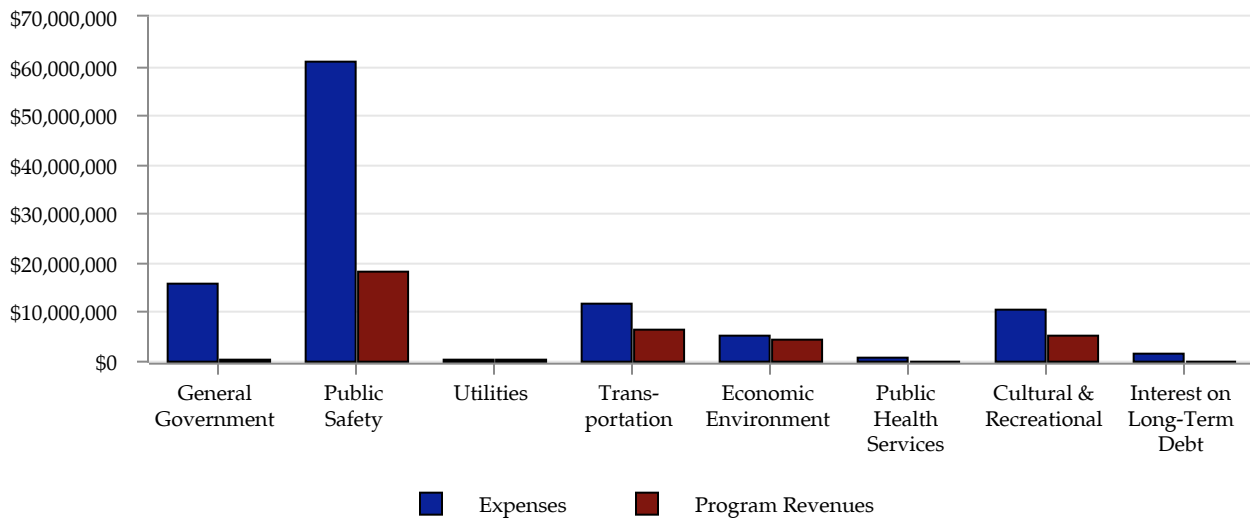
In total, governmental expenses increased \$15.6 million or 17.1%. The increase is due to various items such as a change in pension expense, increase in depreciable assets, Workers Compensation rate change, police equipment purchases, increase in indigent defense services and funding to Rod's House.

Following are graphs which illustrate revenue by source and expenditures by program for governmental funds in 2023.

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES

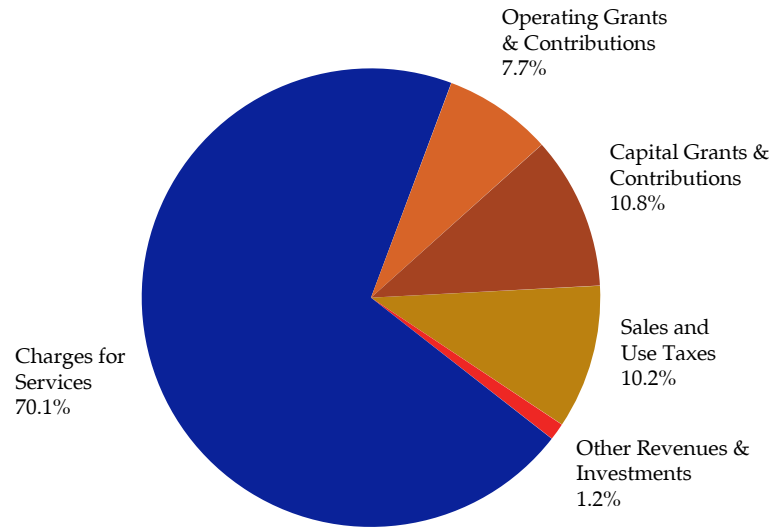


Business-Type Activities - Of the \$80.7 million in business type revenues, 70.2% was provided by charges for services, with the remaining amount provided by grants, contributions, transit sales tax and interest income. Overall, business type revenues demonstrated an increase of \$2.8 million, 3.7% over 2022. General grants and contributions decreased to \$511,356 from \$606,041 due to reallocating COVID-19 grant for Utility Services' delinquent accounts to Operating Grants with an increase in ARPA funds for Airport.

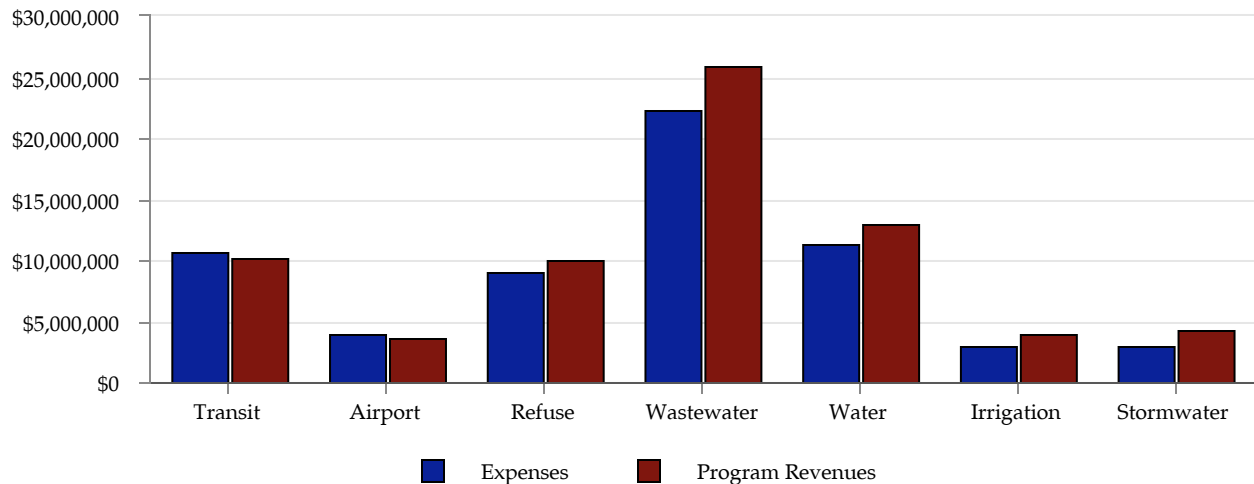
Of the \$63.3 million in business-type expenses, 35.2% are associated with the Wastewater program, while domestic water programs represent about 18.0%, Transit 16.9%, Refuse 14.3%, Stormwater 4.6%, Irrigation 4.7% and Airport 6.3%. Generally, changes in expenses are in line with changes in general operating 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 (70.2%) 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 American Rescue Plan Act (ARPA) Fiscal Recovery Fund was established to account for the award and expenditures from this federal funding and meets the criteria required of a major fund presentation for 2023.

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, 2023, the City's governmental funds reported combined fund balances of \$43.1 million. Of this total amount, \$8.9 million (20.6%) is unassigned and available for spending within these funds, \$944,340 is nonspendable (cemetery perpetual care), \$19.5 million is restricted (primarily for transportation, capital improvements, and public safety), \$6.3 million is committed primarily for transportation system improvements and \$7.4 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 2023 fiscal year, the fund balance of the General Fund was \$13.2 million, increasing by \$617,640 during the current fiscal year. This increase was due to an increase in investment earnings. The fund balance is about 17.8% of total general fund expenditures (which represents about a 2.1 month reserve). The City's target fund balance is 16.7% of the total expenditures, representing 2 months of annual spending. The General Fund accounts for 63.2% of all governmental fund revenue and 61.4% of all expenditures, while total assets in the General Fund amounted to \$26.2 million, accounting for 33.5% of total governmental fund assets.

Enterprise Funds Analysis

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

As of December 31, 2023, the City's enterprise funds (internal service fund balances are treated entirely as governmental activities) reported combined net position of \$255.1 million, with \$100.1 million, or approximately 39.2%, being contributed by the Wastewater fund. Additionally, about \$179.3 million (70.3%) of net position is accounted for by investment in capital assets, net of related debt, \$1.6 million is restricted for debt service and \$69.8 million is unrestricted. The [Segment Information](#) note presents information that is grouped according to revenue bond requirements for these business type activities.

BUDGETARY ANALYSIS

General Fund budgeted expenditures (without transfers) was increased from \$71.2 million to \$75.5 million in the final budget. Consisting mainly of an increase in Industrial Insurance costs, increase in Fire overtime and grants previously unknown. Actual expenditures totaled \$74.1 million, less than the final budget by \$(1.5) million. These expenditure savings resulted from reductions in personnel costs due to vacancies and use of ARPA funds for Fire overtime.

General Fund budgeted revenues increased from \$71.8 million to \$72.9 million in the final budget. Actual revenue results were \$76.7 million, more than the final budget by \$3.8 million, due primarily to the increased rates of interest on investments, an adjustment to record investments at market value, and an increase in Electric Utility tax.

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. When compared to actuals, there was a net positive change in budgeted fund balance of \$5.5 million.

Final budget for the fund American Rescue Plan Act (ARPA), a major fund, remain the same, although funding levels for eligible projects and revenue replacement shifted.

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, 2023, amounts to \$407.5 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 \$4.6 million, increasing from \$208.0 million in 2022 to \$212.6 million in 2023. This is due primarily to police vehicles and an increase in Streets Overlay and Reconstruction construction in progress projects.

Business-Type Activities - Business-type capital activities increased by \$7.0 million, attributable primarily to Transit busses received and an increase in Wastewater construction in progress projects.

CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets						
Land	\$ 17,512,974	\$ 17,512,974	\$ 10,539,207	\$ 10,539,207	\$ 28,052,181	\$ 28,052,181
Buildings	25,952,712	27,227,406	17,955,592	19,346,587	43,908,304	46,573,993
Improvements other than buildings	26,907,098	28,067,437	115,581,879	116,360,677	142,488,977	144,428,114
Machinery & equipment	21,781,686	18,940,008	13,472,408	10,596,030	35,254,094	29,536,038
Infrastructure	90,116,634	91,384,317	—	—	90,116,634	91,384,317
Intangibles	—	—	373,330	474,801	373,330	474,801
Construction in progress	29,896,826	24,857,069	36,994,264	30,604,406	66,891,090	55,461,475
Development in progress	264,979	—	—	—	264,979	—
Right-to-use subscription asset	153,383	—	—	—	153,383	—
Total capital assets	<u>\$ 212,586,292</u>	<u>\$ 207,989,211</u>	<u>\$ 194,916,680</u>	<u>\$ 187,921,708</u>	<u>\$ 407,502,972</u>	<u>\$ 395,910,919</u>

Additional information on the City of Yakima’s capital assets can be found in the [Capital Assets](#) note.

Long-Term Debt Administration

On December 31, 2023, the City of Yakima had total bonded debt outstanding of \$35.8 million. Of this amount, \$31.8 million is classified as governmental activity and backed by the full faith and credit of the City. The remaining \$4.0 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, 2023, was approximately \$126.9 million in comparison to the total legal debt limit of \$153.9 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. More detailed information on the City’s long-term obligations can be found in the [Long-Term Debt](#) note. A summary of the City’s debt follows.

OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 31,804,567	\$ 34,759,604	\$ —	\$ —	\$ 31,804,567	\$ 34,759,604
Revenue bonds	—	—	3,955,000	5,600,000	3,955,000	5,600,000
Intergovernmental loans	5,084,510	4,936,361	11,234,835	12,724,475	16,319,345	17,660,836
Other debt	2,224,901	2,566,415	—	—	2,224,901	2,566,415
Total outstanding debt	<u>\$ 39,113,978</u>	<u>\$ 42,262,380</u>	<u>\$ 15,189,835</u>	<u>\$ 18,324,475</u>	<u>\$ 54,303,813</u>	<u>\$ 60,586,855</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 in extreme excess of the 1% limitation in the last two years. Property tax receipts rose marginally compared to the prior year, and property valuation in Yakima is not expected to be negatively impacted by the pandemic in future years.
- **Local Employment.** The unemployment rate (6.0% for 2023) in the County continues to be higher than the state (4.6% for 2023) and national average (3.6% for 2023). 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. Between 2023 and 2022, the Yakima County civilian labor force lost about 1,250 jobs, showing a decrease in total employment.
- **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.
- **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 help the City enhance services to the community through revenue replacement. For 2022-2024, the majority of these funds are projected to enable the City to enhance public safety and tourism, make technological advancements, and improve the quality of life for residents.
- **Tourism.** The 2020 Convention & Event Center expansion of 18,000 sq. ft., which added approximately 10,000 sq. ft. of net rentable space to the existing 41,000 sq. ft. capacity, is now the 11th largest in the State. Debt service for this expansion will continue until 2044.
- 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 (ending in 2024) and the 2018 Street Resurfacing project (ending in 2028).
- 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 a portion of the debt on two development projects: a multipurpose sports complex which opened in 2016 (SOZO - ending in 2035), and a new aquatic center which opened in 2019 (ending in 2042).

The 2024 budget is balanced for all funds, following guidelines established by city management, to accomplish municipal service levels and priorities set by City Council. For the 2024 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

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 and American Rescue Plan Act (ARPA), along with 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 and the American Rescue Plan Act (ARPA), along with 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](#)

[Statement of Revenues, Expenditures, & Changes in Fund Balance, Budget & Actual - General Fund](#)

[Statement of Revenues, Expenditures, & Changes in Fund Balance, Budget & Actual - American Rescue Plan Act \(ARPA\).](#)

PROPRIETARY FUNDS

[Statement of Net Position, Proprietary Funds](#) - Major funds include Transit, Refuse, Wastewater, Water, Irrigation and the Yakima Air Terminal. Stormwater, the only nonmajor fund, is presented 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, 2023

Page 1 of 2

	Governmental Activities	Business-Type Activities	Primary Gov't Total
Assets			
Current assets			
Cash and cash equivalents	\$ 36,502,580	\$ 33,876,062	\$ 70,378,642
Cash with fiscal agent	266,024	16,529	282,553
Investments	22,014,198	34,011,756	56,025,954
Restricted Assets			
Cash	8,552,040	—	8,552,040
Investments	8,058,376	—	8,058,376
Receivables, net allowance for uncollectible accounts			
Taxes	8,098,675	1,403,231	9,501,906
Accounts	7,788,655	5,255,548	13,044,203
Notes and contracts receivable	1,965,531	471,860	2,437,391
Due from other governments	3,504,886	3,569,053	7,073,939
Due from other funds	—	2,851,819	2,851,819
Interest receivable	274,897	—	274,897
Other receivables	1,886,011	—	1,886,011
Lease receivables	—	403,706	403,706
Inventories and prepayments	1,018,058	684,917	1,702,975
Total current assets	99,929,931	82,544,481	182,474,412
Noncurrent assets			
Restricted cash	—	1,600,000	1,600,000
Lease receivable	—	5,085,117	5,085,117
Capital assets not being depreciated			
Land	17,512,974	10,539,207	28,052,181
Construction in progress	29,896,826	36,994,264	66,891,090
Development in progress	264,979	—	264,979
Capital assets, net of accumulated depreciation			
Buildings	25,952,712	17,955,592	43,908,304
Machinery, equipment & vehicles	21,781,686	13,472,408	35,254,094
Infrastructure	90,116,634	—	90,116,634
Other improvements & utility systems	26,907,098	115,581,879	142,488,977
Intangibles	—	373,330	373,330
Subscription Asset	153,383	—	153,383
Other noncurrent assets			
Net pension asset	30,994,919	3,479,222	34,474,141
Total noncurrent assets	243,581,211	205,081,019	448,662,230
Total assets	343,511,142	287,625,500	631,136,642
Deferred outflows of resources			
Deferred amount on refunding	—	81,323	81,323
Deferred outflows related to pension	18,818,558	2,921,716	21,740,274
Deferred outflows related to OPEB	440,785	132,814	573,599
Total deferred outflows of resources	19,259,343	3,135,853	22,395,196
Total assets & deferred outflows of resources	362,770,485	290,761,353	653,531,838

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, 2023

Page 2 of 2

	Governmental Activities	Business-Type Activities	Primary Gov't Total
Liabilities			
Current liabilities			
Accounts payable	2,315,434	2,248,107	4,563,541
Unearned revenue	16,211,198	—	16,211,198
Retainage payable	196,046	328,800	524,846
Claims & judgments payable	6,199,594	—	6,199,594
Accrued salaries and benefits	7,187,210	1,625,488	8,812,698
Compensated absences	1,095,304	249,183	1,344,487
Deposit type accounts	527,862	824,501	1,352,363
Due to other governments	311,620	136,547	448,167
Due to other funds	752,016	2,099,803	2,851,819
Other liabilities	75,401	20,727	96,128
Interest payable	174,768	51,362	226,130
Debt principal due within one year	3,980,420	1,896,420	5,876,840
Subscriptions due within one year	76,231	—	76,231
Total other postemployment benefits - current	1,815,221	74,868	1,890,089
Total current liabilities	40,918,325	9,555,806	50,474,131
Noncurrent liabilities			
Compensated absences	7,959,693	1,631,232	9,590,925
Net pension liability	10,621,762	1,554,670	12,176,432
Total other postemployment benefits (OPEB)	41,187,092	1,424,519	42,611,611
Debt principal due more than one year	35,750,219	13,495,679	49,245,898
Subscriptions due in more than one year	78,214	—	78,214
Other noncurrent liabilities	1,886,011	—	1,886,011
Total noncurrent liabilities	97,482,991	18,106,100	115,589,091
Total liabilities	138,401,316	27,661,906	166,063,222
Deferred inflows of resources			
Deferred inflows related to pension	11,735,822	1,948,499	13,684,321
Deferred inflows related to OPEB	2,174,812	655,292	2,830,104
Deferred inflows related to leases	—	5,374,939	5,374,939
Total deferred inflows of resources	13,910,634	7,978,730	21,889,364
Total liabilities & deferred inflows of resources	152,311,950	35,640,636	187,952,586
Net position			
Net investment in capital assets	172,505,162	179,277,104	351,782,266
Restricted for:			
Public safety & emergency programs	2,934,384	—	2,934,384
Housing & economic development	1,084,145	—	1,084,145
Debt service	383,826	1,600,000	1,983,826
Capital improvements	9,434,342	—	9,434,342
Tourism & conventions	2,764,991	—	2,764,991
Pension plans	38,057,739	4,441,373	42,499,112
Unrestricted	(16,706,055)	69,802,240	53,096,185
Total net position	\$ 210,458,534	\$ 255,120,717	\$ 465,579,251

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, 2023

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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			
Governmental activities							
General government	\$ 15,725,820	\$ 369,466	\$ —	\$ —	\$ (15,356,354)	\$ —	\$ (15,356,354)
Public safety	61,197,716	8,283,289	9,856,533	—	(43,057,894)	—	(43,057,894)
Customer Services	414,091	299,604	—	—	(114,487)	—	(114,487)
Transportation	11,726,848	665,037	1,301,292	4,434,668	(5,325,851)	—	(5,325,851)
Economic environment	5,057,900	1,725,102	2,625,891	5,842	(701,065)	—	(701,065)
Public health services	556,836	—	554	—	(556,282)	—	(556,282)
Cultural and recreational	10,513,855	4,949,931	108,367	124,457	(5,331,100)	—	(5,331,100)
Interest on long-term debt	1,468,963	—	—	—	(1,468,963)	—	(1,468,963)
Total governmental activities	106,662,029	16,292,429	13,892,637	4,564,967	(71,911,996)	—	(71,911,996)
Business-type activities							
Transit	10,704,987	941,891	5,073,939	4,230,000	—	(459,157)	(459,157)
Airport	3,980,858	928,278	151,482	2,601,245	—	(299,853)	(299,853)
Refuse	9,045,001	9,927,656	—	—	—	882,655	882,655
Wastewater	22,298,447	24,881,925	—	976,406	—	3,559,884	3,559,884
Water	11,358,573	12,155,094	454,752	392,675	—	1,643,948	1,643,948
Irrigation	2,961,514	3,725,446	—	254,700	—	1,018,632	1,018,632
Stormwater	2,924,479	4,091,099	—	253,034	—	1,419,654	1,419,654
Total business-type activities	63,273,859	56,651,389	5,680,173	8,708,060	—	7,765,763	7,765,763
Total activities	\$ 169,935,888	\$ 72,943,818	\$ 19,572,810	\$ 13,273,027	(71,911,996)	7,765,763	(64,146,233)
General revenues and transfers							
Taxes							
Property taxes					22,779,895	—	22,779,895
Sales and use taxes					28,240,569	8,222,136	36,462,705
Other taxes and fees					28,448,477	—	28,448,477
Unrestricted investment earnings					5,606,916	176,131	5,783,047
Judgments and settlements					146,846	638,014	784,860
Interest on rents & leases					—	143,266	143,266
Miscellaneous					179,652	9,842	189,494
Grants and contributions not restricted to specific programs					5,021,498	511,356	5,532,854
Gain (loss) on disposition of capital assets					(21,893)	2,850	(19,043)
Transfers					84,448	(84,448)	—
Total general revenues, special items & transfers					90,486,408	9,619,147	100,105,555
Change in net position					18,574,412	17,384,910	35,959,322
Net position - beginning					191,884,119	237,735,807	429,619,926
Net position - ending					\$ 210,458,531	\$ 255,120,717	\$ 465,579,248

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, 2023

Page 1 of 1

	General Fund	ARPA Fund	Other Gov't Funds	Total Gov't Funds
Assets				
Cash and cash equivalents	\$ 6,040,516	\$ 8,405,194	\$ 20,362,682	\$ 34,808,392
Cash with fiscal agent	62,654	—	203,370	266,024
Investments	5,797,539	8,058,376	8,032,404	21,888,319
Receivables, net allowance for uncollectible accounts				
Taxes	6,944,911	—	1,153,765	8,098,676
Accounts	4,508,954	—	1,133,971	5,642,925
Notes and contracts receivable	28,316	—	1,937,215	1,965,531
Due from other governments	685,440	—	2,667,204	3,352,644
Interest receivable	274,897	—	—	274,897
Other receivables	1,886,011	—	—	1,886,011
Inventories and prepayments	14,079	—	191,513	205,592
Total assets	<u>26,243,317</u>	<u>16,463,570</u>	<u>35,682,124</u>	<u>78,389,011</u>
Deferred outflows of resources	—	—	—	—
Total assets & deferred outflows of resources	<u>\$ 26,243,317</u>	<u>\$ 16,463,570</u>	<u>\$ 35,682,124</u>	<u>\$ 78,389,011</u>
Liabilities				
Accounts payable	\$ 500,052	\$ 176,474	\$ 1,145,980	\$ 1,822,506
Unearned revenue	—	16,211,198	—	16,211,198
Retainage payable	330	—	195,715	196,045
Accrued salaries and benefits	5,778,658	8,197	1,043,509	6,830,364
Deposit type accounts	95,129	—	69,058	164,187
Due to other governments	308,310	—	3,000	311,310
Due to other funds	—	—	752,016	752,016
Other liabilities	1,956,394	—	—	1,956,394
Total liabilities	<u>8,638,873</u>	<u>16,395,869</u>	<u>3,209,278</u>	<u>28,244,020</u>
Deferred inflows of resources				
Unavailable revenue and notes	4,406,916	—	2,654,637	7,061,553
Total deferred inflows of resources	<u>4,406,916</u>	<u>—</u>	<u>2,654,637</u>	<u>7,061,553</u>
Total liabilities & deferred inflows of resources	<u>13,045,789</u>	<u>16,395,869</u>	<u>5,863,915</u>	<u>35,305,573</u>
Fund balance				
Nonspendable	14,079	—	930,261	944,340
Restricted	2,835,071	67,700	16,584,061	19,486,832
Committed	1,460,073	—	4,876,234	6,336,307
Assigned	—	—	7,427,655	7,427,655
Unassigned	8,888,305	—	—	8,888,305
Total fund balance	<u>13,197,528</u>	<u>67,700</u>	<u>29,818,211</u>	<u>43,083,439</u>
Total liabilities, deferred inflows & fund balances	<u>\$ 26,243,317</u>	<u>\$ 16,463,569</u>	<u>\$ 35,682,126</u>	<u>\$ 78,389,012</u>

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

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

December 31, 2023

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)	\$ 43,083,440
Capital & subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	199,633,387
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	7,061,553
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.	26,972,452
Long-term liabilities, including bonds payable & subscription assets, are not due and payable in the current period and therefore are not reported in the funds.	(48,732,663)
Pension and other postemployment benefits are not due and payable in the current period and therefore are not reflected in the funds.	(17,559,635)
Net position of governmental activities	<u><u>\$ 210,458,534</u></u>

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

For the Year Ended December 31, 2023

Page 1 of 1

	General Fund	ARPA Fund	Other Gov't Funds	Total Gov't Funds
Revenues				
Taxes and assessments	\$ 60,243,662	\$ —	\$ 24,244,173	\$ 84,487,835
Licenses and permits	1,989,874	—	565,168	2,555,042
Intergovernmental revenues	2,948,576	4,583,548	8,704,904	16,237,028
Charges for services	3,778,697	—	5,210,008	8,988,705
Fines and forfeitures	1,585,399	—	805	1,586,204
Contributions and donations	14,400	—	171,531	185,931
Investment earnings	5,672,936	—	38,412	5,711,348
Other revenue	423,216	—	1,095,510	1,518,726
Total revenues	76,656,760	4,583,548	40,030,511	121,270,819
Expenditures				
Current				
General government	14,911,961	944,881	648,171	16,505,013
Public safety	56,184,539	886,197	6,248,932	63,319,668
Utilities	—	—	366,297	366,297
Transportation	984,446	—	5,227,204	6,211,650
Economic environment	1,331,598	—	3,748,104	5,079,702
Public health services	21,779	—	573,297	595,076
Cultural and recreational	—	—	7,733,705	7,733,705
Capital outlay				
General government	215,342	124,623	1,973,207	2,313,172
Public safety	184,299	2,597,283	729,834	3,511,416
Transportation	—	30,563	6,418,415	6,448,978
Cultural and recreational	—	—	2,791,708	2,791,708
Debt service				
Principal	201,299	—	3,693,166	3,894,465
Interest and related charges	23,852	—	1,727,149	1,751,001
Total Expenditures	74,059,115	4,583,547	41,879,189	120,521,851
Excess (def) of revenue over (under) expenditure	2,597,645	1	(1,848,678)	748,968
Other financing (sources) uses				
Transfers in	—	—	5,902,310	5,902,310
Transfers out	(2,167,836)	—	(3,650,026)	(5,817,862)
Proceeds from issuance of long-term debt	—	—	728,500	728,500
Sale of capital assets	18,912	—	79,582	98,494
Subscription liabilities issued	168,919	—	—	168,919
Total other financing sources (uses)	(1,980,005)	—	3,060,366	1,080,361
Net change in fund balance	617,640	1	1,211,688	1,829,329
Fund balance - beginning	12,579,886	67,700	28,606,524	41,254,110
Fund balance - ending	\$ 13,197,526	\$ 67,701	\$ 29,818,212	\$ 43,083,439

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

**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, 2023

Page 1 of 1

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ 1,829,326
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.	3,020,473
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.	867,741
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,914,943
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.	3,313,037
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).	3,175,528
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.	3,453,364
Change in net position, as reflected on the Statement of Activities	<u>\$ 18,574,412</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 - GENERAL FUND**

For the Year Ended December 31, 2023

Page 1 of 1

	2023		2024		2023	Variance
	Budgeted Amounts		Budgeted Amounts		Actual	with Final
	Original	Final	Original	Final	Amounts	Budget
Revenues						
Taxes and assessments	\$ 59,999,222	\$ 59,775,517	\$ 61,799,525	\$ 61,799,525	\$ 60,243,662	\$ 468,145
Licenses and permits	1,983,700	1,983,700	1,957,700	1,957,700	1,989,874	6,174
Intergovernmental revenues	2,980,018	4,317,603	2,955,991	4,808,063	2,948,576	(1,369,027)
Charges for services	3,719,869	3,719,869	3,777,386	3,777,386	3,778,697	58,828
Fines and forfeitures	1,302,000	1,302,000	1,357,170	1,357,170	1,585,399	283,399
Contributions and donations	—	—	—	—	14,400	14,400
Investment earnings	1,694,900	1,694,900	2,499,900	2,499,900	5,672,936	3,978,036
Other revenue	93,736	93,736	244,608	244,608	423,216	329,480
Total revenues	71,773,445	72,887,325	74,592,280	76,444,352	76,656,760	3,769,435
Expenditures						
Current						
General government	15,961,145	16,447,895	13,712,982	13,966,229	14,911,961	(1,535,934)
Public safety	51,705,071	55,731,535	57,044,058	58,850,130	56,184,539	453,004
Transportation	1,104,257	1,104,257	1,018,150	1,018,150	984,446	(119,811)
Economic environment	2,049,103	1,734,388	1,960,491	1,960,491	1,331,598	(402,790)
Public health services	30,000	30,000	30,000	30,000	21,779	(8,221)
Capital outlay						
General government	100,000	160,379	100,000	100,000	215,342	54,963
Public safety	—	123,462	—	168,812	184,299	60,837
Debt service						
Principal	183,735	183,735	152,509	152,509	201,299	17,564
Interest and related charges	22,498	22,498	14,343	14,343	23,852	1,354
Total Expenditures	71,155,809	75,538,149	74,032,533	76,260,664	74,059,115	(1,479,034)
Excess (def) of revenue over (under) exp	617,636	(2,650,824)	559,747	183,688	2,597,645	5,248,469
Other financing (sources) uses						
Transfers out	(2,193,819)	(2,193,819)	(2,224,257)	(2,224,257)	(2,167,836)	25,983
Sale of capital assets	—	—	—	—	18,912	18,912
Subscription liabilities issued	—	—	—	—	168,919	168,919
Total other financing sources (uses)	(2,193,819)	(2,193,819)	(2,224,257)	(2,224,257)	(1,980,005)	213,814
Net change in fund balance	(1,576,183)	(4,844,643)	(1,664,510)	(2,040,569)	617,640	5,462,283
Fund balance - beginning	18,286,389	12,579,889	18,904,026	9,430,146	12,579,886	(3)
Fund balance - ending	\$ 16,710,206	\$ 7,735,246	\$ 17,239,516	\$ 7,389,577	\$ 13,197,526	\$ 5,462,280

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, 2023

Page 1 of 1

	2023		2024		2023 Actual Amounts	Variance with Final Budget
	Budgeted Amounts		Budgeted Amounts			
	Original	Final	Original	Final		
Revenues						
Intergovernmental revenues	\$ —	\$ 16,419,999	11,958,421	14,496,785	\$ 4,583,548	\$ (11,836,451)
Total revenues	—	16,419,999	11,958,421	14,496,785	4,583,548	(11,836,451)
Expenditures						
Current						
General government	96,449	2,876,449	4,333,330	4,333,330	944,881	(1,931,568)
Public safety	—	—	—	—	886,197	886,197
Public health services	—	1,500,000	—	—	—	(1,500,000)
Cultural and recreational	—	—	719,091	719,091	—	—
Capital outlay						
General government	400,000	400,000	306,000	306,000	124,623	(275,377)
Public safety	—	5,143,550	—	2,538,364	2,597,283	(2,546,267)
Utilities	—	1,000,000	1,000,000	1,000,000	—	(1,000,000)
Transportation	—	4,000,000	—	4,100,000	30,563	(3,969,437)
Cultural and recreational	—	1,500,000	1,500,000	1,500,000	—	(1,500,000)
Total Expenditures	496,449	16,419,999	7,858,421	14,496,785	4,583,547	(11,836,452)
Excess (def) of revenue over (under) exp	(496,449)	—	4,100,000	—	1	1
Net change in fund balance	(496,449)	—	4,100,000	—	1	1
Fund balance - beginning	67,000	67,700	6,840,486	67,700	67,700	—
Fund balance - ending	\$ (429,449)	\$ 67,700	\$ 10,940,486	\$ 67,700	\$ 67,701	\$ 1

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, 2023

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	Business-Type Activities			
	Major Funds			
	Airport	Transit	Refuse	Wastewater
Assets				
Current Assets				
Cash and cash equivalents	\$ 784,886	\$ 7,308,939	\$ 2,326,149	\$ 15,477,115
Cash with fiscal agent	—	—	—	—
Investments	752,499	7,007,355	2,230,167	16,372,472
Receivables, net allowance for uncollectible accounts				
Taxes	—	1,401,529	—	—
Accounts	103,159	30,018	1,057,745	2,813,459
Notes and contracts receivable	—	—	—	—
Due from other governments	206,074	3,362,980	—	—
Due from other funds	—	—	—	250,765
Lease Receivables	126,396	277,310	—	—
Inventories and prepayments	—	—	—	—
Total current assets	1,973,014	19,388,131	5,614,061	34,913,811
Noncurrent assets				
Restricted cash	—	—	—	1,600,000
Lease Receivable	5,085,117	—	—	—
Capital assets not being depreciated				
Land	3,418,797	6,217,391	—	643,757
Construction in progress	2,659,626	—	—	6,007,293
Development in progress	—	—	—	—
Capital assets, net of accumulated depreciation				
Buildings	42,747	2,149,596	—	12,449,243
Machinery, equipment & vehicles	2,499,831	6,534,469	6,060	4,336,179
Other improve & utility systems	13,214,244	1,066,714	—	48,216,796
Intangibles	243,671	—	—	—
Right-to-use subscription asset	—	—	—	—
Other noncurrent assets				
Net pension asset	185,794	824,170	396,664	1,096,731
Total noncurrent assets	27,349,827	16,792,340	402,724	74,349,999
Total assets	29,322,841	36,180,471	6,016,785	109,263,810
Deferred outflows of resources				
Deferred amount on refunding	—	—	—	9,099
Deferred outflows related to pension	156,023	692,106	333,103	920,992
Deferred outflows related to OPEB	7,075	33,553	16,672	38,935
Total deferred outflows of resources	163,098	725,659	349,775	969,026
Total assets & deferred outflows	29,485,939	36,906,130	6,366,560	110,232,836

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, 2023

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Business-Type Activities				Gov't
Major Funds		Other	Total	Internal
Water	Irrigation	Enterprise	Enterprise	Service
		Funds	Funds	Funds
\$ 3,708,468	\$ 600,328	\$ 3,670,177	\$ 33,876,062	\$ 10,246,228
—	—	16,529	16,529	—
3,554,969	575,557	3,518,737	34,011,756	8,184,255
—	—	1,703	1,403,231	—
775,157	475,652	357	5,255,548	2,145,730
—	—	471,860	471,860	—
—	—	—	3,569,053	152,242
2,350,568	—	250,486	2,851,819	—
—	—	—	403,706	—
684,917	—	—	684,917	812,465
<u>11,074,079</u>	<u>1,651,537</u>	<u>7,929,849</u>	<u>82,544,481</u>	<u>21,540,920</u>
—	—	—	1,600,000	—
—	—	—	5,085,117	—
167,862	91,400	—	10,539,207	—
3,510,159	23,396,237	1,420,949	36,994,264	—
—	—	—	—	—
3,104,741	209,266	—	17,955,592	253,471
90,368	—	5,501	13,472,408	12,315,200
33,225,853	13,785,206	6,073,064	115,581,879	348,764
129,659	—	—	373,330	—
—	—	—	—	35,471
<u>610,609</u>	<u>165,153</u>	<u>200,101</u>	<u>3,479,222</u>	<u>916,899</u>
<u>40,839,251</u>	<u>37,647,262</u>	<u>7,699,615</u>	<u>205,081,019</u>	<u>13,869,805</u>
<u>51,913,330</u>	<u>39,298,799</u>	<u>15,629,464</u>	<u>287,625,500</u>	<u>35,410,725</u>
—	72,224	—	81,323	—
512,766	138,689	168,037	2,921,716	769,977
22,948	6,157	7,474	132,814	31,826
<u>535,714</u>	<u>217,070</u>	<u>175,511</u>	<u>3,135,853</u>	<u>801,803</u>
<u>52,449,044</u>	<u>39,515,869</u>	<u>15,804,975</u>	<u>290,761,353</u>	<u>36,212,528</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, 2023

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	Activities			
	Major Funds			
	Airport	Transit	Refuse	Wastewater
Liabilities				
Current liabilities				
Accounts payable	154,838	827,596	116,342	615,910
Retainage payable	—	—	—	87,592
Claims & judgments payable	—	—	—	—
Accrued salaries and benefits	87,021	426,389	199,789	469,762
Compensated absences	8,069	61,059	32,231	76,630
Deposit type accounts	39,034	—	212,872	432,189
Due to other governments	13,571	13,667	32,712	38,837
Due to other funds	—	—	—	—
Other liabilities	—	—	444	2,170
Interest payable	—	—	—	19,105
Debt principal due within one year	—	—	—	997,751
Subscriptions due within one year	—	—	—	—
Total other postemployment benefits - current	3,988	18,914	9,398	21,948
Total current liabilities	306,521	1,347,625	603,788	2,761,894
Noncurrent liabilities				
Compensated absences	54,946	401,980	195,387	504,612
Net pension liability	83,021	368,275	177,247	490,068
Total other postemployment benefits (OPEB)	75,887	359,879	178,816	417,605
Debt principal due more than one year	—	—	—	5,187,150
Subscriptions due in more than one year	—	—	—	—
Total noncurrent liabilities	213,854	1,130,134	551,450	6,599,435
Total liabilities	520,375	2,477,759	1,155,238	9,361,329
Deferred inflows of resources				
Deferred inflows related to pension	104,052	461,567	222,147	614,212
Deferred inflows related to OPEB	34,909	165,547	82,257	192,102
Deferred inflows related to leases	5,098,990	275,950	—	—
Total deferred inflows of resources	5,237,951	903,064	304,404	806,314
Total liabilities & deferred inflows	5,758,326	3,380,823	1,459,642	10,167,643
Net position				
Net investment in capital assets	22,078,916	15,968,169	6,060	65,389,876
Restricted for:				
Debt service	—	—	—	1,600,000
Pension plans	237,174	1,052,087	506,359	1,400,023
Unrestricted	1,411,523	16,505,049	4,394,500	31,675,298
Total net position	\$ 23,727,613	\$ 33,525,305	\$ 4,906,919	\$ 100,065,197

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, 2023

Page 4 of 4

Business-Type Activities				Gov't
Major Funds		Other	Total	Internal
Water	Irrigation	Enterprise	Enterprise	Service
		Funds	Funds	Funds
70,678	5,903	456,839	2,248,107	492,929
57,834	145,908	37,467	328,800	—
—	—	—	—	6,199,594
282,657	75,940	83,930	1,625,488	356,845
43,337	12,071	15,786	249,183	45,442
140,392	14	—	824,501	363,675
34,307	—	3,454	136,547	311
—	2,099,803	—	2,099,803	—
18,113	—	—	20,727	5,018
23,057	9,200	—	51,362	—
703,670	195,000	—	1,896,420	—
—	—	—	—	14,597
12,936	3,471	4,213	74,868	17,939
<u>1,386,981</u>	<u>2,547,310</u>	<u>601,689</u>	<u>9,555,806</u>	<u>7,496,350</u>
287,001	75,866	111,440	1,631,232	299,505
272,847	73,798	89,414	1,554,670	409,711
246,130	66,041	80,161	1,424,519	341,345
5,842,586	2,465,943	—	13,495,679	—
—	—	—	—	22,643
<u>6,648,564</u>	<u>2,681,648</u>	<u>281,015</u>	<u>18,106,100</u>	<u>1,073,204</u>
<u>8,035,545</u>	<u>5,228,958</u>	<u>882,704</u>	<u>27,661,906</u>	<u>8,569,554</u>
341,964	92,492	112,064	1,948,499	513,499
113,222	30,380	36,875	655,292	157,021
—	—	—	5,374,939	—
<u>455,186</u>	<u>122,872</u>	<u>148,939</u>	<u>7,978,730</u>	<u>670,520</u>
<u>8,490,731</u>	<u>5,351,830</u>	<u>1,031,643</u>	<u>35,640,636</u>	<u>9,240,074</u>
33,624,553	34,747,483	7,462,048	179,277,104	12,915,665
—	—	—	1,600,000	—
779,468	210,825	255,437	4,441,373	1,170,460
9,554,292	(794,269)	7,055,847	69,802,240	12,886,327
<u>\$ 43,958,313</u>	<u>\$ 34,164,039</u>	<u>\$ 14,773,332</u>	<u>\$ 255,120,717</u>	<u>\$ 26,972,452</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, 2023

Page 1 of 2

	Business-Type Activities			
	Major Funds			
	Airport	Transit	Refuse	Wastewater
Operating revenues				
Charges and fees for services	\$ 925,330	\$ 384,983	\$ 9,924,716	\$ 24,797,569
Charges for insurance	—	—	—	—
Employer premium payments	—	—	—	—
Employee premium payments	—	—	—	—
Rents and leases	—	431,893	—	—
Special assessments	—	116,450	—	—
Other operating revenue	2,948	8,565	2,940	84,356
Total operating revenues	928,278	941,891	9,927,656	24,881,925
Operating expenses				
Personnel services	878,437	4,305,044	2,143,839	4,660,061
Materials and supplies	102,140	972,720	585,196	1,112,830
Contractual services	517,117	4,435,554	6,314,234	11,775,820
Claims and other benefits	—	—	—	—
Depreciation	2,483,164	991,669	1,731	4,675,176
Total operating expense	3,980,858	10,704,987	9,045,000	22,223,887
Operating income (loss)	(3,052,580)	(9,763,096)	882,656	2,658,038
Nonoperating revenues (expense)				
Grants and subsidies	3,264,082	17,526,075	—	—
Interest revenue	2,669	23,534	—	10,610
Other nonoperating revenue	—	—	1,933	1,200
Interest on rents & leases	130,694	12,572	—	—
Interest & other debt service costs	—	—	—	(74,560)
Gain (loss) disposal of capital assets	—	2,850	—	—
Total nonoperating revenue (exp)	3,397,445	17,565,031	1,933	(62,750)
Income (loss) before contributions & transfers	344,865	7,801,935	884,589	2,595,288
Capital contributions	—	—	—	976,406
Transfers (out)	—	—	—	(84,448)
Change in net position	344,865	7,801,935	884,589	3,487,246
Net position - beginning	23,382,748	25,723,370	4,022,331	96,577,949
Net position - ending	\$ 23,727,613	\$ 33,525,305	\$ 4,906,920	\$ 100,065,195

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, 2023

Page 2 of 2

Business-Type Activities				Gov't
Major Funds		Other	Total	Internal
Water	Irrigation	Enterprise	Enterprise	Service
		Funds	Funds	Funds
\$ 12,151,266	\$ 3,725,446	\$ 4,091,099	\$ 56,000,410	\$ 9,826,401
—	—	—	—	5,438,458
—	—	—	—	15,714,260
—	—	—	—	2,208,649
—	—	—	431,893	—
—	—	—	116,450	—
3,828	—	638,014	740,651	2,017
<u>12,155,094</u>	<u>3,725,446</u>	<u>4,729,113</u>	<u>57,289,404</u>	<u>33,189,785</u>
2,729,017	742,086	860,622	16,319,106	3,651,040
563,493	96,772	14,705	3,447,856	1,560,238
5,511,243	1,069,595	1,703,017	31,326,580	10,373,028
—	—	—	—	13,826,363
2,041,611	884,037	346,135	11,423,523	1,703,095
<u>10,845,364</u>	<u>2,792,490</u>	<u>2,924,479</u>	<u>62,517,065</u>	<u>31,113,764</u>
1,309,730	932,956	1,804,634	(5,227,661)	2,076,021
—	254,700	132,500	21,177,357	785,205
128,724	—	10,593	176,131	—
6,715	—	—	9,848	465,218
—	—	—	143,266	—
(58,458)	(169,024)	—	(302,041)	(629)
—	—	—	2,850	127,551
<u>76,981</u>	<u>85,676</u>	<u>143,093</u>	<u>21,207,411</u>	<u>1,377,345</u>
1,386,711	1,018,632	1,947,727	15,979,750	3,453,366
392,675	—	120,534	1,489,615	—
—	—	—	(84,448)	—
<u>1,779,386</u>	<u>1,018,632</u>	<u>2,068,261</u>	<u>17,384,917</u>	<u>3,453,366</u>
42,178,925	33,145,406	12,705,072	237,735,805	23,519,088
<u>\$ 43,958,311</u>	<u>\$ 34,164,038</u>	<u>\$ 14,773,333</u>	<u>\$ 255,120,722</u>	<u>\$ 26,972,454</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, 2023

Page 1 of 4

	Business-Type Activities			
	Major Funds			
	Airport	Transit	Refuse	Wastewater
Cash flows from operating activities				
Receipts from customers	\$ 832,474	\$ 925,707	\$ 9,919,576	\$ 24,858,536
Contributions received - employer & employee	—	—	—	—
Payments to suppliers & service providers	(519,806)	(5,231,220)	(6,831,356)	(12,664,580)
Payments to employees - salaries & benefits	(942,578)	(4,701,142)	(2,321,523)	(5,307,479)
Other operating revenues	2,948	8,565	—	84,356
Payments to claimants & beneficiaries	—	—	—	—
Net cash provided by operating activities	<u>(626,962)</u>	<u>(8,998,090)</u>	<u>766,697</u>	<u>6,970,833</u>
Cash from noncapital financing activities				
Sales tax received	—	8,192,437	—	—
Operating grants	3,264,082	9,734,580	—	—
Other nonoperating revenue	(79,142)	—	1,933	192,875
Net cash provided by noncapital financing activities	<u>3,184,940</u>	<u>17,927,017</u>	<u>1,933</u>	<u>192,875</u>
Cash flows from capital financing activities				
Proceeds from disposal of property	—	25,850	—	1,200
Capital grants & contributions	—	—	—	762,556
Principal paid on capital debt	—	—	—	(2,101,245)
Payment on interfund loan	—	—	—	—
Acquisition & construction of capital assets	(2,846,719)	(4,851,508)	—	(5,535,773)
Interest and related charges paid	—	—	—	(123,495)
Other non-financial assets (lease receivable)	—	(4,624)	—	—
Other receipts	130,694	12,572	—	761
Transfers (out)	—	—	—	(84,448)
Net cash used for capital financing activities	<u>(2,716,025)</u>	<u>(4,817,710)</u>	<u>—</u>	<u>(7,080,444)</u>
Cash flows from investing activities				
Proceeds from sale of investments	740,494	4,453,887	1,700,876	14,591,229
Interest on investments	2,669	23,534	—	10,610
Purchase of investments	(752,499)	(7,007,355)	(2,230,167)	(16,372,472)
Net cash provided by investing activities	<u>(9,336)</u>	<u>(2,529,934)</u>	<u>(529,291)</u>	<u>(1,770,633)</u>
Net increase (decrease) in cash & cash equivalents	(167,383)	1,581,283	239,339	(1,687,369)
Cash & cash equivalents - January 1	952,268	5,727,657	2,086,810	18,764,483
Cash & cash equivalents - December 31	<u>\$ 784,885</u>	<u>\$ 7,308,940</u>	<u>\$ 2,326,149</u>	<u>\$ 17,077,114</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, 2023

Page 2 of 4

Business-Type Activities				Gov't
Major Funds		Other	Total	Internal
Water	Irrigation	Enterprise	Enterprise	Service
		Funds	Funds	Funds
\$ 12,252,134	\$ 3,717,304	4,655,640	\$ 57,161,371	\$ 15,403,090
—	—	—	—	16,982,189
(6,514,849)	(2,351,362)	(1,275,073)	(35,388,247)	(11,473,120)
(3,155,630)	(831,619)	(1,030,039)	(18,290,011)	(4,275,800)
—	—	—	95,869	—
—	—	—	—	(13,826,363)
<u>2,581,655</u>	<u>534,323</u>	<u>2,350,528</u>	<u>3,578,982</u>	<u>2,809,996</u>
—	—	—	8,192,437	—
—	254,700	132,500	13,385,862	—
1,388,586	—	188,384	1,692,636	1,250,423
<u>1,388,586</u>	<u>254,700</u>	<u>320,884</u>	<u>23,270,935</u>	<u>1,250,423</u>
5,151	—	—	32,201	127,551
209,105	—	—	971,661	—
(838,395)	—	—	(2,939,640)	—
—	(1,199,888)	—	(1,199,888)	—
(1,469,797)	(1,909,579)	(1,308,602)	(17,921,977)	(2,367,319)
(58,458)	(369,816)	—	(551,769)	(629)
—	—	—	(4,624)	—
(24,736)	(407,782)	37,467	(251,024)	—
—	—	—	(84,448)	—
<u>(2,177,130)</u>	<u>(3,887,065)</u>	<u>(1,271,135)</u>	<u>(21,949,508)</u>	<u>(2,240,397)</u>
2,336,449	1,869,617	2,528,410	28,220,962	6,155,994
128,724	—	10,593	176,131	—
(3,554,969)	(575,557)	(3,518,737)	(34,011,756)	(8,184,255)
<u>(1,089,796)</u>	<u>1,294,060</u>	<u>(979,734)</u>	<u>(5,614,663)</u>	<u>(2,028,261)</u>
703,315	(1,803,982)	420,543	(714,254)	(208,239)
3,005,151	2,404,310	3,266,164	36,206,843	10,454,467
<u>\$ 3,708,466</u>	<u>\$ 600,328</u>	<u>\$ 3,686,707</u>	<u>\$ 35,492,589</u>	<u>\$ 10,246,228</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, 2023

Page 3 of 4

	Business-Type Activities			
	Major Funds			
	Airport	Transit	Refuse	Wastewater
Reconciliation of operating income (loss) to net cash provided by (used) for operations				
Operating income (loss)	\$ (3,052,580)	\$ (9,763,096)	\$ 882,655	\$ 2,658,039
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations				
Depreciation expense	2,483,164	991,669	1,731	4,675,176
(Increase) decrease in net accounts receivable	(36,720)	(7,619)	(8,079)	60,966
(Increase) decrease in lease receivable	(56,136)	—	—	—
(Increase) decrease in inventory	—	—	—	—
(Decrease) increase in accounts payable	97,261	163,613	35,366	197,726
(Decrease) increase in accrued liabilities	(10,328)	(221)	(4)	(2,291)
(Decrease) increase in wages/benefits payable	10,171	(6,207)	9,810	(15,707)
(Decrease) increase in compensated absences	18,647	61,254	774	12,732
(Decrease) increase in due to other governments	12,517	13,662	32,712	38,837
(Decrease) increase in interest payable	—	—	—	(10,201)
(Decrease) increase in pension/OPEB liability	(92,959)	(451,145)	(188,268)	(644,443)
(Decrease) increase in claims & judgements - current year	—	—	—	—
Total adjustments	2,425,617	765,006	(115,958)	4,312,795
Net cash provided by (used for) operations	<u>\$ (626,963)</u>	<u>\$ (8,998,090)</u>	<u>\$ 766,697</u>	<u>\$ 6,970,834</u>
Schedule of noncash capital & related financing activities				
Contribution of capital assets	\$ —	\$ —	\$ —	\$ 213,850

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, 2023

Page 4 of 4

Business-Type Activities				Gov't
Major Funds		Other	Total	Internal
Water	Irrigation	Enterprise	Enterprise	Service
		Funds	Funds	Funds
\$ 1,309,731	\$ 932,956	\$ 1,804,634	\$ (5,227,661)	\$ 2,076,019
2,041,611	884,037	346,135	11,423,523	1,703,095
43,083	(8,143)	(73,473)	(29,985)	(804,505)
—	—	—	(56,136)	—
53,957	—	—	53,957	(73,537)
(471,152)	(1,159,872)	439,839	(697,220)	186,259
(560)	(224)	(644)	(14,272)	—
(32,225)	5,755	(18,621)	(47,026)	(567,328)
(29,933)	(3,259)	(15,711)	44,505	(57,431)
34,094	—	3,454	135,275	—
(2,495)	(24,898)	—	(37,595)	—
(364,455)	(92,029)	(135,085)	(1,968,384)	—
—	—	—	—	347,424
<u>1,271,925</u>	<u>(398,633)</u>	<u>545,894</u>	<u>8,806,642</u>	<u>733,977</u>
<u>\$ 2,581,656</u>	<u>\$ 534,323</u>	<u>\$ 2,350,528</u>	<u>\$ 3,578,981</u>	<u>\$ 2,809,996</u>
<u>\$ 185,134</u>	<u>\$ —</u>	<u>\$ 120,534</u>	<u>\$ 519,518</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, 2023

Page 1 of 1

	Custodial Funds
Assets	
Current assets	
Cash and cash equivalents	\$ 1,662,572
Receivables, net allowance for uncollectible accounts	
Accounts	12,212
Total assets	<u>1,674,784</u>
Liabilities	
Current liabilities	
Accounts payable	110,238
Due to other governments	1,297
Total liabilities	<u>111,535</u>
Total restricted net position	<u><u>\$ 1,563,249</u></u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2023

Page 1 of 1

	<u>Custodial Funds</u>
Additions	
Contributions	
Custodial deposits	\$ 6,026,980
Total additions	<u>6,026,980</u>
Deductions	
Disbursements	5,880,659
Total deductions	<u>5,880,659</u>
Net increase (decrease) in fiduciary net position	146,321
Net position - beginning	<u>1,416,927</u>
Net position - ending	<u>\$ 1,563,248</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2023

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NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 the laws of the state of Washington applicable to 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 & Event 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 Districts.

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 and its component units. 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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported 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.

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 **American Rescue Plan Act (ARPA) Fund** accounts for the award and future expenditure of the American Rescue Plan Act funds.

The City reports the following enterprise funds as major funds:

- The **Airport Fund** is responsible for the operation, maintenance and any construction projects at the Airport facility.
- 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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government Wide and Governmental Funds

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. Grants are considered measurable and available to the extent that expenditures have been made.

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.

As a general rule, the effect of interfund activity has been removed 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.

Property taxes, licenses, 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. 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary Funds

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

BUDGETARY INFORMATION

Scope of Budget

The City uses a biennial budget process, adopting two one-year budgets where the expenditure authority lapses at the end of each fiscal year (December 31). The City includes a mid-biennium adjustment process for the between years of the biennium. The mid-biennium adjustment allows an opportunity for the City to adjust revenue projections and planned operating and capital expenditures. The City budget allocates available

resources among the City's services and programs and makes financing decisions with a focus to fiscal sustainability and future fund balances. Budgetary comparisons for all funds not presented in this report are available at www.yakimawa.gov/finance.

The City's budget procedures are mandated by Washington State Law. The major steps to adopt the budget, inclusive of a biennial budget, 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 by City Council.

Budgets are adopted at the level of the fund by appropriation, using the modified accrual basis of accounting, except for Fiduciary funds, which are used to account for assets held by the City in a trustee capacity. For governmental funds, there are no differences between budgetary basis and generally accepted accounting principles. 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.

The financial statements include budgetary comparisons for the General Fund and for the major funds. Budgets for special revenue funds are required to be prepared, but not required to be reported individually in this report. Appropriations for general and special revenue funds lapse at year end.

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.

As a management control device, subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures on a regular basis.

Amending the Budget

The City Manager or designee is authorized to transfer budgeted amounts 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 approving an ordinance.

The budget amounts shown in the financial statement represent the original adopted budget and all supplemental appropriations. City-wide, supplemental appropriations for 2023 totaled \$61.6 million. The principal amendments were adjustments to ARPA (American Rescue Plan) \$11.9 and Community Development/ ONDS in the amount of \$5.6 million due to the programmatic nature of the budget and differences in the reporting time frame for Federal Programs. Nonlapsing and new appropriations of various construction projects in the amount of \$28.4 million.

Deficit Fund Net Position

The fund balance for the Worker's Compensation Fund 514 continues to struggle with a deficit of \$387,258. This is primarily due to the unforeseeable increases in long-term claims received from our public safety groups. City management met to address this issue which resulted in implementing measures to increase fund balance reserves for this fund.

In order to adequately fund this program, existing withholding rates will increase to the following levels for both Police and Fire groups as most of the processed claims are from public safety. The accident fund rate will increase for Law Enforcement to \$5.00 and Firefighters to \$4.00. We will continue to monitor this account and the claims; additional adjustments may be necessary.

ASSETS, LIABILITIES, FUND BALANCE AND NET POSITION

Cash and Cash Equivalents

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. See the [Deposits & Investments](#) note for further information.

Investments

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
- High quality commercial paper.

The City reports investments at fair value. See the [Deposits & Investments](#) note for further information.

Receivables

Taxes receivable consists of property and other taxes, including related interest and penalties.

Accrued interest receivable consists of amounts earned on investments, notes, and contracts as of year-end.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments.

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.

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 the [Interfund Balances and Transfers](#) note.

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. More information can be found in the [Long-Term Debt](#) note.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type columns in the government-wide financial statements. Examples of infrastructure include roads, bridges, and lighting systems. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 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.

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. Further information can be found in the [Capital Assets](#) note.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. 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	5 - 50 Years
Improvements other than buildings	2 - 100 Years
Utility plant	3 - 100 Years
Equipment	2 - 40 Years
Intangibles (organization costs and goodwill)	5 - 20 Years
Infrastructure	5 - 50 Years

Subscription-based Information Technology Arrangements (SBITAs)

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by governments. The expected benefits that will result from the information provided through implementation of this Statement are more consistent accounting and financial reporting, more comparable information about SBITAs which signify and justify the perceived costs of implementation and ongoing compliance. Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount

on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. For the purpose of this standard and policy, SBITAs will be reported if they meet or exceed \$10,000 upon initial measurement. Details can be found in the [SBITA](#) note.

Leases

The financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, when applicable, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For the purpose of this standard and policy, lease liabilities (Lessee) and lease receivables (Lessor) will be reported if they meet or exceed \$100,000 upon initial measurement. This threshold was established during implementation and is based off of prior year statement of net position and balance sheet. More detailed information can be found in the [Leases \(Lessors\)](#) note.

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. The City has deferred outflows related to pension, OPEB and leases that qualify for reporting in this category, which are reported in the governmental activities on the Statement of Net Position. Another 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.

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 deferred inflows related to Pension, OPEB and leases that qualify for reporting in this category. 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.

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.

Long-Term Debt

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. More information can be found in the [Long-Term Debt](#) note.

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.

Fund Balance Classification

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 [Fund Balance Classification](#) note provides further information.

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.

Nonspendable Fund Balance in Permanent Funds

The fund balance of \$738,747 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 \$1.5 million 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.

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.

NOTE 2 – ACCOUNTING CHANGES & ERROR CORRECTIONS

ACCOUNTING CHANGES

Changes in Accounting Principle

Implementation of GASB 96 Subscription-Based Information Technology Arrangements. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset, thereby enhancing the relevance and consistency of information regarding governments' use of subscription based software.

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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 and subscription 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	\$ 17,512,974
Construction in progress	29,896,826
Development in progress	264,979
Buildings	59,636,263
Less: Accumulated depreciation - buildings	(33,937,022)
Machinery, equipment and vehicles	32,033,363
Less: Accumulated depreciation - machinery, equipment and vehicles	(22,566,879)
Infrastructure	329,667,850
Less: Accumulated depreciation - infrastructure	(239,551,216)
Right-to-use subscription asset	168,919
Less: Accumulated depreciation - right-to-use subscription asset	(51,006)
Other improvements	47,099,925
Less: Accumulated depreciation - other improvements	(20,541,590)
Net adjustment to increase total fund balances - total government funds to arrive at net position - governmental activities	<u>\$ 199,633,386</u>

Another element of that reconciliation explains “long-term liabilities, including bonds payable and subscription assets, 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	\$ (31,804,566)
Add: Issuance premium (to be amortized over the life of the debt)	(215,373)
Intergovernmental loans	(5,084,510)
Lease purchase agreements	(2,224,902)
Add: Issuance premium (to be amortized over the life of the debt)	(401,288)
Subscription-Bases Information Technology Arrangements (SBITA)	(117,205)
Compensated absences	(8,710,050)
Subtotal	<u>(48,557,894)</u>
Accrued interest payable	(174,768)
Net adjustment to reduce total fund balances - total government funds to arrive at net position - governmental activities	 <u><u>\$ (48,732,662)</u></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	\$ 30,078,019
Net pension liability	(10,212,051)
Deferred outflow change in proportionate share	18,457,540
Deferred inflow change in proportionate share	(13,240,114)
Other postemployment benefit obligation	(42,643,029)
Net adjustment to reduce total fund balances - total government funds to arrive at net position - governmental activities	 <u><u>\$ (17,559,635)</u></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	\$ 15,065,274
Depreciation expense	(12,044,801)
Net adjustment to decrease net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	 <u><u>\$ 3,020,473</u></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.	\$ (96,393)
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.	964,133
Net adjustment to increase total government funds to arrive at changes in net position of governmental activities	<u>\$ 867,740</u>

Another element of that reconciliation states that “the issuance of long-term debt and subscription assets (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	\$ (728,500)
Issuance of Subscription Based Information Technology Assets (SBITAs)	(168,919)
Principal repayments	
General obligation debt	2,955,037
Intergovernmental loans	580,350
Lease purchase agreements	341,514
Interest accrued	
Debt Issued	283,752
Subscription Based Information Technology Assets (SBITAs)	49,803
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 3,313,037</u>

NOTE 4 – 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, 2023:

Banks and savings and loan institutions	\$ 15,742,855
Cash with fiscal agent	282,553
Petty cash and other imprest funds	7,950
Local Government Investment Pool (LGIP)	<u>64,779,877</u>
Subtotal	80,813,235
Agency Fund	1,148,267
Custodial fund	<u>514,305</u>
Total	<u><u>\$ 82,475,807</u></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.

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 and adopted by ordinance on February 1, 2022. This policy received a Certification of Excellence from the Washington Public Treasurer’s Association. The policy applies to all funds as indicated in the policy itself.

State statutes ([RCW 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) 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.

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 or from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200.

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
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	

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).

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.

At this time there are no investments in any one issuer of Corporate Medium Term Notes.

Reinvestment Risk - 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, 2023, 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)	\$ 64,779,877	\$ 64,779,877	\$ —	\$ —	\$ —	\$ —
US Treasury securities	36,472,578	13,745,000	15,041,172	7,686,406	—	—
Government Sponsored Enterprise (GSE)	27,611,752	7,918,975	4,784,720	14,908,057	—	—
	\$128,864,207	\$ 86,443,852	\$ 19,825,892	\$ 22,594,463	\$ —	\$ —

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 and Agencies, 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

	12/31/2023	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	\$ 36,472,578	\$ 36,472,578	\$ —	\$ —
Federal agency obligations	27,611,752	—	27,611,752	—
Total investments measured at fair value	64,084,330	36,472,578	27,611,752	—
Investments measured at amortized cost				
State Local Government Investment Pool (LGIP)	64,779,877	64,779,877	—	—
Total Investments	<u>\$ 128,864,207</u>	<u>\$ 101,252,455</u>	<u>\$ 27,611,752</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 43.250](#). 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.

Interest Rate Risk - 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.

NOTE 5 – PROPERTY TAX

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 2023, the City's regular tax levy was \$2.0664 per \$1,000 on a total assessed valuation of \$10.3 billion, for a total regular levy of \$21.2 million. 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.

NOTE 6 – CONTINGENCIES & LITIGATIONS

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	\$	292,372
Wastewater		659,734
Water		377,411
Irrigation		75,429
Irrigation Capital		37,152
Total	\$	<u>1,442,098</u>

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

INTERFUND BALANCES

Under the City’s Interfund Loan program established in Chapter 3.123 of the City of Yakima Municipal code, loans between funds are authorized as needed to keep the funds of the City solvent. 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>
Irrigation Capital	Water	\$ 2,099,803
Yakima Revenue Dev Area	Water Capital	250,765
Yakima Revenue Dev Area	Wastewater Capital	250,765
Yakima Revenue Dev Area	Stormwater Capital	250,486
	Total	<u>\$ 2,851,819</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 allocate the portion of utility taxes that are designated to support Parks and Recreation and Law and Justice Capital programs. Other transfers generally represent debt service and capital project funding.

The following chart depicts interfund transfer activity during 2023:

INTERFUND TRANSFERS

<u>Transfer Out From Fund</u>	<u>Transfer In To Fund</u>
	<u>Other Gen Gov't</u>
General Fund	\$ 2,167,836
Other Gen Gov't	3,650,026
Wastewater	84,448
Total	<u>\$ 5,902,310</u>

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 was as follows:

CAPITAL ASSET ACTIVITY

	Balance 1/1/2023	Additions	Adjustments	Deletions	Balance 12/31/2023
Governmental activities					
Capital assets - not being depreciated					
Land	\$ 17,512,974	\$ —	\$ —	\$ —	\$ 17,512,974
Construction in progress	24,857,069	9,536,110	(4,453,408)	(42,945)	29,896,826
Development in progress	—	264,979	—	—	264,979
Total capital assets not being depreciated	<u>42,370,043</u>	<u>9,801,089</u>	<u>(4,453,408)</u>	<u>(42,945)</u>	<u>47,674,779</u>
Capital assets being depreciated					
Buildings	59,636,263	—	—	—	59,636,263
Other improvements	46,491,807	494,761	113,357	—	47,099,925
Machinery, equipment and vehicles	29,042,746	3,598,210	—	(607,593)	32,033,363
Infrastructure	323,361,372	1,966,427	4,340,051	—	329,667,850
Right-to-use subscription asset	—	168,919	—	—	168,919
Total capital assets being depreciated	<u>458,532,188</u>	<u>6,228,317</u>	<u>4,453,408</u>	<u>(607,593)</u>	<u>468,606,320</u>
Less accumulated depreciation					
Buildings	(32,701,543)	(1,235,479)	—	—	(33,937,022)
Other improvements	(18,817,333)	(1,724,257)	—	—	(20,541,590)
Machinery, equipment and vehicles	(21,661,126)	(1,459,898)	—	554,145	(22,566,879)
Infrastructure	(231,977,055)	(7,574,161)	—	—	(239,551,216)
Right-to-use subscription asset	—	(51,006)	—	—	(51,006)
Total accumulated depreciation	<u>(305,157,057)</u>	<u>(12,044,801)</u>	<u>—</u>	<u>554,145</u>	<u>(316,647,713)</u>
Total capital assets being depreciated - net	<u>153,375,131</u>	<u>(5,816,484)</u>	<u>4,453,408</u>	<u>(53,448)</u>	<u>151,958,607</u>
Governmental activities capital assets - net	<u>195,745,174</u>	<u>3,984,605</u>	<u>—</u>	<u>(96,393)</u>	<u>199,633,386</u>
Internal service funds - governmental activities					
Capital assets being depreciated					
Buildings	422,557	—	—	—	422,557
Other improvements	777,949	—	—	—	777,949
Machinery, equipment and vehicles	28,996,776	2,575,314	—	(1,052,400)	30,519,690
Right-to-use subscription asset	—	44,644	—	—	44,644
Total capital assets being depreciated	<u>30,197,282</u>	<u>2,619,958</u>	<u>—</u>	<u>(1,052,400)</u>	<u>31,764,840</u>
Less accumulated depreciation					
Buildings	(129,871)	(39,215)	—	—	(169,086)
Other improvements	(384,985)	(44,200)	—	—	(429,185)
Machinery, equipment and vehicles	(17,438,389)	(1,610,507)	—	844,405	(18,204,491)
Right-to-use subscription asset	—	(9,173)	—	—	(9,173)
Total accumulated depreciation	<u>(17,953,245)</u>	<u>(1,703,095)</u>	<u>—</u>	<u>844,405</u>	<u>(18,811,935)</u>
Total capital assets being depreciated - net	<u>12,244,037</u>	<u>916,863</u>	<u>—</u>	<u>(207,995)</u>	<u>12,952,905</u>
Internal service - gov't act cap assets - net	<u>\$ 207,989,211</u>	<u>\$ 4,901,468</u>	<u>\$ —</u>	<u>\$ (304,388)</u>	<u>\$ 212,586,291</u>
Business-type activities					
Capital assets - not being depreciated					
Land	\$ 10,539,207	\$ —	\$ —	\$ —	\$ 10,539,207
Construction in progress	30,604,406	11,681,854	(5,291,996)	—	36,994,264
Total capital assets not being depreciated	<u>41,143,613</u>	<u>11,681,854</u>	<u>(5,291,996)</u>	<u>—</u>	<u>47,533,471</u>

CAPITAL ASSET ACTIVITY

	Balance 1/1/2023	Additions	Adjustments	Deletions	Balance 12/31/2023
Capital assets being depreciated					
Buildings	89,135,978	—	—	—	89,135,978
Other improvements	225,999,816	1,849,649	5,291,996	—	233,141,461
Machinery, equipment and vehicles	42,797,598	4,909,992	—	(1,793,581)	45,914,009
Intangibles	2,190,138	—	—	—	2,190,138
Total capital assets - depreciated	<u>360,123,530</u>	<u>6,759,641</u>	<u>5,291,996</u>	<u>(1,793,581)</u>	<u>370,381,586</u>
Less accumulated depreciation					
Buildings	(69,789,391)	(1,390,994)	—	—	(71,180,385)
Other improvements	(109,639,139)	(7,920,443)	—	—	(117,559,582)
Machinery, equipment and vehicles	(32,201,568)	(2,010,613)	—	1,770,581	(32,441,600)
Intangibles	(1,715,337)	(101,471)	—	—	(1,816,808)
Total accumulated depreciation	<u>(213,345,435)</u>	<u>(11,423,521)</u>	<u>—</u>	<u>1,770,581</u>	<u>(222,998,375)</u>
Total capital assets being depreciated - net	<u>146,778,095</u>	<u>(4,663,880)</u>	<u>5,291,996</u>	<u>(23,000)</u>	<u>147,383,211</u>
Total capital assets - business activities	<u>\$ 187,921,708</u>	<u>\$ 7,017,974</u>	<u>\$ —</u>	<u>\$ (23,000)</u>	<u>\$ 194,916,682</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	\$ 401,381
Public safety	1,409,019
Transportation	6,824,941
Economic environment	1,198,205
Cultural and recreational	2,211,255
Capital Assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,703,095
Total depreciation - governmental activities	<u>\$ 13,747,896</u>
Transit	\$ 991,669
Wastewater	4,675,176
Water	2,041,611
Irrigation	884,037
Stormwater	346,135
Airport	2,483,164
Refuse	1,731
Total depreciation - business-type activities	<u>\$ 11,423,523</u>

NOTE 9 – CONSTRUCTION COMMITMENTS

The City had active construction projects as of December 31, 2023. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

Water Capital has completed work on the 1st Level Reservoir improvements, completed work on the WTP Concrete Effluent Repair, and continues with various Water Main replacements. Design has been completed for waterline as part of the the N. 1st Street - E. I St. to Martin Luther King Blvd. Design is underway for the

waterline as part of the 34th/Fruitvale Roundabout project. The design of the first project area of the Unserved Water and Wastewater Systems has been completed and the second project design is underway. Construction will take place once funding is secured. Computer services have been upgraded at the WTP, as well as upgrade/replacement of LED lighting. Construction is currently underway on the N. 1st St. waterline as part of the street improvements. Construction is anticipated to begin on the 34th/Fruitvale waterline as part of the Roundabout project. Upgrade to the Badger Meter system is currently underway (shared cost with Wastewater). Design is nearing completion on the new waterline as part of the Nob Hill/Fair Intersection street improvements, with construction anticipated in 2025. Design is completed on the S. 2nd Ave. waterline and construction will be completed by summer 2024. A water rate and fee study is being performed by FCS Group, which is expected to be completed in 2024. Aspect Consulting is performing permit compliance and reporting as part of the Aquifer Storage and Recovery (ASR). Design for a new waterline in N. 6th Ave. is expected to start as part of the new street improvement project design.

Irrigation Capital completed the Nelson Dam Phase 1 project. Design for Phase 2 pipelines is being completed. Funding is available to start construction on a portion of Phase 2 (Stage 1) in fall 2024, with the remaining to be constructed in fall 2025.

The Sewer collection system improvements that will continue into 2024 include replacement of aging manholes & pipes, Millsite Sewer Extension and continuation of the Wastewater Collection System Condition Assessment. Wastewater Treatment Plant projects carrying over into 2024 include Primary Digester and UASB Improvements, Primary Clarifier Rehabilitation, and Biosolids Dewatering Improvements. All of these projects are funded with rates and fees.

Stormwater projects at the end of 2023 include Drainage Improvement District Evaluation & Design, and the Stormwater Cost of Service/Rate Study. Stormwater is solely funded by Stormwater Capital fund.

City Engineering (Arterial Streets) completed many projects in 2023. Projects continuing into 2024 are Cowiche Canyon, Russel Lane Improvements, Nob Hill Grind and Overlay and North 1st Street construction Phase 3. Funding sources to pay for these projects come from Federal and State grants, Transportation Improvement Board (TIB), SIED, Arterial Street Gas Tax and possibly other funds.

Yakima Cascade Mill Site consists of several stages before it is considered a completed project, therefore, this project will continue into 2024. The different stages of the project can include, environmental monitoring, utilities, and roadway. Funding sources depend on availability, which can be Federal and State Grants, YRDA Gas Tax Credit, interfund loans and possibly a future bond.

Yakima air Terminal McAllister Field continues work on Taxi lane Charlie, a Terminal Modernization project and Snow Removal Equipment.

- Taxi lane Charlie is substantially complete with only line painting and final electrical work remaining. The property will be advertised in the next couple of weeks for developers interested in building hangars on the 13-acre site.
- The Terminal Modernization Project is underway. This three-phase project will renovate and modernize the existing terminal building. Phase 1A is under design and on track for construction later this year. This phase will construct a new roof on the second floor of the building and provide new HVAC units, duct work and gas lines. The airport is under solicitation for design services to complete the remaining phases of design (1B, 2, and 3). This will allow a single, cohesive design for all phases and an engineer's estimate for acquiring funds for construction. The project is intended to move three gates and TSA passenger screening upstairs, including escalators, an elevator, and jetways to accommodate larger airplanes. The project will also complete the renovation of the existing commercial kitchen and restore the airport restaurant on the second floor. In addition, it will expand baggage claim, baggage screening, and air cargo areas, and revise rental car and airline ticket counter layouts.
- New snow removal equipment is on track for delivery later this year. These new plows will dramatically increase the airport's ability to keep airport surface areas free of snow.

CURRENT CONSTRUCTION COMMITMENTS

Project	Contract Amount	Spent to Date	Remaining Commitment
Wastewater Treatment Plant/Facility Improvement	\$ 5,438,304	\$ 4,195,897	\$ 1,242,407
Water	1,447,402	43,368	1,404,034
Irrigation System Design/Rebuild	21,419,606	20,959,823	459,783
Stormwater Capital	402,530	122,985	279,545
Sewer Projects	4,171,447	2,207,385	1,964,062
Environmental Review	1,393,902	855,292	538,610
Street Construction	16,218,097	2,283,283	13,934,814
TBD Street Capital	12,432,968	—	12,432,968
Millsite Street Construction	3,278,228	2,579,468	698,760
REET Capital	389,640	321,713	67,927
Airport	6,024,817	2,570,801	3,454,016
Total	\$ 72,616,941	\$ 36,140,015	\$ 36,476,926

NOTE 10 – STATE SPONSORED (DRS) PENSION PLANS

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

AGGREGATE PENSION AMOUNTS - ALL PLANS

Pension liabilities	\$ (12,176,432)
Pension assets	34,474,141
Deferred outflows of resources	21,740,274
Deferred inflows of resources	(13,684,321)
Pension expense/expenditures	(1,885,754)

PENSION AMOUNTS - ALL STATE SPONSORED PLANS

Pension liabilities	\$ (4,352,622)
Pension assets	34,474,141
Deferred outflows of resources	21,740,274
Deferred inflows of resources	(13,684,321)
Pension expense/expenditures	(2,311,332)

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 downloaded from the DRS website at www.drs.wa.gov.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

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

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

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

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS PLAN 1

<u>Actual Contribution Rates</u>	<u>Employer</u>	<u>Employee</u>
January - June		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	n/a
Administrative Fee	0.18%	n/a
Total	10.39%	6.00%
July - August		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	n/a
Administrative Fee	0.18%	n/a
Total	9.39%	6.00%
September - December		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	n/a
Administrative Fee	0.20%	n/a
Total	9.53%	6.00%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered 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 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other

PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

Contributions

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

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

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

PERS PLAN 2/3

<u>Actual Contribution Rates</u>	<u>Employer 2/3</u>	<u>Employee 2</u>	<u>Employee 3</u>
January - June			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%	n/a	
Administrative Fee	0.18%	n/a	
Total	10.39%	6.36%	
July - August			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%	n/a	
Administrative Fee	0.18%	n/a	
Total	9.39%	6.36%	
September - December 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%	n/a	
Administrative Fee	0.20%	n/a	
Total	9.53%	6.36%	

The City of Yakima's actual PERS plan contributions were \$1,189,525 to PERS Plan 1 and \$2,148,681 to PERS Plan 2/3 for the year ended December 31, 2023.

PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS)

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

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

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

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

Contributions

The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The 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 2023 were as follows:

PSERS PLAN 2

<u>Actual Contribution Rates</u>	<u>Employer</u>	<u>Employee</u>
January - June		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	n/a
Administrative Fee	0.18%	n/a
Total	10.63%	6.60%
July - August		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	2.85%	n/a
Administrative Fee	0.18%	n/a
Total	9.63%	6.60%
September - December		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.97%	n/a
Administrative Fee	0.20%	n/a
Total	9.90%	6.73%

The City of Yakima’s actual plan contributions were \$66,499 to PSERS Plan 2 for the year ended December 31, 2023.

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

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW.

LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

LEOFF Plan 1

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 – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1.0% of FAS

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

Contributions

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2023. Employers paid only the administrative expense of 0.18% of covered payroll.

LEOFF Plan 2

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

Contributions

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The 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 2023.

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

LEOFF PLAN 2

Actual Contribution Rates	Employer	Employee
January - August		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	n/a
Total	5.30%	8.53%
September - December		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	n/a
Total	5.32%	8.53%

The City of Yakima’s actual contributions to the plan were \$1,748,118 for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the state contributed \$87,966,142 to LEOFF Plan 2. The amount recognized by the the City of Yakima as its proportionate share of this amount is (\$17,352,657).

Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation - 2.75% total economic inflation; 3.25% salary inflation
- Salary increases - In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- Investment rate of return -7.0%

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

Methods did not change from the prior contribution rate setting June 30, 2021 Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 assets, LEOFF Plan 1/2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022 measurement date.

Discount Rate

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

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s

assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023. 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%	1.50%
Tangible assets	7.00%	4.70%
Real estate	18.00%	5.40%
Global equity	32.00%	5.90%
Private Equity	23.00%	8.90%
	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 7.0%, 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 (6.0%) or 1% point higher (8.0%) than the current rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.0%	7.0%	8.0%
PERS 1	\$ 6,080,942	\$ 4,352,622	\$ 2,844,205
PERS 2/3	10,594,295	(9,740,807)	(26,447,379)
PSERS 2	204,891	(132,138)	(398,129)
LEOFF 1	(6,427,318)	(7,248,538)	(7,960,662)
LEOFF 2	2,873,131	(17,352,657)	(33,905,729)

Pension Plan Fiduciary Net Position

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

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

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

	<u>Asset</u>	<u>Liability</u>
PERS 1	\$ —	\$ 4,352,622
PERS 2/3	(9,740,807)	—
PSERS 2	(132,138)	—
LEOFF 1	(7,248,538)	—
LEOFF 2	(17,352,657)	—
Total	<u>\$ (34,474,140)</u>	<u>\$ 4,352,622</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:

<u>Risk</u>	<u>LEOFF 1</u>	<u>LEOFF 2</u>
	<u>Asset</u>	<u>Asset</u>
Employer's proportionate share	\$ (7,248,538)	\$ (17,352,657)
State's proportionate share of the net pension asset associated with the employer	(49,028,930)	(11,081,228)
Total	<u>\$ (56,277,468)</u>	<u>\$ (28,433,885)</u>

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

	<u>Proportionate</u>	<u>Proportionate</u>	<u>Change in</u>
	<u>Share 6/30/22</u>	<u>Share 6/30/23</u>	<u>Proportion</u>
PERS 1	0.2028%	0.1907%	(0.0121)%
PERS 2/3	0.2535%	0.2377%	(0.0158)%
PSERS 2	0.1415%	0.1246%	(0.0169)%
LEOFF 1	0.2489%	0.2442%	(0.0047)%
LEOFF 2	0.6316%	0.7235%	0.0919%

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

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

In fiscal year 2023, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2023, the City of Yakima's recognized pension expense as follows:

	<u>Pension Expense</u>
PERS 1	\$ (429,921)
PERS 2/3	(1,199,349)
PSERS 2	35,242
LEOFF 1	(519,967)
LEOFF 2	(197,337)
Total	<u>\$ (2,311,332)</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

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

DEFERRED OUTFLOWS/INFLOWS

<u>Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERS Plan 1		
Net difference between projected and actual investment earnings on pension plan investments	\$ —	\$ 490,995
Contributions subsequent to the measurement date	521,977	—
Total PERS Plan 1	<u>521,977</u>	<u>490,995</u>
PERS Plan 2/3		
Differences between expected and actual experience	1,984,191	108,835
Net difference between projected and actual investment earnings on pension plan investments	—	3,670,925
Changes of assumptions	4,089,528	891,356
Changes in proportion and differences between contributions and proportionate share of contributions	498,151	293,118
Contributions subsequent to the measurement date	1,086,107	—
Total PERS Plan 2/3	<u>7,657,977</u>	<u>4,964,234</u>
PSERS Plan 2		
Differences between expected and actual experience	41,347	34,002
Net difference between projected and actual investment earnings on pension plan investments	—	35,562
Changes of assumptions	59,119	22,994
Changes in proportion and differences between contributions and proportionate share of contributions	14,371	8,516
Contributions subsequent to the measurement date	33,822	—
Total PSERS Plan 2	<u>148,659</u>	<u>101,074</u>
LEOFF 1		
Net difference between projected and actual investment earnings on pension plan investments	—	480,645
Total LEOFF 1	<u>—</u>	<u>480,645</u>

DEFERRED OUTFLOWS/INFLOWS

<u>Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
LEOFF 2		
Differences between expected and actual experience	7,088,069	142,764
Net difference between projected and actual investment earnings on pension plan investments	—	3,671,784
Changes of assumptions	4,432,672	1,425,383
Changes in proportion and differences between contributions and proportionate share of contributions	1,138,450	2,407,442
Contributions subsequent to the measurement date	752,470	—
Total LEOFF 2	<u>13,411,661</u>	<u>7,647,373</u>
Total	<u>\$ 21,740,274</u>	<u>\$ 13,684,321</u>

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

<u>Year ended December 31</u>	<u>PERS 1</u>	<u>PERS 2/3</u>	<u>PSERS</u>	<u>LEOFF 1</u>	<u>LEOFF 2</u>
2024	\$ (334,052)	\$ (1,791,308)	\$ (21,044)	\$ (329,547)	\$ (1,535,168)
2025	(420,110)	(2,119,395)	(26,331)	(413,538)	(2,128,113)
2026	259,033	3,067,059	26,925	256,532	3,096,793
2027	4,134	1,173,035	4,597	5,908	1,066,302
2028	—	1,165,950	4,927	—	1,146,059
Thereafter	—	112,294	24,689	—	3,365,945

NOTE 11 – DEFINED BENEFIT PENSION PLANS

FIRE PENSION

AGGREGATE PENSION AMOUNTS - FIRE

Pension liabilities	\$ 5,145,880
Pension assets	—
Deferred outflows of resources	—
Deferred inflows of resources	—
Pension expense/expenditures	237,704

The City has a single employer, defined benefit pension plan for Firefighters employed prior to March 1, 1970, and governed by [RCW 41.26](#). 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 50, with a combined monthly pension of \$33,341 paid by the City. Cost of Living Adjustment (COLA) was 9.03% and Collective Bargaining Agreement (CBA) was 4.5%. 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, 2023, 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, 2023.

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 \$.0906 per \$1,000 of assessed valuation of all taxable property of the City in the amount of \$800,000 for fiscal year 2023.
- 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 \$130,750 for fiscal year 2023.
- There was no additional funding provided by investment interest earnings in fiscal 2023.

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, 2023, measurements were based on the results of an actuarial experience study covering the period from January 1, 2023 through December 31, 2023. Those assumptions, applied to all periods included in the measurement, are as follows.

- Inflation - 2.50%
- Salary increases, including inflation - 3.50%
- Mortality - Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.
- Actuarial cost method - Entry age normal

The following presents the total pension liability of the City, calculated using the discount rate of 3.25%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1% point lower (2.25%) or 1% point higher (4.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.25%	3.25%	4.25%
Total Pension Liability	\$ 5,542,788	\$ 5,145,880	\$ 4,797,215

Pension Expenses

For the year ended December 31, 2023, the pension expense is \$237,704.

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, 2023. Changes in the City's total pension liability were as follows:

Fire Pension	Total Pension Liability
Balances at 12/31/2022	\$ 5,276,501
Changes for the year:	
Interest on total pension liability	188,597
Effect of assumptions changes or inputs	179,857
Benefit payments	(499,075)
Net changes in total pension liability	(130,621)
Balance at 12/31/2023	<u>\$ 5,145,880</u>

The liability has decreased since the last valuation. This is due to the change in the discount rate used to discount the projected benefit payments into a present value. This discount rate decreased from 3.75% to 3.25%.

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, 2023, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fire Pension	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, 2023. There are no deferred outflows as of December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
December 31	Amount
2024	\$ —
2025	—
2026	—
2027	—
2028	—
Thereafter	—

POLICE PENSION

AGGREGATE PENSION AMOUNTS - POLICE

Pension liabilities	\$ 2,677,930
Pension assets	—
Deferred outflows of resources	—
Deferred inflows of resources	—
Pension expense/expenditures	187,874

The City has a single employer, defined benefit pension plan for Police Officers employed prior to March 1, 1970, and governed by [RCW 41.20](#) and [RCW 41.26](#). 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 40, with a combined monthly pension of \$32,793 paid by the City. Cost of Living Adjustment (COLA) was 5.5% and Collective Bargaining Agreement (CBA) was 4.5%. 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, 2023, 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, 2023. 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, 2023 the valuation date, calculated based on the discount rate and actuarial assumptions below.

- Inflation - 2.50%
- Salary increases, including inflation - 3.50%

- Mortality - Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.
- Actuarial cost method - Entry age normal

The following presents the total pension liability of the City, calculated using the discount rate of 3.25%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1% point lower (2.25%) or 1% point higher (4.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.25%	3.25%	4.25%
Total Pension Liability	\$ 2,874,243	\$ 2,677,930	\$ 2,503,791

Pension Expenses

For the year ended December 31, 2023, the pension expense is \$187,874.

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, 2023. Changes in the City's total pension liability were as follows:

<u>Police Pension</u>	<u>Total Pension Liability</u>
Balances at 12/31/2022	\$ 2,747,211
Changes for the year:	
Interest on total pension liability	98,243
Effect of assumptions changes or inputs	89,631
Benefit payments	<u>(257,155)</u>
Net changes in total pension liability	<u>(69,281)</u>
Balance at 12/31/2023	<u><u>\$ 2,677,930</u></u>

The liability has decreased since the last valuation. This is due to the change in the discount rate used to discount the projected benefit payments into a present value. This discount rate increased from 2.00% to 3.25%.

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, 2023, the City of Yakima reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Total	\$ —	\$ —

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, 2023. There are no deferred outflows as of December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Amount
2024	\$ —
2025	—
2026	—
2027	—
2028	—
Thereafter	—

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) DEFINED PENSION PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2023.

AGGREGATE AMOUNTS - ALL OPEB PLANS

OPEB liabilities	\$ 44,501,700
OPEB assets	—
Deferred outflows of resources	573,599
Deferred inflows of resources	(2,830,104)
OPEB expense/expenditures	3,713,102

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 2023, the costs totaled \$638,069 for the Firemen's Pension and \$362,343 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' (LEOFF 1) OPEB

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 90. 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, 2023, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2023. 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 3.25%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.25%) or 1% point higher (4.25%) that the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>2.25%</u>	<u>3.25%</u>	<u>4.25%</u>
Total December 31, 2023 OPEB liability	\$ 22,609,181	\$ 20,011,716	\$ 17,845,820

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.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total December 31, 2023 OPEB liability	\$ 17,862,392	\$ 20,011,716	\$ 22,515,711

The number of inactive, retired members and survivors, covered by the benefit terms is 50. There are no active members covered by the benefit terms.

CHANGES IN FIRE OPEB LIABILITY

	<u>Total OPEB Liability</u>
Fire OPEB	
Total OPEB liability - Beginning	\$ 19,031,764
Interest on total OPEB liability	697,919
Effect of assumptions, changes or inputs	1,131,013
Expected benefit payments	(848,980)
Net change in total OPEB liability	<u>979,952</u>
Total OPEB liability - ending	<u>\$ 20,011,716</u>

CHANGES IN FIRE OPEB EXPENSE

	<u>Jan. 1, 2023 to Dec. 31, 2023</u>
OPEB Expense	
Interest on total OPEB liability	\$ 697,919
Recognition of Deferred Inflows/Outflows of Resources	
Effect of assumptions changes or inputs	1,131,013
OPEB Expense	<u>\$ 1,828,932</u>

At December 31, 2023, 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	\$ —	\$ —

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, 2023. 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
2024	\$ —
2025	—
2026	—
2027	—
2028	—
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, 2023, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2023. 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 3.25%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.25%) or 1% point higher (4.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.25%	3.25%	4.25%
	Total December 31, 2023 OPEB liability	\$ 20,280,202	\$ 18,014,344

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 than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase	
	Total December 31, 2023 OPEB liability	\$ 16,130,663	\$ 18,014,344	\$ 20,193,195

The number of inactive, retired members and survivors, covered by the benefit terms is 40. There are no active members covered by the benefit terms.

CHANGES IN POLICE OPEB LIABILITY

	<u>Total OPEB Liability</u>
Police OPEB	
Total OPEB liability - Beginning	\$ 17,111,639
Interest on total OPEB liability	628,352
Effect of assumptions, changes or inputs	992,118
Expected benefit payments	<u>(717,765)</u>
Net change in total OPEB liability	<u>902,705</u>
Total OPEB liability - ending	<u><u>\$ 18,014,344</u></u>

CHANGES IN POLICE OPEB EXPENSE

	<u>Jan. 1, 2023 to Dec. 31, 2023</u>
OPEB Expense	
Interest on total OPEB liability	\$ 628,352
Recognition of Deferred Inflows/Outflows of Resources	
Effect of assumptions changes or inputs	<u>992,118</u>
OPEB Expense	<u><u>\$ 1,620,470</u></u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Police OPEB		
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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Amount
December 31	Amount
2024	\$ —
2025	—
2026	—
2027	—
2028	—
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 \$914.15 per month for pre-65 Medical coverage for 2023. If a retiree chooses to cover his spouse and/or eligible family an amount of \$2,169.07 per month for pre-65 medical and dental coverage was paid in 2023.

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, 2023, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2023. 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 3.25%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.25%) or 1% point higher (4.25%) that the current rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	2.25%	3.25%	4.25%
Total December 31, 2023 OPEB liability	\$ 6,964,336	\$ 6,475,640	\$ 6,012,786

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.

	Current Healthcare Cost Trend		
	1% Decrease	Rate	1% Increase
Total December 31, 2023 OPEB liability	\$ 5,668,870	\$ 6,475,640	\$ 7,435,611

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 NON-LEOFF OPEB LIABILITY

	Total OPEB Liability
Non-LEOFF OPEB	
Total OPEB liability - Beginning	\$ 5,982,192
Service cost	350,519
Interest on total OPEB liability	231,469
Effect of assumptions, changes or inputs	234,804
Expected benefit payments	(323,344)
Net change in total OPEB liability	493,448
Total OPEB liability - ending	\$ 6,475,640

CHANGES IN NON-LEOFF OPEB EXPENSE

	Jan. 1, 2023 to Dec. 31, 2023
OPEB Expense	
Service cost	\$ 350,519
Interest on total OPEB liability	231,469
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(192,129)
Effect of assumptions changes or inputs	(126,159)
OPEB Expense	\$ 263,700

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Non-LEOFF OPEB		
Differences between expected and actual experience	\$ 190,578	\$ (1,553,766)
Changes of assumptions	383,021	(1,276,338)
Total	\$ 573,599	\$ (2,830,104)

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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Amount
December 31	Amount
2024	\$ (318,288)
2025	(318,288)
2026	(318,288)
2027	(318,288)
2028	(318,288)
Thereafter	(665,065)

UNFUNDED POSTEMPLOYMENT BENEFIT LIABILITIES

An initial actuarial evaluation was performed as of January 1, 2023. 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 1/1/23	Additions	Balance 12/31/23
OPEB Fire - medical	\$ 19,031,764	\$ 979,952	\$ 20,011,716
OPEB Police - medical	17,111,639	902,705	18,014,344
OPEB Non-LEOFF - medical	5,982,192	493,448	6,475,640
Total	<u>\$ 42,125,595</u>	<u>\$ 2,376,105</u>	<u>\$ 44,501,700</u>

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 [State \(DRS\) Pension Plans](#) and [Defined Benefit Pension Plans](#) notes for additional information on the pension funds, and the [Other Post Employment Benefit \(OPEB\)](#) note for additional information on Other Postemployment Benefits.

NOTE 13 – RISK MANAGEMENT

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 \$5,438,458. 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, 2023, is \$2,969,194.

The Risk Management fund balance was \$5,028,813 at the end of 2023.

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 \$1,000,000 per occurrence deductible, depending on the nature of the claim.

Cities Insurance Association of Washington (CIAW)

[RCW 48.62](#) 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 City's limits are \$2,000,000 per occurrence and \$4,000,000 aggregate with aggregate with \$13,000,000 per occurrence and \$21,000,000 aggregate in limits above the layer provided by Safety National Casualty, Princeton Excess & Surplus Lines, and Arch Insurance. Limits are subject to aggregates and sub-limits; retention is \$1,000,000 other than limited garage keepers which is \$500,000.

The City's Law Enforcement liability limits are \$5,000,000 per occurrence and \$5,000,000 aggregate with \$10,000,000 per occurrence & \$15,000,000 aggregate. Retention is \$1,000,000.

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.

SELF INSURANCE

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 \$274,158 for 2023. The reserve balance at the end of 2023 was \$510,343.

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 2023 were \$11,947,880. The reserve balance at the end of 2023 was \$1,509,697, after considering incurred but not reported claims of \$2,480,400 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 Sun Life 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 Penser, NA.

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 \$3,417,221. The reserve balance at the end of 2023 was \$(387,258) after considering, based on the claims manager's estimate, the accrual for incurred but not reported claims of \$750,000 at December 31, 2023.

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 \$750,000 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.

NOTE 14 – CHANGES IN LONG-TERM LIABILITIES

The following schedule of long-term debt provides a listing of the outstanding debt of the City and summarizes the City's debt transactions for 2023.

LONG-TERM LIABILITIES

	Amounts					
	Balance 1/1/2023	Additions	Payments/ Retirements	Balance 12/31/2023	Due Within One Year	Noncurrent Portion
Governmental activities						
General obligation debt						
Bonds	\$ 34,759,604	\$ —	\$ 2,955,037	\$ 31,804,567	\$ 3,098,668	\$ 28,705,899
Unamortized premium (discount)	869,011	—	252,350	616,661	—	616,661
Intergovernmental loans	4,936,361	728,500	580,350	5,084,511	567,085	4,517,426
Other liabilities ¹	2,146,415	—	260,404	1,886,011	—	1,886,011
Lease purchase agreements	2,566,415	—	341,514	2,224,901	314,667	1,910,234
Subscriptions (SBITAs)	—	213,564	59,118	154,446	76,231	78,215
Net pension liability	11,663,817	(1,042,055)	—	10,621,762	—	10,621,762
Total OPEB liability	40,621,061	2,381,252	—	43,002,313	1,815,221	41,187,092
Compensated absences	8,972,042	82,956	—	9,054,998	1,095,304	7,959,694
Total liabilities - governmental activities	<u>106,534,726</u>	<u>2,364,217</u>	<u>4,448,773</u>	<u>104,450,170</u>	<u>6,967,176</u>	<u>97,482,994</u>
Business-type activities						
Revenue debt						
Revenue bonds	5,600,000	—	1,645,000	3,955,000	540,000	3,415,000
Unamortized premium (discount)	318,276	—	116,012	202,264	—	202,264
Intergovernmental loans	12,724,475	—	1,489,640	11,234,835	1,356,420	9,878,415
Net pension liability	2,006,981	(452,311)	—	1,554,670	—	1,554,670
Total OPEB liability	1,504,534	(5,147)	—	1,499,387	74,868	1,424,519
Compensated absences	1,835,910	44,505	—	1,880,415	249,183	1,631,232
Noncurrent liabilities - business-type	<u>23,990,176</u>	<u>(412,953)</u>	<u>3,250,652</u>	<u>20,326,571</u>	<u>2,220,471</u>	<u>18,106,100</u>
Total noncurrent liabilities	<u>\$ 130,524,902</u>	<u>\$ 1,951,264</u>	<u>\$ 7,699,425</u>	<u>\$ 124,776,741</u>	<u>\$ 9,187,647</u>	<u>\$ 115,589,094</u>

NOTE 15 – LONG-TERM DEBT

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.

¹ In 2003, the City was authorized to administer a Housing and Urban Development (HUD) Section 108 Loan program. The nature of this program is the City approves qualified projects for the loan within HUD guidelines. 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. As of December 31, 2023, there is only one HUD 108 loan with an outstanding liability of \$1.9 million.

LEGAL DEBT PERCENTAGE

		Limit by Section	Cumulative Limit
General purpose			
Without a vote (includes 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		7.5%	

The basic percentages for general purpose debt 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 \$10.3 billion, resulting in the debt limits, as of December 31, 2023, for the City as follows:

CUMULATIVE DEBT LIMITS

Assessed valuation of taxable property in the
City of Yakima - tax year 2023

\$10,262,855,817

	\$10,262,855,817			
	Without a Vote	With a Vote		
	General Purpose 1.5%	General Purpose +1.0%=2.5%	Utilities +2.5%=5.0%	Open Space & Parks +2.5%=7.5%
Legal limit - percent of assessed valuation	\$ 153,942,837	\$ 256,571,395	\$ 513,142,791	\$ 769,714,186
Less: net outstanding indebtedness (see below)	27,004,178	27,004,178	27,004,178	27,004,178
Margin available	\$ 126,938,659	\$ 229,567,217	\$ 486,138,613	\$ 742,710,008
Net outstanding indebtedness				
Outstanding debt	\$ 39,730,639			
Less: available resources to repay debt	12,726,461			
Net outstanding indebtedness	\$ 27,004,178			

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.

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, 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 12/31/2023	Average Annual Debt Service
Regular property tax levy					
2014 Street Resurfacing Project	06/01/24	3.0% - 5.0%	13,140,000	1,610,000	1,649,500
2018 Street Resurfacing Project (Refunding)	12/01/28	3.25% - 3.85%	3,500,000	1,804,727	399,664
2018 Yakima Sports Complex (Refunding)	06/01/35	4.85%	4,440,127	3,488,579	439,226
2018 Aquatic Center YMCA	12/01/42	4.85%	8,009,873	7,801,261	637,399
Total regular property tax levy			<u>29,090,000</u>	<u>14,704,567</u>	
Public Facilities District (state sales tax credit)					
2020 Refunded Conv Center	12/01/44	2.20% - 4.083%	2,495,000	2,235,000	156,864
2020 Conv Center Addition	12/01/44	2.20% - 4.083%	12,620,000	11,310,000	792,879
2020 Refunded Capital Theatre	12/01/32	2.20% - 4.083%	4,910,000	3,555,000	459,722
Total Public Facilities District			20,025,000	17,100,000	
Real estate excise tax (REET)					
2003 SunDome Expansion	12/01/23	2.34%-4.72%	1,430,528	—	150,000
			<u>\$ 50,545,528</u>	<u>\$ 31,804,567</u>	

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 12/31/2023
General long-term debt				
Arterial street gas tax				
PC-08-951-052 - 2009 Railroad grade separation	0.5%	06/01/28	\$ 3,000,000	\$ 825,502
2015 SIED Loan - 2015 Yakima County SIED loan	2.4%	06/01/23	307,000	—
2016 SIED Loan - 2016 Yakima County SIED loan	2.6%	06/01/27	900,000	398,310
2017 SIED Loan - YV Brewing Project	3.2%	06/01/24	61,580	13,720
2018 SIED Loan - River Road	3.8%	06/01/29	500,000	331,903
2021 SIED Loan - SOZO	2.4%	06/01/32	1,000,000	937,544
2022 SIED Loan Russell Lane	5.8%	06/01/35	416,000	416,000
2023 SIED Loan Yakima Chief	6.4%	06/01/36	312,500	312,500
Real estate excise tax				
L1000030-0 - 2010 Railroad grade separation	2.9%	06/01/34	1,229,295	759,032
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	1,090,000
Sub-total general long-term debt				<u>5,084,511</u>

INTERGOVERNMENTAL LOANS

	<u>Interest</u>	<u>Maturity Date</u>	<u>Maximum Authorized</u>	<u>Outstanding 12/31/2023</u>
Revenue debt				
Wastewater operating revenue				
PW-05-691-064 - 2005 River Road sewer	0.5%	06/01/25	2,307,000	248,492
PW-07-962-019 - 2007 Ultra violet disinfection	0.5%	06/01/27	2,300,000	485,556
PC-12-951-065 - 2012 Wastewater Treatment Plan	0.3%	06/01/31	5,000,000	2,152,633
PC-13-961-059 - 2012 Industrial sewer main extensions	0.5%	06/01/37	2,000,000	1,138,756
PC20-96103-044 2021 Waterline Improvement	1.1%	06/01/39	1,740,000	1,544,806
L1100008 - 2011 Energy efficiency project	2.8%	03/31/33	516,192	288,514
L1200019 - 2012 Industrial waste anaerobic	2.6%	07/01/34	602,634	374,629
Water operating revenue				
PW-03-691-027 - 2003 Naches WTP improvements	0.5%	06/01/23	2,559,775	—
SRF-04-65104-037 - 2005 Naches River WTP filter rehabilitation	0.5%	10/01/25	894,380	94,145
PC-08-951-051 - 2009 New water well	0.5%	06/01/28	2,257,200	605,744
PC-13-961-074 - 2013 Automated reading system	0.3%	06/01/32	5,000,000	2,368,421
DM-11-952-038 - 2013 Design WTP lagoons	1.5%	10/01/34	3,480,000	1,933,140
Sub-total revenue debt				<u>11,234,836</u>
Total intergovernmental loans				<u><u>\$ 16,319,347</u></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 / INTERGOVERNMENTAL DEBT SERVICE

(In Thousands)

<u>Year ended December 31</u>	<u>Bonded Debt</u>	<u>Interest</u>	<u>Notes & Contracts</u>	<u>Interest</u>
2024	\$ 3,099	\$ 1,256	\$ 567	\$ 107
2025	1,548	1,165	562	94
2026	1,595	1,111	576	160
2027	1,653	1,053	626	163
2028	1,711	995	558	99
2029-2033	6,981	4,126	1,803	286
2034-2038	6,791	2,754	392	31
2039-2043	7,518	1,073	—	—
2044	910	37	—	—
	<u>\$ 31,806</u>	<u>\$ 13,570</u>	<u>\$ 5,084</u>	<u>\$ 940</u>

At December 31, 2023, the City had \$383,826 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.

REVENUE BONDS

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 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 12/31/2023	Average Annual Debt Service
2020A Irrigation 04 Refunded	12/01/34	3.0	\$ 3,260,000	\$ 2,525,000	\$ 273,217
2020A Wastewater 08 Refunded	12/01/27	3.0	2,590,000	1,430,000	384,250
			<u>\$ 5,850,000</u>	<u>\$ 3,955,000</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)

Year ended December 31	Bonded Debt	Interest	Notes & Contracts	Interest
2024	\$ 540	\$ 119	\$ 1,356	\$ 87
2025	560	102	1,358	78
2026	570	86	1,188	69
2027	585	69	1,190	61
2028	220	51	1,070	53
2029-2033	1,215	151	3,953	153
2034-2038	265	8	1,023	28
2039-2041	—	—	97	1
	<u>\$ 3,955</u>	<u>\$ 586</u>	<u>\$ 11,235</u>	<u>\$ 530</u>

At December 31, 2023, 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.

FINANCING AGREEMENTS

The LOCAL program provides Washington municipalities with a cost-effective way to finance equipment and/or real estate projects. These financing agreements which transfer ownership to the City at the end of the lease term, are recorded at 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.

Listed below are LOCAL program debt issuances:

- On September 28, 2017 the City of Yakima borrowed \$2,189,736 using Washington State's Local Option Capital Lending (LOCAL) program. The proceeds were 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 a Fire Aerial & Pump.
- 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.

EQUIPMENT AGREEMENTS

<u>Equipment</u>	
Energy Project (Lighting)	\$ 427,183
Fire Aerial & Pump	587,719
Energy Efficiency Project	1,210,000
Total	<u>\$ 2,224,902</u>

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

EQUIPMENT PAYMENTS

2024	\$ 397,305
2025	400,647
2026	402,705
2027	403,278
2028	136,625
2029-2033	663,000
2034-2035	267,875
Total minimum lease payments	<u>2,671,435</u>
Less: Amount representing interest	<u>446,533</u>
Present value of minimum lease payments	<u>\$ 2,224,902</u>

NOTE 16 – SEGMENT INFORMATION

Investors in the revenue bonds rely on the revenue generated by Wastewater activities for repayment. Investors in irrigation revenue bonds rely solely on the revenue generated from the irrigation utility for repayment. Summary financial information is as follows:

SEGMENT INFORMATION

	<u>Wastewater</u>	<u>Irrigation</u>
Condensed statement of net position		
Assets		
Current Assets	\$ 34,913,811	\$ 1,651,537
Restricted assets	1,600,000	—
Capital assets, net of accumulated depreciation	72,749,999	37,647,263
Total assets	<u>109,263,810</u>	<u>39,298,800</u>
Deferred outflows of resources	<u>969,027</u>	<u>217,070</u>
Total assets & deferred outflows of resources	<u>110,232,837</u>	<u>39,515,870</u>

SEGMENT INFORMATION

	<u>Wastewater</u>	<u>Irrigation</u>
Liabilities		
Current liabilities	2,761,892	2,547,311
Noncurrent liabilities	6,599,434	2,681,648
Total liabilities	<u>9,361,326</u>	<u>5,228,959</u>
Deferred inflows of resources	<u>806,314</u>	<u>122,872</u>
Total liabilities & deferred inflows of resources	<u>10,167,640</u>	<u>5,351,831</u>
Net position		
Net investment in capital assets	65,389,876	34,747,483
Restricted	3,000,023	210,825
Unrestricted	31,675,298	(794,269)
Total net position	<u>\$ 100,065,197</u>	<u>\$ 34,164,039</u>
Condensed statement of revenues, expenses and changes in net position		
Operating revenues		
Charges and fees for services	\$ 24,797,569	\$ 3,725,446
Other operating revenue	84,356	—
Total operating revenues	<u>24,881,925</u>	<u>3,725,446</u>
Operating expenses		
Personnel services	4,660,061	742,086
Materials and supplies	1,112,830	96,772
Contractual services	11,775,820	1,069,595
Depreciation	4,675,176	884,037
Total operating expense	<u>22,223,887</u>	<u>2,792,490</u>
Operating income (loss)	2,658,038	932,956
Nonoperating revenues (expense)		
Grants and subsidies	—	254,700
Interest revenue	10,610	—
Other nonoperating revenues	1,200	—
Interest & other debt service costs	(74,560)	(169,024)
Total nonoperating revenue (exp)	<u>(62,750)</u>	<u>85,676</u>
Income (loss) before contributions & transfers	2,595,288	1,018,632
Capital contributions	976,406	—
Operating transfers (net)	(84,448)	—
Change in net position	<u>3,487,246</u>	<u>1,018,632</u>
Net position - beginning	<u>96,577,949</u>	<u>33,145,406</u>
Net position - ending	<u>\$ 100,065,195</u>	<u>\$ 34,164,038</u>
Condensed statement of cash flows		
Net cash provided (used)		
Operating activities	\$ 6,970,833	\$ 534,323
Non-capital financing activities	192,875	254,700
Capital financing activities	(7,080,444)	(3,887,064)
Investing activities	(1,770,633)	1,294,060
Net increase (decrease)	<u>(1,687,369)</u>	<u>(1,803,981)</u>
Beginning cash and cash equivalents	<u>18,764,483</u>	<u>2,404,310</u>
Ending cash and cash equivalents	<u>\$ 17,077,114</u>	<u>\$ 600,329</u>

NOTE 17 – LEASES (LESSORS)

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

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

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus any lease extension options that are considered reasonably certain of being exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed and variable payments from the lessee.

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

GENERAL DESCRIPTION OF LEASE ARRANGEMENT

Lease Title	Lease Type	Measurement Date	Leased Asset	Lease Terms (Months)	Interest Rate	Extension Options ²	Fixed Payments (Monthly)
McCormick Lease #2	Lessor	01/01/22	Land	392	2.583%	1 option of 120 months	\$ 3,713
McCormick Lease #3	Lessor	01/01/22	Land	360	2.583%	1 option of 120 months	963
McCormick Lease #5	Lessor	01/01/22	Land	381	2.583%	1 option of 120 months	567
McCormick Lease #6	Lessor	01/01/22	Land	393	2.583%	3 options of 120 months each	1,278
McCormick Lease #8	Lessor	01/01/22	Land	575	2.583%	2 options of 120 months each	446
CAS Properties	Lessor	01/01/22	Land	261	2.463%	1 option of 79 months	1,417
McAllister Museum	Lessor	01/01/22	Land	342	2.553%	1 option of 120 months	651
Jim DBA Cub Crafters	Lessor	01/01/22	Land	300	2.066%	1 option of 120 months	986
DA Arthur #2	Lessor	01/01/22	Land	365	2.583%	2 options of 120 months each	607
Airport Business Park LLC	Lessor	01/01/22	Land	699	2.583%	7 options of 60 months each	2,500
Yakima Airpark LLC (A)	Lessor	01/01/22	Land	406	2.583%	1 option of 120 months	1,680
Yakima Airpark LLC (B)	Lessor	01/01/22	Land	406	2.583%	1 option of 120 months	483
Yakima Airport Maxi Space	Lessor	01/01/22	Land	294	1.992%	1 option of 120 months	973
Richmond Parking Lot	Lessor	01/01/22	Land	400	2.583%	1 option of 120 months	596
Richmond #3 Tract C-1	Lessor	01/01/22	Buildings	489	2.583%	1 option of 120 months	809
DA Arthur #1	Lessor	01/01/22	Buildings	501	2.583%	No Extension Options	531
Staci's Catering	Lessor	01/01/22	Buildings	130	1.146%	1 option of 84 months	637
US Gov't GSA/TSA Lease	Lessor	01/01/22	Buildings	191	2.139%	1 option of 120 months	2,129
McCurlley Fruitvale Property ³	Lessor	09/07/22	Buildings	24	2.536%	1 option of 12 months	33,975

² All extension options were considered reasonably certain of being exercised due to history of renewals and limited options for lessee. Extension periods are included in the lease terms.

³ Sale-Leaseback agreement where City is the buyer-lessor.

Lease fixed monthly payments are subject to reviews and modifications periodically. Richmond Parking Lot, Yakima Airport Maxi Space, McCormick #2, #3, #5, #8, Jim DBA Cub Crafters, Yakima Airpark LLC (A), Yakima Airpark LLC (B) and McAllister lease payments are to be reviewed every two (2) year anniversary and be set at then current aviation or commercial rates as stated in the respective lease contracts. CAS Properties and DA Arthur #1 lease payments are to be reviewed every five (5) year anniversary and be set at the then commercial rate. Staci's Catering, McCurley Fruitvale Property, Airport Business Park LLC, and US Gov't GSA/TSA Lease have set payment schedule with set increments. Richmond #3 Tract C-1, McCormick #6, and DA Arthur #2 lease payments are to be reviewed annually and be set at either CPI rate or when rates change.

FINANCIAL LEASE INFORMATION

Lease Title	Lease Receivable at Measure Date	Lease Receivable as of 12/31/23	Fiscal Year 2023 Lease Revenue	Fiscal Year 2023 Interest Revenue	Def. Inflow at Measure Date	Def. Inflow as of 12/31/23	Inflows not in Lease Receivable ⁴
McCormick Lease #2	\$ 984,462	\$ 943,026	\$ (30,137)	\$ (24,638)	\$ (984,462)	\$ (924,189)	\$ (5,721)
McCormick Lease #3	241,337	230,053	(8,045)	(6,020)	(241,337)	(225,248)	(1,483)
McCormick Lease #5	147,457	141,089	(4,644)	(3,688)	(147,457)	(138,168)	(873)
McCormick Lease #6	339,122	325,109	(10,355)	(8,494)	(339,122)	(318,412)	(1,969)
McCormick Lease #8	147,254	143,846	(3,073)	(3,739)	(147,254)	(141,108)	(687)
CAS Properties	286,304	265,642	(13,163)	(6,681)	(286,304)	(259,977)	(2,183)
McAllister Museum ⁵	158,368	150,388	(5,557)	(3,894)	(158,368)	(147,254)	(445)
Jim DBA Cub Crafters	231,048	216,369	(9,242)	(4,552)	(231,048)	(212,564)	(1,519)
DA Arthur #2	153,596	146,551	(5,050)	(3,834)	(153,596)	(143,496)	(1,284)
Airport Business Park LLC	902,503	889,375	(15,494)	(23,070)	(902,503)	(871,516)	(3,852)
Yakima Airpark LLC (A)	455,203	437,252	(13,454)	(11,417)	(455,203)	(428,295)	(2,589)
Yakima Airpark LLC (B)	130,763	125,606	(3,865)	(3,280)	(130,763)	(123,033)	(744)
Yakima Airport Maxi Space	226,393	211,518	(9,240)	(4,293)	(226,393)	(207,912)	(1,499)
Richmond Parking Lot	160,022	153,575	(4,801)	(4,011)	(160,022)	(150,421)	(919)
Richmond #3 Tract C-1	244,812	237,490	(6,008)	(6,184)	(244,812)	(232,796)	(1,246)
DA Arthur #1	170,989	166,293	(4,095)	(4,329)	(170,989)	(162,798)	(860)
Staci's Catering	100,356	86,648	(9,264)	(1,037)	(100,356)	(81,829)	(1,039)
US Gov't GSA/TSA Lease	377,395	341,683	(23,711)	(7,535)	(377,395)	(329,974)	—
McCurley Fruitvale Property	807,658	277,310	(403,829)	(12,572)	(807,658)	(275,950)	(52,872)
Total	\$ 6,265,042	\$ 5,488,823	\$ (583,027)	\$ (143,268)	\$(6,265,042)	\$(5,374,940)	\$ (81,784)

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

Year ended December 31	Principal and Interest Expected to Maturity		
	Principal	Interest	Total
2024	\$ 403,706	\$ 130,407	\$ 534,113
2025	129,827	124,756	254,584
2026	133,358	121,672	255,029
2027	137,110	118,506	255,616
2028	142,170	115,241	257,412
2029-2033	757,488	524,035	1,281,523
2034-2038	779,319	430,933	1,210,252
2039-2043	751,563	337,674	1,089,238
2044-2048	711,095	244,562	955,657
2049-2053	671,760	155,547	827,307
2054-2058	265,795	91,301	357,095

⁴ Total composed of \$81,475 of leasehold tax and \$309 of variable payments due change in CPI for DA Arthur #2 lease.

⁵ McAllister Museum (lessee to the City) is given a monthly credit incentive of \$381.63. Payment before incentive \$1,032.91.

Year ended December 31	Principal and Interest Expected to Maturity		
	Principal	Interest	Total
2059-2063	178,518	66,449	244,967
2064-2068	129,654	47,109	176,764
2069-2073	124,483	30,423	154,907
2074-2078	136,114	13,886	150,000
2079-2080	36,862	638	37,500
	<u>\$ 5,488,822</u>	<u>\$ 2,553,139</u>	<u>\$ 8,041,964</u>

NOTE 18 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right-to-use (RTU) an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

GENERAL DESCRIPTION OF SBITAs

Subscription Title ⁶	Measurement Date	Lease Terms (Months)	Interest Rate	Extension Options ⁷	Fixed Payments (Annually)
FileOnQ Software	01/01/23	35	2.796%	5 option of 12 months	\$ 23,590
Granicus	01/17/23	28	2.847%	0 options	17,905
Westlaw (Thomson Reuters)	05/16/23	36	2.796%	0 options	3,054

Subscription Title	RTU						
	Subscription Liability at Measurement Date	Subscription Liability as of 12/31/23	Fiscal Year 2023 Interest Expense	Subscription Asset at Measurement Date	Fiscal Year 2023 Amortization Expense	RTU Subscription Asset as of 12/31/23	Outflows not in Subscription Liability ⁸
FileOnQ Software	\$ 68,756	\$ 45,273	\$ 107	\$ 68,756	\$ 23,111	\$ 45,645	\$ 1,958
Granicus	35,844	18,279	340	35,844	14,679	21,165	1,486
Westlaw - GF	64,320	53,653	907	64,320	13,216	51,103	961
General Fund Totals	168,920	117,205	1,354	168,920	51,006	117,913	4,405
Westlaw - IS	44,644	37,240	629	44,644	9,173	35,471	667
Internal Service Totals	44,644	37,240	629	44,644	9,173	35,471	667
Grand Total	<u>\$ 213,564</u>	<u>\$ 154,445</u>	<u>\$ 1,983</u>	<u>\$ 213,564</u>	<u>\$ 60,179</u>	<u>\$ 153,384</u>	<u>\$ 5,072</u>

⁶ Granicus and Westlaw subscriptions have a set increase payment schedule through 2024 and 2026 respectively.

⁷ All extension options were considered reasonably certain of being exercised due to history of renewals and limited options for government. Extension periods are included in the lease terms. .

⁸ Sales tax.

Subscription Title	Beginning Balance	Additions	Reductions	Ending Balance
FileOnQ Software	\$ —	\$ 68,756	\$ (23,483)	\$ 45,273
Granicus	—	35,844	(17,564)	18,279
Westlaw	—	108,964	(18,071)	90,893
General Fund Totals	\$ —	\$ 213,564	\$ (59,118)	\$ 154,445

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

	Principal and Interest Expected to Maturity		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 76,231	\$ 3,880	\$ 80,110
2025	61,495	2,563	63,196
2026	16,720	117	16,837

NOTE 19 – ASSET RETIREMENT OBLIGATIONS

GASB Statement No. 83 provides guidance on the accounting and financial reporting for certain Asset Retirement Obligations (ARO's), which represent legally enforceable liabilities associated with the retirement of tangible capital assets.

The City of Yakima identified the following ARO's. However, the City's financial statements do not reflect ARO liabilities or associated deferred outflows with these assets for the estimable life cannot be determined or there is no remaining useful life.

Wastewater Treatment Plant: Disposal of these assets must be accomplished in accordance with Washington Administrative Code (WAC) 173-303-610 and site preservation or restoration in accordance with WAC chapter 463-72-080. The depreciable assets associated with this operation were buildings, these along with all other related assets are associated with maintenance costs or replacement of a component and do not fall under guidance of GASB 83. There is no formal written plan on the decommissioning of this asset, as the City plans on continuing its operation in perpetuity, therefore, the remaining life of its operations are not able to be estimated. Consequently, 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, making exact estimable remaining life undeterminable for liability calculation.

Wastewater Treatment Plant Biosolids Centrate Lagoon: Disposal of this asset must be accomplished in accordance with Washington Administrative Code (WAC) 173-303-610 and site preservation or restoration in accordance with WAC chapter 463-72-080. There is no formal written plan on the decommissioning of this asset, as the City plans on continuing its operation in perpetuity, therefore, the remaining life of its operations are not able to be estimated. Consequently, 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, making exact estimable remaining life undeterminable for liability calculation.

Water Treatment Plant: Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-303-610 and site preservation or restoration in accordance with Washington Administrative Code Chapter 463-72-080. The depreciable assets associated with this operation were buildings purchased and added on in 2004. These along with all other related assets, are associated with maintenance costs or replacement of a component and do not fall under guidance of GASB 83. There is no formal written plan on

the decommissioning of this asset, as the City plans on continuing its operation in perpetuity, therefore, the remaining life of its operations are not able to be estimated. Consequently, 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, making exact estimable remaining life undeterminable for liability calculation.

Water Wells: Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-160-381. Several wells have been constructed by the City and have no remaining depreciable life. All water well assets are associated with maintenance costs, replacement of a component, or land (non-depreciable) and do not fall under the guidance of GASB 83. Consequently, the City has not recognized an obligation for the costs that would be incurred in the event the City would cease its well operations, as it is a remote event, making exact estimable remaining life undeterminable for liability calculation.

Underground Storage Fuel Tanks: Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-360A-0810. The City placed two 15,000-gallon tanks into service at the Public Works complex 29 years ago, these are double walled fiber glass tanks with no set expiration date. Both tanks at PW are in use until failure at which point our environmental fund source will replace. In addition, the City placed one 15,000-gallon tank double lined fiberglass and one 10,000-gallon steel tank into service at its 1st St./Lincoln Ave. Upon need for replacement, said assets shall be replaced/modified in accordance with WAC 173-360A-300 and funded by the City's Environmental Fund. The City has not recognized obligations since there is no remaining depreciable life therefore the City does not have an estimable liability.

City of Yakima Wastewater Division Lift Station Telemetry Antenna Tower: Disposal of this asset must be accomplished in accordance with Washington Administrative Code (WAC) 173-303-610 and site preservation or restoration in accordance with WAC chapter 463-72-080. There is no formal written plan on decommissioning of this asset, as the City plans on continuing its operation in perpetuity, therefore, the remaining life of its operations are not able to be estimated. Consequently, the City has not recognized an obligation for the costs that would be incurred in the event the City of Yakima would cease its operations, as it is a remote event, making exact estimable remaining life undeterminable for liability calculation.

NOTE 20 – 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 of Yakima identified the following Pollution Remediation Obligations. However, the City's financial statements do not reflect pollution remediation liabilities or associated expenses with these obligations due the cleanup efforts not being estimable.

Interstate 82 Exit 33A Yakima City Landfill: Also known as the Millsite. 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, 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.

Tiger Oil 24th Ave & W Nob Hill: When the City purchased the Tiger Oil – Nob Hill site it also became liable for the environmental contamination cleanup. The City has since sold the property, but remains responsible for the cleanup. The City entered into an Agreed Order 90-C140 with the Department of Ecology (DOE) that created a partnership between the City and DOE. DOE will provide cleanup funding with matching dollars coming from the City. DOE will lead the environmental cleanup efforts regarding design and implementation of any work to be done. Due to the nature of the cleanup efforts, neither the City, nor DOE, are able to estimate the time or cost of the cleanup efforts. DOE will continue to lead the effort with grant funding and engineering with the City providing matching funds and implementation of cleanup efforts. According to DOE, this site may never receive a “No Further Action” designation (full cleanup), however, the hope is to one day achieve a cleanup level that does not prohibit/inhibit development of the site.

Tiger Oil N 1st St: When the City purchased the Tiger Oil – N 1st Street site it also became liable for the environmental contamination cleanup. The City entered into an Agreed Order 19882 with the Department of Ecology (DOE) that created a partnership between the City and DOE. DOE will provide cleanup funding with matching dollars coming from the City. DOE will lead the environmental cleanup efforts regarding design and implementation of any work to be done. Due to the nature of the cleanup efforts, neither the City, nor DOE, are able to estimate the time or cost of the cleanup efforts. DOE will continue to lead the effort with grant funding and engineering with the City providing matching funds and implementation of cleanup efforts. The City and DOE hope to achieve a “No Further Action” designation (full cleanup) however that is dependent upon the success of the cleanup actions. It will take years to evaluate the effectiveness and whether or not additional work will be required.

NOTE 21 – TAX ABATEMENT

The City of Yakima provides tax abatements through two programs, the High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities referenced in [RCW 82.60.010](#), and the Multi-Unit Urban Housing Property Tax Exemption referenced in [RCW 84.14.020](#).

High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities

The legislature finds that there are several areas in the state that are characterized by very high levels of unemployment and poverty. The legislature further finds that economic stagnation is the primary cause of this high unemployment rate and poverty; that new state policies are necessary in order to promote economic stimulation and new employment opportunities in these distressed areas; and that policies providing incentives for economic growth in these distressed areas are essential. For these reasons, the legislature reestablishes a tax deferral program to be effective solely in distressed counties. The legislature declares that this limited program serves the vital public purpose of creating employment opportunities and reducing poverty in the distressed counties of the state.

Multi-Unit Urban Housing Property Tax Exemption

It is the purpose of this chapter to encourage increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It is further the purpose of this chapter to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities, within these urban centers. To achieve these purposes, this chapter provides for special valuations in residentially deficient urban centers for eligible improvements associated with multiunit housing, which includes affordable housing. It is an additional purpose of this chapter to allow unincorporated areas of rural counties that are within urban growth areas to stimulate housing opportunities and for certain counties to stimulate housing opportunities near college campuses to promote dense, transit-oriented, walkable college communities.

Tax Abatement Program	Amount of Taxes Abated
High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities	\$ 18,364
Multi-Unit Urban Housing Property Tax Exemption	12,815
	<u>\$ 31,179</u>

NOTE 22 – RELATED PARTY TRANSACTIONS

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.

NOTE 23 – FUND BALANCE CLASSIFICATION

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, 2023.

FUND BALANCE

Fund Balance	General Fund	ARPA Fund	Other Gov't Funds	Total
Nonspendable				
Inventories and Prepayments	\$ 14,079	\$ —	\$ 191,513	\$ 205,592
Permanent fund	—	—	738,747	738,747
Total nonspendable	<u>14,079</u>	<u>—</u>	<u>930,260</u>	<u>944,339</u>
Restricted				
Emergency programs	—	—	107,751	107,751
Housing & economic development	—	—	1,084,145	1,084,145
Public safety	—	—	2,826,632	2,826,632
Debt service	—	—	366,200	366,200
Capital improvements	—	—	6,125,682	6,125,682
Other purposes	2,835,071	67,700	—	2,902,771
Tourism & conventions	—	—	2,764,991	2,764,991
Total restricted	<u>2,835,071</u>	<u>67,700</u>	<u>16,584,061</u>	<u>19,486,832</u>

FUND BALANCE

Fund Balance	General Fund	ARPA Fund	Other Gov't Funds	Total
Committed				
Public safety & emergency programs	1,460,073	—	—	1,460,073
Community relations	—	—	708,599	708,599
Parks and recreation	—	—	545,218	545,218
Streets	—	—	2,107,471	2,107,471
Capital improvements	—	—	745,825	745,825
Other purposes	—	—	678,385	678,385
Tourism & conventions	—	—	90,737	90,737
Total committed	1,460,073	—	4,876,235	6,336,308
Assigned				
Parks and recreation	—	—	365,035	365,035
Streets	—	—	5,211,580	5,211,580
Public safety & emergency programs	—	—	1,581,027	1,581,027
Debt service	—	—	17,626	17,626
Tourism & conventions	—	—	252,385	252,385
Total assigned	—	—	7,427,653	7,427,653
Unassigned	8,888,305	—	—	8,888,305
Total fund balance	\$ 13,197,528	\$ 67,700	\$ 29,818,209	\$ 43,083,437



REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022
PERS 1		
Employer's proportion of the net pension liability (asset)	0.1907%	0.2028%
Employer's proportionate share of the net pension liability (asset)	\$ 4,352,622	\$ 5,647,086
Covered employee payroll	34,097,023	32,382,356
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	12.8%	17.4%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	76.6%
PERS 2/3		
Employer's proportion of the net pension liability (asset)	0.2377%	0.2535%
Employer's proportionate share of the net pension liability (asset)	\$ (9,740,807)	\$ (9,400,944)
Covered employee payroll	33,034,897	31,335,035
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	(29.5%)	(30.0%)
Plan fiduciary net position as a percentage of the total pension liability	107.0%	106.7%
PSERS		
Employer's proportion of the net pension liability (asset)	0.1246%	0.1415%
Employer's proportionate share of the net pension liability (asset)	\$ (132,138)	\$ (101,203)
Covered employee payroll	966,640	945,513
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	13.7%	10.7%
Plan fiduciary net position as a percentage of the total pension liability	107.9%	106.0%
LEOFF 1		
Employer's proportion of the net pension liability (asset)	0.2442%	0.2489%
Employer's proportionate share of the net pension liability (asset)	\$ (7,248,538)	\$ (7,139,375)
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	176.0%	169.6%
LEOFF 2		
Employer's proportion of the net pension liability (asset)	0.7235%	0.6316%
Employer's proportionate share of the net pension liability (asset)	\$ (17,352,657)	\$ (17,164,301)
State's proportion of the net pension liability (asset) associated with the employer	(11,081,228)	(11,118,660)
Total	<u>\$ (28,433,885)</u>	<u>\$ (28,282,961)</u>
Covered employee payroll	\$ 32,255,467	\$ 25,506,773
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	(53.8%)	(67.3%)
Plan fiduciary net position as a percentage of the total pension liability	113.2%	116.1%

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 decreased from 3.75% to 3.25%.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

As of June 30

Last 10 Fiscal Years

Page 2 of 2

2021	2020	2019	2018	2017	2016	2015
0.2114%	0.2126%	0.2239%	0.2304%	0.2396%	0.2437%	0.2473%
\$ 2,581,615	\$ 7,507,587	\$ 8,608,173	\$ 10,291,797	\$ 11,370,630	\$ 13,085,797	\$ 12,938,339
32,154,893	31,609,557	30,981,922	30,238,586	29,549,697	28,675,000	22,406,624
8.0%	23.8%	28.0%	34.0%	38.5%	46.0%	58.0%
88.7%	68.6%	67.1%	63.2%	61.2%	59.0%	59.1%
0.2586%	0.2592%	0.2730%	0.2771%	2.8844%	0.2903%	0.2942%
\$ (25,763,211)	\$ 3,314,662	\$ 2,651,884	\$ 4,731,133	\$ 10,021,946	\$ 14,618,037	\$ 10,512,470
31,002,101	30,344,986	29,750,683	29,077,617	29,284,000	27,400,579	21,024,500
(83.1%)	10.9%	8.9%	16.3%	34.2%	53.3%	50.0%
120.3%	97.2%	97.8%	96.8%	91.0%	85.8%	89.2%
0.1346%	0.1493%	0.1852%	0.2135%	0.2143%	0.2172%	0.2462%
\$ (309,174)	\$ (20,538)	\$ (24,082)	\$ 2,645	\$ 41,981	\$ 92,291	\$ 44,929
913,085	919,785	861,074	845,912	765,000	705,303	718,242
33.9%	2.2%	2.8%	0.3%	5.5%	13.1%	6.3%
123.7%	101.7%	101.9%	99.8%	96.3%	90.4%	95.1%
0.2523%	0.2593%	0.2608%	0.2633%	0.2625%	0.2642%	0.2686%
\$ (8,642,659)	\$ (4,896,828)	\$ (5,154,646)	\$ (4,781,106)	\$ (3,982,551)	\$ (27,222,428)	\$ (3,237,356)
—%	—%	—%	—%	—%	—%	—%
187.5%	146.9%	148.8%	144.4%	136.0%	123.7%	127.4%
0.6478%	0.6455%	0.6823%	0.7097%	0.7399%	0.7434%	0.7426%
\$ (37,628,068)	\$ (13,167,462)	\$ (15,806,217)	\$ (14,409,269)	\$ (10,267,387)	\$ (4,323,611)	\$ (7,632,597)
(24,274,211)	(8,419,594)	(10,350,954)	(9,329,730)	(6,660,262)	(741,394)	(719,689)
\$ (61,902,279)	\$ (21,587,056)	\$ (26,157,171)	\$ (23,738,999)	\$ (16,927,649)	\$ (5,065,005)	\$ (8,352,286)
\$ 25,210,904	\$ 24,461,464	\$ 23,998,147	\$ 23,520,795	\$ 23,238,000	\$ 22,519,542	\$ 21,561,911
(149.3%)	(53.8%)	(65.9%)	(61.2%)	(44.2%)	(19.2%)	(35.4%)
142.0%	115.8%	119.4%	118.5%	113.4%	106.0%	111.7%

Benefit changes: None to report.

Valuation assumptions: As of January 1, 2023: Economic assumptions - salary increases 3.5%, investment return assumption (discount rate) 3.25, growth in membership 0.0%, postretirement benefit increases; related to salaries 3.5%; 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

	2023	2022
PERS 1		
Statutorily or contractually required contributions	\$ 1,189,525	\$ 1,250,290
Contributions in relation to the statutorily or contractually required contributions	(1,189,525)	(1,250,290)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 34,892,161	\$ 33,119,925
Contributions as a percentage of covered employee payroll	3.4%	3.8%
PERS 2/3		
Statutorily or contractually required contributions	\$ 2,148,681	\$ 2,041,098
Contributions in relation to the statutorily or contractually required contributions	(2,148,681)	(2,041,098)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 33,794,311	\$ 32,092,726
Contributions as a percentage of covered employee payroll	6.4%	6.4%
PSERS		
Statutorily or contractually required contributions	\$ 66,499	\$ 61,000
Contributions in relation to the statutorily or contractually required contributions	(66,499)	(61,000)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 1,001,033	\$ 933,481
Contributions as a percentage of covered employee payroll	6.6%	6.5%
LEOFF 2		
Statutorily or contractually required contributions	\$ 1,748,118	\$ 1,312,467
Contributions in relation to the statutorily or contractually required contributions	(1,748,118)	(1,312,467)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 34,100,991	\$ 25,623,241
Contributions as a percentage of covered employee payroll	5.1%	5.1%

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 Discount Rate decreased from 3.75% to 3.25%.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the year ended December 31

Last 10 Fiscal Years

Page 2 of 2

2021	2020	2019	2018	2017	2016	2015
\$ 1,390,651	\$ 1,553,225	\$ 1,588,430	\$ 1,570,927	\$ 1,489,000	\$ 1,432,792	\$ 1,263,237
(1,390,651)	(1,553,225)	(1,588,430)	(1,570,927)	(1,489,000)	(1,432,792)	(1,263,237)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 32,197,771	\$ 31,835,568	\$ 31,546,711	\$ 30,471,519	\$ 29,079,000	\$ 29,271,148	\$ 28,060,087
4.3%	4.9%	5.0%	5.2%	5.1%	4.9%	4.5%
\$ 2,223,260	\$ 2,422,004	\$ 2,337,893	\$ 2,194,199	\$ 1,930,423	\$ 1,740,727	\$ 1,510,959
(2,223,260)	(2,422,004)	(2,337,893)	(2,194,199)	(1,930,423)	(1,740,727)	(1,510,959)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 31,133,321	\$ 30,580,945	\$ 30,285,570	\$ 29,256,142	\$ 28,706,000	\$ 27,400,579	\$ 26,793,741
7.1%	7.9%	7.7%	7.5%	6.7%	6.4%	5.6%
\$ 64,110	\$ 66,594	\$ 63,637	\$ 57,599	\$ 52,963	\$ 48,978	\$ 46,106
(64,110)	(66,594)	(63,637)	(57,599)	(52,963)	(48,978)	(46,106)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 937,407	\$ 924,911	\$ 891,749	\$ 840,693	\$ 800,000	\$ 705,303	\$ 712,214
6.8%	7.2%	7.1%	6.6%	6.6%	6.9%	6.5%
\$ 1,311,683	\$ 1,257,023	\$ 1,290,668	\$ 1,233,450	\$ 1,198,134	\$ 1,152,459	\$ 1,120,514
(1,311,683)	(1,257,023)	(1,290,668)	(1,233,450)	(1,198,134)	(1,152,459)	(1,120,514)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 25,541,326	\$ 24,407,692	\$ 24,804,414	\$ 23,473,737	\$ 23,417,000	\$ 22,519,542	\$ 22,188,444
5.1%	5.2%	5.2%	5.3%	5.1%	5.1%	5.0%

Benefit changes: None to report.

Valuation assumptions: As of January 1, 2023: Economic assumptions - salary increases 3.5%, investment return assumption (discount rate) 3.25, growth in membership 0.0%, postretirement benefit increases; related to salaries 3.5%; 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 2

	<u>2023</u>	<u>2022</u>
Fire Pension		
Balances at 12/31/2022	\$ 5,276,501	\$ 6,185,676
Changes for the year:		
Interest on total pension liability	188,597	118,726
Effect of economic/ demographic gains or losses	—	(140,823)
Effect of assumptions changes or inputs	179,857	(385,852)
Benefit payments	<u>(499,075)</u>	<u>(501,226)</u>
Net changes in total pension liability	<u>(130,621)</u>	<u>(909,175)</u>
Balance at 12/31/2023	<u><u>\$ 5,145,880</u></u>	<u><u>\$ 5,276,501</u></u>
Covered payroll	\$ —	\$ —
<hr/>		
Police Pension		
Balances at 12/31/2022	\$ 2,747,211	\$ 3,492,482
Changes for the year:		
Interest on total pension liability	98,243	66,560
Effect of economic/ demographic gains or losses	—	(205,121)
Effect of assumptions changes or inputs	89,631	(312,174)
Benefit payments	<u>(257,155)</u>	<u>(294,536)</u>
Net changes in total pension liability	<u>(69,281)</u>	<u>(745,271)</u>
Balance at 12/31/2023	<u><u>\$ 2,677,930</u></u>	<u><u>\$ 2,747,211</u></u>
Covered payroll	\$ —	\$ —

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.

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

For the year ended December 31

Last 10 Fiscal Years

Page 2 of 2

2021	2020	2019	2018	2017
\$ 6,617,462	\$ 6,236,408	\$ 6,029,283	\$ 6,635,284	\$ 6,902,294
126,790	163,713	229,640	221,918	247,672
—	401,168	—	—	(43,347)
—	386,453	559,744	(233,241)	129,589
(558,576)	(570,280)	(582,259)	(594,678)	(600,924)
(431,786)	381,054	207,125	(606,001)	(267,010)
<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>

\$ — \$ — \$ — \$ — \$ —

\$ 3,715,125	\$ 4,451,427	\$ 4,269,513	\$ 4,664,239	\$ 5,381,844
71,377	118,369	163,222	156,580	194,378
—	(769,827)	—	—	(604,017)
—	211,346	400,381	(166,958)	92,572
(294,020)	(296,190)	(381,689)	(384,348)	(400,538)
(222,643)	(736,302)	181,914	(394,726)	(717,605)
<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>

\$ — \$ — \$ — \$ — \$ —

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 3.5%, investment return assumption (discount rate) 3.25%, 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 2

	<u>2023</u>	<u>2022</u>
LEOFF 1 Fire		
Total OPEB liability - Beginning	\$ 19,031,764	\$ 23,813,442
Interest on total OPEB liability	697,919	468,316
Effect of economic/demographic gains or losses	—	582,178
Effect of assumptions, changes or inputs	1,131,013	(5,032,894)
Expected benefit payments	(848,980)	(799,278)
Net change in total OPEB liability	<u>979,952</u>	<u>(4,781,678)</u>
Total OPEB liability - ending	<u>\$ 20,011,716</u>	<u>\$ 19,031,764</u>
Covered payroll	\$ —	\$ —
Total OPEB liability as a % of covered payroll	n/a	n/a
LEOFF 1 Police		
Total OPEB liability - Beginning	\$ 17,111,639	\$ 22,500,246
Interest on total OPEB liability	628,352	443,518
Effect of economic/demographic gains or losses	—	(1,276,779)
Effect of assumptions, changes or inputs	992,118	(3,903,426)
Expected benefit payments	(717,765)	(651,920)
Net change in total OPEB liability	<u>902,705</u>	<u>(5,388,607)</u>
Total OPEB liability - ending	<u>\$ 18,014,344</u>	<u>\$ 17,111,639</u>
Covered payroll	\$ —	\$ —
Total OPEB liability as a % of covered payroll	n/a	n/a
Non-LEOFF		
Total OPEB liability - Beginning	\$ 5,982,192	\$ 6,425,956
Service cost	350,519	460,129
Interest on total OPEB liability	231,469	134,073
Effect of economic/demographic gains or losses	—	232,008
Effect of assumptions, changes or inputs	234,804	(903,271)
Expected benefit payments	(323,344)	(366,703)
Net change in total OPEB liability	<u>493,448</u>	<u>(443,764)</u>
Total OPEB liability - ending	<u>\$ 6,475,640</u>	<u>\$ 5,982,192</u>
Covered payroll	\$ —	\$ —
Total OPEB liability as a % of covered payroll	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.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended December 31

Last 10 Fiscal Years*

Page 2 of 2

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

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.



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

For the Year Ended December 31, 2023

Page 1 of 1

	2023		2024		2023	Variance
	Budgeted Amounts		Budgeted Amounts		Actual	with Final
	Original	Final	Original	Final	Amounts	Budget
Revenues						
Taxes and assessments	\$ 24,535,038	\$ 24,758,743	\$ 25,710,416	\$ 26,205,263	\$ 24,244,173	\$ (514,570)
Licenses and permits	631,570	631,570	607,126	607,126	565,168	(66,402)
Intergovernmental revenues	13,112,189	28,042,383	13,213,310	18,681,614	8,704,904	(19,337,479)
Charges for services	6,321,044	6,321,044	6,248,439	6,248,439	5,210,008	(1,111,036)
Fines and forfeitures	—	—	—	—	805	805
Contributions and donations	—	—	—	—	171,531	171,531
Investment earnings	—	—	—	—	38,412	38,412
Other revenue	1,152,459	1,152,459	1,161,043	1,161,043	1,095,510	(56,949)
Total revenues	45,752,300	60,906,199	46,940,334	52,903,485	40,030,511	(20,875,688)
Expenditures						
Current						
General government	764,955	768,083	810,445	810,445	648,171	(119,912)
Public safety	6,576,853	7,501,722	6,497,790	7,132,391	6,248,932	(1,252,790)
Utilities	369,746	379,340	412,489	412,489	366,297	(13,043)
Transportation	6,635,766	6,981,578	7,097,435	7,287,910	5,227,204	(1,754,374)
Economic environment	4,225,207	9,808,740	6,420,471	6,420,471	3,748,104	(6,060,636)
Public health services	648,585	648,585	708,922	708,922	573,297	(75,288)
Cultural and recreational	7,922,159	8,087,521	8,008,792	8,237,046	7,733,705	(353,816)
Capital outlay						
General government	4,505,000	5,043,804	1,900,000	2,068,731	1,973,207	(3,070,597)
Public safety	11,000	695,634	12,000	12,000	729,834	34,200
Utilities	100,000	100,000	100,000	100,000	—	(100,000)
Transportation	18,700,508	22,224,397	15,859,300	15,265,722	6,418,415	(15,805,982)
Economic environment	100,000	100,000	100,000	100,000	—	(100,000)
Cultural and recreational	710,000	2,794,829	1,105,000	5,227,321	2,791,708	(3,121)
Debt service						
Principal	3,693,166	3,693,166	3,827,911	3,827,911	3,693,166	—
Interest and related charges	1,727,149	1,727,149	1,449,071	1,449,071	1,727,149	—
Total Expenditures	56,690,094	70,554,548	54,309,626	59,060,430	41,879,189	(28,675,359)
Excess (def) of revenue over (under) exp	(10,937,794)	(9,648,349)	(7,369,292)	(6,156,945)	(1,848,678)	7,799,671
Other financing (sources) uses						
Transfers in	5,760,019	5,928,293	5,533,446	5,533,446	5,902,310	(25,983)
Transfers out	(4,079,346)	(4,247,620)	(3,822,335)	(3,822,335)	(3,650,026)	597,594
Proceeds from issuance of long-term debt	—	—	—	—	728,500	728,500
Sale of capital assets	—	—	—	—	79,582	79,582
Total other financing sources (uses)	1,680,673	1,680,673	1,711,111	1,711,111	3,060,366	1,379,693
Net change in fund balance	(9,257,121)	(7,967,676)	(5,658,181)	(4,445,834)	1,211,688	9,179,364
Fund balance - beginning	28,093,744	28,606,525	28,771,645	20,638,849	28,606,524	(1)
Fund balance - ending	\$ 18,836,623	\$ 20,638,849	\$ 23,113,464	\$ 16,193,015	\$ 29,818,212	\$ 9,179,363

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

Page 1 of 1

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Total
Assets					
Cash and cash equivalents	\$ 9,184,830	\$ 322,894	\$ 10,129,082	\$ 725,876	\$ 20,362,682
Cash with fiscal agent	41,134	8,076	154,161	—	203,371
Investments	1,604,003	—	6,428,401	—	8,032,404
Receivables, net allowance for uncollectible accounts					
Taxes	661,901	52,857	439,006	—	1,153,764
Accounts	480,013	—	641,087	12,871	1,133,971
Notes and contracts receivable	1,937,215	—	—	—	1,937,215
Due from other governments	573,255	—	2,093,950	—	2,667,205
Inventories and prepayments	191,513	—	—	—	191,513
Total assets	\$ 14,673,864	\$ 383,827	\$ 19,885,687	\$ 738,747	\$ 35,682,125
Liabilities					
Accounts payable	\$ 391,806	\$ —	\$ 754,175	\$ —	\$ 1,145,981
Retainage payable	30,000	—	165,715	—	195,715
Accrued salaries and benefits	1,043,509	—	—	—	1,043,509
Deposit type accounts	69,058	—	—	—	69,058
Due to other governments	3,000	—	—	—	3,000
Due to other funds	—	—	752,016	—	752,016
Total liabilities	1,537,373	—	1,671,906	—	3,209,279
Deferred inflows of resources					
Unavailable revenue and notes	2,031,050	—	623,587	—	2,654,637
Total deferred inflows of resources	2,031,050	—	623,587	—	2,654,637
Total liabilities & deferred inflows of resources	3,568,423	—	2,295,493	—	5,863,916
Fund balance					
Nonspendable	191,513	—	—	738,747	930,260
Restricted	6,783,520	366,200	9,434,342	—	16,584,062
Committed	4,130,409	—	745,825	—	4,876,234
Assigned	—	17,626	7,410,028	—	7,427,654
Unassigned	—	—	—	—	—
Total fund balance	11,105,442	383,826	17,590,195	738,747	29,818,210
Total liabilities, deferred inflows & fund balances	\$ 14,673,865	\$ 383,826	\$ 19,885,688	\$ 738,747	\$ 35,682,126

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, 2023

Page 1 of 1

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Total
Revenues					
Taxes and assessments	\$ 15,134,056	\$ 2,761,301	\$ 6,348,816	\$ —	\$ 24,244,173
Licenses and permits	565,168	—	—	—	565,168
Intergovernmental revenues	2,785,627	—	5,919,276	—	8,704,903
Charges for services	5,141,817	—	68,191	—	5,210,008
Fines and forfeitures	805	—	—	—	805
Contributions and donations	47,074	—	124,457	—	171,531
Investment earnings	38,412	—	—	—	38,412
Other revenue	948,980	—	124,890	21,639	1,095,509
Total revenues	<u>24,661,939</u>	<u>2,761,301</u>	<u>12,585,630</u>	<u>21,639</u>	<u>40,030,509</u>
Expenditures					
Current					
General government	639,396	—	8,774	—	648,170
Public safety	5,974,744	—	274,189	—	6,248,933
Utilities	366,297	—	—	—	366,297
Transportation	4,799,009	—	428,195	—	5,227,204
Economic environment	3,725,494	—	22,609	—	3,748,103
Public health services	573,297	—	—	—	573,297
Cultural and recreational	7,305,264	—	428,442	—	7,733,706
Capital outlay					
General government	—	—	1,973,207	—	1,973,207
Public safety	—	—	729,834	—	729,834
Transportation	—	—	6,418,415	—	6,418,415
Cultural and recreational	—	—	2,791,708	—	2,791,708
Debt service					
Principal	251,075	2,955,037	487,054	—	3,693,166
Interest and related charges	116,069	1,467,445	143,636	—	1,727,150
Total Expenditures	<u>23,750,645</u>	<u>4,422,482</u>	<u>13,706,063</u>	<u>—</u>	<u>41,879,190</u>
Excess (deficiency) of revenue over (under) expenditure	911,294	(1,661,181)	(1,120,433)	21,639	(1,848,681)
Other financing (sources) uses					
Transfers in	2,751,567	1,804,241	1,346,502	—	5,902,310
Transfers out	(2,825,563)	—	(812,464)	(12,000)	(3,650,027)
Proceeds from issuance of long-term debt	—	—	728,500	—	728,500
Sale of capital assets	5,082	—	74,500	—	79,582
Total other financing sources (uses)	<u>(68,914)</u>	<u>1,804,241</u>	<u>1,337,038</u>	<u>(12,000)</u>	<u>3,060,365</u>
Net change in fund balance	842,380	143,060	216,605	9,639	1,211,684
Fund balance - beginning	10,263,060	240,767	17,373,589	729,109	28,606,525
Fund balance - ending	<u>\$ 11,105,440</u>	<u>\$ 383,827</u>	<u>\$ 17,590,194</u>	<u>\$ 738,748</u>	<u>\$ 29,818,209</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Neighborhood Development Fund (124) – accounts for the Office of Neighborhood Development, which is the focus of the City’s effort to improve economic opportunities and housing conditions in Yakima. Federal Housing and Urban Development grants are the major revenue source for this program.

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.

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 & Event 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 & Event Center.

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

Public Facilities District - Convention & Event 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 & Event 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, 2023

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	ONDS Fund	Community Relations	Parks and Recreation	Clean City	Streets
Assets					
Cash and cash equivalents	\$ 813,817	\$ 758,287	\$ 789,629	\$ 468,476	\$ 1,149,883
Cash with fiscal agent	—	—	11,297	—	15,941
Investments	—	—	—	—	1,102,436
Receivables, net allowance for uncollectible accounts					
Taxes	—	—	—	69,220	—
Accounts	—	630	17,470	1,150	1,470
Notes and contracts receivable	1,872,270	—	—	—	—
Due from other governments	381,054	—	5,958	—	177,785
Inventories and prepayments	—	—	—	—	191,513
Total assets	\$ 3,067,141	\$ 758,917	\$ 824,354	\$ 538,846	\$ 2,639,028
Deferred outflows of resources	—	—	—	—	—
Total assets & deferred outflows of resources	\$ 3,067,141	\$ 758,917	\$ 824,354	\$ 538,846	\$ 2,639,028
Liabilities					
Accounts payable	\$ 58,942	\$ 1,125	\$ 31,438	1,065	\$ 120,683
Retainage payable	30,000	—	—	—	—
Accrued salaries and benefits	21,784	48,557	237,371	42,243	217,801
Deposit type accounts	—	—	—	—	—
Due to other governments	—	6	208	—	89
Total liabilities	110,726	49,688	269,017	43,308	338,573
Deferred inflows of resources					
Unavailable revenue and notes	1,872,270	630	10,118	230	1,470
Total deferred inflows of resources	1,872,270	630	10,118	230	1,470
Total liabilities & deferred inflows of resources	1,982,996	50,318	279,135	43,538	340,043
Fund balance					
Nonspendable	—	—	—	—	191,513
Restricted	1,084,145	—	—	—	—
Committed	—	708,599	545,218	495,308	2,107,471
Total fund balance	1,084,145	708,599	545,218	495,308	2,298,984
Total liabilities, deferred inflows & fund balances	\$ 3,067,141	\$ 758,917	\$ 824,353	\$ 538,846	\$ 2,639,027

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, 2023

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	Cemetery	Emergency Services	Public Safety Comm	Police Grants	DYBID
Assets					
Cash and cash equivalents	\$ 182,718	\$ 208,555	\$ 1,679,172	\$ 976,940	\$ 123,463
Cash with fiscal agent	—	8,735	5,161	—	—
Investments	—	—	501,567	—	—
Receivables, net allowance for uncollectible accounts					
Taxes	—	55,134	42,298	—	—
Accounts	47,370	—	40,049	1,370	1,773
Notes and contracts receivable	—	—	—	—	55,370
Due from other governments	—	—	—	8,458	—
Inventories and prepayments	—	—	—	—	—
Total assets	\$ 230,088	\$ 272,424	\$ 2,268,247	\$ 986,768	\$ 180,606
Deferred outflows of resources	—	—	—	—	—
Total assets & deferred outflows of resources	\$ 230,088	\$ 272,424	\$ 2,268,247	\$ 986,768	\$ 180,606
Liabilities					
Accounts payable	\$ 612	\$ 77	\$ 52,072	\$ 32,047	\$ 43,750
Retainage payable	—	—	—	—	—
Accrued salaries and benefits	19,653	118,173	337,926	—	—
Deposit type accounts	—	—	—	—	—
Due to other governments	513	151	2,016	16	—
Total liabilities	20,778	118,401	392,014	32,063	43,750
Deferred inflows of resources					
Unavailable revenue and notes	26,234	46,271	4,306	—	56,213
Total deferred inflows of resources	26,234	46,271	4,306	—	56,213
Total liabilities & deferred inflows of resources	47,012	164,672	396,320	32,063	99,963
Fund balance					
Nonspendable	—	—	—	—	—
Restricted	—	107,751	1,871,928	954,705	—
Committed	183,077	—	—	—	80,643
Total fund balance	183,077	107,751	1,871,928	954,705	80,643
Total liabilities, deferred inflows & fund balances	\$ 230,089	\$ 272,423	\$ 2,268,248	\$ 986,768	\$ 180,606

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, 2023

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<u>Trolley</u>	<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>
\$ 55,867	\$ 10,094	\$ 749,777	\$ 112,132	\$ 612,405	\$ 820	\$ 492,794	\$ 9,184,830
—	—	—	—	—	—	—	41,134
—	—	—	—	—	—	—	1,604,003
—	—	103,827	18,878	211,967	—	160,578	661,901
—	—	64,804	—	101,641	125,287	77,000	480,013
—	9,575	—	—	—	—	—	1,937,215
—	—	—	—	—	—	—	573,255
—	—	—	—	—	—	—	191,513
<u>\$ 55,867</u>	<u>\$ 19,669</u>	<u>\$ 918,408</u>	<u>\$ 131,010</u>	<u>\$ 926,013</u>	<u>\$ 126,107</u>	<u>\$ 730,372</u>	<u>\$ 14,673,864</u>
—	—	—	—	—	—	—	—
<u>\$ 55,867</u>	<u>\$ 19,669</u>	<u>\$ 918,408</u>	<u>\$ 131,010</u>	<u>\$ 926,013</u>	<u>\$ 126,107</u>	<u>\$ 730,372</u>	<u>\$ 14,673,864</u>
\$ —	\$ —	\$ 26,974	\$ 23,021	\$ —	\$ —	\$ —	\$ 391,806
—	—	—	—	—	—	—	30,000
—	—	—	—	—	—	—	1,043,509
—	—	69,058	—	—	—	—	69,058
—	—	—	—	—	—	—	3,000
—	—	96,032	23,021	—	—	—	1,537,373
3,734	9,575	—	—	—	—	—	2,031,050
<u>3,734</u>	<u>9,575</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,031,050</u>
<u>3,734</u>	<u>9,575</u>	<u>96,032</u>	<u>23,021</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,568,423</u>
—	—	—	—	—	—	—	191,513
52,133	—	822,377	107,989	926,013	126,107	730,372	6,783,520
—	10,094	—	—	—	—	—	4,130,409
<u>52,133</u>	<u>10,094</u>	<u>822,377</u>	<u>107,989</u>	<u>926,013</u>	<u>126,107</u>	<u>730,372</u>	<u>11,105,442</u>
<u>\$ 55,867</u>	<u>\$ 19,669</u>	<u>\$ 918,409</u>	<u>\$ 131,010</u>	<u>\$ 926,013</u>	<u>\$ 126,107</u>	<u>\$ 730,372</u>	<u>\$ 14,673,865</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, 2023

Page 1 of 3

	ONDS Fund	Community Relations	Parks and Recreation	Clean City	Streets
Revenues					
Taxes and assessments	\$ —	\$ —	\$ 3,173,716	\$ 882,942	\$ 4,400,000
Licenses and permits	—	565,168	—	—	—
Intergovernmental revenues	1,326,416	—	23,830	—	1,399,144
Charges for services	—	—	836,224	250	11,954
Fines and forfeitures	—	—	—	805	—
Contributions and donations	—	—	46,074	—	—
Investment earnings	7,824	—	—	—	—
Other revenue	83,668	40	92,833	1,100	750
Total revenues	1,417,908	565,208	4,172,677	885,097	5,811,848
Expenditures					
Current					
General government	—	634,720	—	—	—
Public safety	—	—	56,056	—	—
Utilities	—	—	—	—	—
Transportation	—	—	—	—	4,796,738
Economic environment	1,538,567	—	—	659,011	—
Public health services	—	—	573,297	—	—
Cultural and recreational	—	—	5,180,509	—	—
Debt service					
Principal	—	—	—	—	171,075
Interest and related charges	—	—	—	—	77,406
Total Expenditures	1,538,567	634,720	5,809,862	659,011	5,045,219
Excess (def) of revenue over (under) expenditure	(120,659)	(69,512)	(1,637,185)	226,086	766,629
Other financing (sources) uses					
Transfers in	—	—	1,896,856	—	—
Transfers out	—	—	(278,000)	—	(10,000)
Sale of capital assets	—	—	—	—	5,082
Total other financing sources (uses)	—	—	1,618,856	—	(4,918)
Net change in fund balance	(120,659)	(69,512)	(18,329)	226,086	761,711
Fund balance - beginning	1,204,804	778,111	563,546	269,222	1,537,274
Fund balance - ending	\$ 1,084,145	\$ 708,599	\$ 545,217	\$ 495,308	\$ 2,298,985

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

December 31, 2023

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Cemetery	Emergency Services	Public Safety Comm	Police Grants	DYBID	Trolley	PBIA	Tourist Promo Conv Center	Capitol Theatre
\$ —	\$ 1,700,213	\$ 1,690,316	\$ —	\$ —	\$ —	\$ —	\$ 851,300	\$ 274,543
—	—	—	—	—	—	—	—	—
—	3,351	—	32,887	—	—	—	—	—
156,325	—	2,745,552	41,596	—	—	—	269,617	—
—	—	—	—	—	—	—	—	—
1,000	—	—	—	—	—	—	—	—
—	—	—	21,227	—	—	—	—	—
9,812	—	—	65,048	183,578	1,869	3,814	506,468	—
167,137	1,703,564	4,435,868	160,758	183,578	1,869	3,814	1,627,385	274,543
—	—	—	4,676	—	—	—	—	—
—	1,600,425	4,168,357	149,906	—	—	—	—	—
366,297	—	—	—	—	—	—	—	—
—	—	—	—	—	2,270	—	—	—
—	—	—	—	—	—	1,733	425,577	—
—	—	—	—	—	—	—	—	—
—	—	—	—	180,925	—	—	1,496,217	423,990
—	—	80,000	—	—	—	—	—	—
—	—	38,663	—	—	—	—	—	—
366,297	1,600,425	4,287,020	154,582	180,925	2,270	1,733	1,921,794	423,990
(199,160)	103,139	148,848	6,176	2,653	(401)	2,081	(294,409)	(149,447)
190,000	—	100,000	—	—	10,000	—	400,000	154,711
—	(200,000)	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
190,000	(200,000)	100,000	—	—	10,000	—	400,000	154,711
(9,160)	(96,861)	248,848	6,176	2,653	9,599	2,081	105,591	5,264
192,236	204,613	1,623,079	948,530	77,990	42,535	8,013	716,785	102,725
\$ 183,076	\$ 107,752	\$ 1,871,927	\$ 954,706	\$ 80,643	\$ 52,134	\$ 10,094	\$ 822,376	\$ 107,989

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, 2023

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	PFD Conv Ctr	Tourist Promotion	PFD Cap Theatre	Total
Revenues				
Taxes and assessments	\$ 1,229,555	\$ —	\$ 931,472	\$ 15,134,056
Licenses and permits	—	—	—	565,168
Intergovernmental revenues	—	—	—	2,785,627
Charges for services	—	1,080,298	—	5,141,817
Fines and forfeitures	—	—	—	805
Contributions and donations	—	—	—	47,074
Investment earnings	3,508	3,196	2,658	38,412
Other revenue	—	—	—	948,980
Total revenues	<u>1,233,063</u>	<u>1,083,494</u>	<u>934,130</u>	<u>24,661,939</u>
Expenditures				
Current				
General government	—	—	—	639,396
Public safety	—	—	—	5,974,744
Utilities	—	—	—	366,297
Transportation	—	—	—	4,799,009
Economic environment	—	1,100,607	—	3,725,494
Public health services	—	—	—	573,297
Cultural and recreational	11,811	—	11,811	7,305,264
Debt service				
Principal	—	—	—	251,075
Interest and related charges	—	—	—	116,069
Total Expenditures	<u>11,811</u>	<u>1,100,607</u>	<u>11,811</u>	<u>23,750,645</u>
Excess (def) of revenue over (under) expenditure	1,221,252	(17,113)	922,319	911,294
Other financing (sources) uses				
Transfers in	—	—	—	2,751,567
Transfers out	(1,500,000)	—	(837,563)	(2,825,563)
Sale of capital assets	—	—	—	5,082
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>—</u>	<u>(837,563)</u>	<u>(68,914)</u>
Net change in fund balance	<u>(278,748)</u>	<u>(17,113)</u>	<u>84,756</u>	<u>842,380</u>
Fund balance - beginning	1,204,762	143,220	645,616	10,263,060
Fund balance - ending	<u>\$ 926,014</u>	<u>\$ 126,107</u>	<u>\$ 730,372</u>	<u>\$ 11,105,440</u>

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

NONMAJOR DEBT SERVICE FUNDS

Convention & Event Center/Capitol Theatre Expansion Long-Term General Obligation (LTGO) Bonds (272) - These bonds were issued to fund additions to the Yakima Convention & Event 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.

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2023

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	<u>Conv Ctr/ Cap Th Bond</u>	<u>Various GO Bonds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 313,343	\$ 9,551	\$ 322,894
Cash with fiscal agent	—	8,076	8,076
Receivables, net allowance for uncollectible accounts			
Taxes	52,857	—	52,857
Total assets	<u>\$ 366,200</u>	<u>\$ 17,627</u>	<u>\$ 383,827</u>
Fund balance			
Restricted	\$ 366,200	\$ —	\$ 366,200
Assigned	—	17,626	17,626
Total fund balance	<u>366,200</u>	<u>17,626</u>	<u>383,826</u>
Total liabilities, deferred inflows & fund balances	<u>\$ 366,200</u>	<u>\$ 17,626</u>	<u>\$ 383,826</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, 2023

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	<u>Conv Ctr/ Cap Th Bond</u>	<u>Various GO Bonds</u>	<u>Total</u>
Revenues			
Taxes and assessments	\$ 492,551	2,268,750	\$ 2,761,301
Expenditures			
Debt service			
Principal	785,000	2,170,037	2,955,037
Interest and related charges	619,068	848,377	1,467,445
Total Expenditures	<u>1,404,068</u>	<u>3,018,414</u>	<u>4,422,482</u>
Excess (deficiency) of revenue over (under) expenditure	(911,517)	(749,664)	(1,661,181)
Other financing (sources) uses			
Transfers in	1,054,577	749,664	1,804,241
Net change in fund balance	143,060	—	143,060
Fund balance - beginning	<u>223,141</u>	<u>17,626</u>	<u>240,767</u>
Fund balance - ending	<u>\$ 366,201</u>	<u>\$ 17,626</u>	<u>\$ 383,827</u>



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

NONMAJOR CAPITAL PROJECT FUNDS

Central Business District Capital Improvement Fund (321) - Created by Ordinance No. 1599. The Central Business District Improvement Program, which is currently inactive, worked to develop a long range guide for evaluating proposals for physical changes and the scheduling of improvements to the Central Business District.

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.

Yakima Revenue Development Area (323) - Created by Ordinance 2011-31 on July 19, 2011. This fund was 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

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.

Street Overlay and Reconstruction (346) - This fund was originally created in 2013 as the Arterial Street Fund (142) 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. The fund became a capital fund in 2022.

Yakima Convention & Event Center Capital Fund (370) - Was established for the Convention & Event 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 & Event 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, 2023

Page 1 of 2

	Central Bus District Impr	Capitol Theatre Cons	Yakima Rev Dev Area	Parks & Recreation	Fire
Assets					
Cash and cash equivalents	\$ 55,024	\$ 238,158	\$ 802,125	\$ 400,469	\$ 591,247
Cash with fiscal agent	—	—	—	182	—
Investments	—	—	769,027	—	—
Receivables, net allowance for uncollectible accounts					
Taxes	—	—	—	—	—
Accounts	—	—	—	—	17,500
Due from other governments	—	—	246	—	—
Total assets	\$ 55,024	\$ 238,158	\$ 1,571,398	\$ 400,651	\$ 608,747
Liabilities					
Accounts payable	\$ —	\$ 26,488	\$ 73,557	\$ 30,062	\$ 2,745
Retainage payable	—	14,308	—	5,554	—
Due to other funds	—	—	752,016	—	—
Total liabilities	—	40,796	825,573	35,616	2,745
Deferred inflows of resources					
Unavailable revenue and notes	—	—	—	—	—
Total liabilities & deferred inflows of resources	—	40,796	825,573	35,616	2,745
Fund balance					
Restricted	—	—	—	—	—
Committed	—	—	745,825	—	—
Assigned	55,024	197,361	—	365,035	606,002
Unassigned	—	—	—	—	—
Total fund balance	55,024	197,361	745,825	365,035	606,002
Total liabilities, deferred inflows & fund balances	\$ 55,024	\$ 238,157	\$ 1,571,398	\$ 400,651	\$ 608,747

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, 2023

Page 2 of 2

Law and Justice	REET 1 PW Trust	REET 2 Capital	Streets Capital	Street Overlay & Reconstruct	Yak Conv Center	Cumulative Reserve	Total
\$ 980,240	\$ 1,556,542	\$ 964,524	\$ 2,547,852	857,396	\$ 941,154	\$ 194,352	\$ 10,129,082
—	76,068	76,068	—	1,843	—	—	154,161
—	1,492,315	—	2,442,722	822,018	902,319	—	6,428,401
23,608	75,589	75,589	228,982	—	35,238	—	439,006
—	—	—	—	623,587	—	—	641,087
—	—	—	—	2,093,704	—	—	2,093,950
<u>\$ 1,003,848</u>	<u>\$ 3,200,514</u>	<u>\$ 1,116,181</u>	<u>\$ 5,219,556</u>	<u>\$ 4,398,548</u>	<u>\$ 1,878,711</u>	<u>\$ 194,352</u>	<u>\$ 19,885,687</u>
\$ 28,822	\$ 120,963	\$ 1,489	\$ 6,022	443,344	\$ 19,201	\$ 1,480	\$ 754,175
—	100,942	—	1,954	22,957	20,000	—	165,715
—	—	—	—	—	—	—	752,016
<u>28,822</u>	<u>221,905</u>	<u>1,489</u>	<u>7,976</u>	<u>466,301</u>	<u>39,201</u>	<u>1,480</u>	<u>1,671,906</u>
—	—	—	—	623,587	—	—	623,587
<u>28,822</u>	<u>221,905</u>	<u>1,489</u>	<u>7,976</u>	<u>1,089,888</u>	<u>39,201</u>	<u>1,480</u>	<u>2,295,493</u>
—	2,978,608	1,114,692	—	3,308,660	1,839,511	192,872	9,434,342
—	—	—	—	—	—	—	745,825
975,025	—	—	5,211,580	—	—	—	7,410,028
—	—	—	—	—	—	—	—
<u>975,025</u>	<u>2,978,608</u>	<u>1,114,692</u>	<u>5,211,580</u>	<u>3,308,660</u>	<u>1,839,511</u>	<u>192,872</u>	<u>17,590,195</u>
<u>\$ 1,003,847</u>	<u>\$ 3,200,513</u>	<u>\$ 1,116,181</u>	<u>\$ 5,219,556</u>	<u>\$ 4,398,548</u>	<u>\$ 1,878,712</u>	<u>\$ 194,352</u>	<u>\$ 19,885,688</u>

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

December 31, 2023

Page 1 of 2

	Central Bus District Impr	Capitol Theatre Cons	Yakima Rev Dev Area	Parks & Recreation	Fire
Revenues					
Taxes and assessments	\$ —	\$ —	\$ 1,000,000	\$ 186,873	\$ —
Intergovernmental revenues	—	245,000	5,842	1,055,091	—
Charges for services	—	—	5,191	—	63,000
Contributions and donations	—	—	—	124,457	—
Other revenue	—	—	—	20	226
Total revenues	<u>—</u>	<u>245,000</u>	<u>1,011,033</u>	<u>1,366,441</u>	<u>63,226</u>
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	—	—	—	—	69,912
Transportation	—	—	—	—	—
Economic environment	—	—	22,609	—	—
Cultural and recreational	—	52,977	—	140,994	—
Capital outlay					
General government	—	—	—	—	—
Public safety	—	—	—	—	—
Transportation	—	—	541,327	—	—
Cultural and recreational	—	309,913	—	972,594	—
Debt service					
Principal	—	—	—	—	—
Interest and related charges	—	—	31,813	—	—
Total Expenditures	<u>—</u>	<u>362,890</u>	<u>595,749</u>	<u>1,113,588</u>	<u>69,912</u>
Excess (deficiency) of revenue over (under) expenditure	—	(117,890)	415,284	252,853	(6,686)
Other financing (sources) uses					
Transfers in	—	228,275	—	100,000	100,000
Transfers out	—	—	—	—	—
Proceeds from issuance of long-term debt	—	—	—	—	—
Sale of capital assets	—	—	—	—	2,450
Total other financing sources (uses)	<u>—</u>	<u>228,275</u>	<u>—</u>	<u>100,000</u>	<u>102,450</u>
Net change in fund balance	—	110,385	415,284	352,853	95,764
Fund balance - beginning	55,024	86,977	330,542	12,181	510,237
Fund balance - ending	<u>\$ 55,024</u>	<u>\$ 197,362</u>	<u>\$ 745,826</u>	<u>\$ 365,034</u>	<u>\$ 606,001</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, 2023

Page 2 of 2

Law and Justice	REET 1 PW Trust	REET 2 Capital	Streets Capital	Street Overlay & Reconstruct	Yak Conv Center	Cumulative Reserve	Total
\$ 134,130	\$ 1,226,249	\$ 1,226,249	\$ 1,677,033	\$ 605,782	\$ 292,500	\$ —	\$ 6,348,816
—	—	—	—	4,613,343	—	—	5,919,276
—	—	—	—	—	—	—	68,191
—	—	—	—	—	—	—	124,457
—	—	—	—	111,063	—	13,581	124,890
<u>134,130</u>	<u>1,226,249</u>	<u>1,226,249</u>	<u>1,677,033</u>	<u>5,330,188</u>	<u>292,500</u>	<u>13,581</u>	<u>12,585,630</u>
—	—	—	—	—	—	8,774	8,774
204,277	—	—	—	—	—	—	274,189
—	70,341	290,105	2,307	65,441	—	—	428,195
—	—	—	—	—	—	—	22,609
—	—	—	—	—	234,470	—	428,442
—	917,239	915,611	—	—	—	140,356	1,973,207
729,834	—	—	—	—	—	—	729,834
—	—	70,926	682,206	5,122,385	1,571	—	6,418,415
—	1,033,449	—	—	—	475,753	—	2,791,708
—	60,965	165,100	—	260,989	—	—	487,054
—	23,483	4,953	—	83,387	—	—	143,636
<u>934,111</u>	<u>2,105,477</u>	<u>1,446,695</u>	<u>684,513</u>	<u>5,532,202</u>	<u>711,794</u>	<u>149,130</u>	<u>13,706,064</u>
(799,981)	(879,228)	(220,446)	992,520	(202,014)	(419,294)	(135,549)	(1,120,434)
270,979	84,448	—	—	62,800	500,000	—	1,346,502
—	(549,664)	(200,000)	(62,800)	—	—	—	(812,464)
—	—	—	—	728,500	—	—	728,500
72,050	—	—	—	—	—	—	74,500
<u>343,029</u>	<u>(465,216)</u>	<u>(200,000)</u>	<u>(62,800)</u>	<u>791,300</u>	<u>500,000</u>	<u>—</u>	<u>1,337,038</u>
(456,952)	(1,344,444)	(420,446)	929,720	589,286	80,706	(135,549)	216,604
<u>1,431,977</u>	<u>4,323,052</u>	<u>1,535,139</u>	<u>4,281,860</u>	<u>2,719,374</u>	<u>1,758,805</u>	<u>328,421</u>	<u>17,373,589</u>
<u>\$ 975,025</u>	<u>\$ 2,978,608</u>	<u>\$ 1,114,693</u>	<u>\$ 5,211,580</u>	<u>\$ 3,308,660</u>	<u>\$ 1,839,511</u>	<u>\$ 192,872</u>	<u>\$ 17,590,193</u>

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

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.

COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUND

December 31, 2023

Page 1 of 1

	Cemetery
	Trust
	<u> </u>
Assets	
Cash and cash equivalents	\$ 725,876
Receivables, net allowance for uncollectible accounts	
Accounts	<u>12,871</u>
Total assets	<u>\$ 738,747</u>
Fund balance	
Nonspendable	<u>\$ 738,747</u>
Total liabilities, deferred inflows & fund balances	<u><u>\$ 738,747</u></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 PERMANENT FUND**

December 31, 2023

Page 1 of 1

	<u>Cemetery Trust</u>
Revenues	
Other revenue	\$ 21,639
Total revenues	<u>21,639</u>
Excess (deficiency) of revenue over (under) expenditure	21,639
Other financing (sources) uses	
Transfers out	<u>(12,000)</u>
Net change in fund balance	9,639
Fund balance - beginning	<u>729,109</u>
Fund balance - ending	<u><u>\$ 738,748</u></u>



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

NONMAJOR PROPRIETARY FUNDS

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, 2023

Page 1 of 2

	<u>Stormwater</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 3,670,177
Cash with fiscal agent	16,529
Investments	3,518,737
Receivables, net allowance for uncollectible accounts	
Taxes	1,703
Accounts	357
Notes and contracts receivable	471,860
Due from other funds	250,486
Total current assets	<u>7,929,849</u>
Noncurrent assets	
Capital assets not being depreciated	
Construction in progress	1,420,949
Capital assets, net of accumulated depreciation	
Machinery, equipment & vehicles	5,501
Other improvements & utility systems	6,073,064
Other noncurrent assets	
Net pension asset	200,101
Total noncurrent assets	<u>7,699,615</u>
Total assets	<u>15,629,464</u>
Deferred outflows of resources	
Deferred outflows related to pension	168,037
Deferred outflows related to OPEB	7,474
Total deferred outflows of resources	<u>175,511</u>
Total assets & deferred outflows of resources	<u>15,804,975</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, 2023

Page 2 of 2

	<u>Stormwater</u>
Liabilities	
Current liabilities	
Accounts payable	456,839
Retainage payable	37,467
Accrued salaries and benefits	83,930
Compensated absences	15,786
Due to other governments	3,454
Other postemployment benefits - current	4,213
Total current liabilities	<u>601,689</u>
Noncurrent liabilities	
Compensated absences	111,440
Net pension liability	89,414
Total other postemployment benefits (OPEB)	80,161
Total noncurrent liabilities	<u>281,015</u>
Total liabilities	<u>882,704</u>
Deferred inflows of resources	
Deferred inflows related to pension	112,064
Deferred inflows related to OPEB	36,875
Total deferred inflows of resources	<u>148,939</u>
Total liabilities & deferred inflows of resources	<u>1,031,643</u>
Net position	
Net investment in capital assets	7,462,048
Restricted for:	
Pension plans	255,437
Unrestricted	7,055,847
Total net position	<u>\$ 14,773,332</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 NET POSITION
NONMAJOR PROPRIETARY FUNDS

December 31, 2023

Page 1 of 1

	<u>Stormwater</u>
Operating revenues	
Charges and fees for services	\$ 4,091,099
Other operating revenue	638,014
Total operating revenues	<u>4,729,113</u>
Operating expenses	
Personnel services	860,622
Materials and supplies	14,705
Contractual services	1,703,017
Depreciation	346,135
Total operating expense	<u>2,924,479</u>
Operating income (loss)	1,804,634
Nonoperating revenues (expense)	
Grants and subsidies	132,500
Interest revenue	10,593
Total nonoperating revenue (exp)	<u>143,093</u>
Income (loss) before conts & transfers	1,947,727
Capital contributions	<u>120,534</u>
Change in net position	<u>2,068,261</u>
Net position - beginning	<u>12,705,072</u>
Net position - ending	<u>\$ 14,773,333</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, 2023

Page 1 of 2

	<u>Stormwater</u>
Cash flows from operating activities	
Receipts from customers	\$ 4,655,640
Payments to suppliers & service providers	(1,275,073)
Payments to employees salaries & benefits	<u>(1,030,039)</u>
Net cash flows from operating activities	<u>2,350,528</u>
Cash from noncapital financing activities	
Operating grants	132,500
Other non-operating revenue	<u>188,384</u>
Net cash from noncapital financing activities	<u>320,884</u>
Cash flows from capital financing activities	
Acquisition & construction of capital assets	(1,308,602)
Other receipts	<u>37,467</u>
Net cash provided by (used for) financing	<u>(1,271,135)</u>
Cash flows from investing activities	
Proceeds from sale of investments	2,528,410
Interest on investments	10,593
Purchase of investments	<u>(3,518,737)</u>
Net cash provided by investing activities	<u>(979,734)</u>
Net increase (decrease) in cash & cash equivalents	420,543
Cash & cash equivalents - beginning	<u>3,266,164</u>
Cash & cash equivalents - ending	<u>\$ 3,686,707</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, 2023

Page 2 of 2

	<u>Stormwater</u>
Reconciliation - operating income (loss) to net cash provided (used) for operations	
Operating income (loss)	\$ 1,804,634
Adj to reconcile operating income (loss) to net cash provided (used) for operations	
Depreciation expense	346,135
Change in assets and liabilities	
(Increase) decrease in net accounts receivable	(73,473)
(Decrease) increase in accounts payable	439,839
(Decrease) increase in accrued liabilities	(644)
(Decrease) Increase in wages/benefits payable	(18,621)
(Decrease) increase in compensated absences	(15,711)
(Decrease) increase in contracts payable	—
(Decrease) increase in due to other governments	3,454
(Decrease) increase in pension liability-current yr	(135,085)
Total adjustments	<u>545,894</u>
Net cash prov (used) for operations	<u>\$ 2,350,528</u>
 Schedule of noncash capital financing activities	
Contribution of capital assets	<u>\$ 120,534</u>



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

INTERNAL SERVICE FUNDS

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 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, 2023

Page 1 of 4

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Assets				
Current Assets				
Cash and cash equivalents	\$ 586,102	\$ 1,183,480	\$ 2,273	\$ 4,138,457
Investments	—	1,134,647	—	3,967,695
Receivables, net allowance for uncollectible accounts				
Accounts	25,244	1,723,217	375,974	—
Due from other governments	—	—	—	—
Inventories and prepayments	—	1,855	—	—
Total current assets	611,346	4,043,199	378,247	8,106,152
Noncurrent assets				
Capital assets, net of accumulated depreciation				
Buildings	—	—	—	—
Machinery, equipment & vehicles	—	—	—	—
Other improvements & utility systems	—	—	—	—
Subscription Asset	—	—	—	35,471
Other noncurrent assets				
Net pension asset	17,161	46,127	38,374	166,888
Total noncurrent assets	17,161	46,127	38,374	202,359
Total assets	628,507	4,089,326	416,621	8,308,511
Deferred outflows of resources				
Deferred outflows related to pension	14,411	38,736	32,225	140,146
Deferred outflows related to OPEB	563	1,888	1,593	4,400
Total deferred outflows of resources	14,974	40,624	33,818	144,546
Total assets & deferred outflows of resources	642,918	4,128,062	448,846	8,448,657

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, 2023

Page 2 of 4

<u>Wellness/ EAP</u>	<u>Equipment Rental</u>	<u>Environmental</u>	<u>Public Works Administration</u>	<u>Utility Services</u>	<u>Total</u>
\$ 206,533	\$ 2,604,760	\$ 146,139	\$ 767,091	\$ 611,393	\$ 10,246,228
—	2,497,281	—	—	584,632	8,184,255
—	—	—	—	21,295	2,145,730
—	—	152,242	—	—	152,242
—	810,610	—	—	—	812,465
<u>206,533</u>	<u>5,912,651</u>	<u>298,381</u>	<u>767,091</u>	<u>1,217,320</u>	<u>21,540,920</u>
—	—	—	253,471	—	253,471
—	12,044,968	195,345	8,888	66,000	12,315,200
6,465	—	233,831	108,467	—	348,764
—	—	—	—	—	35,471
—	241,288	—	140,121	266,941	916,899
<u>6,465</u>	<u>12,286,256</u>	<u>429,176</u>	<u>510,947</u>	<u>332,941</u>	<u>13,869,805</u>
<u>212,998</u>	<u>18,198,907</u>	<u>727,557</u>	<u>1,278,038</u>	<u>1,550,261</u>	<u>35,410,725</u>
—	202,624	—	117,668	224,167	769,977
—	9,072	—	5,246	9,064	31,826
—	<u>211,696</u>	—	<u>122,914</u>	<u>233,231</u>	<u>801,803</u>
<u>212,998</u>	<u>18,410,603</u>	<u>727,557</u>	<u>1,400,952</u>	<u>1,783,492</u>	<u>36,212,528</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2023

Page 3 of 4

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Liabilities				
Current liabilities				
Accounts payable	95,881	—	3,750	59,103
Claims & judgments payable	—	2,480,400	750,000	2,969,194
Accrued salaries and benefits	4,500	21,903	8,745	62,072
Compensated absences	888	4,880	1,486	7,807
Deposit type accounts	—	—	—	—
Due to other governments	—	—	—	—
Other liabilities	—	—	—	—
Subscriptions due within one year	—	—	—	14,597
Other postemployment benefits - current	317	1,064	898	2,480
Total current liabilities	<u>101,586</u>	<u>2,508,247</u>	<u>764,879</u>	<u>3,115,253</u>
Noncurrent liabilities				
Compensated absences	5,462	36,000	9,234	49,412
Net pension liability	7,668	20,612	17,147	74,573
Total other postemployment benefits (OPEB)	6,035	20,248	17,086	47,191
Subscriptions due in more than one year	—	—	—	22,643
Total noncurrent liabilities	<u>19,165</u>	<u>76,860</u>	<u>43,467</u>	<u>171,176</u>
Total liabilities	<u>120,751</u>	<u>2,585,107</u>	<u>808,346</u>	<u>3,286,429</u>
Deferred inflows of resources				
Deferred inflows related to pension	9,611	25,833	21,491	93,464
Deferred inflows related to OPEB	2,776	9,314	7,860	21,708
Total deferred inflows of resources	<u>12,387</u>	<u>35,147</u>	<u>29,351</u>	<u>115,172</u>
Total liabilities & deferred inflows of resources	<u>133,138</u>	<u>2,620,254</u>	<u>837,697</u>	<u>3,401,601</u>
Net position				
Net investment in capital assets	—	—	—	(1,770)
Restricted for:				
Pension plans	21,906	58,883	48,986	213,039
Unrestricted	488,438	1,450,814	(436,244)	4,817,544
Total net position	<u>\$ 510,344</u>	<u>\$ 1,509,697</u>	<u>\$ (387,258)</u>	<u>\$ 5,028,813</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, 2023

Page 4 of 4

Wellness/ EAP	Equipment Rental	Environmental	Public Works Administration	Utility Services	Total
1,950	297,761	16,726	1,302	16,455	492,929
—	—	—	—	—	6,199,594
—	109,986	—	62,265	87,376	356,845
—	10,272	—	10,000	10,109	45,442
—	—	—	—	363,675	363,675
—	311	—	—	—	311
—	—	—	—	5,018	5,018
—	—	—	—	—	14,597
—	5,114	—	2,957	5,109	17,939
1,950	423,444	16,726	76,524	487,742	7,496,350
—	69,226	—	65,857	64,315	299,505
—	107,818	—	62,612	119,281	409,711
—	97,303	—	56,267	97,215	341,345
—	—	—	—	—	22,643
—	274,347	—	184,736	280,811	1,073,204
1,950	697,791	16,726	261,260	768,553	8,569,554
—	135,130	—	78,473	149,498	513,499
—	44,760	—	25,883	44,720	157,021
—	179,890	—	104,356	194,218	670,520
1,950	877,681	16,726	365,616	962,771	9,240,074
6,465	12,044,968	429,176	370,825	66,000	12,915,665
204,582	308,014	281,654	178,870	340,762	1,170,460
204,582	5,179,939	281,654	485,640	413,961	12,886,327
\$ 211,047	\$ 17,532,921	\$ 710,830	\$ 1,035,335	\$ 820,723	\$ 26,972,452

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, 2023

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	—	—	—	5,438,458
Employer premium payments	274,158	11,947,880	3,417,221	—
Employee premium payments	—	2,098,512	110,137	—
Other operating revenue	—	—	—	476
Total operating revenues	<u>274,158</u>	<u>14,046,392</u>	<u>3,527,358</u>	<u>5,438,934</u>
Operating expenses				
Personnel services	66,289	225,592	181,936	513,189
Materials and supplies	—	1,416	45	4,728
Contractual services	6,133	2,698,316	683,482	4,115,911
Claims and other benefits	86,580	11,254,024	2,430,246	3,419
Depreciation	—	—	—	9,173
Total operating expense	<u>159,002</u>	<u>14,179,348</u>	<u>3,295,709</u>	<u>4,646,420</u>
Operating income (loss)	115,156	(132,956)	231,649	792,514
Nonoperating revenues (expense)				
Grants and subsidies	—	—	—	—
Other nonoperating revenue	—	54	32,623	352,018
Interest & other debt service costs	—	—	—	(629)
Gain (loss) disposal of capital assets	—	—	—	—
Total nonoperating revenue (exp)	<u>—</u>	<u>54</u>	<u>32,623</u>	<u>351,389</u>
Income (loss) before contributions & transfers	115,156	(132,902)	264,272	1,143,903
Change in net position	<u>115,156</u>	<u>(132,902)</u>	<u>264,272</u>	<u>1,143,903</u>
Net position - beginning	395,187	1,642,599	(651,530)	3,884,911
Net position - ending	<u>\$ 510,343</u>	<u>\$ 1,509,697</u>	<u>\$ (387,258)</u>	<u>\$ 5,028,814</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, 2023

Page 2 of 2

Wellness/ EAP	Equipment Rental	Environmental	Public Works Administration	Utility Services	Total
\$ —	\$ 5,865,406	\$ 55,085	\$ 1,433,450	\$ 2,472,459	\$ 9,826,401
—	—	—	—	—	5,438,458
75,000	—	—	—	—	15,714,260
—	—	—	—	—	2,208,649
—	—	—	—	1,542	2,017
75,000	5,865,406	55,085	1,433,450	2,474,001	33,189,785
—	1,049,107	—	627,412	987,515	3,651,040
4,221	1,486,338	2,234	43,268	17,989	1,560,238
53,648	464,918	391,508	581,642	1,377,470	10,373,028
—	30,521	—	9,212	12,361	13,826,363
681	1,566,737	43,976	56,129	26,400	1,703,095
58,550	4,597,621	437,718	1,317,663	2,421,735	31,113,764
16,450	1,267,785	(382,633)	115,787	52,266	2,076,021
—	—	330,453	—	454,752	785,205
—	80,524	—	—	—	465,218
—	—	—	—	—	(629)
—	127,551	—	—	—	127,551
—	208,075	330,453	—	454,752	1,377,345
16,450	1,475,860	(52,180)	115,787	507,018	3,453,366
16,450	1,475,860	(52,180)	115,787	507,018	3,453,366
194,597	16,057,061	763,010	919,547	313,706	23,519,088
\$ 211,047	\$ 17,532,921	\$ 710,830	\$ 1,035,334	\$ 820,724	\$ 26,972,454

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, 2023

Page 1 of 4

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Cash flows from operating activities				
Receipts from customers	\$ —	\$ —	\$ —	\$ 5,438,933
Contributions rec'd employer & employee	272,729	13,347,007	3,287,453	—
Payments to suppliers & service providers	57,490	(2,699,986)	(763,386)	(3,791,448)
Payments to employees salaries & benefits	(97,041)	(242,647)	(226,531)	(540,081)
Payments to claimants & beneficiaries	(86,580)	(11,254,024)	(2,430,246)	(3,419)
Net cash flows from operating activities	<u>146,598</u>	<u>(849,650)</u>	<u>(132,710)</u>	<u>1,103,985</u>
Cash from noncapital financing activities				
Other nonoperating revenue	—	54	32,623	352,018
Net cash from noncapital financing activities	<u>—</u>	<u>54</u>	<u>32,623</u>	<u>352,018</u>
Cash flows from capital financing activities				
Proceeds from disposal of property	—	—	—	—
Acquisition and construction of capital assets	—	—	—	—
Interest and related charges paid	—	—	—	(629)
Net cash provided by (used for) financing	<u>—</u>	<u>—</u>	<u>—</u>	<u>(629)</u>
Cash flows from investing activities				
Proceeds from sale of investments	—	1,394,461	—	2,909,363
Purchase of investments	—	(1,134,647)	—	(3,967,695)
Net cash provided by investing activities	<u>—</u>	<u>259,814</u>	<u>—</u>	<u>(1,058,332)</u>
Net increase (decrease) in cash & cash equivalents	146,598	(589,782)	(100,087)	397,042
Cash & cash equivalents - January 1	439,505	1,773,264	102,360	3,741,414
Cash & cash equivalents - December 31	<u>\$ 586,103</u>	<u>\$ 1,183,482</u>	<u>\$ 2,273</u>	<u>\$ 4,138,456</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, 2023

Page 2 of 4

Wellness/ EAP	Equipment Rental	Environmental	Public Works Admin	Utility Services	Total
\$ —	\$ 5,865,406	\$ 206,872	\$ 1,433,450	\$ 2,458,428	\$ 15,403,090
75,000	—	—	—	—	16,982,189
(61,701)	(1,743,583)	(436,934)	(634,720)	(1,398,852)	(11,473,120)
—	(1,164,559)	—	(706,658)	(1,298,283)	(4,275,800)
—	(30,521)	—	(9,212)	(12,361)	(13,826,363)
13,299	2,926,743	(230,062)	82,860	(251,068)	2,809,996
—	80,524	330,453	—	454,752	1,250,423
—	80,524	330,453	—	454,752	1,250,423
—	127,551	—	—	—	127,551
—	(2,367,319)	—	—	—	(2,367,319)
—	—	—	—	—	(629)
—	(2,239,768)	—	—	—	(2,240,397)
—	1,852,169	—	—	—	6,155,994
—	(2,497,281)	—	—	(584,632)	(8,184,255)
—	(645,112)	—	—	(584,632)	(2,028,261)
13,299	122,387	100,391	82,860	(380,948)	(208,239)
193,234	2,482,372	45,748	684,230	992,341	10,454,467
\$ 206,533	\$ 2,604,759	\$ 146,139	\$ 767,090	\$ 611,393	\$ 10,246,228

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, 2023

Page 3 of 4

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Reconciliation - operating income (loss) to net cash provided (used) for operations				
Operating income (loss)	\$ 115,156	\$ (132,956)	\$ 231,649	\$ 792,513
Adj to reconcile operating income (loss) to net cash provided (used) for operations				
Depreciation/ amortization	—	—	—	9,173
Change in assets and liabilities				
(Increase) decrease in net accounts receivable	(1,430)	(699,386)	(239,904)	—
(Increase) decrease in inventory	—	—	—	—
(Decrease) increase in accounts payable	63,623	(254)	(79,859)	(18,233)
(Decrease) increase in wages/benefits payable	(15,812)	(25,044)	(33,153)	(48,937)
(Decrease) increase in compensated absences	(14,940)	7,989	(11,442)	22,044
(Decrease) increase in claims & judgements	—	—	—	347,424
Total adjustments	<u>31,441</u>	<u>(716,695)</u>	<u>(364,358)</u>	<u>311,471</u>
Net cash provided (used) for operations	<u>\$ 146,597</u>	<u>\$ (849,651)</u>	<u>\$ (132,709)</u>	<u>\$ 1,103,984</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, 2023

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>
\$ 16,451	\$ 1,267,786	\$ (382,633)	\$ 115,788	\$ 52,266	\$ 2,076,019
681	1,566,737	43,976	56,129	26,400	1,703,095
—	—	151,787	—	(15,573)	(804,505)
—	(73,537)	—	—	—	(73,537)
(3,833)	281,210	(43,192)	(9,810)	(3,393)	186,259
—	(121,498)	—	(80,201)	(242,683)	(567,328)
—	6,046	—	956	(68,084)	(57,431)
—	—	—	—	—	347,424
<u>(3,152)</u>	<u>1,658,958</u>	<u>152,571</u>	<u>(32,926)</u>	<u>(303,333)</u>	<u>733,977</u>
<u>\$ 13,299</u>	<u>\$ 2,926,744</u>	<u>\$ (230,062)</u>	<u>\$ 82,862</u>	<u>\$ (251,067)</u>	<u>\$ 2,809,996</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

FIDUCIARY FUNDS

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, 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, Selah Fire #2, Department of Corrections, Advanced Life Systems, Yakima Training Center, Washington State Patrol, US Probation, Dept of Alcohol, Tobacco and Firearms (ATF), Yakima Valley Emergency Management, Yakima County 911 Call Center, and the County of Yakima. Per the Agreement the City of Yakima has acted as fiscal agent for the Consortium through 2023.

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, 2023

Page 1 of 1

	<u>YakCorps Fund</u>	<u>Other Funds</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,148,267	\$ 514,305
Receivables, net allowance for uncollectible accounts		
Accounts	12,212	—
Total assets	<u>1,160,479</u>	<u>514,305</u>
Liabilities		
Current liabilities		
Accounts payable	—	110,238
Deposits type accounts	—	—
Due to other governments	—	1,297
Total liabilities	<u>—</u>	<u>111,535</u>
Total restricted net position	<u>\$ 1,160,479</u>	<u>\$ 402,770</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, 2023

Page 1 of 1

	<u>YakCorps Fund</u>	<u>Other Funds</u>
Additions		
Contributions		
Custodial deposits	\$ 673,166	\$ 5,353,814
Total additions	<u>673,166</u>	<u>5,353,814</u>
Deductions		
Disbursements	621,854	5,258,805
Total deductions	<u>621,854</u>	<u>5,258,805</u>
Net increase (decrease) in fiduciary net position	51,312	95,009
Net position - beginning	<u>1,109,166</u>	<u>307,761</u>
Net position - ending	<u>\$ 1,160,478</u>	<u>\$ 402,770</u>

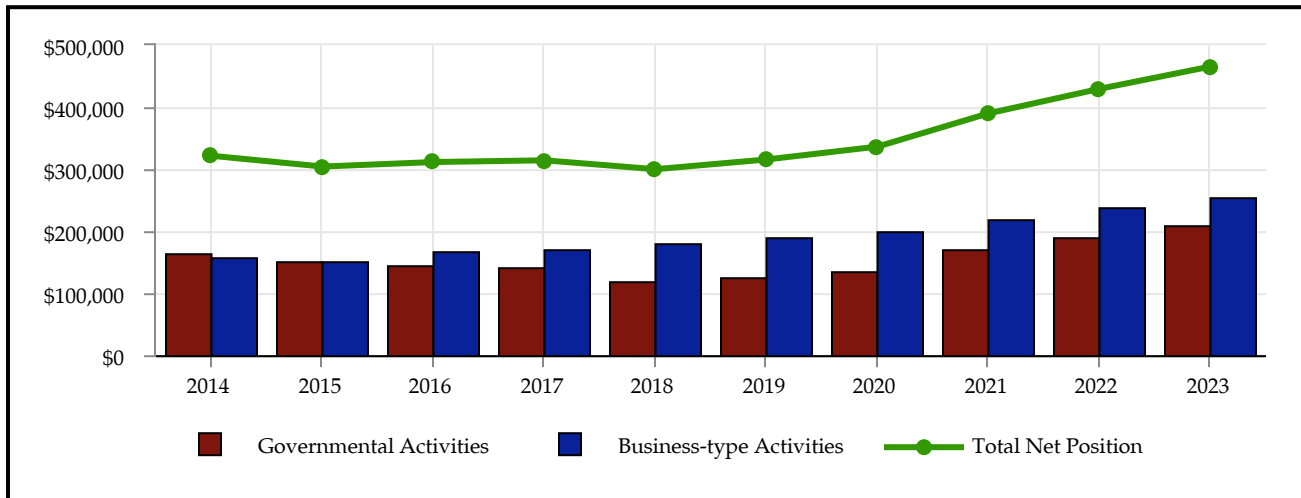


The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net invested/capital assets	\$153,733	\$152,325	\$154,345	\$151,106	\$140,858	\$149,000	\$141,827	\$160,762	\$164,506	\$172,505
Restricted	18,483	22,371	17,491	\$ 25,020	28,292	30,865	36,911	60,089	50,127	54,659
Unrestricted	(7,320)	(23,566)	(27,984)	\$(34,325)	(48,223)	(54,224)	(42,910)	(50,888)	(22,749)	(16,706)
Total governmental activities	\$164,896	\$151,130	\$143,852	\$141,801	\$120,927	\$125,641	\$135,828	\$169,963	\$191,884	\$210,458
Business-type activities										
Net invested/capital assets	\$130,496	\$127,576	\$135,655	\$136,112	\$135,946	\$141,504	\$142,388	\$147,876	\$168,698	\$179,277
Restricted	1,808	2,019	1,835	1,835	1,835	1,600	1,600	1,600	4,830	6,041
Unrestricted	24,463	23,554	30,201	34,580	41,308	46,927	56,637	70,623	64,207	69,802
Total business-type activities	\$156,767	\$153,149	\$167,691	\$172,527	\$179,089	\$190,031	\$200,625	\$220,099	\$237,735	\$255,120
Net position										
Net invested/capital assets	\$284,229	\$279,901	\$290,000	\$287,218	\$276,804	\$290,504	\$284,215	\$308,638	\$333,204	\$351,782
Restricted	20,291	24,390	19,326	\$ 26,855	30,127	32,465	38,511	61,689	54,957	60,700
Unrestricted	17,143	(12)	2,217	\$ 255	(6,915)	(7,297)	13,727	19,735	41,458	53,096
Total net position	\$321,663	\$304,279	\$311,543	\$314,328	\$300,016	\$315,672	\$336,453	\$390,062	\$429,619	\$465,578



CHANGE IN NET POSITION

Last Ten Fiscal Years (Amounts expressed in Thousands - Accrual Basis of Accounting)

Page 1 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenditures										
Governmental activities										
General government	\$ 11,307	\$ 10,935	\$ 11,992	\$ 12,578	\$ 11,570	\$ 18,289	\$ 15,060	\$ 13,217	\$ 11,228	\$ 15,726
Public safety	48,645	48,221	49,780	47,245	42,831	49,007	45,049	40,847	50,674	61,198
Utilities	1,729	455	524	708	576	1,126	670	510	385	414
Transportation	10,839	14,368	12,074	12,837	10,364	9,364	11,753	9,714	11,816	11,727
Economic environment	4,477	5,159	6,340	7,308	6,503	8,193	7,382	12,505	5,576	5,058
Public health services	640	682	614	626	759	1,676	765	834	524	557
Cultural and recreational	7,146	7,711	7,368	7,492	7,370	7,594	7,782	5,046	9,205	10,514
Interest on long-term debt	1,434	1,776	1,540	1,493	1,557	1,656	1,996	1,762	1,650	1,469
Total gov't activities	86,217	89,307	90,232	90,287	81,530	96,905	90,457	84,435	91,058	106,663
Business-type activities										
Transit	8,891	9,045	9,187	9,490	9,092	9,167	8,490	9,166	10,589	10,705
Airport	1,825	1,846	2,012	2,236	1,976	2,100	3,221	3,228	3,891	3,981
Refuse	4,993	4,337	4,603	4,847	4,950	6,518	7,503	7,678	8,397	9,045
Wastewater	15,541	14,403	15,145	17,326	16,802	21,381	19,580	19,375	20,751	22,298
Water	7,111	7,297	7,567	7,749	7,928	10,424	9,406	9,692	10,556	11,359
Irrigation	2,078	2,135	2,276	2,363	2,329	2,287	2,249	2,269	2,462	2,962
Stormwater	1,351	1,609	2,052	2,890	2,411	2,517	2,650	3,305	3,310	2,924
Total business-type activities	41,790	40,672	42,842	46,901	45,488	54,394	53,099	54,713	59,956	63,274
Total Expenditures	\$128,007	\$129,979	\$133,074	\$137,188	\$127,018	\$151,299	\$143,556	\$139,148	\$151,014	\$169,937
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 400	\$ 421	\$ 443	\$ 419	\$ 429	\$ 467	\$ 292	\$ 227	\$ 262	\$ 369
Public safety	7,077	8,504	9,081	8,681	8,357	8,717	7,538	8,687	8,152	8,283
Utilities	217	239	202	257	331	311	220	384	582	300
Transportation	12	47	20	44	41	38	45	38	47	665
Economic environment	2,398	1,730	1,478	1,476	1,900	1,119	900	1,119	1,257	1,725
Public health services	—	—	—	21	15	14	5	—	—	—
Culture & recreational	3,896	3,922	3,823	3,990	4,097	4,030	2,954	3,796	4,857	4,950
Operating grants	5,126	6,700	8,132	6,982	10,362	11,847	11,420	14,913	13,068	13,893
Cap grants/contributions	5,099	1,698	2,358	2,340	2,562	4,954	2,698	11,002	4,469	4,565
Total gov't activities	24,225	23,261	25,537	24,210	28,094	31,497	26,072	40,166	32,694	34,750
Business-type activities										
Charges for services										
Transit	1,368	1,354	1,408	1,347	1,091	1,053	587	541	732	942
Airport	1,236	1,314	1,344	1,428	1,481	1,619	1,195	1,272	1,135	928
Refuse	5,822	5,671	6,918	6,967	7,562	8,018	8,326	8,646	9,373	9,928
Wastewater	21,471	20,932	21,571	20,993	22,255	23,007	23,282	24,044	24,689	24,882
Water	8,650	8,582	9,007	9,177	10,069	10,101	10,805	11,460	11,668	12,155
Irrigation	3,148	3,048	3,053	3,087	3,102	3,181	3,406	3,965	3,543	3,725
Stormwater	2,176	2,272	2,383	3,684	3,719	3,816	4,009	3,760	4,090	4,091
Operating grants	2,547	3,206	2,817	2,602	2,938	3,068	3,804	4,463	4,418	5,680
Cap grants/contributions	4,265	3,226	12,263	4,790	3,262	6,126	3,398	8,537	9,397	8,708
Total business-type activities	50,683	49,605	60,764	54,075	55,479	59,989	58,812	66,688	69,045	71,039
Total revenues	\$ 74,908	\$ 72,866	\$ 86,301	\$ 78,285	\$ 83,573	\$ 91,486	\$ 84,884	\$106,854	\$101,739	\$105,789

CHANGE IN NET POSITION

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

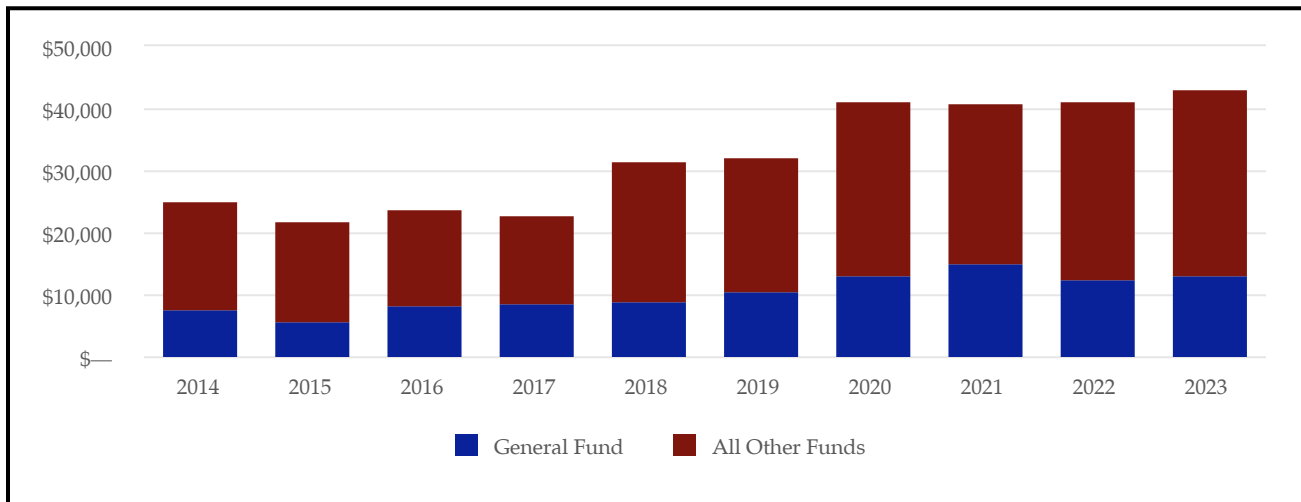
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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in net position										
Governmental activities	\$ (61,991)	\$ (66,045)	\$ (64,692)	\$ (66,076)	\$ (53,438)	\$ (65,407)	\$ (64,388)	\$ (44,268)	\$ (58,364)	\$ (71,912)
Business-type activities	8,895	8,932	17,922	7,172	9,989	5,594	5,713	11,972	9,089	7,766
Total net position	<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>	<u>\$ (49,275)</u>	<u>\$ (64,146)</u>
General revenues & transfers										
Governmental activities										
Taxes										
Property taxes	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,839	\$ 20,688	\$ 21,208	\$ 21,686	\$ 22,060	\$ 22,780
Sales and use taxes	21,537	22,037	22,809	23,146	21,542	22,404	22,450	26,676	27,347	28,241
Other taxes and fees	12,301	12,587	11,989	13,453	14,591	24,238	24,180	26,754	28,675	28,448
Unrestricted investments	371	452	688	711	991	1,395	2,070	(752)	(603)	5,607
Judgments & settlements	1,350	8	—	249	—	—	—	—	—	147
Miscellaneous	356	198	106	15	89	146	241	655	176	180
Extraordinary item	—	—	—	—	(1,747)	—	3,944	3,734	2,017	5,021
Gain/(loss) disp cap asset	(20)	29	217	(91)	(1,191)	68	(11)	(86)	(20)	(22)
Transfers	6,643	8,021	9,563	8,263	8,918	1,182	491	84	84	84
Debt issue cost	—	—	—	—	—	—	—	—	—	—
Total gov't activities	<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>	<u>79,736</u>	<u>90,486</u>
Business-type activities										
Sales and use taxes	5,457	5,566	5,855	5,887	6,171	6,447	6,672	7,741	7,979	8,222
Unrestricted investments	5	(43)	5	7	12	19	9	433	28	176
Judgments & settlements	14	—	—	—	—	—	—	—	—	638
Interest on rents & leases	—	—	—	—	—	—	—	—	129	143
Miscellaneous	400	247	12	4	44	4	—	9	45	10
Gain/(loss) disp cap asset	(118)	43	309	28	87	60	20	(276)	65	3
Transfers	(6,643)	(8,021)	(9,563)	(8,263)	(8,918)	(1,182)	(491)	(84)	(84)	(84)
Total bus-type activities	<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>	<u>8,162</u>	<u>9,108</u>
Total revenues & transfers	<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>	<u>\$ 87,898</u>	<u>\$ 99,594</u>
Change in net position										
Governmental activities	\$ (3,322)	\$ (6,286)	\$ (1,038)	\$ (2,051)	\$ 9,594	\$ 4,714	\$ 10,186	\$ 34,484	\$ 21,372	\$ 18,574
Business-type activities	8,010	6,725	14,541	4,836	7,385	10,942	12,120	19,812	17,857	17,385
Total change in net position	<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>	<u>\$ 39,229</u>	<u>\$ 35,959</u>
Error corrections	—	(17,823)	1,020	(7,261)	(31,290)	—	(1,527)	(686)	329	—
Change net position as restated	<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>	<u>\$ 39,558</u>	<u>\$ 35,959</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 14
Restricted	—	—	—	—	—	—	—	—	—	\$ 2,835
Committed	—	—	1,170	1,359	1,438	1,538	1,539	1,649	1,588	1,460
Unassigned	7,874	5,867	7,097	7,392	7,614	9,209	11,747	13,614	10,982	8,888
Total general fund	7,874	5,867	8,267	8,751	9,062	10,757	13,296	15,273	12,580	13,197
All other governmental funds										
Nonspendable	632	648	655	667	915	908	909	913	921	930
Restricted	9,453	11,501	9,275	9,402	12,683	13,189	17,617	15,909	15,073	16,652
Committed	5,111	2,700	3,907	4,021	3,678	3,243	3,616	3,327	3,565	4,876
Assigned	2,104	1,643	1,814	1,256	5,969	4,081	5,982	5,552	6,396	7,428
Unassigned	—	(366)	—	(1,082)	(533)	(13)	—	—	2,719	—
Total all other gov't funds	17,300	16,126	15,651	14,264	22,712	21,408	28,124	25,701	28,674	29,886
Governmental funds										
Nonspendable	632	648	655	667	925	918	919	923	931	944
Restricted	9,453	11,501	9,275	9,402	12,683	13,189	17,617	16,337	15,073	19,487
Committed	5,111	2,700	5,077	5,380	5,116	4,781	5,155	4,976	5,153	6,336
Assigned	2,104	1,643	1,814	1,256	5,969	4,081	5,982	5,552	6,396	7,428
Unassigned	7,874	5,501	7,097	6,310	7,081	9,196	11,747	13,614	13,701	8,888
Grand total gov't funds	\$ 25,174	\$ 21,993	\$ 23,918	\$ 23,015	\$ 31,774	\$ 32,165	\$ 41,420	\$ 41,402	\$ 41,254	\$ 43,083



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

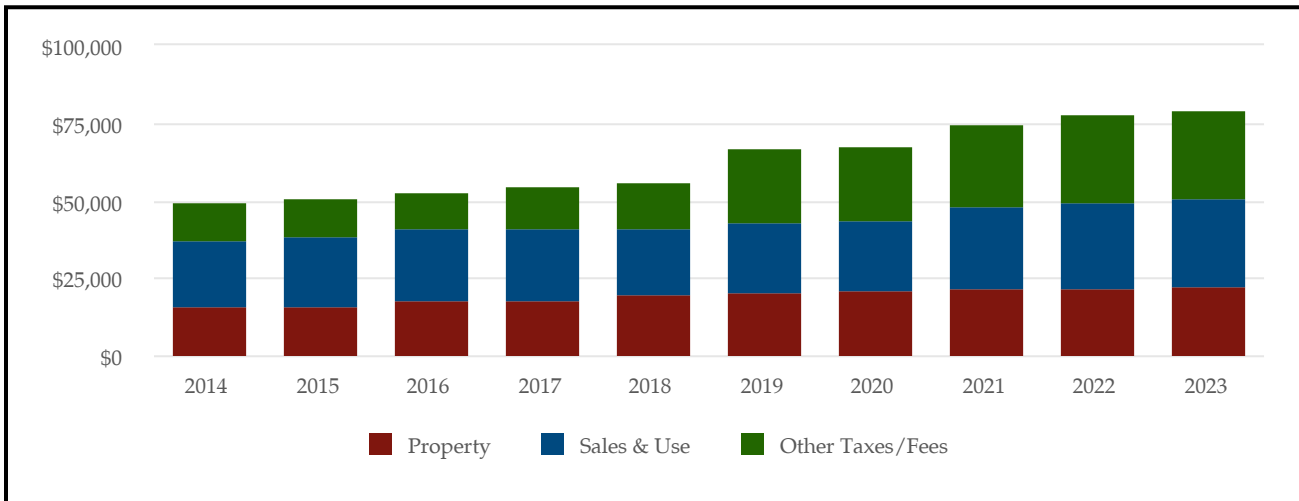
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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes and assessments	\$58,653	\$59,927	\$62,432	\$64,116	\$67,244	\$71,031	\$72,223	\$79,799	\$82,889	\$84,488
Licenses and permits	2,093	2,218	1,913	2,123	2,391	2,456	2,324	2,410	2,491	2,555
Intergov't revenues	8,803	6,842	8,441	7,061	6,864	12,320	13,490	23,268	13,263	16,237
Charges for services	10,766	12,171	13,988	15,039	16,584	15,074	9,067	8,681	8,804	8,989
Fines and forfeitures	1,600	1,606	1,684	2,120	1,766	1,606	1,027	1,385	1,234	1,586
Contributions/donations	—	—	890	510	933	68	172	650	59	186
Investment earnings	411	484	725	749	1,040	1,450	2,121	(736)	(554)	5,711
Other revenue	5,014	1,811	1,708	1,750	1,689	1,305	860	1,240	1,727	1,519
Total revenues	87,340	85,059	91,781	93,468	98,511	105,310	101,284	116,697	109,913	121,271
Expenditures										
Current										
General government	12,742	13,179	14,345	14,914	15,011	15,526	15,321	12,737	13,127	16,505
Public safety	42,143	44,364	45,222	48,345	49,908	50,643	51,759	53,173	60,221	63,320
Utilities	1,551	1,643	1,640	1,857	2,001	333	318	333	386	366
Transportation	5,735	6,388	6,302	7,912	5,875	6,503	8,153	6,078	6,667	6,212
Economic environment	3,948	4,365	4,167	4,286	3,634	4,610	4,372	5,693	5,516	5,080
Public health services	610	651	594	596	592	613	294	697	598	595
Cultural/recreational	5,612	5,940	5,816	5,835	6,150	6,061	6,221	6,546	7,598	7,734
Capital outlay	27,104	11,990	9,788	5,913	6,747	13,556	13,860	26,922	10,438	15,065
Debt service										
Principal	3,284	4,198	4,460	5,476	4,581	4,845	3,669	3,807	3,868	3,894
Interest & other charges	1,272	2,116	1,708	1,669	1,706	1,873	2,174	1,932	1,827	1,751
Total Expenditures	104,001	94,834	94,042	96,803	96,205	104,563	106,141	117,918	110,246	120,522
Excess (deficiency) revenue over (under) expenditures	(16,661)	(9,775)	(2,261)	(3,335)	2,306	747	(4,857)	(1,221)	(333)	749
Other financing (sources) uses										
Transfers in	9,593	9,033	10,367	7,874	13,763	5,157	5,492	5,347	5,583	5,902
Transfers out	(8,947)	(9,065)	(8,878)	(7,973)	(14,165)	(5,986)	(5,942)	(5,262)	(5,498)	(5,818)
Proceeds-issuance LT debt	14,207	5,457	900	2,462	16,450	—	22,389	1,000	—	729
Payments to refunded debt	—	—	—	—	(7,887)	—	(7,957)	—	—	—
Premium issuance/LT debt	1,672	—	—	—	—	—	—	—	—	—
Sale of capital assets	44	230	777	68	42	470	129	118	100	98
Subscription liab issued	—	—	—	—	—	—	—	—	—	169
Other	—	8	—	—	—	—	—	—	—	—
Total other fin sources (uses)	16,569	5,663	3,166	2,431	8,203	(359)	14,111	1,203	185	1,080
Extraordinary item	—	—	—	—	(1,747)	—	—	—	—	—
Net change in fund balances	\$ (92)	\$(4,112)	\$ 905	\$ (904)	\$ 8,762	\$ 388	\$ 9,254	\$ (18)	\$ (148)	\$ 1,829
Debt service as a percentage of noncapital expenses	5.9 %	7.6 %	7.3 %	7.9 %	7.0 %	7.4 %	6.3 %	6.3 %	5.7 %	5.4 %

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE - ACCRUAL

Last Ten Fiscal Years (Amounts Expressed in Thousands - Accrual Basis of Accounting)

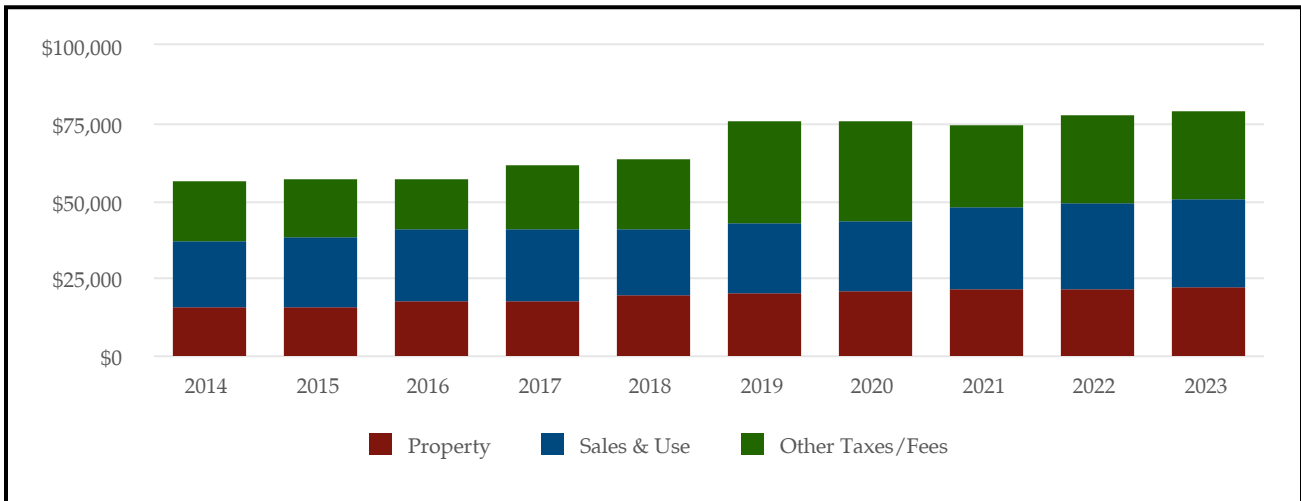
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Source										
Property tax	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,839	\$ 20,688	\$ 21,208	\$ 21,686	\$ 22,060	\$ 22,780
Sales & use tax	21,537	22,037	22,809	23,146	21,542	22,404	22,450	26,676	\$ 27,347	28,241
Utility & other taxes/fees	12,301	12,587	11,989	13,453	14,591	24,238	24,180	26,754	\$ 28,675	28,448
Total	\$ 49,969	\$ 51,051	\$ 53,081	\$ 54,877	\$ 55,972	\$ 67,330	\$ 67,838	\$ 75,116	\$ 78,082	\$ 79,469



GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE - MODIFIED ACCRUAL

Last Ten Fiscal Years (Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)

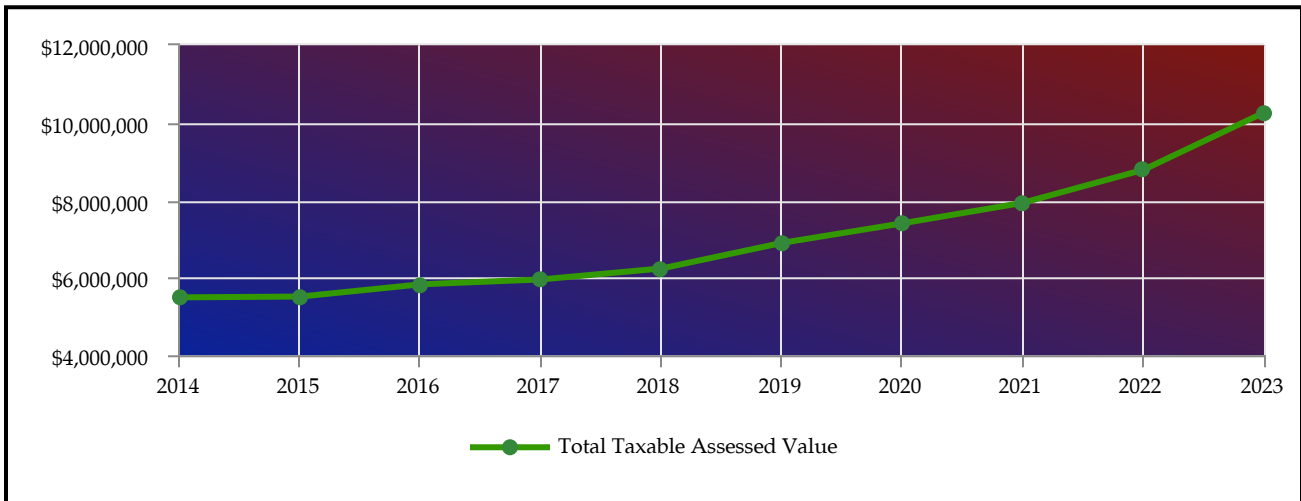
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Source										
Property tax	\$ 16,131	\$ 16,427	\$ 18,283	\$ 18,278	\$ 19,838	\$ 20,687	\$ 21,208	\$ 21,686	\$ 22,060	\$ 22,780
Sales & use tax	21,537	22,037	22,808	23,146	21,541	22,403	22,450	26,676	27,347	28,241
Utility & other taxes/fees	18,945	18,723	16,608	20,466	22,275	32,837	32,694	26,793	28,675	28,448
Total	\$ 56,613	\$ 57,187	\$ 57,699	\$ 61,890	\$ 63,654	\$ 75,927	\$ 76,352	\$ 75,155	\$ 78,082	\$ 79,469



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>
2014	32,312	\$ 5,080,398	\$ 414,099	\$ 5,494,497	3.1188
2015	32,164	5,083,412	431,853	5,515,265	3.1239
2016	32,331	5,357,890	473,413	5,831,303	3.0879
2017	32,681	5,421,658	536,170	5,957,828	3.0830
2018	32,656	5,698,610	542,501	6,241,111	2.9942
2019	32,880	6,350,982	550,357	6,901,339	2.8137
2020	32,920	6,842,856	563,583	7,406,439	2.6732
2021	33,102	7,366,826	569,537	7,936,363	2.5337
2022	33,342	8,226,891	561,328	8,788,219	2.3442
2023	33,551	9,681,328	581,528	10,262,856	2.0664

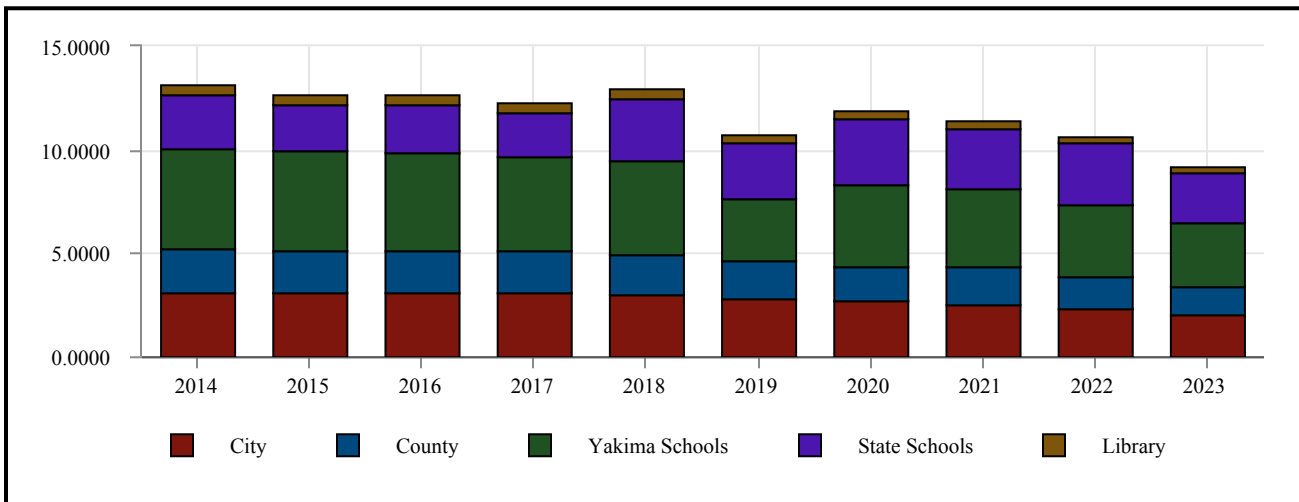


Source: Yakima County Assessor

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
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
2022	2.3442	—	2.3442	1.5098	—	1.5098	1.1893	2.3127	3.5020	2.9507	0.3660	10.6727
2023	2.0664	—	2.0664	1.3158	—	1.3158	1.0286	2.0664	3.0950	2.4205	0.3306	9.2283



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	2023			2014		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Washington Fruit & Produce	\$ 116,192	1	1.0%			
The Lodges Yakima	60,116	2	0.5%			
Novolex Shields	49,414	3	0.4%	\$ 32,499	3	0.6%
Chiawana	45,311	4	0.4%			
Walmart Stores	41,909	5	0.4%	37,419	2	0.7%
Castle Creek Apartments	40,664	6	0.3%	19,278	10	0.4%
John I Haas	40,103	7	0.3%	26,223	4	0.5%
Yakima Valley Memorial Hospital	38,364	9	0.3%			
Longview Fibre Paper & Packaging	35,674	8	0.3%	24,968	5	0.5%
Cascade Natural Gas	34,479	9	0.3%	19,402	9	0.4%
New Columbia Fruit Packers	34,255	10	0.3%			
Yakima HMA	—			60,942	1	1.1%
Michelsen Packaging	—			22,852	6	0.4%
Pacificorp / Pacific Power & Light	—			22,103	7	0.4%
Wide Hollow Development	—			21,193	8	0.4%
Total	\$ 536,481		4.5%	\$ 146,632		5.4%

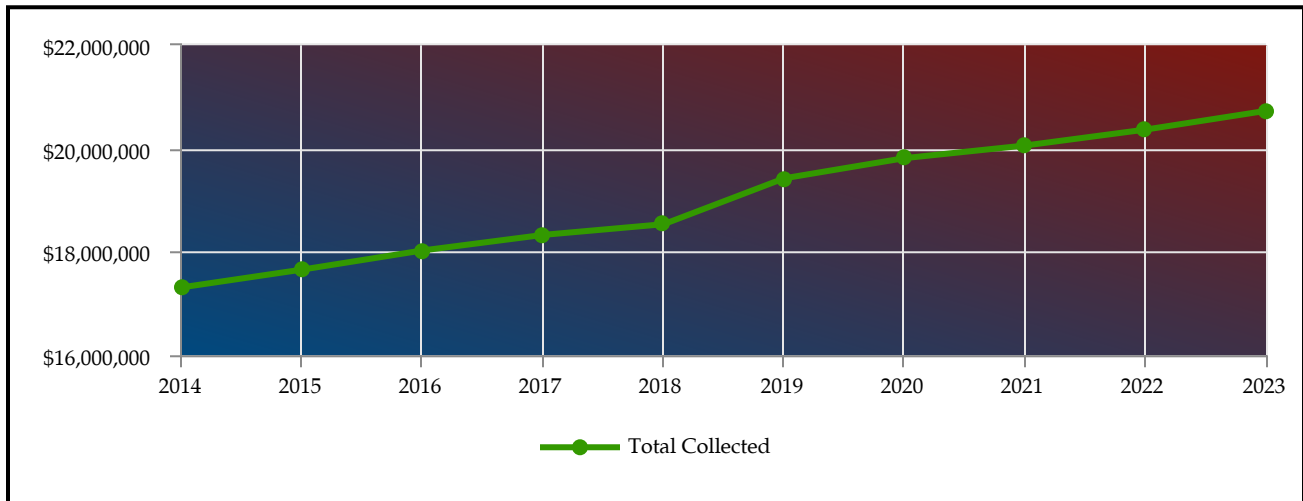
Source: Yakima County Treasurer



PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended	Certified 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
2014	\$ 17,315,507	\$ 16,975,648	98.0%	\$ 339,863	\$ 17,315,511	100.0%
2015	17,658,940	17,325,866	98.1%	333,076	17,658,942	100.0%
2016	18,029,818	17,721,666	98.3%	308,155	18,029,821	100.0%
2017	18,330,292	18,040,023	98.4%	290,270	18,330,293	100.0%
2018	18,537,531	18,226,175	98.3%	311,163	18,537,338	100.0%
2019	19,425,504	19,103,316	98.3%	321,869	19,425,185	100.0%
2020	19,818,126	19,487,588	98.3%	328,105	19,815,693	100.0%
2021	20,099,861	19,787,773	98.4%	272,405	20,060,178	99.8%
2022	20,510,389	20,127,747	98.2%	240,360	20,368,107	99.3%
2023	21,214,836	20,730,775	97.7%	—	20,730,775	97.7%

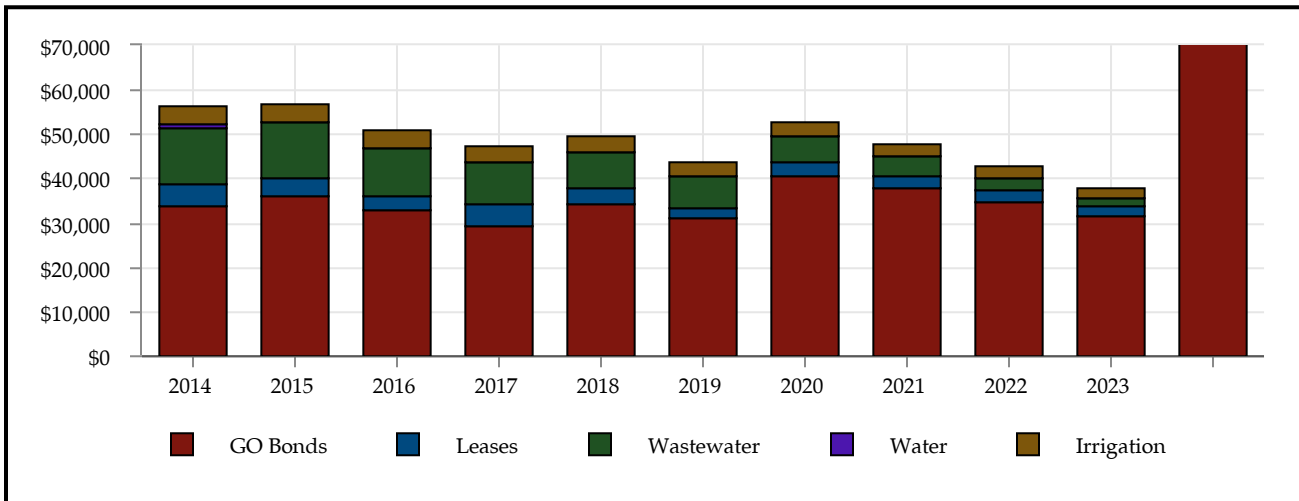


Source: Yakima County Property Tax/Special Assessment Fund Activity report.

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 Bonds	Equipment Agreements	Wastewater Bonds	Water Bonds	Irrigation Bonds				
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	2.8%	93,220	609
2016	32,902	3,182	11,050	—	3,825	50,959	2.7%	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	2.4%	95,490	552
2021	37,793	2,890	4,275	—	2,905	47,863	1.9%	97,810	489
2022	34,760	2,566	2,880	—	2,720	42,926	1.5%	98,200	437
2023	31,805	2,225	1,430	—	2,525	37,985	n/a	98,650	385

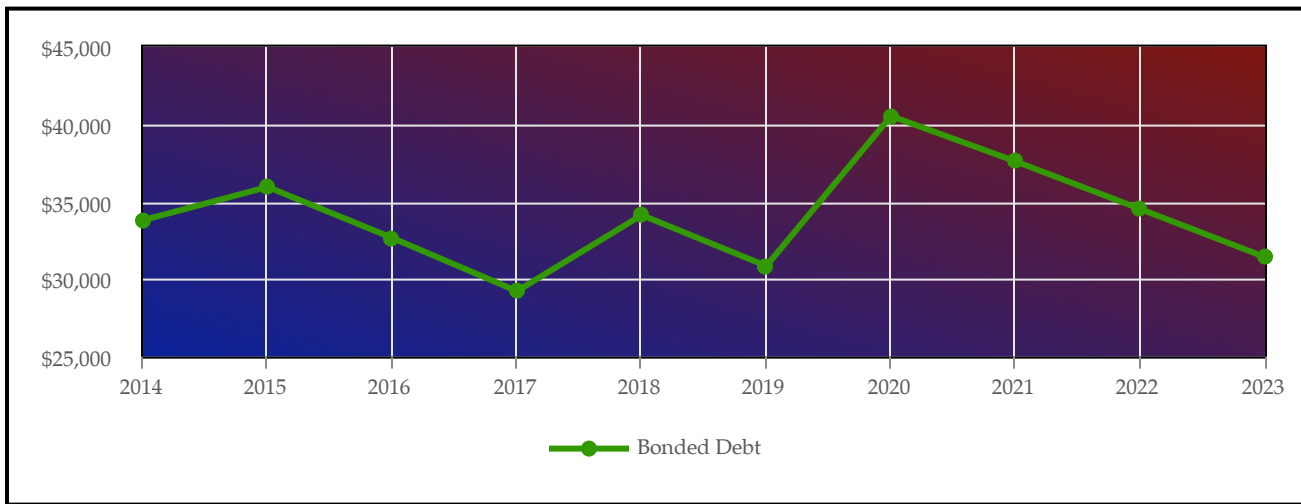


Note: Details regarding the city's outstanding debt can be found in the [Notes of the Financial Statements](#). See the schedule of [Demographic and Economic Statistics](#) in this section for personal income (most recent year income not available until next year). Income numbers updated from current Census Bureau website in 2023.

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
2014	\$ 34,039	\$ 239	\$ 33,800	0.6%	\$ 363
2015	36,213	267	35,946	0.7%	386
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%	384
2022	34,760	241	34,519	0.4%	352
2023	31,805	384	31,421	0.3%	319



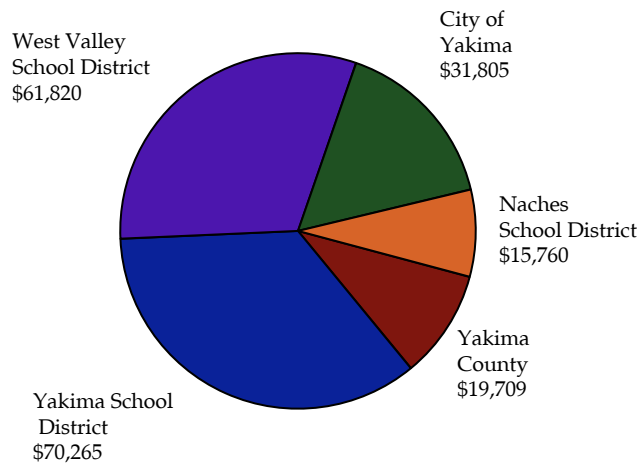
Note: Excludes Local Improvement Districts' bonded debt and their respective funds in the Debt Service Funds.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2023 (Amounts Expressed in Thousands)

Governmental Unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Yakima County	\$ 19,709	37.2%	\$ 7,332
Yakima School District	70,265	92.5%	64,995
West Valley School District	61,820	63.4%	39,194
Naches School District	15,760	0.4%	63
Subtotal - overlapping debt	167,554		111,584
City of Yakima direct debt	31,805		31,805
Total direct and overlapping debt	\$ 199,359		\$ 143,389

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$413,645	\$424,379	\$437,348	\$446,537	\$468,083	\$517,600	\$555,483	\$595,227	\$659,116	\$769,714
Net outstanding indebtedness	43,235	49,962	43,662	29,244	31,667	24,572	32,857	28,506	30,508	27,004
Legal debt margin	<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>	<u>\$628,608</u>	<u>\$742,710</u>
Total net debt applicable to the limit as a percentage of debt limit	10.5%	11.8%	10.0%	6.5%	6.8%	4.7%	5.9%	4.8%	4.6%	3.5%

Legal Debt Margin Calculation for fiscal year 2023

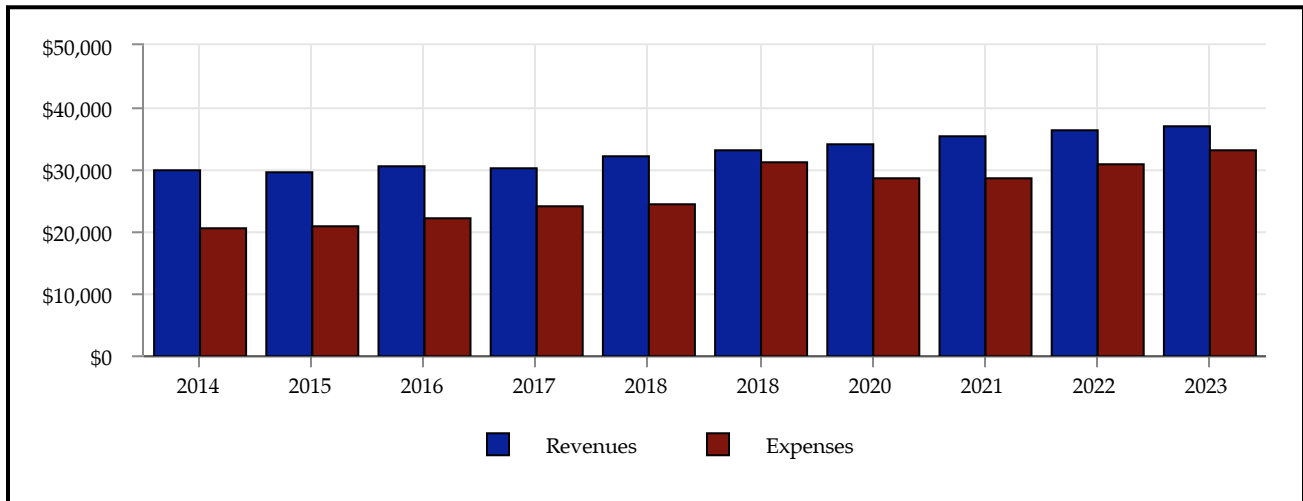
Total assessed value	\$10,262,856
Debt limit (7.5%) of total assessed value	769,714
General purpose legal debt margin	
Councilmanic debt (without a vote) 1.5% of total assessed value	153,943
Debt applicable to councilmanic limit:	
General obligation bonds & other debt	39,731
Less: amount set aside for repayment of general obligation debt	<u>12,726</u>
Net debt applicable to councilmanic limit	<u>27,005</u>
Total legal debt margin - councilmanic	126,938
Voted general obligation debt (additional 1% Total assessed value)	102,629
Debt applicable to limit	—
Voted utility purposed debt (additional 2.5% total assessed value)	256,571
Debt applicable to limit	—
Voted open space and park debt (additional 2.5% total assessed value)	256,571
Debt applicable to limit	—
Total legal debt margin - all categories	<u>\$ 742,709</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		
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	1,350	235	4.21	
2022	36,357	31,105	5,252	1,395	202	3.29	
2023	37,037	33,069	3,968	1,450	133	2.51	

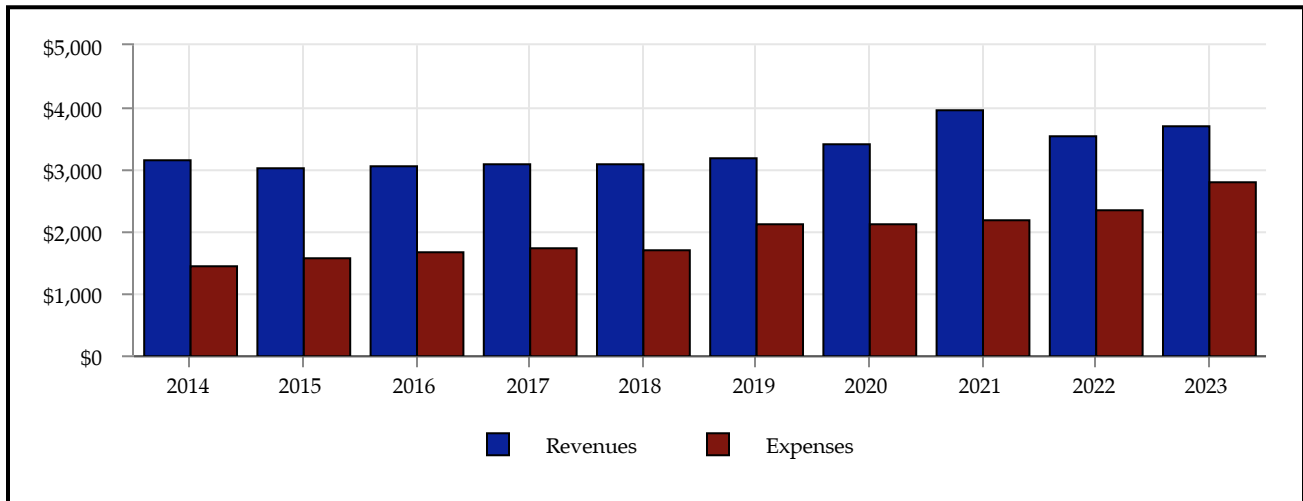


Note: Operating expenses exclude depreciation, amortization and City taxes

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		
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	
2022	3,543	2,347	1,196	185	115	3.99	
2023	3,725	2,792	933	195	169	2.56	

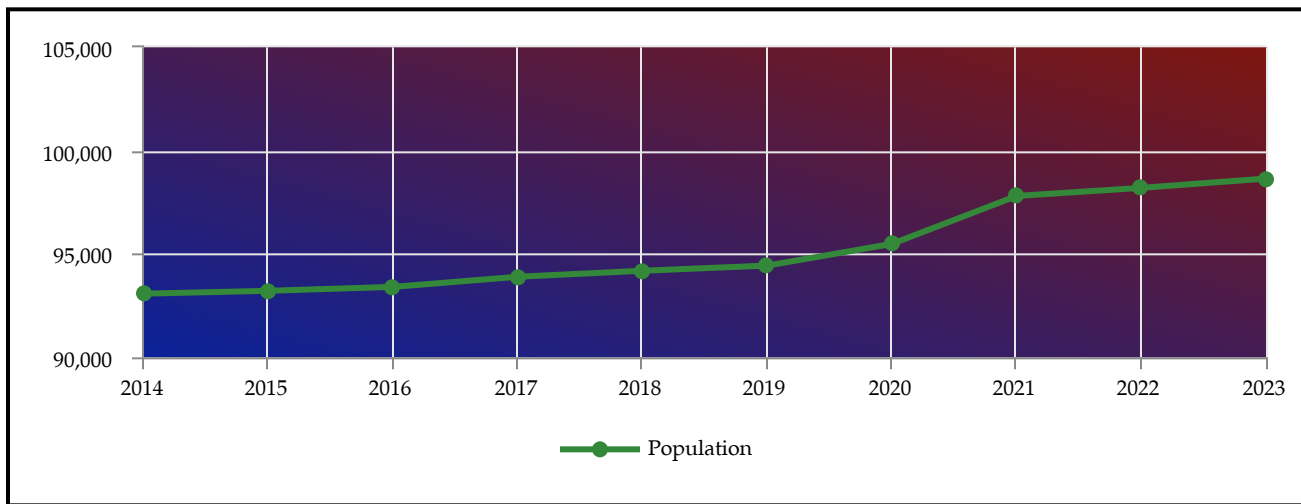


Note: Operating expenses exclude depreciation, amortization and City taxes.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	City Population	Personal Income ¹	Median Earnings	Median Age	School Enrollment	County
						Unemployment Rate
2014	93,080	\$ 1,895,841	\$ 22,900	34.5	15,428	8.4%
2015	93,220	2,050,864	25,394	34.0	15,768	7.8%
2016	93,410	1,879,650	25,264	32.5	15,999	7.5%
2017	93,900	1,948,245	25,435	32.5	15,658	6.7%
2018	94,190	2,217,294	28,508	35.5	15,974	6.4%
2019	94,440	2,039,098	27,465	33.4	16,066	7.1%
2020	95,490	2,204,478	28,697	33.6	16,013	9.4%
2021	97,810	2,473,101	31,940	36.2	16,406	7.0%
2022	98,200	2,776,688	37,104	33.4	15,711	6.1%
2023	98,650	----- Not Yet Available -----	-----	-----	15,394	6.0%



Sources: Population - Office of Financial Management (OFM), Personal Income, Median Earnings and Age - U.S. Census Bureau, School Enrollment - Yakima School District and Unemployment Rate (seasonally adjusted/Yakima) - Employment Security Department.

¹ Due to changes in the U.S. Census Bureau website categorizations in recent years, Personal Income, Median Earnings and Median Age numbers have been updated to be consistent with the current website. 2020 Personal Income, for example, changed from \$2,268,972 in the 2021 ACFR to \$2,204,478 in the 2023 ACFR and the chart above.

PRINCIPAL EMPLOYERS - YAKIMA COUNTY

Current Year and Nine Years Ago

	2023			2014		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Washington Fruit & Produce	3,800	1	2.9%			
Yakima Valley Farm Workers Clinic	2,518	2	1.9%			
MultiCare Yakima Memorial Hospital	2,500	3	1.9%	2,500	1	2.1%
Borton Fruit	2,500	4	1.9%			
Walmart - Yakima/Sunnyside/Grandview	1,700	5	1.3%	1,500	3	1.3%
Yakima School District, No. 7	1,594	6	1.2%	1,800	2	1.5%
Zirkle Fruit	1,500	7	1.1%			
Monson Fruit	1,437	8	1.1%			
Yakama Nation Government Operations	1,289	9	1.0%			
Astria Health - Yakima/Sunnyside/Toppenish	1,200	10	0.9%	750	9	0.6%
Yakima County				1,100	6	0.9%
Washington Department of Social/Health Services				1,400	4	1.2%
Del Monte Foods - Yakima/Toppenish				1,200	5	1.0%
Yakima Valley Farm Workers Clinic				1,006	7	0.8%
AB Foods/Washington Beef				850	8	0.7%
Tree Top, Inc				550	10	0.5%
Total Top 10	20,038		15.2%	6,856		5.7%

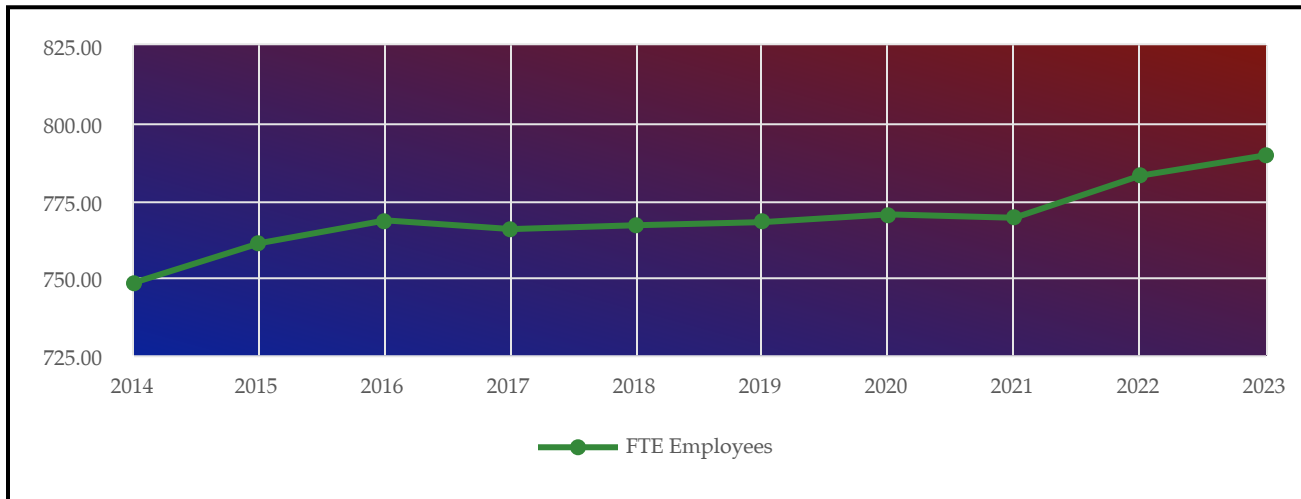
Sources: Number of employees are approximated via Yakima County Development Association and corporate websites. Percentages based on the Civilian Labor Force from the Employment Security Department - Local Area Unemployment Statistic (LAUS).



FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years - Adopted Budget

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	147.47	150.72	152.22	148.30	148.55	136.55	135.55	135.55	137.80	140.20
Police										
Officers	145.00	145.00	145.00	148.00	148.00	144.00	143.00	143.00	143.00	143.00
Civilians	50.00	52.00	52.00	47.00	47.00	45.00	45.00	45.00	47.00	49.00
Fire										
Firefighters and officers	86.00	96.00	100.00	101.00	100.00	101.00	101.00	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	4.00
Highways & Streets										
Traffic Engineering	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00	9.00
Streets	23.00	22.00	22.00	22.00	22.00	24.00	24.00	24.00	24.00	24.00
Parks & Recreation	21.30	21.30	21.30	20.90	20.90	22.90	23.40	23.40	24.73	25.38
Total General Government	484.77	499.02	504.52	499.20	498.45	485.45	483.95	482.95	489.53	495.58
Neighborhood Development	8.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Community Relations	5.00	5.00	5.00	5.00	5.00	5.00	6.00	5.00	6.00	5.00
Clean City Fund	—	—	—	—	—	—	—	—	6.00	6.00
Cemetery	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety Communications	35.00	35.00	35.00	36.00	36.00	36.00	36.00	36.00	37.00	37.00
Airport	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.70	8.70	9.00
Transit	53.95	54.95	56.80	54.30	54.30	54.30	55.30	55.50	55.50	56.75
Refuse	20.50	20.00	20.00	21.00	22.00	22.00	22.00	24.00	23.00	24.00
Wastewater/Stormwater	69.20	70.20	70.20	72.20	72.20	72.20	72.20	72.20	72.20	72.20
Water	35.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Irrigation	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Utility Services ²	—	—	—	—	—	14.00	16.00	15.00	15.00	15.00
Equipment Rental	12.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Public Works	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	9.00
	748.42	761.17	768.52	765.70	766.95	767.95	770.45	769.35	782.93	789.53



² 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Incidents cleared by arrest ³	4,270	4,950	5,006	4,836	4,815	4,616	4,128	4,223	4,858	4,184
Parking violations	3,150	3,218	1,545	2,379	2,062	1,224	811	651	732	988
Traffic violations	13,953	13,437	14,241	16,238	13,510	14,281	7,490	8,304	9,238	12,368
Fire										
Number of calls answered	7,606	8,987	9,318	9,690	10,063	10,551	11,605	12,994	12,235	12,573
Inspections	3,799	5,101	5,658	5,458	5,766	4,993	1,828	2,171	3,045	2,066
Culture and recreation										
Community Center admissions	125,428	117,881	110,136	125,382	126,516	125,702	38,739	69,452	87,122	113,684
Highways and streets										
Street resurfacing (miles)	23	3	22	2	4	3	3	2	2	2
Refuse										
Customer accounts ⁴	n/a	n/a	n/a	n/a	n/a	25,369	25,377	25,634	25,380	25,383
Refuse collected (tons/day)	100	90	104	116	109	111	131	130	132	133
Yard waste collected (tons/day)	19	14	19	19	32	18	21	21	20	22
Irrigation										
Customer accounts ⁵	10,619	10,619	10,620	11,545	12,176	10,323	10,353	10,359	10,363	10,370
Water										
Customer accounts	19,558	19,588	18,977	22,505	23,034	19,579	19,732	19,938	20,065	19,611
New connections	52	71	76	44	119	126	139	153	107	52
Water main breaks	5	5	7	18	6	13	10	4	10	7
Average daily consumption (thousands of gallons)	10,518	10,899	11,057	10,661	10,421	10,077	10,155	10,402	10,503	9,207
Wastewater										
Customer accounts	27,598	29,956	27,098	31,169	31,729	25,817	25,985	26,278	26,577	26,733
Average daily sewage treatment (thousands of gallons)	10,200	9,244	10,500	9,700	8,410	9,002	8,470	8,700	8,700	8,750

³ 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. This information was updated in 2017 to the current format.

⁴ Refuse customer accounts started tracking in 2019.

⁵ Customer accounts for Irrigation, Water and Wastewater were counted differently beginning in 2019.

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Page 1 of 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	5	6	6	6	6	6	6	6	6	6
Culture and recreation										
Parks acreage	346	393	436	403	393	377	377	377	377	377
Parks	34	35	39	36	35	35	35	36	36	36
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis/pickleball courts	24	24	24	24	24	29	29	29	29	29
Community centers	2	2	3	3	3	3	3	3	3	3
Highways and streets										
Streets (miles)	369	398	404	400	404	406	406	406	408	408
Streetlights	4,280	3,706	4,214	4,340	4,352	5,008	5,008	5,008	5,008	5,008
Traffic signals / Flashers	154	165	173	175	179	181	181	181	185	185
Refuse										
Collection trucks	22	22	21	21	21	21	22	22	23	23
Water										
Water mains (miles)	300	300	300	300	300	300	306	306	306	307
Fire hydrants (city owned)	2,285	2,285	2,345	2,357	2,384	2,401	2,405	2,410	2,435	2,439
Maximum daily capacity (thousands of gallons)	36,520	36,520	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250
Wastewater										
Sanitary sewers (miles)	337	344	350	355	357	359	361	364	364	368
Storm sewers (miles)	105	105	138	148	148	149	165	166	169	170
Maximum daily capacity (millions of gallons)	21.5	21.5	21.5	21.5	21.5	21.5	21.5	22	22	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.

2023 GENERAL INFORMATION***Statistics**

Date of incorporation	1886
Form of government	Council-Manager
Type of government	Charter City
Location	Central Washington
Land area	28.32 square miles
Rank in size - State	11
Rank in size - County	1
Population	98,650
Assessed valuation	\$10,262,855,817
City employees (FTE's)	789.53
Precincts	69
Registered voters	51,845

Property Tax Levy

Regular levy	\$21,207,174
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Sales Tax Rates

State	6.50 %
City of Yakima	0.85 %
Transit	0.30 %
Public Safety	0.30 %
Yakima County	0.15 %
Criminal Justice	0.10 %
Mental Health	0.10 %
Total Sales Tax rate	8.30 %

Utility and Franchise Tax Rates

Electricity, Gas, Telephone	6 %
Water, Wastewater	20 %
Stormwater	15 %
Refuse	20 %
TV/Cable	6 %

Special Tax Rates

Tourist Promotion Area - Room/Night	\$4.00
Special Hotel/Motel - Lodging Tax	0.03 %
PFD - Convention & Event Center	0.033 %
PFD - Capital Theatre	0.025 %

Utility Rates (2 months)

Water - average/family of 4 (20 units)	\$69.96
Each unit	\$2.18
Wastewater - average/family of 4 (20 units)	\$121.03
Each unit	\$3.59
Refuse (carry-out available for additional Automated collection	
32 gallon cart	\$43.30
96 gallon cart	\$49.80
Yard waste	
96 gallon cart	\$39.00
Irrigation (per square foot)	\$0.0427

Fire Protection

Commissioned fire fighting personnel	101
Number of non-commissioned personnel	4
Total number of fire personnel	105

Police Protection

Commissioned police personnel	143
Non-commissioned police personnel	49
Total number of police personnel	192
2023 calls for service	117/day

Parks and Recreation

Total acreage	377
Number of parks	36
Number of playgrounds	20
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	

Licenses and Permits Issued

2023 Business Licenses - sliding scale starts at \$42.90 for 1 - 2 employees, maximum of \$1,285.20 for over eighty employees	4,976
2023 Regulatory Licenses - Varies from \$11.00 to \$1,000	393

Water/Wastewater Customers - January 1st

Water (inside the City)	19,520
Water (outside the City)	91
Total water customers	19,611
Wastewater residential (inside the City)	26,675
Wastewater residential (outside the City)	58
Total wastewater customers	26,733
Irrigation customers	10,370
Refuse accounts	25,383

Bus Passes (1 month)

Adult	\$25.00
Youth	Free
Senior citizen/disabled	\$9.00

Animal License Fees - Rabies Vaccination Required

1 Year License - Altered	\$25.00
3 Year License - Altered	\$60.00
1 Year Senior Citizens License - Altered	\$12.50
3 Year Senior Citizens License - Altered	\$30.00
1 Year License - Not Altered	\$75.00
3 Year License - Not Altered	\$180.00
Replacement License	\$10.00

* Note: For informational purposes only - not intended for official or legal purposes.

