



CITY OF Yakima

Washington

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Annual Financial Report offers readers the City's financial statements for the fiscal year ended December 31, 2024. 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 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 2024 ending fund balance of the General Fund was \$18.2 million, which represents 27.4% of total General Fund expenditures, compared to an ending fund balance of \$13.2 million, or 17.8%, in 2023. The fund balance of the General Fund is more than prior year mainly due to allocating \$10.1 million in personnel costs to ARPA for revenue replacement to help support labor costs for Police and Fire, and an increase in investment earnings.
- The total assets and deferred outflows of the City of Yakima, government-wide, encompassing all funds, exceeded its liabilities and deferred inflows, by \$511.9 million. Net position invested in capital (net of depreciation and related debt) account for 73.3% of this amount, with a value of \$375.3 million.
- The City's total net position increased by \$46.3 million to \$511.9 million from \$465.6 million. Funding received for program revenues increased by \$9.4 million, while funding for various general revenues increased by \$7.5 million, mainly due to capital grant funding for Streets project on N. First Street and the allocation of ARPA funding.

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 belownational-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) <u>Government-Wide Financial Statements</u>, 2) Fund Financial Statements, and 3) Notes to the Financial Statements.

Government-Wide Financial Statements

There are two government-wide financial statements, the <u>Statement of Net Position</u> and the <u>Statement of Activities</u>, 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 <u>Statement of Net Position</u> 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 <u>Statement of Activities</u> 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 2023, 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 2024.

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 Governmental Accounting Standards Board (GASB) statements. 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 Fund Statement of Revenues, Expenditures, and Changes in Fund

<u>Balances</u> provide reconciliation to the 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 <u>Statement of Net Position</u>, <u>Proprietary Funds</u> to the business-type column on the government-wide <u>Statement of Net Position</u>, 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 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 \$511.9 million at December 31, 2024, of which \$244.4 million represents governmental activities and \$267.4 million represents business-type activities. The following table reflects the condensed Government-Wide Statement of Net Position with comparative totals for 2023.

NET POSITION

	Government	tal Activities	Business-Ty	pe Activities	Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 119,706,913	\$ 130,924,850	\$ 98,646,433	\$ 92,708,820	\$ 218,353,346	\$ 223,633,670
Net capital assets	227,117,717	212,586,292	197,736,468	194,916,680	424,854,185	407,502,972
Total assets	346,824,630	343,511,142	296,382,901	287,625,500	643,207,531	631,136,642
Deferred outflows	26,574,167	19,259,343	4,388,751	3,135,853	30,962,918	22,395,196
Liabilities						
Payables & other liabilities	31,996,836	40,918,326	9,768,328	9,555,807	41,765,164	50,474,133
Long-term liabilities	87,508,236	97,482,992	16,142,809	18,106,099	103,651,045	115,589,091
Total liabilities	119,505,072	138,401,318	25,911,137	27,661,906	145,416,209	166,063,224
Deferred inflows	9,459,739	13,910,634	7,439,565	7,978,730	16,899,304	21,889,364
Net Position						
Net investment in capital assets	191,204,560	172,505,162	184,139,156	179,277,104	375,343,716	351,782,266
Restricted	59,254,127	54,659,426	5,373,239	6,041,373	64,627,366	60,700,799
Unrestricted	(6,024,700)	(16,706,055)	77,908,556	69,802,240	71,883,856	53,096,185
Total net position	\$ 244,433,987	\$ 210,458,533	\$ 267,420,951	\$ 255,120,717	\$ 511,854,938	\$ 465,579,250

The City of Yakima's assets total \$643.2 million as of December 31, 2024. Of this amount, \$424.9 million is accounted for by capital assets, which includes infrastructure and construction in progress. Out of \$227.1 million in capital assets reported in governmental activities, \$102.1 million (45.0%) is accounted for by infrastructure acquisitions (including the right-of-way land associated with these projects and land under the road). Out of \$197.7 million in capital assets reported in business-type activities, \$114.8 million (58.1%) is accounted for in major repairs that result in improvements/betterments.

Of the remaining assets, governmental activates makes up \$119.7 million, approximately \$71.3 million was accounted for in cash, cash equivalents, investments, restricted cash and restricted investments, \$24.2 million in various receivables, \$23.1 million in net pension assets and \$1.0 million in inventories and prepayments. Business-type Activities makes up \$98.6 million, \$71.8 million was accounted for in cash, cash equivalents, investments, restricted cash and restricted investments, \$23.6 million in various receivables, \$2.6 million in net pension assets and \$704,965 in inventories and prepayments.

Total liabilities combined for governmental and business-type activities is \$145.4 million which is a decrease from \$166.1 million compared to 2023. For governmental activities the decrease is attributed to a lower pension liability, a change to compensated absence liability and the completion of a HUD Section 108 loan. For business-type Activates the decrease is attributed to a change in compensated absence liability and various long-term commitments nearing the end of their liability.

The remaining liabilities for the entire City in both governmental and business-type activities total \$41.8 million, which is a decrease from \$50.5 million in 2023. The primary reason for the change is earned ARPA revenue of \$12.9 million.

The total Net Position of \$511.9 million increased from \$465.6 million in 2023. For governmental activities the deficit of \$6,024,700 in unrestricted net position, which indicates the City has long-term commitments that exceed currently available resources, decreased from a deficit of \$16.7 million in 2023. This is primarily due to an increase in the City's net amount invested in capital assets, and to long-term commitments nearing the end of their liability. For business-type activities, restricted funds increased primarily due to an increase in the City's net amount invested in capital assets, as noted above, and the end of a debt service that restricted \$1.6 million. The

largest portion of the City's net position (73.3%) 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 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, 12.6% of the City's net position is subject to external restrictions on how they may be used (restricted by the <u>Revised Code of Washington</u> or by contractual agreements with parties outside of the primary government).

CHANGES IN NET POSITION

	Governmen	tal Activities	Business-Ty	pe Activities	Total		
	2024	2023	2024	2023	2024	2023	
Revenues							
Program revenues							
Charges for services	\$ 16,998,677	\$ 16,292,430	\$ 58,332,432	\$ 56,651,389	\$ 75,331,109	\$ 72,943,819	
Operating grants & contributions	10,317,866	13,892,637	4,935,897	5,680,173	15,253,763	19,572,810	
Capital grants & contributions	16,591,619	4,564,967	7,988,358	8,708,060	24,579,977	13,273,027	
General revenues							
Property taxes	24,279,497	22,779,895	_	_	24,279,497	22,779,895	
Sales and use taxes	28,002,773	28,240,569	8,098,787	8,222,136	36,101,560	36,462,705	
Other taxes and fees	28,217,148	28,448,477	_	_	28,217,148	28,448,477	
Unrestricted investment earnings	6,048,181	5,606,916	165,124	176,131	6,213,305	5,783,047	
Other revenues	212,409	304,606	(783,874)	793,972	(571,465)	1,098,578	
Grants/contracts not program restricted	12,874,261	5,021,498	527,591	511,356	13,401,852	5,532,854	
Total revenues	143,542,431	125,151,995	79,264,315	80,743,217	222,806,746	205,895,212	
Expenditures							
General government	14,968,847	15,725,820	_	_	14,968,847	15,725,820	
Public safety	63,558,873	61,197,716	_	_	63,558,873	61,197,716	
Utilities	501,728	414,091	_	_	501,728	414,091	
Transportation	12,969,571	11,726,848	_	_	12,969,571	11,726,848	
Economic environment	5,825,270	5,057,900	_	_	5,825,270	5,057,900	
Public health services	681,056	556,836	_	_	681,056	556,836	
Cultural & recreational	9,868,637	10,513,855	_	_	9,868,637	10,513,855	
Interest on long-term debt	1,277,444	1,468,963	_	_	1,277,444	1,468,963	
Transit	_	_	11,601,999	10,704,987	11,601,999	10,704,987	
Airport	_	_	4,635,538	3,980,858	4,635,538	3,980,858	
Refuse	_	_	9,365,519	9,045,001	9,365,519	9,045,001	
Wastewater	_	_	23,545,281	22,298,447	23,545,281	22,298,447	
Water	_	_	11,734,180	11,358,573	11,734,180	11,358,573	
Irrigation	_	_	2,867,451	2,961,514	2,867,451	2,961,514	
Stormwater	_	_	3,129,665	2,924,479	3,129,665	2,924,479	
Total expenditures	109,651,426	106,662,029	66,879,633	63,273,859	176,531,059	169,935,888	
Excess (deficiency) before transfers	33,891,005	18,489,966	12,384,682	17,469,358	46,275,687	35,959,324	
Transfers	84,448	84,448	(84,448)	(84,448)	_	_	
Change in net position	33,975,453	18,574,414	12,300,234	17,384,910	46,275,687	35,959,324	
Net position - beginning	210,458,532	191,884,120	255,120,714	237,735,804	465,579,246	429,619,924	
Net position - ending	\$ 244,433,985	\$ 210,458,534	\$ 267,420,948	\$ 255,120,714	\$ 511,854,933	\$ 465,579,248	
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The Statement of Activities (Changes in Net Position)

The City's total net position increased by \$46.3 million to \$511.9 million from \$465.6 million. Net position for governmental activities increased by \$34.0 million, primarily due to ARPA funding allocated for revenue replacement for labor costs, an increase in investment earnings and a variety of completed infrastructure projects. Net positions in business-type activities increased by \$12.3 million primarily due to an increase in investment earnings, capital grant funding, a decrease in compensated absences due new standards of GASB 101 and a decrease in Pension liability.

Governmental Activities - Total taxes increased by \$1.0 million or 1.3% from \$79.5 million to \$80.5 million.

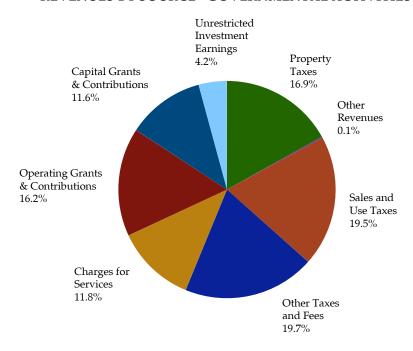
- Property Taxes increased \$1.5 million due to an increase in the EMS Levy which imposes a property tax of \$0.25/\$1,000 AV for Emergency Medical Services (EMS).
- Sales Tax and lodging taxes decreased by \$237,796 or 0.8% from 2023 due to a decrease in consumer spending.
- Other Taxes and Fees decreased by \$231,329 due mainly to a decrease in Utility taxes for cellular, telephone and natural gas.

Capital grants and contributions of \$16.6 million increased from \$4.6 million in 2023 due to funding for the City's street project on N. First Street and the aquatic center at the Martin Luther King Jr. Park. In addition, the grants/contracts not program restricted of \$12.9 million increased from \$5.0 million due to earned ARPA revenue.

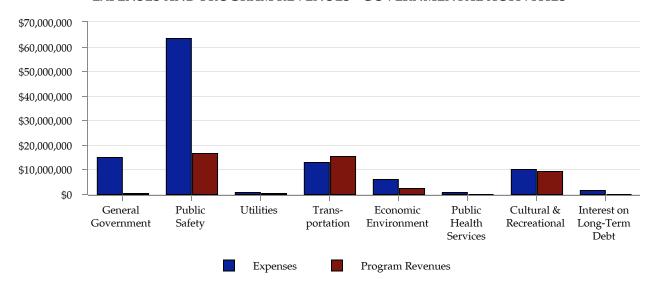
Expenses for the year totaled \$109.7 million which decreased from \$106.7 million due to the ARPA funding allocation of revenue replacement for Fire and Police labor costs.

Following are graphs which illustrate revenue by source and expenditures by program for governmental activities.

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES

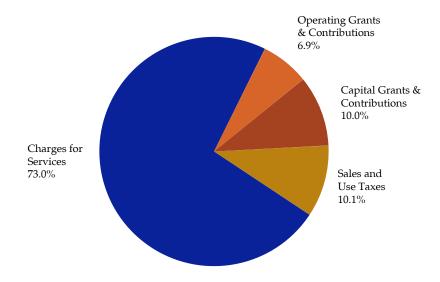


Business-Type Activities - Total revenues are \$79.3 million, which is a decrease from \$80.7 million in 2023, mainly in other revenues, due to the disposal of capital assets under the City's \$10,000 threshold. Although there was an overall decrease in total revenues, there was a \$1.7 million increase in charges for services from 2024 to 2023 due to a full year of Airport parking fee charges and an incremental increase in water rates.

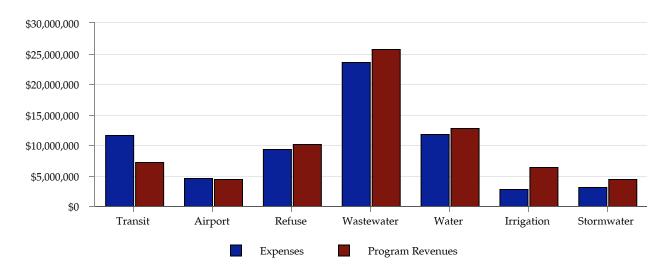
Total expenses are \$66.9 million which is an increase from \$63.3 million in 2023. The increase is mainly due to Airport's terminal building modernization phase 1 project.

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 (73.6%) 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

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, 2024, the City's governmental funds reported combined fund balances of \$53.6 million. Of this total amount, \$17.0 million (31.7%) is unassigned and available for spending within these funds, \$949,669 is nonspendable (cemetery perpetual care), \$18.4 million is restricted (primarily for transportation, capital improvements, and public safety), \$9.6 million is committed primarily for transportation system improvements and \$7.7 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 2024 fiscal year, the fund balance of the General Fund was \$18.2 million, increasing by \$5.2 million from 2023. This increase was due to ARPA funding allocated for revenue replacement for labor costs,

The City's current target fund balance policy is 12.0% of the total expenditures which is a change from 16.7% in 2023. The fund balance is about 27.4% of total general fund expenditures (which represents about a 3.3 month reserve), compared to 17.8% (which represents about a 2.1 month reserve) in 2023. The General Fund accounts for 53.9% of all governmental fund revenue and 50.0% of all expenditures, while total assets in the General Fund amounted to \$28.7 million, accounting for 37.4% 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, 2024, the City's enterprise funds (internal service fund balances are treated entirely as governmental activities) reported combined net position of \$267.4 million from \$255.1 million in 2023. The increase is primarily due to Transit and Irrigation funds. Transit received funding from the Federal Transit Administration grant for Operations as well as a CARES grant to purchase ADA Paratransit Vans. Irrigation's continued work of Nelson Dam Phase 2 includes additional grant funding and an increase in construction in progress adding value to fixed assets. Additionally, about \$184.1 million (68.9%) of net position is accounted for by investment in capital assets, net of related debt and \$77.9 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 \$74.0 million to \$77.8 million in the final budget. Consisting mainly of an increase in professional services for unexpected affordable housing utility infrastructure improvements and an increase in contributions to the equipment replacement costs fund. Actual expenditures totaled \$66.4 million, less than the final budget by \$11.4 million. These expenditure savings resulted from allocating \$10.1 million in personnel costs to ARPA for revenue replacement to help support labor costs for Police and Fire.

General Fund budgeted revenues increased from \$74.6 million to \$76.5 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 and an adjustment to record investments at market value.

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 \$11.9 million, mainly due to the allocations of personnel costs as noted above.

Final budget for the fund American Rescue Plan Act (ARPA), a major fund, under spent by \$3.2 million, due to projects not completed in the prior year.

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, 2024, amounts to \$424.9 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 increased \$14.5 million, increasing from \$212.6 million in 2023 to \$227.1 million in 2024. This is due primarily to an increase in the N 1st St Revitalization and the Streets Overlay and Reconstruction infrastructure projects.

Business-Type Activities - Capital assets increased by \$2.8 million, increasing from \$194.9 million in 2023 to \$197.7 million in 2024, attributable primarily to the MacLaren St Vicinity Improvement project and the Nelson Dam project.

CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmen	tal Activities	Business-Ty	pe Activities	Total		
	2024	2023	2024	2023	2024	2023	
Capital assets							
Land	\$ 17,719,255	\$ 17,512,974	\$ 10,522,940	\$ 10,539,207	\$ 28,242,195	\$ 28,052,181	
Buildings	24,985,869	25,952,712	16,637,603	17,955,592	41,623,472	43,908,304	
Other improvements	27,319,823	26,907,098	114,801,496	115,581,879	142,121,319	142,488,977	
Machinery, equipment and vehicles	25,159,880	21,781,686	13,641,635	13,472,408	38,801,515	35,254,094	
Infrastructure	102,099,055	90,116,634	_	_	102,099,055	90,116,634	
Intangible assets	_	_	260,816	373,330	260,816	373,330	
Construction in progress	29,442,202	29,896,826	41,871,978	36,994,264	71,314,180	66,891,090	
Development in progress	_	264,979	_	_	_	264,979	
Subscription asset	391,634	153,383			391,634	153,383	
Total capital assets	\$ 227,117,718	\$ 212,586,292	\$ 197,736,468	\$ 194,916,680	\$ 424,854,186	\$ 407,502,972	

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, 2024, the City of Yakima had total bonded debt outstanding of \$32.1 million. Of this amount, \$28.7 million is classified as governmental activity and backed by the full faith and credit of the City. The remaining \$3.4 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, 2024, was approximately \$159.7 million in comparison to the total legal debt limit of \$175.0 million. In March, 2020 the City's rating of "A+" from Standard & Poor's for general obligation debt was upgraded to an outlook of stable. This upgrade is the result of strong financial management policies and practices, a formal investment policy that exceeds the state requirement. 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

	 Government	nmental Activities		Business-Type Activities			Total				
	2024		2023		2024		2023		2024		2023
General obligation bonds	\$ 28,705,899	\$	31,804,567	\$		\$		\$	28,705,899	\$	31,804,567
Revenue bonds	_		_		3,415,000		3,955,000		3,415,000		3,955,000
Intergovernmental loans	4,517,425		5,084,510		9,878,415		11,234,835		14,395,840		16,319,345
Lease purchase agreements	1,910,234		2,224,901		_				1,910,234		2,224,901
Total outstanding debt	\$ 35,133,558	\$	39,113,978	\$	13,293,415	\$	15,189,835	\$	48,426,973	\$	54,303,813

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 three years. Property tax receipts rose marginally compared to the prior year.
- Local Employment. The unemployment rate (6.4% for 2024) in the County continues to be higher than the state (4.8% for 2024) and national average (4.0% for 2024). 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 2024 and 2023, the Yakima County civilian labor force lost about 4,000 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. The majority of these funds were used as revenue replacement to support labor costs for Police and Fire.
- 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 the YMCA aquatic center which opened in 2019 (ending in 2042).

The 2025 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 2025 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 <u>City of Yakima's Finance website</u>. 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.



FINANCIAL REPORTING

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

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

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

<u>Balance Sheet, Governmental Funds</u> - 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

<u>Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds</u> - 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

<u>Statement of Net Position, Proprietary Funds</u> - Major funds include Transit, Refuse, Wastewater, Water, Irrigation and the Yakima Air Terminal. Stormwater, the only nonmajor fund, is presented in the <u>Nonmajor Proprietary Funds</u> section.

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

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

FIDUCIARY FUNDS

<u>Statement of Fiduciary Net Position</u> - Information on the Fiduciary funds, assets and liabilities, and net position. <u>Statement of Changes in Fiduciary Net Position</u> - 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, 2024 Page 1 of 2

	Governmental Activities		Business-Type Activities		imary Gov't Total
Assets					
Current assets					
Cash	\$ 35,621,064	\$	29,841,457	\$	65,462,521
Cash with fiscal agent	338,670		19,105		357,775
Investments	31,070,828		41,896,444		72,967,272
Restricted assets					
Cash	2,320,710		_		2,320,710
Investments	1,991,056		_		1,991,056
Receivables, net of allowance for uncollectible accounts					
Taxes	7,975,244		1,360,132		9,335,376
Customer accounts	7,202,782		5,750,925		12,953,707
Notes and contracts	1,976,111		548,568		2,524,679
Due from other governments	7,075,509		8,814,546		15,890,055
Due from other funds	_		1,242,178		1,242,178
Lease receivables	_		144,636		144,636
Inventories and prepayments	1,031,400		704,965		1,736,365
Total current assets	96,603,374		90,322,956		186,926,330
Noncurrent assets					
Lease receivable	_		5,704,847		5,704,847
Capital assets not being depreciated					
Land	17,719,255		10,522,940		28,242,195
Construction in progress	29,442,202		41,871,978		71,314,180
Capital assets, net of accumulated depreciation					
Buildings	24,985,869		16,637,603		41,623,472
Machinery, equipment and vehicles	25,159,880		13,641,635		38,801,515
Infrastructure	102,099,055		_		102,099,055
Other improvements	27,319,823		114,801,496		142,121,319
Intangible assets	_		260,816		260,816
Subscription asset	391,634		_		391,634
Other noncurrent assets					
Net pension asset	23,103,541		2,618,630		25,722,171
Total noncurrent assets	250,221,259		206,059,945		456,281,204
Total assets	346,824,633		296,382,901		643,207,534
Deferred outflows of resources					
Deferred amount on refunding	_		72,482		72,482
Deferred outflows related to pension	25,279,440		3,899,563		29,179,003
Deferred outflows related to OPEB	1,294,727		416,706		1,711,433
Total deferred outflows of resources	26,574,167		4,388,751		30,962,918
Total assets and deferred outflows of resources	373,398,800	_	300,771,652	_	674,170,452

STATEMENT OF NET POSITION

December 31, 2024 Page 2 of 2

	Governmental	Business-Type	Primary Gov't
	Activities	Activities	Total
Liabilities			
Current liabilities			
Accounts payable	3,417,610	4,141,980	7,559,590
Unearned revenue	3,336,937	6,526	3,343,463
Contracts payable	145,266	203,054	348,320
Claims and judgments payable	6,968,390	_	6,968,390
Accrued salaries and benefits	8,703,338	1,792,410	10,495,748
Compensated absences	2,809,856	657,789	3,467,645
Deposits type accounts	483,687	850,898	1,334,585
Due to other governments	157,087	14,154	171,241
Due to other funds	1,242,178	_	1,242,178
Other current liabilities	75,401	20,727	96,128
Accrued interest payable	184,738	51,390	236,128
Debt principal due within one year	2,438,341	1,917,967	4,356,308
Subscriptions due within one year	164,148	_	164,148
Total other post-employment benefits - current	1,869,858	111,432	1,981,290
Total current liabilities	31,996,835	9,768,327	41,765,162
Noncurrent liabilities			
Compensated absences	8,211,142	1,719,042	9,930,184
Net pension liability	7,902,037	1,151,148	9,053,185
Total other postemployment benefits	38,229,656	1,723,846	39,953,502
Debt principal due in more than one year	33,112,392	11,548,773	44,661,165
Subscriptions due in more than one year	53,009		53,009
Total noncurrent liabilities	87,508,236	16,142,809	103,651,045
Total liabilities	119,505,071	25,911,136	145,416,207
Deferred inflows of resources			
Deferred inflows related to pension	7,323,522	1,069,656	8,393,178
Deferred inflows related to OPEB	2,136,217	687,537	2,823,754
Deferred inflows related to leases		5,682,372	5,682,372
Total deferred inflow of resources	9,459,739	7,439,565	16,899,304
Total liabilities and deferred inflows	128,964,810	33,350,701	162,315,511
NT			
Net position	101 204 540	104 120 157	275 242 717
Investment in capital assets net of related debt	191,204,560	184,139,156	375,343,716
Restricted for:	4.407.440		4.406.440
Public safety and emergency preparedness	4,426,442	_	4,426,442
Housing and economic development	1,021,927	_	1,021,927
Debt service	650,822	_	650,822
Capital improvements	9,046,865	_	9,046,865
Tourism and conventions	3,181,346	_	3,181,346
Pension plans	40,926,726	5,373,239	46,299,965
Unrestricted	(6,024,700)	77,908,556	71,883,856
Total net position	\$ 244,433,988	\$ 267,420,951	\$ 511,854,939

Program Revenues

\$24,579,976

(65,743,263)

\$ 15,253,763

Charges for

Services

\$

340,116

221,425

683,668

1,756,480

5,464,723

16,998,678

820,687

1,848,163

10,190,151

24,890,914

12,490,355

3,877,301

4,214,860

58,332,431

\$ 75,331,109

8,532,266

\$

Expenses

\$ 14,968,847

63,558,873

12,969,571

5,825,270

9,868,637

1,277,444

109,651,426

11,601,999

4,635,538

9,365,519

23,545,281

11,734,180

2,867,451

3,129,665

66,879,633

\$ 176,531,059

681,056

501,728

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

Functions/Programs

Public safety

Governmental activities

General government

Customer services

Economic environment

Public health services

Culture and recreation

Business-type activities

Transit

Airport

Refuse

Water

Irrigation

Total activities

Stormwater

Wastewater

Interest on long term debt

Total governmental activities

Transportation

Page 1 of 1

gram Revenu	es	and Changes in Net Position				
Grants & Co	ntributions	Government	Business	Primary Gov't		
Operating	Capital	Activities	Activities	Total		
\$ —	\$ —	\$ (14,628,731)	\$ —	\$ (14,628,731)		
8,070,976	650	(46,954,981)	_	(46,954,981)		
_	_	(280,303)	_	(280,303)		
1,239,629	13,293,949	2,247,675	_	2,247,675		
224,765	262,010	(3,582,015)	_	(3,582,015)		
766	_	(680,290)	_	(680,290)		
781,730	3,035,010	(587,174)	_	(587,174)		
_	_	(1,277,444)	_	(1,277,444)		
10,317,866	16,591,619	(65,743,263)		(65,743,263)		
4,868,497	1,484,042	_	(4,428,773)	(4,428,773)		
67,400	2,546,375	_	(173,600)	(173,600)		
_	_	_	824,632	824,632		
_	828,865	_	2,174,498	2,174,498		
_	327,262	_	1,083,437	1,083,437		
_	2,511,314	_	3,521,164	3,521,164		
_	290,499	_	1,375,694	1,375,694		
4,935,897	7,988,357		4,377,052	4,377,052		

4,377,052

(61,366,211)

Net (Expense) Revenue

General revenues and transfers

Total business-type activities

General revenues and transfers			
Taxes			
Property taxes	24,279,497	_	24,279,497
Sales and use taxes	28,002,773	8,098,787	36,101,560
Other taxes and fees	28,217,148	_	28,217,148
Unrestricted investment earnings	6,048,181	165,124	6,213,305
Judgments and settlements	777,474	_	777,474
Interest on rents & leases	_	132,638	132,638
Miscellaneous revenues	183,417	10,110	193,527
Grants and contributions not restricted to specific programs	12,874,261	527,591	13,401,852
Gain (loss) on disposition of capital assets	(748,482)	(926,623)	(1,675,105)
Transfers	84,448	(84,448)	
Total general revenues, extraordinary items and transfers	99,718,717	7,923,179	107,641,896
Change in net position	33,975,454	12,300,231	46,275,685
Net position - January 1	210,458,531	255,120,717	465,579,248
Net position - December 31	\$ 244,433,985	\$ 267,420,948	\$ 511,854,933

BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2024 Page 1 of 1

						Other		Total
		General		ARPA		Gov't		Gov't
		Fund		Fund		Funds	_	Funds
Assets								
Cash	\$	7,940,550	\$	1,416,174	\$	20,182,051	\$	29,538,775
Cash with fiscal agent		62,061		_		276,609		338,670
Investments		11,153,044		1,991,056		11,583,126		24,727,226
Receivables, net allowance for uncollectible accounts								
Taxes		7,076,647		_		898,597		7,975,244
Customer accounts		1,840,651		_		3,206,152		5,046,803
Notes and contracts		23,089		_		1,953,022		1,976,111
Due from other governments		547,921		_		6,262,003		6,809,924
Inventories and prepayments		14,760				191,513		206,273
Total assets	_	28,658,723		3,407,230		44,553,073	_	76,619,026
Deferred outflows of resources					_		_	
Total assets & deferred outflows of resources	\$	28,658,723	\$	3,407,230	\$	44,553,073	\$	76,619,026
Liabilities								
Accounts payable	\$	1,366,298	\$	2,593	\$	1,702,187	\$	3,071,078
Unearned revenue		_		3,336,937		_		3,336,937
Contracts payable		16,796		_		128,302		145,098
Accrued salaries and benefits		7,006,185		_		1,293,042		8,299,227
Deposits type accounts		51,901		_		50,787		102,688
Due to other governments		157,039		_		8		157,047
Due to other funds		_		_		1,242,178		1,242,178
Other liabilities		70,383		_		_		70,383
Total liabilities		8,668,602		3,339,530		4,416,504		16,424,636
Deferred inflows of resources								
Unavailable revenue and notes		1,782,656		_		4,787,161		6,569,817
Total deferred inflow of resources		1,782,656	_		_	4,787,161	_	6,569,817
Total liabilities and deferred inflows		10,451,258		3,339,530	_	9,203,665		22,994,453
	_	10/101/200		0,000,000	_	3,200,000	_	
Fund balances								
Nonspendable		14,760		_		934,909		949,669
Restricted		_		67,700		18,309,775		18,377,475
Committed		1,208,708		_		8,411,218		9,619,926
Assigned		_		_		7,693,507		7,693,507
Unassigned		16,983,996		<u> </u>				16,983,996
Total fund balances		18,207,464		67,700		35,349,409		53,624,573
Total liabilities, deferred inflows & fund balances	\$	28,658,722	\$	3,407,230	\$	44,553,074	\$	76,619,026

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

December 31, 2024 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)	\$ 53,624,573
Capital & subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	210,968,059
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	6,569,816
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.	28,130,577
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.	(46,460,050)
Pension and other postemployment benefits are not due and payable in the current period and therefore are not reflected in the funds.	(8,398,988)
Net position of governmental activities	\$ 244,433,987

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

For the Year Ended December 31, 2024

Page 1 of 1

	General Fund	ARPA Fund	Other Gov't Funds	Total Gov't Funds
Revenues				
Taxes	\$ 59,499,981	\$ —	\$ 25,899,153	\$ 85,399,134
Licenses and permits	1,953,256	12.074.261	472,125	2,425,381
Intergovernmental revenues	3,356,009	12,874,261	18,794,615 5,555,298	35,024,885
Charges for goods and services Fines, forfeitures and penalties	3,777,746 1,638,488	_	5,205	9,333,044 1,643,693
Contributions and donations	12,000	_	94,136	1,043,093
Investment earnings	6,120,118		39,323	6,159,441
Miscellaneous revenues	531,330	_	2,059,069	2,590,399
Total revenues	76,888,928	12,874,261	52,918,924	142,682,113
	1 1,000,000			
Expenditures				
Current	12 002 455	250 241	F0F 012	14 120 (11
General government	13,093,457	250,241 10,992,574	785,913	14,129,611
Public safety Utilities services	49,404,958	10,992,374	7,262,423 418,277	67,659,955 418,277
Transportation	876,648	_	5,908,299	6,784,947
Economic environment	1,692,802	_	3,669,293	5,362,095
Public health services	28,513		651,518	680,031
Culture and recreation	20,313		7,989,567	7,989,567
Capital outlay			.,,,,,,,,,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
General government	386,384	_	1,842,644	2,229,028
Public safety	44,078	1,631,446	_	1,675,524
Transportation	_		13,055,450	13,055,450
Economic environment	601,786	_	_	601,786
Culture and recreation	_	_	6,596,015	6,596,015
Debt service				
Principal	214,143	_	3,827,911	4,042,054
Interest and related charges	17,365		1,449,071	1,466,436
Total expenditures	66,360,134	12,874,261	53,456,381	132,690,776
Excess (def) of revenue over (under) expenditure	10,528,794	_	(537,457)	9,991,337
Other financing sources (uses)				
Transfers in	_	_	8,737,636	8,737,636
Transfers out	(5,478,446)	_	(3,174,742)	(8,653,188)
Sale of capital assets	2,841	_	358,917	361,758
Subscription liabilities issued	103,594			103,594
Total other financing sources (uses)	(5,372,011)		5,921,811	549,800
Net change in fund balances	5,156,783		5,384,354	10,541,137
Fund balances - January 1	13,050,679	67,700	29,965,056	43,083,435
Fund balances - December 31	\$ 18,207,462	\$ 67,700	\$ 35,349,410	\$ 53,624,572

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, 2024

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Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$	10,541,133
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.		11,418,502
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.		4,867
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		493,696
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.		4,127,977
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).	;	6,319,851
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.		1,069,428
Change in net position, as reflected on the Statement of Activities	\$	33,975,454

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

For the Year Ended December 31, 2024

Page 1 of 1

	20	23	20)24	2024	Variance
	Budgeted	Amounts	Budgeted	Amounts	Actual	with Final
	Original	Final	Original	Final	Amounts	Budget
Revenues						
Taxes	\$ 59,999,222	\$ 59,775,517	\$ 61,799,525	\$ 61,799,525	\$ 59,499,981	\$ (2,299,544)
Licenses and permits	1,983,700	1,983,700	1,957,700	1,957,700	1,953,256	(4,444)
Intergovernmental revenues	2,980,018	4,317,603	2,955,991	4,808,063	3,356,009	(1,452,054)
Charges for goods and services	3,719,869	3,719,869	3,777,386	3,795,997	3,777,746	(18,251)
Fines, forfeitures and penalties	1,302,000	1,302,000	1,357,170	1,357,170	1,638,488	281,318
Contributions	_	_	_	_	12,000	12,000
Investment earnings	1,694,900	1,694,900	2,499,900	2,499,900	6,120,118	3,620,218
Miscellaneous revenues	93,736	93,736	244,608	244,608	531,330	286,722
Total revenues	71,773,445	72,887,325	74,592,280	76,462,963	76,888,928	425,965
Expenditures						
Current						
General government	15,925,045	16,447,895	13,712,982	14,582,853	13,093,457	(1,489,396)
Public safety	51,609,748	55 <i>,</i> 731 <i>,</i> 535	57,044,058	59,728,083	49,404,958	(10,323,125)
Transportation	1,104,257	1,104,257	1,018,150	1,018,150	876,648	(141,502)
Economic environment	1,671,244	1,734,388	1,960,491	1,960,491	1,692,802	(267,689)
Public health services	30,000	30,000	30,000	30,000	28,513	(1,487)
Capital outlay						
General government	100,000	160,379	100,000	100,000	386,384	286,384
Public safety	_	240,195	_	168,812	44,078	(124,734)
Economic environment	_	_	_	_	601,786	601,786
Debt service						
Principal	183,735	183,735	152,509	152,509	214,143	61,634
Interest and related charges	22,498	22,498	14,343	14,343	17,365	3,022
Total expenditures	70,646,527	75,654,882	74,032,533	77,755,241	66,360,134	(11,395,107)
Excess (deficiency) of rev over (under) exp	1,126,918	(2,767,557)	559,747	(1,292,278)	10,528,794	11,821,072
Other financing sources (uses)						
Transfers out	(2,193,819)	(2,193,819)	(2,224,257)	(5,443,257)	(5,478,446)	(35,189)
Sale of capital assets	_	_	_	_	2,841	2,841
Subscription liabilities issued	_	_	_	_	103,594	103,594
Total other financing sources (uses)	(2,193,819)	(2,193,819)	(2,224,257)	(5,443,257)	(5,372,011)	71,246
Net change in fund balances	(1,066,901)	(4,961,376)	(1,664,510)	(6,735,535)	5,156,783	11,892,318
Fund balances - January 1	18,286,389	13,050,682	18,904,026	9,786,582	13,050,679	3,264,097
Fund balances - December 31	\$ 17,219,488	\$ 8,089,306	\$ 17,239,516	\$ 3,051,047	\$ 18,207,462	\$ 15,156,415

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

For the Year Ended December 31, 2024

Page 1 of 1

	20	23	20)24	2024	Variance	
	Budgeted	Amounts	Budgeted	l Amounts	Actual	with Final	
	Original	Final	Original	Final	Amounts	Budget	
Revenues							
Intergovernmental revenues	\$	\$ 16,419,999	\$ 11,958,421	\$ 16,111,477	\$ 12,874,261	\$ (3,237,216)	
Total revenues		16,419,999	11,958,421	16,111,477	12,874,261	(3,237,216)	
Expenditures							
Current							
General government	96,449	2,876,449	4,333,330	2,480,883	250,241	(2,230,642)	
Public safety	_	_	_	10,992,574	10,992,574	_	
Public health services	_	1,500,000	_	_	_	_	
Culture and recreation	_	_	719,091	_	_	_	
Capital outlay							
General government	400,000	400,000	306,000	_	_	_	
Public safety	_	5,143,550	_	1,631,446	1,631,446	_	
Utilities services	_	1,000,000	1,000,000	1,000,000	_	(1,000,000)	
Transportation	_	4,000,000	_	_	_	_	
Culture and recreation		1,500,000	1,500,000				
Total expenditures	496,449	16,419,999	7,858,421	16,104,903	12,874,261	(3,230,642)	
Excess (deficiency) of rev over (under) exp	(496,449)	_	4,100,000	6,574	_	(6,574)	
Net change in fund balances	(496,449)	_	4,100,000	6,574	_	(6,574)	
Fund balances - January 1	67,000	67,700	6,840,486	67,700	67,700		
Fund balances - December 31	\$ (429,449)	\$ 67,700	\$ 10,940,486	\$ 74,274	\$ 67,700	\$ (6,574)	



December 31, 2024 Page 1 of 4

Business-Type Activities

Major Funds

	mujoi i unuo								
		Airport		Transit		Refuse		Wastewater	
Assets									
Current assets									
Cash	\$	759,036	\$	6,565,313	\$	2,169,385	\$	13,557,582	
Cash with fiscal agent		_		_		_		_	
Investments		1,009,007		9,230,437		3,053,186		19,059,076	
Receivables, net of allowance for uncollectible accounts									
Taxes		_		1,359,577		_		_	
Customer accounts		518,219		27,923		1,168,346		2,659,453	
Notes and contracts		_		_		_		_	
Due from other governments		1,647,918		5,518,234		_		_	
Due from other funds		_		_		_		1,390,711	
Lease receivables		144,636		_		_		_	
Inventories and prepayments		_		_		_		_	
Total current assets		4,078,816		22,701,484		6,390,917		36,666,822	
Noncurrent assets									
Lease receivable		5,704,847		_		_		_	
Capital assets not being depreciated									
Land		3,418,797		6,217,391		_		643,757	
Construction in progress		3,901,258		_		_		9,200,835	
Capital assets, net of accumulated depreciation									
Buildings		36,114		2,010,274		_		11,554,231	
Machinery, equipment and vehicles		3,544,882		6,342,728		_		3,550,397	
Other improvements		11,227,214		993,762		_		47,099,932	
Intangible assets		134,657		_		_		_	
Subscription asset		_		_		_		_	
Other noncurrent assets									
Net pension asset		141,423		629,564		306,575		806,733	
Total noncurrent assets		28,109,192		16,193,719		306,575		72,855,885	
Total assets		32,188,008		38,895,203		6,697,492		109,522,707	
Deferred outflows of resources									
Deferred amount on refunding		_		_		_		6,824	
Deferred outflows related to pension		210,602		937,522		456,539		1,201,356	
Deferred outflows related to OPEB		23,004		107,238		51,398		122,376	
Total deferred outflows of resources		233,606		1,044,760		507,937		1,330,556	
Total assets and deferred outflows of resources		32,421,614		39,939,963		7,205,429		110,853,263	
		, ,		,,		,,		, -,	

December 31, 2024 Page 2 of 4

Rus	siness-Type A	Δ cti	vities						,	Gov't Activities
	jor Funds	icu	vities		Other		Total	-		Internal
	,				Enterprise		Enterprise			Service
	Water		Irrigation		Funds		Funds			Funds
								-		
\$	3,604,202	\$	865,092	\$	2,320,846	\$	29,841,457	:	\$	8,402,999
	_		_		19,105		19,105			_
	5,063,451		1,217,870		3,263,418		41,896,444			8,334,658
	_		_		554		1,360,132			_
	860,138		516,846		_		5,750,925			2,155,979
	_		_		548,568		548,568			_
	_		1,597,750		50,643		8,814,546			265,585
	957,294		_		2,460,755		1,242,178			_
	_		_		_		144,636			_
	704,965	_				_	704,965	_		825,126
	11,190,050		4,197,558		8,663,889		90,322,956	_		19,984,347
	_		_		_		5,704,847			_
	151,595		91,400		_		10,522,940			_
	1,854,424		26,361,213		554,248		41,871,978			_
	2,841,669		195,315		_		16,637,603			213,733
	202,897		_		731		13,641,635			15,569,415
	35,148,662		13,305,443		7,026,482		114,801,496			294,111
	126,159		_		_		260,816			_
	_		_		_		_			72,398
	459,863		123,250		151,222		2,618,630	_		686,315
	40,785,269	_	40,076,621	_	7,732,683	_	206,059,945	_		16,835,972
	51,975,319		44,274,179	_	16,396,572		296,382,901	-		36,820,319
			/E /E0				70.400			
	694 010		65,658 182 538		225 105		72,482			1 022 022
	684,810		183,538		225,195		3,899,563 416,706			1,022,033
	72,870 757,680	_	19,584 268,780		20,236	_	416,706 4,388,751	-		101,083
_	737,000	_	200,700	_	245,431	_	4,300,/31	-		1,123,116
	52,732,999		44,542,959		16,642,003		300,771,652			37,943,435

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Activities Major Funds

	Airport	Transit	Refuse	Wastewater
Liabilities				
Current liabilities				
Accounts payable	2,041,608	600,211	155,599	551,143
Unearned revenue	6,526	_	_	_
Contracts payable	_	339	_	171,501
Claims and judgments payable	_	_	_	_
Accrued salaries and benefits	93,859	467,163	240,434	505,966
Compensated absences	28,872	125,436	73,175	217,114
Deposits type accounts	39,034	_	220,364	447,028
Due to other governments	11,610	33	_	2,511
Due to other funds	_	_	_	_
Other current liabilities	_	_	444	2,170
Accrued interest payable	_	_	_	16,317
Debt principal due within one year	_	_	_	1,009,298
Subscriptions due within one year	_	_	_	_
Total other post-employment benefits - current	6,152	28,677	13,744	32,725
Total current liabilities	2,227,661	1,221,859	703,760	2,955,773
Noncurrent liabilities				
Compensated absences	56,470	416,795	218,615	546,439
Net pension liability	62,170	276,756	134,770	354,639
Total other postemployment benefits	95,164	443,626	212,626	506,250
Debt principal due in more than one year		_		4,161,272
Subscriptions due in more than one year	_	_	_	
Total noncurrent liabilities	213,804	1,137,177	566,011	5,568,600
Total liabilities	2,441,465	2,359,036	1,269,771	8,524,373
Deferred inflows of resources				
Deferred inflows related to pension	57,769	257,164	125,229	329,534
Deferred inflows related to OPEB	37,955	176,935	84,804	201,912
Deferred inflows related to leases	5,682,372		-	
Total deferred inflow of resources	5,778,096	434,099	210,033	531,446
Total liabilities and deferred inflows	8,219,561	2,793,135	1,479,804	9,055,819
Net position				
-	22,262,922	15,563,817		66,713,907
Investment in capital assets net of related debt Restricted for:	<i>∠∠,∠</i> ∪∠, <i>7∠</i> ∠	13,303,017	_	00,713,707
Pension plans	290,191	1,291,820	629,069	1,655,358
Unrestricted	1,648,943	20,291,193	5,096,555	33,428,181
Total net position	\$ 24,202,056	\$ 37,146,830	\$ 5,725,624	\$ 101,797,446

December 31, 2024 Page 4 of 4

				Gov't
usiness-Type A	ctivities	0.1		Activities
ajor Funds		Other	Total	Internal
XA7 4	¥ • •	Enterprise	Enterprise	Service
Water	Irrigation	Funds	Funds	Funds
358,083	424,541	10,796	4,141,980	346,531
	_	_	6,526	_
31,110	105	_	203,054	169
_	_		_	6,968,390
312,421	85,093	87,473	1,792,410	404,111
130,396	37,033	45,763	657,789	156,619
144,457	14	_	850,898	380,998
_	_	_	14,154	39
_	3,566,582	_	3,566,582	_
18,113	_	_	20,727	5,018
20,955	14,118	_	51,390	_
703,670	205,000	_	1,917,967	_
_	_	_	_	32,998
19,486	5,237	5,411	111,432	27,030
1,738,691	4,337,723	149,443	13,334,909	8,321,903
291,579	55,474	133,670	1,719,042	298,964
202,156	54,180	66,477	1,151,148	301,703
301,450	81,018	83,712	1,723,846	418,165
5,138,917	2,248,584	_	11,548,773	_
	<u> </u>			24,995
5,934,102	2,439,256	283,859	16,142,809	1,043,827
7,672,793	6,776,979	433,302	29,477,718	9,365,730
187,845	50,345	61,771	1,069,656	280,345
120,230	32,313	33,388	687,537	166,781
_	_	_	5,682,372	_
308,075	82,658	95,159	7,439,565	447,126
7,980,868	6,859,637	528,461	36,917,283	9,812,856
34,451,711	37,565,339	7,581,460	184,139,156	16,091,496
943,606	252,899	310,297	5,373,239	1,408,268
9,356,818	(134,918)	8,221,783	77,908,556	10,630,812
44,752,135	\$ 37,683,320	\$ 16,113,540	\$ 267,420,951	\$ 28,130,576

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

For the Year Ended December 31, 2024

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	Bus	iness-Type	Activ	vities			
	Maj	jor Funds					
		Airport		Transit	Refuse		Vastewater
Operating revenues							
Charges and fees for services	\$	1,487,701	\$	398,509	\$ 10,190,151	\$	24,889,532
Charges for insurance		_		_	_		_
Employer contributions		_		_	_		_
Employee contributions		_		_	_		_
Rents and leases		7,327		304,503	_		_
Special assessments		_		117,675	_		_
Other operating revenue		353,136		_	_		1,382
Total operating revenues		1,848,164		820,687	10,190,151		24,890,914
Operating expenses							
Personnel services		966,083		5,078,712	2,307,353		5,471,054
Materials and supplies		124,066		781,381	501,442		1,231,059
Contractual services		926,982		4,601,288	6,556,724		12,082,227
Claims and other benefits		_		_	_		_
Depreciation		2,618,408		1,140,619	_		4,702,851
Total operating expenses		4,635,539		11,602,000	9,365,519		23,487,191
Operating income (loss)		(2,787,375)		(10,781,313)	824,632		1,403,723
Nonoperating revenues (expenses)							
Grants and subsidies		3,141,367		6,352,539	_		_
Taxes		_		8,098,787	_		_
Interest income		2,091		25,340	_		40,318
Other nonoperating revenues		2,700		3,061	133		889
Interest on rents & leases		129,994		2,644	_		_
Interest and other debt related costs		_		_	_		(58,090)
Gain (loss) on disposal of capital assets		(14,334)		(79,535)	(6,060)		(399,007)
Total nonoperating revenues (expenses)		3,261,818		14,402,836	(5,927)		(415,890)
Income (loss) before contributions and transfers		474,443		3,621,523	818,705		987,833
Capital contributions		_		_	_		828,865
Transfers (out)							(84,448)
Change in net position		474,443		3,621,523	818,705		1,732,250
Net position - January 1		23,727,613		33,525,305	4,906,919		100,065,195
Net position - December 31	\$	24,202,056	\$	37,146,828	\$ 5,725,624	\$	101,797,445

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

For the Year Ended December 31, 2024

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Bu	siness-Type A	Activities						Gov't Activities
Major Funds				Other		Total		Internal
				Enterprise		Enterprise		Service
	Water	Irrigation	_	Funds		Funds		Funds
\$	12,483,173	\$ 3,877,301	\$	4,214,860	\$	57,541,228	\$	10,500,864
		_		, , <u> </u>				4,546,287
	_	_		_		_		17,825,406
	_	_		_		_		2,110,005
	_	_		_		311,830		_
	_	_		_		117,675		_
	7,182	_		_		361,700		4,279
	12,490,355	3,877,301		4,214,860		58,332,433		34,986,841
			· ' <u></u>					
	3,123,411	831,122		934,974		18,712,708		4,329,786
	707,814	87,473		41,295		3,474,530		1,365,672
	5,730,574	1,259,960		1,787,196		32,944,951		10,884,295
	_	_		_		_		15,839,638
	2,119,382	494,083		366,200		11,441,543		1,949,550
	11,681,181	2,672,638		3,129,665		66,573,732		34,368,941
	809,174	1,204,663		1,085,195		(8,241,299)		617,900
	_	2,511,314		98,429		12,103,649		364,407
	_	2,011,011		70,127		8,098,787		
	57,067	_		40,308		165,124		_
	1,817	1,510		10,500		10,110		169,042
				_		132,638		-
	(52,999)	(194,812)		_		(305,901)		(858)
	(348,500)	(3,393)		(75,794)		(926,623)		(81,064)
_	(342,615)	2,314,619	_	62,943		19,277,784		451,527
	466.550	2.510.000		1.110.100		11.00 (105		1 0/0 105
	466,559	3,519,282		1,148,138		11,036,485		1,069,427
	327,262	_		192,070		1,348,198		_
	_	_		_		(84,448)		_
	793,821	3,519,282		1,340,208		12,300,235		1,069,427
	43,958,313	34,164,039	_	14,773,332		255,120,721		27,061,149
\$	44,752,134	\$ 37,683,321	\$	16,113,540	\$	267,420,956	\$	28,130,576

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2024

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	Major Funds						
	Airport	Transit	Refuse	Wastewater			
Cash flows from operating activities				- Tradeviater			
Receipts from customers	\$ 1,025,379	\$ 822,782	\$ 10,079,550	\$ 25,043,538			
Contributions received - employer and employee	_		_	_			
Payments to suppliers and service providers	833,762	(5,623,687)	(7,044,129)	(13,402,327)			
Payments to employees for salaries and benefits	(1,005,703)	(5,274,266)	(2,369,300)	(5,637,219)			
Other receipts	353,136	_	_	1,382			
Payments to claimants and beneficiaries	_	_	_	_			
Net cash provided by operating activities	1,206,574	(10,075,171)	666,121	6,005,374			
Cash flows from noncapital financing activities							
Sales tax received	_	8,155,952	_	_			
Operating grants	3,147,893	4,182,071	_	_			
Other non-operating revenue	(1,441,844)	3,061	133	(1,139,947)			
Net cash provided by noncapital financing activities	1,706,049	12,341,084	133	(1,139,947)			
Cash flows from capital financing activities							
Proceeds from disposal of property	2,700	17,675	_	889			
Capital grants and contributions	_	_	_	437,495			
Principal paid on capital debt	_	_	_	(997,751)			
Payment on interfund loan	_	_	_	_			
Acquisition and construction of capital assets	(2,816,749)	(833,815)	_	(5,106,373)			
Interest and related charges paid	_	_	_	(72,395)			
Other non financial assets (lease receivable)	_	1,360	_	_			
Other receipts	129,994	2,982	_	83,910			
Transfers out	_	_	_	(84,448)			
Net cash used for capital financing activities	(2,684,055)	(811,798)		(5,738,673)			
Cash flows from investing activities							
Proceeds from sale of investments	752,499	7,007,355	2,230,167	16,372,472			
Interest on investments	2,091	25,340	_	40,318			
Purchase of investments	(1,009,007)	(9,230,437)	(3,053,186)	(19,059,076)			
Net cash provided by investing activities	(254,417)		(823,019)	(2,646,286)			
Net increase (decrease) in cash and cash equivalents	(25,849)	(743,627)	(156,765)	(3,519,532)			
Cash and cash equivalents - January 1	784,886	7,308,939	2,326,149	17,077,115			
Cash and cash equivalents - December 31	\$ 759,037	\$ 6,565,312	\$ 2,169,384	\$ 13,557,583			

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2024

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									Gov't
Business-Type Activities								i	Activities
Major Funds				Other		Total		Internal	
					Enterprise		Enterprise		Service
	Water	Irrigatio	n		Funds		Funds		Funds
\$	12,385,327	\$ 3,836,	.107	\$	4,139,657	\$	57,332,341		\$ 14,866,899
	_		_		_		_		19,996,350
	(6,183,328)	(923)			(2,277,988)		(34,621,575)		(11,659,025)
	(3,229,164)	(876)	.861)		(972,232)		(19,364,746)		(4,508,103)
	_		_		_		354,518		_
									(15,839,639)
	2,972,835	2,035,	368		889,437		3,700,538		2,856,482
	_		_		_		8,155,952		_
	_	913,	564		98,429		8,341,957		_
	1,393,275		_		(2,260,912)		(3,446,234)		529,567
	1,393,275	913,	564		(2,162,483)		13,051,675	•	529,567
								,	
	350,317	1,	510		_		373,091		(56,238)
	(76,908)		_		_		360,588		_
	(703,670)		_		_		(1,701,420)		_
	_	1,466,	,779		_		1,466,779		_
	(2,508,976)	(2,968)	736)		(331,870)		(14,566,518)		(5,021,949)
	(52,999)	(395)	.605)		_		(521,000)		(858)
	_		_		_		1,360		_
	(26,724)	(145,	.803)		(37,467)		6,892		169
	_	, ,	_		_		(84,448)		_
	(3,018,960)	(2,041,	.855)		(369,337)		(14,664,676)	,	(5,078,876)
	3,554,969	575,	557		3,518,737		34,011,756		_
	57,067		_		40,308		165,124		8,184,255
	(5,063,451)	(1,217,	.870)		(3,263,418)		(41,896,444)		(8,334,658)
	(1,451,415)	(642)			295,627		(7,719,564)		(150,403)
	(104,265)	264,	.764		(1,346,756)		(5,632,027)		(1,843,230)
	3,708,468	600,	,328		3,686,706		35,492,591		10,246,228
\$	3,604,203	\$ 865,		\$	2,339,950	\$	29,860,564		\$ 8,402,998

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2024

Page 3 of 4

Business-Type Activities

Major Funds

	 ,				
	Airport	Transit	Refuse	W	astewater
Reconciliation of operating income (loss) to net cash					
provided by (used for) operations					
Operating income (loss)	\$ (2,787,375)	\$ (10,781,312)	\$ 824,632	\$	1,403,723
Adjustments to reconcile operating income (loss)					
to net cash provided by (used for) operations					
Depreciation expense	2,618,408	1,140,619	_		4,702,851
(Increase) decrease in net accounts receivable	(415,060)	2,095	(110,600)		154,006
(Increase) decrease in lease receivable	(54,588)	_	_		_
(Increase) decrease in inventory	_	_	_		_
(Decrease) increase in accounts payable	1,886,770	(227,385)	46,749		(49,928)
(Decrease) increase in accrued liabilities	13,421	28	_		2,511
(Decrease) Increase in wages/benefits payable	6,838	40,774	40,645		36,205
(Decrease) increase in compensated absences	22,327	79,192	64,172		182,311
(Decrease) inc in due to other governments	(15,382)	(13,662)	(32,712)		(38,837)
(Decrease) increase in interest payable	_	_	_		(2,788)
(Decrease) increase in pension/OPEB liab - current yr	(68,786)	(315,520)	(166,764)		(384,681)
(Decrease) Increase claims and judgements	_	_	_		_
Total adjustments	3,993,948	706,141	(158,510)		4,601,650
Net cash provided by (used for) operations	\$ 1,206,573	\$ (10,075,171)	\$ 666,122	\$	6,005,373
Schedule of noncash capital financing activities					
Contributions of capital assets	\$ _	\$ _	\$ _	\$	391,370

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2024

Page 4 of 4

Bus	siness-Type A	Acti	vities					Gov't Activities	
Ma	jor Funds			Other Total		Total	Internal		
				Enterprise	Enterprise			Service	
	Water		Irrigation	Funds		Funds		Funds	
\$	809,175	\$	1,204,663	\$ 1,085,195	\$	(8,241,300)	\$	617,900	
	2,119,382		494,083	366,200		11,441,543		1,949,550	
	(84,981)		(41,194)	(75,203)		(570,938)		(123,592)	
	_		_	_		(54,588)		_	
	(20,048)		_	_		(20,048)		(12,661)	
	291,469		418,637	(446,043)		1,920,270		(165,193)	
	(213)		_	_		15,746		_	
	29,764		9,153	3,543		166,921		(288,954)	
	91,637		4,569	52,208		496,416		110,637	
	(34,094)		_	(3,454)		(138,139)		_	
	(2,102)		4,918	_		28		_	
	(227,155)		(59,461)	(93,009)		(1,315,375)		_	
								768,796	
	2,163,659		830,705	(195,758)		11,941,836		2,238,583	
\$	2,972,834	\$	2,035,368	\$ 889,437	\$	3,700,536	\$	2,856,483	
\$	55,670	\$	_	\$ 192,070	\$	639,110	\$		
	·					· 		· ·	

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2024 Page 1 of 1

	Custodial Funds		
Assets			
Current assets			
Cash	\$ 356,206		
Total assets	 356,206		
Liabilities			
Current liabilities			
Accounts payable	 145,619		
Total liabilities	 145,619		
Total restricted net position	\$ 210,587		

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2024

Page 1 of 1

	Custodial Funds		
Additions	_	Tuntuo	
Contributions			
Custodial deposits	\$	5,538,376	
Total additions		5,538,376	
Deductions			
Disbursements		5,730,559	
Total deductions		5,730,559	
Net increase (decrease) in fiduciary net position		(192,183)	
Net position - beginning		402,770	
Net position - ending	\$	210,587	

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2024

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NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2024

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. The Firemen's Relief and Pension Fund is a Pension Trust Fund reported as part of the General Fund. The custodial funds, which the City is a fiduciary agent for, are 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 and ordinance.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

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 <u>Deposits & Investments</u> 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 <u>Investment Policy</u> 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 <u>Deposits & Investments</u> 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 <u>Interfund Balances and Transfers</u> 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 <u>Long-Term Debt</u> 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 primary objective of this GASB 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 <u>Long-Term Debt</u> 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 liability for compensated absences is calculated under the provisions of GASB Statement No. 101, Compensated Absences using the Pool Approach. Compensated absences are accrued when incurred in the government-wide and proprietary fund statements

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures.

Fund Balance Classification

The City's fund balances are classified in accordance with GASB 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 <u>Fund Balance Classification</u> 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 \$743,395 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.

Minimum Fund Balance Details

The minimum fund balance target is to achieve and maintain a fund balance of at least 12.0% of the total expenditures. Fund balance equals total assets minus total liabilities on the <u>Statement of Revenues, Expenditures</u> and <u>Changes in Fund Balances - Government Funds.</u>

Firemen's Relief and Pension Fund

The Firemen's Relief and Pension Fund has net position of \$1.2 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, this fund is now being reported as a part of the General Fund balance. The fund is reported as a part of the General Fund balance, it is 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

New Funds

The Aquatic Center at MLK JR Park fund 132 was created for all MLK pool items.

The Opioid Lawsuit fund 155 was created for all Opioid lawsuit related items. It was previously in general fund, however, due to the length of the lawsuit it was determined a separate fund makes for ease of tracking.

Changes in Accounting Principle

Implementation of GASB 101 Compensated Absences. Under this statement, a government is required to recognize a compensated absence liability for leave that has not been used, attributable to services rendered, and leave that has been used but not yet paid.

Change to or within the Financial Reporting Entity

Fiduciary fund YakCorps is no longer overseen by the City of Yakima, it's been moved to Yakima County.

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	\$	17,719,255
Construction in progress		29,442,201
Development in progress		_
Buildings		59,713,419
Less: Accumulated depreciation - buildings		(34,941,283)
Machinery, equipment and vehicles		30,761,753
Less: Accumulated depreciation - machinery, equipment and vehicles		(21,171,289)
Infrastructure		346,725,432
Less: Accumulated depreciation - infrastructure	(244,626,378)
Subscription asset		504,634
Less: Accumulated depreciation - right-to-use subscription asset		(185,398)
Other improvements		49,021,858
Less: Accumulated depreciation - other improvements		(21,996,147)
Net adjustment to increase total fund balances - total government funds to		
arrive at net position - governmental activities	\$	210,968,057

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	\$ (28,705,898)
Add: Issuance premium (to be amortized over the life of the debt)	(63,345)
Intergovernmental loans	(4,517,425)
Lease purchase agreements	(1,910,235)
Add: Issuance premium (to be amortized over the life of the debt)	(353,830)
Subscription-Bases Information Technology Arrangements (SBITA)	(159,165)
Compensated absences	(10,565,414)
Subtotal	(46,275,312)
Accrued interest payable	(184,738)
Net adjustment to reduce total fund balances - total government funds to	
arrive at net position - governmental activities	\$ (46,460,050)

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:

Net pension asset	\$ 22,417,226
Net pension liability	(7,600,334)
Deferred outflow change in proportionate share	25,451,051
Deferred inflow change in proportionate share	(9,012,613)
Other postemployment benefit obligation	(39,654,319)
Net adjustment to reduce total fund balances - total government funds to	
arrive at net position - governmental activities	\$ (8,398,989)

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	\$ 24,157,804
Depreciation expense	(12,739,301)
Net adjustment to decrease net changes in fund balances - total government	
funds to arrive at changes in net position of governmental activities	\$ 11,418,503

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.	\$ (932,604)
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.	937,471
Net adjustment to increase total government funds to arrive at changes in net	
position of governmental activities	\$ 4,867

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 Subscription Based Information Technology Assets (SBITAs)	\$ (103,594)
Principal repayments	
General obligation debt	3,098,668
Intergovernmental loans	567,085
Lease purchase agreements	314,667
Interest accrued	
Debt Issued	189,578
Subscription Based Information Technology Assets (SBITAs)	61,573
Net adjustment to increase net changes in fund balances - total government	
funds to arrive at changes in net position of governmental activities	\$ 4,127,977

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, 2024:

Banks and savings and loan institutions	\$ 15,063,342
Cash with fiscal agent	357,775
Petty cash and other imprest funds	8,330
Local Government Investment Pool (LGIP)	52,711,559
Subtotal	68,141,006
Custodial fund	356,206
Total	\$ 68,497,212

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 <u>Investment Policy</u>, 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 2a-7 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 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

		Maximum	Maximum
		% of	Investment
Authorized Investment Type	Maturity	Portfolio	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 I	Resolution

The City's <u>Investment Policy</u> 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, 2024, the City of Yakima had the following investments:

DISTRIBUTION OF FAIR VALUE

		Remaining Maturity					
		12 Months	46015	25 - 36	37 - 48	49 - 60	
Investment Type	Fair Value	or Less	Months	Months	Months	Months	
Local Government Investment Pool (LGIP)	\$ 52,711,559	\$ 52,711,559	\$ —	\$ —	\$ —	\$ —	
US Treasury securities	36,468,564	15,678,173	7,816,953	7,546,641	5,426,797	_	
Government Sponsored Enterprise (GSE)	38,489,764	7,939,391	14,916,533	15,633,840			
	\$127,669,887	\$ 76,329,123	\$ 22,733,486	\$ 23,180,481	\$ 5,426,797	\$ —	

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

	Quoted Prices in Signature Markets Identical Assets 12/31/2024 (Level 1)		12/31/2024		gnificant Other Observable Inputs (Level 2)	Significant nobservable Inputs (Level 3)
Investments by fair value level						_
US Treasury securities	\$	36,468,564	\$ 36,468,564	\$	_	\$ _
Federal agency obligations		38,489,764	_		38,489,764	
Total investments measured at fair value		74,958,328	36,468,564		38,489,764	_
Investments measured at amortized cost						
State Local Government Investment Pool (LGIP)		52,711,559	52,711,559		_	_
Total Investments	\$	127,669,887	\$ 89,180,123	\$	38,489,764	\$

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 <u>RCW 43.250</u>. 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, <u>RCW 84.55.010</u>, 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 2024, the City's regular tax levy was \$1.8553 per \$1,000 on a total assessed valuation of \$11.7 billion, for a total regular levy of \$21.6 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

The City has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the City will have to make payment.

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

POTENTIAL LITIGATION

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

UNCOLLECTABILITY OF RECEIVABLES

Receivables as of year-end for the City's individual major, nonmajor and internal service funds are in the aggregate, which 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	\$ 358,325
Wastewater	797,854
Water	437,883
Irrigation	84,150
Irrigation Capital	 41,447
Total	\$ 1,719,659

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 were as follows at year end:

INTERFUND BALANCES

Payable Fund(s)	Receivable Fund	 Amount
Irrigation Capital	Water Operating	\$ 899,916
Yakima Revenue Dev Area	Water Capital	57,378
Irrigation Capital / Yakima Revenue Dev Area	Wastewater Capital	1,390,711
Streets Overlay / Irrigation Capital / Yakima Rev Dev Area	Stormwater Capital	 2,460,755
	Total	\$ 4,808,760

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 2024:

INTERFUND TRANSFERS

	Transfer In		
		To Fund	
	Other		
Transfer Out From Fund	Gen Gov't		
General Fund	\$	5,478,446	
Other Gen Gov't		3,174,742	
Wastewater		84,448	
Total	\$	8,737,636	

Capital assets activity for the year ended December 31, 2024 was as follows:

CAPITAL ASSET ACTIVITY

	Balance				Balance
	1/1/2024	Additions	Adjustments	Deletions	12/31/2024
Governmental activities					
Capital assets - not being depreciated					
Land	\$ 17,512,974	\$ 313,797	\$ —	\$ (107,516)	\$ 17,719,255
Construction in progress	29,896,826	20,623,900	(21,049,800)	(28,725)	29,442,201
Development in progress	264,979	(124,623)	_	(140,356)	_
Total capital assets not being depreciated	47,674,779	20,813,074	(21,049,800)	(276,597)	47,161,456
Capital assets being depreciated					
Buildings	59,636,263	287,989	_	(210,833)	59,713,419
Machinery, equipment and vehicles	32,033,364	1,992,560	(88,697)	(3,175,474)	30,761,753
Infrastructure	329,667,850	1,770,964	18,736,658	(3,450,040)	346,725,432
Other improvements	47,099,925	35,329	2,313,142	(426,538)	49,021,858
Subscription asset	168,919	335,715	_	_	504,634
Total capital assets being depreciated	468,606,321	4,422,557	20,961,103	(7,262,885)	486,727,096
Less accumulated depreciation					
Buildings	(33,937,022)	(1,207,018)	_	202,757	(34,941,283)
Machinery, equipment and vehicles	(22,566,878)	(1,623,595)	81,310	2,937,874	(21,171,289)
Infrastructure	(239,551,217)	(8,044,044)	(28,928)	2,997,811	(244,626,378)
Other improvements	(20,541,591)	(1,782,163)	(472)	328,079	(21,996,147)
Subscription asset	(51,006)	(134,392)	_	_	(185,398)
Total accumulated depreciation	(316,647,714)	(12,791,212)	51,910	6,466,521	(322,920,495)
Total capital assets being depreciated - net	151,958,607	(8,368,655)	21,013,013	(796,364)	163,806,601
Governmental activities capital assets - net	199,633,386	12,444,419	(36,787)	(1,072,961)	210,968,057
Internal service funds - governmental activities					
Capital assets being depreciated					
Buildings	422,557	_	_	(16,084)	406,473
Machinery, equipment and vehicles	30,519,690	5,410,242	88,697	(2,148,497)	33,870,132
Other improvements	777,949	_	_	(22,373)	755,576
Subscription asset	44,644	56,599	_	_	101,243
Total capital assets being depreciated	31,764,840	5,466,841	88,697	(2,186,954)	35,133,424
Less accumulated depreciation					
Buildings	(169,086)	(39,006)	_	15,352	(192,740)
Machinery, equipment and vehicles	(18,204,490)	(1,789,056)	(61,075)	1,753,905	(18,300,716)
Other improvements	(429,186)	(40,740)	_	8,461	(461,465)
Subscription asset	(9,173)	(19,672)	_	_	(28,845)
Total accumulated depreciation	(18,811,935)	(1,888,474)	(61,075)	1,777,718	(18,983,766)
Total capital assets being depreciated - net	12,952,905	3,578,367	27,622	(409,236)	16,149,658
Internal service - gov't act cap assets - net	\$ 212,586,291	\$ 16,022,786	\$ (9,165)	\$ (1,482,197)	\$ 227,117,715
Business-type activities					
Capital assets - not being depreciated					
Land	\$ 10,539,207	\$ —	\$ —	\$ (16,267)	\$ 10,522,940
Construction in progress	36,994,264	12,020,145	(7,142,432)		41,871,977
Total capital assets not being depreciated	47,533,471	12,020,145	(7,142,432)	(16,267)	52,394,917

CAPITAL ASSET ACTIVITY

	Balance				Balance
	1/1/2024	Additions	Adjustments	Deletions	12/31/2024
Capital assets being depreciated					
Buildings	89,135,978	_	_	(52,672)	89,083,306
Machinery, equipment and vehicles	45,914,008	2,513,714	_	(2,969,507)	45,458,215
Other improvements	233,141,461	671,769	7,426,227	(15,934,420)	225,305,037
Intangible assets	2,190,138		(283,795)		1,906,343
Total capital assets - depreciated	370,381,585	3,185,483	7,142,432	(18,956,599)	361,752,901
Less accumulated depreciation					
Buildings	(71,180,386)	(1,314,849)	_	49,532	(72,445,703)
Machinery, equipment and vehicles	(32,441,600)	(2,151,141)	(22,382)	2,798,544	(31,816,579)
Other improvements	(117,559,582)	(7,894,252)	(230,201)	15,180,493	(110,503,542)
Intangible assets	(1,816,809)	(60,278)	231,559		(1,645,528)
Total accumulated depreciation	(222,998,377)	(11,420,520)	(21,024)	18,028,569	(216,411,352)
Total capital assets being depreciated - net	147,383,208	(8,235,037)	7,121,408	(928,030)	145,341,549
Total capital assets - business activities	\$ 194,916,679	\$ 3,785,108	\$ (21,024)	\$ (944,297)	\$ 197,736,466

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	\$	470,507
Public safety		1,528,651
Transportation		7,315,571
Economic environment		1,218,519
Culture and recreation		2,206,053
Capital Assets held by the City's internal service funds are charged		
to the various functions based on their usage of the assets	_	1,949,550
Total depreciation - governmental activities	\$	14,688,851
Transit	\$	1,140,619
Airport	•	2,618,408
Wastewater		4,702,851
Water		2,119,382
Irrigation		494,083
Stormwater		366,200
Total depreciation - business-type activities	\$	11,441,543
Irrigation Stormwater	\$	494,083 366,200

NOTE 9 – CONSTRUCTION COMMITMENTS

The City had active construction projects as of December 31, 2024. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

Water Capital continues to work on Water Main Replacements. Work was completed on S. 2nd Avenue. Design for the waterline was completed for N. 1st Street - E. I St. to MLK Blvd., 34th & Fruitvale Blvd projects. The design for the Underserved Water and Wastewater Systems was completed and construction will start in the early part of 2025. Aspect Consulting continues permit compliance and reporting as part of the Aquifer Storage and Recovery (ASR). Design for a new waterline on N. 6th Ave. has started as part of the new street improvement project design and will continue into next year.

Irrigation Capital completed the design for Phase 2 pipelines for Nelson Dam. Construction on Phase 2A (Stage 1) began in late 2024 and will be completed by next year. Phases 2B and 2C construction are contingent on state and federal funding.

Wastewater Construction Capital completed work on the 2024 City-wide Cured in Place Pipe (CIPP), and the design for the first area of the Underserved Water and Wastewater Systems project. The design of the second area is underway, with construction starting in early 2025. Construction for projects Rudkin Sewer, MacLaren and Vicinity Sewer Improvement, Biosolids Dewatering, and Upflow Anaerobic Sludge Blanket (UASB) Improvements will continue into next year.

Stormwater Capital completed projects Drainage Improvement District (DID) #24 Improvements, DID CIPP Rehabilitation, and Realignment in 2024. Design and construction on Randal Park Pond Outlet will continue into 2025.

City Engineering (Arterial Streets) completed many projects in 2024. Projects continuing into 2025 are S. 3rd Ave. & Division St Signalization, Systemic Pedestrian Safety Improvements, Systemic Pedestrian and Bicyclist Data Collection, 2024 Northside Alley Paving, Russell Lane Improvements, Nob Hill Grind and Overlay, 34th Ave. & Fruitvale Blvd. Infrastructure, and N. 1st Street Rehabilitation Phase 3. Funding sources to pay for these projects comes from Federal and State grants, Transportation Improvement Board (TIB), Supporting Investment in Economic Development (SEID), 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 2025. The different stages of the project can include environmental monitoring, utilities, and roadways. Funding sources depend on availability, which can be Federal and State Grants, Yakima Revenue Development Area (YRDA), Gas Tax Credit, interfund loans, and possibly a future bond.

Yakima Air Terminal McAllister Field continues to work on the Terminal Modernization project and Snow Removal Equipment. The Terminal Modernization Project is underway. The airport signed a contract last year with MWA Architects Inc. for design services to complete the remaining phases of design. This will allow a single, cohesive design for all phases and an engineer's estimate for acquiring funds for construction. This multiphase project will renovate and modernize the existing terminal building. Phase 1A is under contract for construction with work scheduled to begin in May 2025. This phase will construct a new roof on the second floor of the building and provide new HVAC units, duct work and gas lines. A second project, airport baggage claims and bathroom modernization, has completed a solicitation process and has identified the winning bidder. The City is in the process of vetting the bidder to confirm they are responsive and can provide all the necessary bonds and supporting documentation. The design effort will continue throughout the remainder of this year with focus on a modernized ticketing area, modernized baggage screening area, and upgraded air cargo area. These projects are planned for construction for next year (2026) contingent on availability of funds.

CURRENT CONSTRUCTION COMMITMENTS

	Contract		Spent to	F	Remaining
Project	Amount	Date		Commitment	
Water	\$ 896,765	\$	122,409	\$	774,356
Irrigation System Design/Rebuild	7,831,831		2,150,242		5,681,589
Stormwater Capital	919,711		391,970		527,741
Sewer Projects	5,789,242		4,961,020		828,222
Environmental Review	1,789,377		1,215,192		574,185
Street Construction	17,206,813		12,358,260		4,848,553
TBD Street Capital	1,540,103		874,664		665,439
Millsite Street Construction	3,428,228		2,664,921		763,307
Airport	17,288,041		5,038,520		12,249,521
Parks	 10,482,509		6,249,995		4,232,514
Total	\$ 67,172,620	\$	36,027,193	\$	31,145,427

NOTE 10 – PENSIONS - STATE SPONSORED (DRS) PLANS

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

AGGREGATE PENSION AMOUNTS - ALL PLANS

Pension liabilities	\$ (9,053,185)
Pension assets	25,722,171
Deferred outflows of resources	29,179,003
Deferred inflows of resources	(8,393,178)
Pension expense / expenditures	(877,818)

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

PENSION AMOUNTS - ALL STATE SPONSORED PLANS

Pension liabilities	\$ (3,180,380)
Pension assets	25,722,171
Deferred outflows of resources	29,179,003
Deferred inflows of resources	(8,393,178)
Pension expense / expenditures	640,151

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.

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.

PERS Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6%. The PERS 1 employer and PERS 2/3 employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

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 Plans defined benefit required contribution rates (expressed as a percentage of covered payroll) for the fiscal year were as follows:

EMPLOYER CONTRIBUTION RATES

	Contribution	PERS 1		Total
Timeframe	Rate	UAAL	Admin Fee	Employer
January - June	6.36%	2.97%	0.20%	9.53%
July - August	6.36%	2.47%	0.20%	9.03%
September - December	6.36%	2.55%	0.20%	9.11%

EMPLOYEE CONTRIBUTION RATES

Plan	Rate
PERS 1	6.00%
PERS 2	6.36%
PERS 3	Varies: 5% - 15%

The City of Yakima's actual PERS plan contributions were \$982,915 to PERS Plan 1 and \$2,130,950 to PERS Plan 2/3 for the year ended December 31, 2024.

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:

- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act
- A limited number of state agencies

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 rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The Plan 2 employer rates include components to address the PERS Plan 1 UAAL.

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

EMPLOYER CONTRIBUTION RATES

	Contribution	PERS 1		Total
Timeframe	Rate	UAAL	Admin Fee	Employer
January - June	6.73%	2.97%	0.20%	9.90%
July - August	6.73%	2.47%	0.20%	9.40%
September - December	6.76%	2.55%	0.20%	9.51%

The City of Yakima's actual plan contributions were \$134,909 to PSERS Plan 2 for the year ended December 31, 2024.

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

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

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

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

- 20+ years of service 2.0% of FAS
- 10-19 years of service 1.5% of FAS
- 5-9 years of service 1.0% 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' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include 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 2024. Employers paid only the administrative expense of 0.20% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the 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 rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

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

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

EMPLOYER CONTRIBUTION RATES

		Contribution		Total
Employer Type	Timeframe	Rate	Admin Fee	Employer
State & Local Governments	January - December	5.12%	0.20%	5.32%

The employee contribution rate was 8.53%.

The City of Yakima's actual contributions to the plan were \$1,557,555 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2024, the state contributed \$96.4 million to LEOFF Plan 2. The amount recognized by the the City of Yakima as its proportionate share of this amount is (\$11.6 million).

Actuarial Assumptions

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

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

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

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.

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA made an adjustment to their model to reflect past inflation experience when modeling future COLA's for current annuitants in all plans except PERS1.

Discount Rate

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

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

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

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

% LT Expected Real Rate of Target Return **Asset Class** Allocation Arithmetic Fixed income 19.00% 2.10% Tangible assets 8.00% 4.50% Real estate 18.00% 4.80% Global equity 30.00% 5.60% Private Equity 25.00% 8.60% 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%	6 Decrease		Rate	1	% Increase		
		6.0%		7.0%		7.0% 8.		8.0%
PERS 1	\$	4,678,259	\$	3,180,380	\$	1,866,704		
PERS 2/3		13,041,973		(7,234,725)		(23,887,554)		
PSERS 2		296,213		(45,736)		(316,292)		
LEOFF 1		(6,015,021)		(6,834,662)		(7,549,431)		
LEOFF 2		7.689.827		(11.607.049)		(27,391,314)		

Pension Plan Fiduciary Net Position

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

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

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

	Asset Liability			
PERS 1	\$ —	\$	3,180,380	
PERS 2/3	(7,234,725)		_	
PSERS 2	(45,736)		_	
LEOFF 1	(6,834,662)		_	
LEOFF 2	(11,607,049)			
Total	\$ (25,722,172)	\$	3,180,380	

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:

LEOFF 1		LEOFF 2
Asset		Asset
\$ (6,834,662)	\$	(11,607,049)
(46,229,481)		(7,532,358)
\$ (53,064,143)	\$	(19,139,407)
\$	Asset \$ (6,834,662) (46,229,481)	Asset \$ (6,834,662) \$ (46,229,481)

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

	Proportionate	Proportionate	Change in
	Share 6/30/23	Share 6/30/24	Proportion
PERS 1	0.1907%	0.1790%	(0.0117)%
PERS 2/3	0.2377%	0.2195%	(0.0182)%
PSERS 2	0.1246%	0.1073%	(0.0173)%
LEOFF 1	0.2442%	0.2403%	(0.0039)%
LEOFF 2	0.7235%	0.6198%	(0.1037)%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2024. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

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

Pension Expense

For the year ended December 31, 2024, the City of Yakima's recognized pension expense as follows:

	Pension	
	Expense	
PERS 1	\$ (366,06)	1)
PERS 2/3	(279,46)	1)
PSERS 2	51,629	9
LEOFF 1	191,560	3
LEOFF 2	1,042,483	1
Total	\$ 640,15	1

Deferred Outflows of Resources and Deferred Inflows of Resources

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

DEFERRED OUTFLOWS/INFLOWS

Plan	Deferred Outflows of Resources	Deferred Inflows of Resources		
PERS Plan 1				
Net difference between projected and actual investment				
earnings on pension plan investments	\$ —	\$ 254,486		
Contributions subsequent to the measurement date	462,518	_		
Total PERS Plan 1	462,518	254,486		
PERS Plan 2/3				
Differences between expected and actual experience	4,110,925	16,750		
Net difference between projected and actual investment				
earnings on pension plan investments	_	2,073,266		
Changes of assumptions	3,995,029	458,391		
Changes in proportion and differences between contributions				
and proportionate share of contributions	1,141,750	152,343		
Contributions subsequent to the measurement date	1,063,452	_		
Total PERS Plan 2/3	10,311,156	2,700,750		
PSERS Plan 2				
Differences between expected and actual experience	118,564	26,161		
Net difference between projected and actual investment				
earnings on pension plan investments	_	22,145		
Changes of assumptions	45,653	17,088		
Changes in proportion and differences between contributions				
and proportionate share of contributions	30,477	7,450		
Contributions subsequent to the measurement date	95,743			
Total PSERS Plan 2	290,437	72,844		
LEOFF 1				
Net difference between projected and actual investment				
earnings on pension plan investments		258,331		
Total LEOFF 1		258,331		
LEOFF 2				
Differences between expected and actual experience	8,542,569	88,333		
Net difference between projected and actual investment				
earnings on pension plan investments	_	1,909,661		
Changes of assumptions	4,778,176	975,636		
Changes in proportion and differences between contributions				
and proportionate share of contributions	4,006,511	2,133,137		
Contributions subsequent to the measurement date	787,637			
Total LEOFF 2	18,114,893	5,106,767		
Total	\$ 29,179,004	\$ 8,393,178		

Deferred outflows of resources related to pensions resulting from the City of Yakima's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended										
December 31	PERS 1		PERS 2/3		PSERS		LEOFF 1		LEOFF 2	
2025	\$	(421,155)	\$	(1,466,836)	\$	(14,781)	\$	(434,356)	\$	(1,218,069)
2026		216,369		3,324,850		31,057		225,032		3,258,169
2027		(22,909)		1,579,179		11,840		(21,597)		1,518,461
2028		(26,790)		1,573,525		12,124		(27,410)		1,584,310
2029		_		860,155		15,681		_		1,827,177
Thereafter		_		676,081		65,929		_		5,250,440

NOTE 11 – PENSIONS - DEFINED BENEFIT PLANS - NO QUALIFYING TRUST

The following table represents the aggregate Fire pension amounts for the for the year 2024 - the chart for aggregate pension amount for all plans can be found in the <u>Pensions - State Sponsored (DRS) Plans</u> note.

AGGREGATE PENSION AMOUNTS - FIRE

Pension liabilities	\$ (3,757,432)
Pension assets	_
Deferred outflows of resources	_
Deferred inflows of resources	_
Pension expense / expenditures	(1,173,103)

FIREMEN'S PENSION

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 49, with a combined monthly pension of \$29,578 paid by the City. Cost of Living Adjustment (COLA) was 5.52% and Collective Bargaining Agreement (CBA) was 4.25%. 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, 2024, 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, 2024.

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 \$0.0643 per \$1,000 of assessed valuation of all taxable property of the City in the amount of \$750,000 for fiscal year 2024.
- 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 \$136,795 for fiscal year 2024.
- There was no additional funding provided by investment interest earnings in fiscal 2024.

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, 2024, measurements were based on the results of an actuarial experience study covering the period from January 1, 2024 through December 31, 2024. 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 4.00%, 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 (3.00%) or 1% point higher (5.00%) than the current rate.

		Current			
	Discount				
	1% Decrease	Rate	1% Increase		
	3.0%	4.0%	5.0%		
Total pension liability	\$4,043,705	\$3,757,432	\$3,505,282		

Pension Expenses

For the year ended December 31, 2024, the pension expense is (\$1,173,103).

Total Pension Liability

The City is required by GASB 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, 2024. Changes in the City's total pension liability were as follows:

	Total	
	Pension	
Fire Pension		Liability
Balances at 12/31/2023	\$	5,145,880
Changes for the year:		
Interest on total pension liability		161,564
Effect of economic / demographic gains or losses		(986,694)
Effect of assumptions changes or inputs		(211,178)
Benefit payments		(352,140)
Net changes in total pension liability		(1,388,448)
Balance at 12/31/2024	\$	3,757,432

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 3.25% to 4.00%.

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

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

	De	ferred	De	ferred
	Outf	lows of	Inf	lows of
Fire Pension	Resources		Res	sources
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, 2024. There are no deferred outflows as of 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:

Year Ended		
December 31	Am	ount
2025	\$	
2026		_
2027		_
2028		_
2029		_
Thereafter		_

POLICE PENSION

The following table represents the aggregate Police pension amounts for the for the year 2024 - the chart for aggregate pension amount for all plans can be found in the <u>Pensions - State Sponsored (DRS) Plans</u> note.

AGGREGATE PENSION AMOUNTS - POLICE

Pension liabilities	\$ (2,115,373)
Pension assets	_
Deferred outflows of resources	_
Deferred inflows of resources	_
Pension expense / expenditures	(344,866)

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 37, with a combined monthly pension of \$13,711 paid by the City. Cost of Living Adjustment (COLA) was 2.5% and there was no CBA increase for 2024. 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, 2024, 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, 2024. 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, 2024 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 4.00%, 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 (3.00%) or 1% point higher (5.00%) than the current rate.

				Current		
				Discount		
	19	6 Decrease		Rate	19	% Increase
	3.00%		4.00%		5.00%	
Total pension liability	\$	2,260,472	\$	2,115,373	\$	1,985,775

Pension Expenses

For the year ended December 31, 2024, the pension expense is (\$344,866).

Total Pension Liability

The City is required by GASB 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, 2024. Changes in the City's total pension liability were as follows:

	Total		
	Pension		
Police Pension		Liability	
Balances at 12/31/2023	\$	2,677,930	
Changes for the year:			
Interest on total pension liability		83,524	
Effect of economic / demographic gains or losses		(321,148)	
Effect of assumptions changes or inputs		(107,242)	
Benefit payments		(217,691)	
Net changes in total pension liability		(562,557)	
Balance at 12/31/2024	\$	2,115,373	

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 3.25% to 4.00%.

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

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

	Deferred	Deferred
	Outflows of	Inflows of
Police Pension	Resources	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, 2024. There are no deferred outflows as of 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:

Year Ended		
December 31	Am	ount
2025	\$	_
2026		_
2027		_
2028		_
2029		_
Thereafter		_

NOTE 12 – OPEB DEFINED BENEFIT PLAN - NO QUALIFYING TRUST

The following table represents the aggregate Other Postemployment Benefit (OPEB) amounts for all plans subject to the requirements of GASB for the year 2024.

AGGREGATE AMOUNTS - ALL OPEB PLANS

OPEB liabilities	\$ 41,934,792
OPEB assets	_
Deferred outflows of resources	1,711,433
Deferred inflows of resources	(2,823,754)
OPEB expense / expenditures	(1,729,802)

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 2024, the costs totaled \$753,827 for the Firemen's Pension and \$391,435 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 86. 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, 2024, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2024. 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 4.00%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.00%) or 1% point higher (5.00%) that the current rate.

	Current				
	Discount				
	1% Decrease	Rate	1% Increase		
	3.00%	4.00%	5.00%		
Total December 31, 2024 OPEB liability	\$ 20,576,271	\$ 18,500,005	\$ 16,737,391		

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		
			F	Healthcare		
	Cost Trend					
	19	% Decrease		Rate	1	% Increase
er 31, 2024 OPEB liability	\$	16,887,145	\$	18,500,005	\$	20,340,054

Total December 31, 2024 OPEB liability

The number of inactive, retired members and survivors, covered by the benefit terms is 49. There are no active members covered by the benefit terms.

CHANGES IN FIRE OPEB LIABILITY

	Total
	OPEB
	Liability
Fire OPEB	
Total OPEB liability - beginning	\$ 20,011,716
Changes for the year:	
Interest on total OPEB liability	635,986
Effect of economic / demographic gains or losses	338,881
Effect of assumptions, changes or inputs	(1,593,596)
Expected benefit payments	(892,982)
Net changes in total OPEB liability	(1,511,711)
Total OPEB liability - ending	\$ 18,500,005

CHANGES IN FIRE OPEB EXPENSE

	Jan. 1, 2024 to Dec. 31, 2024	
OPEB Expense		
Interest on total pension liability	\$	635,986
Recognition of deferred inflows / outflows of resources		
Recognition of economic / demographic gains or losses		338,881
Effect of assumptions changes or inputs		(1,593,596)
OPEB expense	\$	(618,729)

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

	Defe	rred	D	eferred	
	Outflo	ows of	Inf	flows of	
Fire OPEB	Resources		Resources Reso		sources
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, 2024. 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	An	nount
2025	\$	_
2026		_
2027		_
2028		_
2029		_
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, 2024, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2024. 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 4.00%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.00%) or 1% point higher (5.00%) that the current rate.

		Current		
	Discount			
	1% Decrease	Rate	1% Increase	
	3.00%	4.00%	5.00%	
Total December 31, 2024 OPEB liability	\$ 17,735,118	\$ 15,897,192	\$ 14,336,641	

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, 2024 OPEB liability	\$ 14,466,677	\$ 15,897,192	\$ 17,526,941	

The number of inactive, retired members and survivors, covered by the benefit terms is 37. There are no active members covered by the benefit terms.

CHANGES IN POLICE OPEB LIABILITY

	Total OPEB
	Liability
Police OPEB	
Total OPEB liability - beginning	\$ 18,014,344
Changes for the year:	
Interest on total OPEB liability	575,300
Effect of economic / demographic gains or losses	(443,350)
Effect of assumptions, changes or inputs	(1,618,452)
Expected benefit payments	(630,650)
Net changes in total OPEB liability	(2,117,152)
Total OPEB liability - ending	\$ 15,897,192

CHANGES IN POLICE OPEB EXPENSE

	Jan. 1, 2024 to		
	Dec. 31, 2024		
OPEB Expense			
Interest on total pension liability	\$	575,300	
Recognition of deferred inflows / outflows of resources			
Recognition of economic / demographic gains or losses		(443,350)	
Effect of assumptions changes or inputs		(1,618,452)	
OPEB expense	\$	(1,486,502)	

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

	Defe	erred	D	eferred	
	Outfl	ows of	In	flows of	
Police OPEB	Resources		Resources Resour		esources
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, 2024. 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	An	nount
2025	\$	_
2026		_
2027		_
2028		_
2029		_
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 \$941.57 per month for pre-65 Medical coverage for 2024. If a retiree chooses to cover his spouse and/or eligible family an amount of \$2,233.13 per month for pre-65 medical and dental coverage was paid in 2024.

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, 2024, calculated based on the discount rates below, and then projected to the measurement date of December 31, 2024. 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 4.00%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.00%) or 1% point higher (5.00%) that the current rate.

				Current		
	Discount					
	1%	Decrease		Rate	19	% Increase
		3.00% 4.00%			5.00%	
Total December 31, 2024 OPEB liability	\$	8,084,979	\$	7,537,595	\$	7,020,108

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, 2024 OPEB liability	\$ 6,707,192	\$ 7,537,595	\$ 8,514,730

The number of inactive, retired members and survivors, covered by the benefit terms is 48. There are no active members covered by the benefit terms.

CHANGES IN NON-LEOFF OPEB LIABILITY

	1 Otal		
	OPEB		
	Liability		
Non-LEOFF OPEB			
Total OPEB liability - beginning	\$	6,475,640	
Changes for the year:			
Service cost		395,202	
Interest on total OPEB liability		215,925	
Effect of economic / demographic gains or losses		1,322,958	
Effect of assumptions, changes or inputs		(414,472)	
Expected benefit payments		(457,658)	
Net changes in total OPEB liability		1,061,955	
Total OPEB liability - ending	\$	<i>7,</i> 537,595	

Total

CHANGES IN NON-LEOFF OPEB EXPENSE

Jan.	1, 2024 to
De	c. 31, 2024
\$	395,202
	215,925
	(71,860)
	(163,838)
\$	375,429
	De

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

]	Deferred		Deferred
	О	utflows of]	inflows of
Non-LEOFF OPEB	Resources			Resources
Differences between expected and actual experience	\$	1,372,552	\$	(1,340,922)
Changes of assumptions		338,881		(1,482,832)
Total	\$	1,711,433	\$	(2,823,754)

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, 2024. 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
2025	\$ (235,698)
2026	(235,698)
2027	(235,698)
2028	(235,698)
2029	(214,398)
Thereafter	44,869

UNFUNDED POSTEMPLOYMENT BENEFIT LIABILITIES

An initial actuarial evaluation was performed as of January 1, 2024. 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			Balance
	1/1/24 Additions			Additions	 12/31/24
OPEB Fire - medical	\$	20,011,716	\$	(1,511,711)	\$ 18,500,005
OPEB Police - medical		18,014,344		(2,117,152)	15,897,192
OPEB Non-LEOFF - medical		6,475,640		1,061,955	 7,537,595
Total	\$	44,501,700	\$	(2,566,908)	\$ 41,934,792

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 <u>State (DRS) Pension Plans</u> and <u>Defined Benefit Pension Plans</u> notes for additional information on the pension funds, and the <u>Other Post Employment Benefit (OPEB)</u> 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 \$4.5 million. 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, 2024, is \$3.4 million.

The Risk Management fund balance was \$4.2 million at the end of 2024.

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 \$2.0 million per occurrence and \$4.0 million aggregate with aggregate with \$13.0 million per occurrence and \$21.0 million 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 \$1.0 million other than limited garage keepers which is \$500,000.

The City's Law Enforcement liability limits are \$5.0 million per occurrence and \$5.0 million aggregate with \$10.0 million per occurrence & \$15.0 million aggregate. Retention is \$1.0 million.

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 and excess layers are \$25,000,000. 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 \$262,919 for 2024. The reserve balance at the end of 2024 was \$472,494.

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 2024 were \$13.6 million. The reserve balance at the end of 2024 was \$698,969, after considering the costs that are estimated to be incurred should the program be discontinued (commonly referred to as Incurred But Not Reported, or IBNR) of \$2.8 million 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 \$3.8 million. The reserve balance at the end of 2024 was \$414,987 after considering, based on the claims manager's estimate, the costs that are estimated to be incurred should the program be discontinued (commonly referred to IBNR) of \$750,000 at December 31, 2024.

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 2024.

LONG-TERM LIABILITIES

				Amounts			
	Balance		Payments/	Balance	Due Within	Noncurrent	
	1/1/2024	Additions	Retirements	12/31/2024	One Year	Portion	
Governmental activities							
General obligation debt							
Bonds	\$ 31,804,567	\$ —	\$ 3,098,668	\$ 28,705,899	\$ 1,544,776	\$ 27,161,123	
Unamortized premium (discount)	616,661	_	199,486	417,175	_	417,175	
Intergovernmental loans	5,084,510		567,085	4,517,425	561,914	3,955,511	
Other liabilities ¹	1,886,011	_	1,886,011	_	_	_	
Lease purchase agreements	2,224,901	_	314,667	1,910,234	331,650	1,578,584	
Subscriptions (SBITAs)	154,446	138,943	76,231	217,157	164,148	53,009	
Net pension liability	10,621,762		2,719,725	7,902,037	_	7,902,037	
Total OPEB liability	43,002,313		2,902,799	40,099,514	1,869,858	38,229,656	
Compensated absences ²	9,054,997	_	(1,966,001)	11,020,998	2,809,856	8,211,142	
Total liabilities - governmental activities	104,450,168	138,943	9,798,671	94,790,439	7,282,202	87,508,237	
Business-type activities							
Revenue debt							
Revenue bonds	3,955,000	_	540,000	3,415,000	560,000	2,855,000	
Unamortized premium (discount)	202,264	_	28,939	173,325	_	173,325	
Intergovernmental loans	11,234,835	_	1,356,420	9,878,415	1,357,967	8,520,448	
Net pension liability	1,554,670		403,522	1,151,148	_	1,151,148	
Total OPEB liability	1,499,387	335,891	_	1,835,278	111,432	1,723,846	
Compensated absences ²	1,880,415	_	(496,416)	2,376,831	657,789	1,719,042	
Noncurrent liabilities - business-type	20,326,571	335,891	1,832,465	18,829,997	2,687,188	16,142,809	
Total noncurrent liabilities	\$ 124,776,739	\$ 474,834	\$ 11,631,136	\$ 113,620,436	\$ 9,969,390	\$ 103,651,046	

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.

LEGAL DEBT PERCENTAGE

		Limit by	Cumulative
	_	Section	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%	-

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, 2024, all HUD 108 loans have been paid in full.

² The change in the compensated absences liability is presented as a net change.

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 \$11.7 billion, resulting in the debt limits, as of December 31, 2024, for the City as follows:

CUMULATIVE DEBT LIMITS

Assessed valuation of taxable property in the							
City of Yakima - tax year 2024			\$11,665	,072	2,030		
	Without						
	 a Vote			1	With a Vote		
	 General		General			(Open Space
	Purpose		Purpose		Utilities	& Parks	
	 1.5%	_ +	-1.0%=2.5%	_ +	+2.5%=5.0%	+2.5%=7.5%	
Legal limit - percent of assessed valuation	\$ 174,976,080	\$	291,626,801	\$	583,253,602	\$	874,880,402
Less: net outstanding indebtedness (see below)	 15,274,320		15,274,320		15,274,320		15,274,320
Margin available	\$ 159,701,760	\$	276,352,481	\$	567,979,282	\$	859,606,082
Net outstanding indebtedness							
Outstanding debt	\$ 35,550,733						
Less: available resources to repay debt	 20,276,413						
Net outstanding indebtedness	\$ 15,274,320						

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	Average Annual Debt Service
Regular property tax levy					
2014 Street Resurfacing Project	06/01/24	3.0% - 5.0%	\$ 13,140,000	\$ —	\$ 1,650,250
2018 Street Resurfacing Project (Refunding)	12/01/28	3.25% - 3.85%	3,500,000	1,468,608	399,664
2018 Yakima Sports Complex (Refunding)	06/01/35	4.85%	4,440,127	3,235,601	442,494
2018 Aquatic Center YMCA	12/01/42	4.85%	8,009,873	7,706,689	648,948
Total regular property tax levy			29,090,000	12,410,898	
Public Facilities District (state sales tax credit)					
2020 Refunded Conv Center	12/01/44	2.20% - 4.083%	2,495,000	2,160,000	156,813
2020 Conv Center Addition	12/01/44	2.20% - 4.083%	12,620,000	10,925,000	792,810
2020 Refunded Capital Theatre	12/01/32	2.20% - 4.083%	4,910,000	3,210,000	460,602
Total Public Facilities District			20,025,000	16,295,000	
			\$ 49,115,000	\$ 28,705,898	

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

		Maturity	Maximum	Outstanding
	Interest	Date	Authorized	12/31/2024
General long-term debt				
Arterial street gas tax				
2016 SIED Loan - 2016 Yakima County SIED loan	2.6%	06/01/27	\$ 900,000	\$ 302,569
2017 SIED Loan - YV Brewing Project	3.2%	06/01/24	61,580	_
2018 SIED Loan - River Road	3.8%	06/01/29	500,000	281,549
2021 SIED Loan - SOZO	2.4%	06/01/32	1,000,000	843,131
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	696,275
PC-08-951-052 - 2009 Railroad grade separation	0.5%	06/01/28	3,000,000	660,401
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	1,005,000
Sub-total general long-term debt				4,517,425
Revenue debt				
Wastewater operating revenue				
PW-05-691-064 - 2005 River Road sewer	0.5%	06/01/25	2,307,000	124,246
PW-07-962-019 - 2007 Ultra violet disinfection	0.5%	06/01/27	2,300,000	364,167
PC-12-951-065 - 2012 Wastewater Treatment Plan	0.3%	06/01/31	5,000,000	1,883,554
PC-13-961-059 - 2012 Industrial sewer main extensions	0.5%	06/01/37	2,000,000	1,057,416
L1100008 - 2011 Energy efficiency project	2.8%	03/31/33	516,192	261,626
L1200019 - 2012 Industrial waste anaerobic	2.6%	07/01/34	602,634	344,820
Water operating revenue				
SRF-04-65104-037 - 2005 Naches River WTP filter rehabilitation	0.5%	10/01/25	894,380	47,073
PC-08-951-051 - 2009 New water well	0.5%	06/01/28	2,257,200	484,595
PC-13-961-074 - 2013 Automated reading system	0.3%	06/01/32	5,000,000	2,105,263
PC20-96103-044 2021 Waterline Improvement	1.1%	06/01/39	1,740,000	1,448,255
DM-11-952-038 - 2013 Design WTP lagoons	1.5%	10/01/34	3,480,000	1,757,400
Sub-total revenue debt				9,878,415
Total intergovernmental debt				\$ 14,395,840

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)

Year ended December 31	Bonded Debt	 Interest	Interest	
2025	\$ 1,545	\$ 1,168	\$ 562	\$ 94
2026	1,595	1,111	576	160
2027	1,653	1,053	626	163
2028	1,711	995	558	99
2029	1,375	934	409	84
2030-2034	6,794	3,854	1,644	221
2035-2039	7,194	2,453	142	12
2040-2044	6,840	750		
	\$ 28,707	\$ 12,318	\$ 4,517	\$ 833

At December 31, 2024, the City had \$650,822 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

							Average			
	Date of						Annual			
	Final	Interest	Original			Original Outsta			utstanding	Debt
	Maturity	Rate	e Issue 12/		te Issue 12/31/202		2/31/2024	Service		
2020A Irrigation 04 Refunded	12/01/34	3.0%	\$	3,260,000	\$	2,330,000	\$ 272,909			
2020A Wastewater 08 Refunded	12/01/27	3.0%		2,590,000		1,085,000	384,613			
			\$	5,850,000	\$	3,415,000				

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	
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	225	44		951	45
2030-2034	1,255	115		3,395	119
2035-2039		 		727	 18
	\$ 3,415	\$ 467	\$	9,879	\$ 443

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

Equipment	
Energy Project (Lighting)	\$ 326,305
Fire Aerial & Pump	448,930
Energy Efficiency Project	1,135,000
Total	\$ 1,910,235

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

EQUIPMENT PAYMENTS

2025	\$ 400,647
2026	402,705
2027	403,278
2028	136,625
2029	131,875
2030-2034	665,750
2035-2035	 133,250
Total minimum lease payments	2,274,130
Less: Amount representing interest	 363,895
Present value of minimum lease payments	\$ 1,910,235

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

	Wastewater			Irrigation
Condensed statement of net position				
Assets				
Current assets	\$	36,666,823	\$	4,197,558
Restricted assets		_		_
Capital assets, net of accumulated depreciation		72,855,886	_	40,076,620
Total assets		109,522,709	_	44,274,178
Deferred outflows of resources		1,330,556	_	268,780
Total assets and deferred outflows of resources		110,853,265	_	44,542,958
Liabilities				
Current liabilities		2,955,773		4,337,723
Noncurrent liabilities		5,568,600		2,439,257
Total liabilities		8,524,373		6,776,980
Deferred inflows of resources		531,446		82,658
Total liabilities and deferred inflows		9,055,819	_	6,859,638
Net position				
Net investment in capital assets		66,713,907		37,565,339
Restricted		1,655,358		252,899
Unrestricted		33,428,181		(134,918)
Total net position	\$	101,797,446	\$	37,683,320
Condensed statement of revenues, expenses and changes in net position	n			
Operating revenues				
Charges and fees for services	\$	24,889,532	\$	3,877,301
Other operating revenue		1,382		
Total operating revenues		24,890,914		3,877,301
Operating expenses				
Personnel services		5,471,054		831,122
Materials and supplies		1,231,059		87,473
Contractual services		12,082,227		1,259,960
Depreciation		4,702,851		494,083
Total operating expenses	_	23,487,191		2,672,638
Operating income (loss)		1,403,723		1,204,663
Nonoperating revenues (expenses)				
Grants and subsidies		_		2,511,314
Interest income		40,318		_
Other nonoperating revenues		889		1,510
Interest and other debt related costs		(58,090)		(194,812)
Gain (loss) on disposal of capital assets		(399,007)		(3,393)
Total nonoperating revenues (expenses)	_	(415,890)		2,314,619
Income (loss) before contributions and transfers		987,833		3,519,282

SEGMENT INFORMATION

	W	astewater	 Irrigation
Capital contributions		828,865	_
Operating transfers (net)		(84,448)	
Change in net position	_	1,732,250	3,519,282
Net position - January 1		100,065,195	34,164,039
Net position - December 31	\$ 1	101,797,445	\$ 37,683,321
Condensed statement of cash flows Net cash provided (used) Cash flows from operating activities	\$	6,005,374	\$ 2,035,369
Cash flows from noncapital financing activities		(1,139,947)	913,564
Cash flows from capital financing activities		(5,738,673)	(2,041,855)
Cash flows from investing activities		(2,646,286)	(642,313)
Net increase (decrease) in cash and cash equivalents		(3,519,532)	264,765
Cash and cash equivalents - January 1		17,077,115	 600,328
Cash and cash equivalents - December 31	\$	13,557,583	\$ 865,093

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 ³	Pa	Fixed yments (onthly)
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		1,278
McCormick Lease #8	Lessor	01/01/22	Land	575	2.583%	2 options of 120 months		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		607
Airport Business Park LLC	Lessor	01/01/22	Land	699	2.583%	7 options of 60 months		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
McCurley Fruitvale Property 4	Lessor	09/07/22	Buildings	24	2.536%	1 option of 12 months		33,975
Makito Fuel Farm (New 2024)	Lessor	11/20/24	Land	360	3.497%	4 options of 60 months		642
Makito FBO (New 2024)	Lessor	11/20/24	Land	360	3.497%	4 options of 60 months		2,800

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.

³ All extension options except McCurley, Makito Fuel Farm and Makito FBO, 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. Makito Fuel Farm and FBO have mutual agreement extension clauses therefore extensions excluded from lease terms.

⁴ Sale-Leaseback agreement where City is the buyer-lessor.

FINANCIAL LEASE INFORMATION

Lease Title	Lease Rec at Measure Date	2024 Lease Rec Adds (New	Lease Rec as of 12/31/24	Fiscal Year 2024 Lease Revenue	Fiscal Year 2024 Interest Revenue	Def. Inflow at Measure Date	2024 Def Inflow Adds (New Leases)	Def. Inflow as of 12/31/24	Inflows not in Lease Rec ⁵
McCormick Lease #2	\$ 984,462	\$ —	\$ 922,591	\$ (30,137)	\$ (24,118)	\$ (984,462)	\$ —	\$ (894,053)	\$ (13,658)
McCormick Lease #3	241,337	_	224,378	(8,045)	(5,875)	(241,337)	_	(217,203)	(3,541)
McCormick Lease #5	147,457	_	137,896	(4,644)	(3,607)	(147,457)	_	(133,524)	(873)
McCormick Lease #6	339,122	_	318,091	(10,355)	(8,315)	(339,122)	_	(308,057)	(4,700)
McCormick Lease #8	147,254	_	142,189	(3,073)	(3,696)	(147,254)	_	(138,035)	(687)
CAS Properties	286,304	_	255,067	(13,163)	(6,424)	(286,304)	_	(246,814)	(3,203)
McAllister Museum ⁶	158,368	_	146,365	(5,557)	(3,793)	(158,368)	_	(141,697)	(1,306)
Jim DBA Cub Crafters	231,048	_	208,942	(9,242)	(4,400)	(231,048)	_	(203,322)	(1,519)
DA Arthur #2	153,596	_	143,010	(5,050)	(3,744)	(153,596)	_	(138,447)	(1,284)
Airport Business Pk LLC	902,503	_	882,264	(15,494)	(22,889)	(902,503)	_	(856,022)	(3,852)
Yakima Airpark LLC (A)	455,203	_	428,278	(13,454)	(11,188)	(455,203)	_	(414,840)	(2,589)
Yakima Airpark LLC (B)	130,763	_	123,028	(3,865)	(3,214)	(130,763)	_	(119,168)	(744)
Yakima Airport Maxi Spc	226,393	_	203,991	(9,240)	(4,145)	(226,393)	_	(198,671)	(2,753)
Richmond Parking Lot	160,022	_	150,349	(4,801)	(3,929)	(160,022)	_	(145,620)	(919)
Richmond #3 Tract C-1	244,812	_	233,877	(6,008)	(6,092)	(244,812)	_	(226,789)	(2,975)
DA Arthur #1	170,989	_	163,863	(4,095)	(4,267)	(170,989)	_	(158,702)	(860)
Staci's Catering	100,356	_	79,108	(9,264)	(954)	(100,356)	_	(72,565)	(1,091)
US Gov't GSA/TSA	377,395	_	321,830	(23,711)	(7,115)	(377,395)	_	(306,263)	_
McCurley Fruitvale Prp 7	807,658	_	_	(275,950)	(2,644)	(807,658)	_	_	(35,946)
Makito Fuel Farm	_	142,960	142,499	(794)	(416)	_	(142,960)	(142,166)	(113)
Makito FBO		623,879	621,867	(3,466)	(1,815)		(623,879)	(620,413)	(491)
Total	\$6,265,042	\$766,839	\$5,849,483	\$(459,408)	\$(132,640)	\$(6,265,042)	\$(766,839)	\$(5,682,371)	\$(83,104)

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

Year ended	Pı	Principal and Interest Expected to Maturity					
 December 31	1	Principal	Interest			Total	
2025	\$	144,636	\$	151,250	\$	295,886	
2026		148,693		147,639		296,332	
2027		152,990		143,929		296,919	
2028		158,615		140,100		298,715	
2029		163,079		136,152		299,231	
2030-2034		860,716		617,904		1,478,620	
2035-2039		881,161		505,794		1,386,955	
2040-2044		887,540		391,213		1,278,753	
2045-2049		865,430		273,244		1,138,674	
2050-2054		820,153		154,651		974,804	
2055-2059		197,380		85,406		282,786	
2060-2064		166,587		61,978		228,565	
2065-2069		132,597		43,720		176,317	
2070-2074		122,767		27,233		150,000	
2075-2079		139,672		10,328		150,000	
2080		7,467		33		7,500	
	\$	5,849,483	\$	2,890,574	\$	8,740,057	
			_				

⁵ Composed of \$67,013 of leasehold tax and \$16,091 of variable payments due to change in airport's rates and charges and CPI for DA Arthur #2 lease not part of initial lease measurement.

⁶ McAllister Museum (Lessee to the city) is given a monthly credit incentive of 381.63 (Jan-Sept 2024) and \$389.63 (Oct-Dec 2024).

 $^{^7\,\}mathrm{McCurley}$ Fruitvale lease contract terminated effective 9/1/2024.

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

		Lease			Fixe	:d
Subscription Title 8	Measurement Date	Terms (Months)	Interest Rate	Extension Options 9	Payme (Annua	
FileOnQ Software	01/01/23	35	2.796%	5 option of 12 months	\$ 23,59	90
Granicus	01/17/23	28	2.847%	0 options	17,90)5
Westlaw (Thomson Reuters)	05/16/23	36	2.796%	0 options	3,05	54
Questica (New for 2024)	07/01/24	24	3.177%	Year to year	67,06	60
GovInvest (New for 2024)	10/01/24	36	2.321%	Year to year	36,05	50

The contract with Tyler Technologies was cancelled October of 2024. Costs associated with contract were in the implementation/development phase.

Subscription Title	Sub Liability at Measure Date	2024 Lease Liability Additions (New SBITAs)	Sub Liability as of 12/31/24	Fiscal Year 2024 Interest Expense	Sub ROU Asset at Measure Date	2024 New ROU Asset Additions	Fiscal Year 2024 Amort Expense	Sub RTU Asset as of 12/31/24	Outflows not in Sub Liability ¹⁰
FileOnQ Software	\$ 68,756	\$ —	\$ 22,948	\$ 1,266	\$ 68,756	\$ —	\$ 23,111	\$ 22,533	\$ 1,958
Granicus	35,844	_	_	520	35,844	_	15,362	5,803	1,560
Westlaw - GF	64,320	_	32,623	1,236	64,320	_	21,146	29,957	1,750
GovInvest - GF	_	35,349	35,349	_	_	56,599	4,994	51,605	_
Questica		68,245	68,245			279,116	69,779	209,337	
General Fund Totals	168,920	103,594	159,165	3,022	168,920	335,715	134,392	319,235	5,268
Westlaw - IS GovInvest - IS	44,644	— 35,349	22,643 35,349	858	44,644		14,678 4,994	20,793 51,605	1,215
Internal Service	44,644	35,349	57,992	858	44,644	56,599	19,672	72,398	1,215
Grand Total	\$ 213,564	\$ 138,943	\$ 217,157	\$ 3,880	\$ 213,564	\$ 392,314	\$ 154,064	\$ 391,633	\$ 6,483

	В	eginning						Ending
Subscription Title		Balance A		Additions		Reductions		Balance
FileOnQ Software	\$	45,273	\$	_	\$	(22,324)	\$	22,948
Granicus		18,279		_		(18,279)		_
Westlaw		90,893		_		(35,627)		55,266
Questica		_		68,245		_		68,245
GovInvest - GF		_		70,698				70,698
Totals	\$	154,445	\$	138,943	\$	(76,230)	\$	217,157

⁸ Granicus and Westlaw subscriptions have a set increase payment schedule through 2024 and 2026 respectively.

⁹ All extension options were considered reasonably certain of being exercised due to history of renewals and limited options for government. Extension periods, except Questica and GovInvest are included in the lease terms.

¹⁰ Sales Tax

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

	_ P	Principal and Interest Expected to Maturity						
	Principal Payments			Interest ayments	Total Payments			
2025	\$	164,148	\$	5,511	\$	169,659		
2026		53,009		959		53,968		

NOTE 19 – ASSET RETIREMENT OBLIGATIONS

GASB 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. 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. 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. 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 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 \$8.7 million in a Toxic Cleanup grant in 2020. That money was used to for the Interim Action work performed on Contract 2529 in 2021. Another \$3.0 million 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 <u>RCW 82.60.010</u>, and the Multi-Unit Urban Housing Property Tax Exemption referenced in <u>RCW 84.14.020</u>.

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	 nount of Taxes Abated
High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities	\$ 19,699
Multi-Unit Urban Housing Property Tax Exemption	11,506
	\$ 31,205

NOTE 22 – FUND BALANCE CLASSIFICATION

The City's fund balances are classified in accordance with GASB. Fund Balance Reporting and Governmental Fund Type Definitions 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, 2024.

FUND BALANCE

	6 1		Other	
Fund Balance	General Fund	ARPA	Gov't Funds	Total
Nonspendable	Fund	Fund	Funds	Total
Inventories and prepayments	\$ 14,760	\$ —	\$ 191,513	\$ 206,273
Permanent fund	ψ 1 1 ,700	ў —	743,395	743,395
Total nonspendable	14,760		934,908	949,668
Total Horispericaliste	11,700		751,700	717,000
Restricted				
Emergency services	_	_	589,612	589,612
Arterial street construction & maintenance	_	_	3,641,435	3,641,435
Housing & economic development	_	_	1,021,927	1,021,927
Public safety	_	_	2,932,295	2,932,295
Debt service	_	_	633,195	633,195
Capital improvements	_	_	5,405,430	5,405,430
Other purposes	_	67,700	904,535	972,235
Tourism, conv & business improvement			3,181,346	3,181,346
Total restricted		67,700	18,309,775	18,377,475
Committed				
Public safety & emergency programs	1,208,708	_	_	1,208,708
Community relations	_	_	549,516	549,516
Parks and recreation	_	_	1,528,132	1,528,132
Streets maintenance	_	_	3,021,640	3,021,640
Capital improvements	_	_	2,214,921	2,214,921
Other purposes	_	_	986,347	986,347
Tourism, conv & business improvement			110,662	110,662
Total committed	1,208,708		8,411,218	9,619,926
Assigned				
Parks and recreation	_	_	583,375	583,375
Streets maintenance	_		4,818,377	4,818,377
Public safety	_	_	1,994,847	1,994,847
Debt service	_		17,626	17,626
Tourism, conv & business improvement	_		279,282	279,282
Total assigned			7,693,507	7,693,507
Total assigned			7,075,307	7,073,307
Unassigned	16,983,996	_	_	16,983,996
Total fund balance	\$ 18,207,464	\$ 67,700	\$ 35,349,408	\$ 53,624,572



REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability - The Governmental Accounting Standards Board (GASB) requires 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 - GASB also requires a schedule that provides 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.

<u>Schedule of Changes in Net Pension Liability and Related Ratios</u> - 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.

<u>Schedule of Changes in Total OPEB Liability and Related Ratios</u> - 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.

CITY OF Yakima

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

As of June 30 Last 10 Fiscal Years Page 1 of 2

	2024	 2023
PERS 1	0.45000/	0.400=0/
Employer's proportion of the net pension liability (asset)	0.1790%	0.1907%
Employer's proportionate share of the net pension liability (asset)	\$ 3,180,380	\$ 4,352,622
Covered payroll	35,040,154	34,097,023
Employer's proportionate share of the net pension liability as a percentage of covered payroll	9.1%	12.8%
Plan fiduciary net position as a percentage of the total pension liability	84.1%	80.2%
PERS 2/3		
Employer's proportion of the net pension liability (asset)	0.2195%	0.2377%
Employer's proportionate share of the net pension liability (asset)	\$ (7,234,725)	\$ (9,740,807)
Covered payroll	33,853,621	33,034,897
Employer's proportionate share of the net pension liability as a percentage of covered payroll	(21.4)%	(29.5)%
Plan fiduciary net position as a percentage of the total pension liability	105.2%	107.0%
PSERS		
Employer's proportion of the net pension liability (asset)	0.1073%	0.1246%
Employer's proportionate share of the net pension liability (asset)	\$ (45,736)	\$ (132,138)
Covered payroll	1,087,815	966,640
Employer's proportionate share of the net pension liability as a percentage of covered payroll	4.2%	(13.7)%
Plan fiduciary net position as a percentage of the total pension liability	102.6%	107.9%
LEOFF 1		
Employer's proportion of the net pension liability (asset)	0.2403%	0.2442%
Employer's proportionate share of the net pension liability (asset)	\$ (6,834,662)	\$ (7,248,538)
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	%
Plan fiduciary net position as a percentage of the total pension liability	168.5%	176.0%
LEOFF 2		
Employer's proportion of the net pension liability (asset)	0.6198%	0.7235%
Employer's proportionate share of the net pension liability (asset)	\$(11,607,049)	\$ (17,352,657)
State's proportion of the net pension liability (asset) associated with the employer	(7,532,358)	(11,081,228)
Total	\$(19,139,407)	\$ (28,433,885)
Covered payroll	\$ 29,688,434	\$ 32,255,467
Employer's proportionate share of the net pension liability as a percentage of covered payroll	(39.1)%	(53.8)%
Plan fiduciary net position as a percentage of the total pension liability	109.3%	113.2%

Notes to the Schedule:

The City of Yakima has no current LEOFF I employees.

Significant changes: Discount Rate increased from 3.75% to 4.00%.

CITY OF Yakima

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

As of June 30 Last 10 Fiscal Years Page 2 of 2

 2022		2021	2020	2019	 2018		2017	2016	 2015
0.2028%		0.2114%	0.2126%	0.2239%	0.2304%		0.2396%	0.2437%	0.2473%
\$ 5,647,086 32,382,356 17.4%	\$	2,581,615 32,154,893 8.0%	\$ 7,507,587 31,609,557 23.8%	\$ 8,608,173 30,981,922 28.0%	\$ 10,291,797 30,238,586 34.0%	\$	11,370,630 29,549,697 38.5%	\$ 13,085,797 28,675,000 46.0%	\$ 12,938,339 22,406,624 58.0%
 76.6%		88.7%	68.6%	67.1%	63.2%		61.2%	59.0%	59.1%
0.2535%		0.2586%	0.2592%	0.2730%	0.2771%		2.8844%	0.2903%	0.2942%
\$ (9,400,944)	\$	(25,763,211)	\$ 3,314,662	\$ 2,651,884	\$ 4,731,133	\$	10,021,946	\$ 14,618,037	\$ 10,512,470
31,335,035		31,002,101	30,344,986	29,750,683	29,077,617		29,284,000	27,400,579	21,024,500
(30.0)%		(83.1)%	10.9%	8.9%	16.3%		34.2%	53.3%	50.0%
106.7%		120.3%	97.2%	97.8%	96.8%		91.0%	85.8%	89.2%
0.1415%		0.1346%	0.1493%	0.1852%	0.2135%		0.2143%	0.2172%	0.2462%
\$ (101,203)	\$	(309,174)	\$ (20,538)	\$ (24,082)	\$ 2,645	\$	41,981	\$ 92,291	\$ 44,929
945,513		913,085	919,785	861,074	845,912		765,000	705,303	718,242
10.7%		33.9%	2.2%	2.8%	0.3%		5.5%	13.1%	6.3%
106.0%		123.7%	101.7%	101.9%	99.8%		96.3%	90.4%	95.1%
0.2489%		0.2523%	0.2593%	0.2608%	0.2633%		0.2625%	0.2642%	0.2686%
\$ (7,139,375)	\$	(8,642,659)	\$ (4,896,828)	\$ (5,154,646)	\$ (4,781,106)	\$	(3,982,551)	\$ (27,222,428)	\$ (3,237,356)
%		%	%	%	%		%	%	%
 169.6%		187.5%	146.9%	148.8%	144.4%		136.0%	123.7%	127.4%
0.6316%		0.6478%	0.6455%	0.6823%	0.7097%		0.7399%	0.7434%	0.7426%
\$ (17,164,301)	\$	(37,628,068)	\$ (13,167,462)	\$ (15,806,217)	\$ (14,409,269)	\$	(10,267,387)	\$ (4,323,611)	\$ (7,632,597)
 (11,118,660)	_	(24,274,211)	(8,419,594)	 (10,350,954)	 (9,329,730)	_	(6,660,262)	 (741,394)	 (719,689)
\$ (28,282,961)	\$	(61,902,279)	\$ (21,587,056)	\$ (26,157,171)	\$ (23,738,999)	\$	(16,927,649)	\$ (5,065,005)	\$ (8,352,286)
\$ 25,506,773	\$	25,210,904	\$ 24,461,464	\$ 23,998,147	\$ 23,520,795	\$	23,238,000	\$ 22,519,542	\$ 21,561,911
(67.3)%		(149.3)%	(53.8)%	(65.9)%	(61.2)%		(44.2)%	(19.2)%	(35.4)%
116.1%		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, 2024: Economic assumptions - salary increases 3.5%, investment return assumption (discount rate) 4.00%, 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

	2024	2023
PERS 1 Statutorily or contractually required contributions Contributions in relation to the statutorily or contractually required contributions Contribution deficiency (excess)	\$ 982,915 (982,915)	\$ 1,189,525 (1,189,525)
Covered payroll Contributions as a percentage of covered employee payroll	\$ 35,609,058 2.8%	\$ 34,892,161 3.4%
PERS 2/3 Statutorily or contractually required contributions Contributions in relation to the statutorily or contractually required contributions Contribution deficiency (excess)	\$ 2,130,950 (2,130,950)	\$ 2,148,681 (2,148,681)
Covered payroll Contributions as a percentage of covered employee payroll	\$ 33,508,802 6.4%	\$ 33,794,311 6.4%
PSERS Statutorily or contractually required contributions Contributions in relation to the statutorily or contractually required contributions Contribution deficiency (excess)	\$ 134,909 (134,909) —	\$ 66,499 (66,499) —
Covered payroll Contributions as a percentage of covered employee payroll	\$ 2,000,244 6.7%	\$ 1,001,033 6.6%
LEOFF 2 Statutorily or contractually required contributions Contributions in relation to the statutorily or contractually required contributions Contribution deficiency (excess)	\$ 1,557,555 (1,557,555) —	\$ 1,748,118 (1,748,118) —
Covered payroll Contributions as a percentage of covered employee payroll	\$ 30,370,523 5.1%	\$ 34,100,991 5.1%

Notes to the Schedule:

The City of Yakima has no current LEOFF I employees.

Significant changes: Discount Rate Discount Rate increased from 3.75% to 4.00%.

CITY OF Yakima

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the year ended December 31 Last 10 Fiscal Years Page 2 of 2

	2022		2021		2020		2019		2018		2017		2016		2015
\$	1,250,290 (1,250,290)	\$	1,390,651 (1,390,651)	\$	1,553,225 (1,553,225)	\$	1,588,430 (1,588,430)	\$	1,570,927 (1,570,927)	\$	1,489,000 (1,489,000)	\$	1,432,792 (1,432,792)	\$	1,263,237 (1,263,237)
\$		\$		\$		\$		\$		\$		\$		\$	
\$	33,119,925 3.8%	\$	32,197,771 4.3%	\$	31,835,568 4.9%	\$	31,546,711 5.0%	\$	30,471,519 5.2%	\$	29,079,000 5.1%	\$	29,271,148 4.9%	\$	28,060,087 4.5%
\$	2,041,098	ф	2 222 2/0	ф	2 422 004	ф	2 227 202	ф	2 104 100	ф	1 020 422	¢.	1 740 707	ф	1 510 050
Þ	(2,041,098)	\$	2,223,260 (2,223,260)	\$	2,422,004 (2,422,004)	\$	2,337,893 (2,337,893)	\$	2,194,199 (2,194,199)	\$	1,930,423 (1,930,423)	\$	1,740,727 (1,740,727)	\$	1,510,959 (1,510,959)
\$		\$		\$		\$		\$		\$		\$		\$	
\$	32,092,726 6.4%	\$	31,133,321 7.1%	\$	30,580,945 7.9%	\$	30,285,570 7.7%	\$	29,256,142 7.5%	\$	28,706,000 6.7%	\$	27,400,579 6.4%	\$	26,793,741 5.6%
\$	61,000 (61,000)	\$	64,110 (64,110)	\$	66,594 (66,594)	\$	63,637 (63,637)	\$	57,599 (57,599)	\$	52,963 (52,963)	\$	48,978 (48,978)	\$	46,106 (46,106)
\$		\$		\$		\$		\$		\$		\$		\$	
\$	933,481 6.5%	\$	937,407 6.8%	\$	924,911 7.2%	\$	891,749 7.1%	\$	840,693 6.6%	\$	800,000 6.6%	\$	705,303 6.9%	\$	712,214 6.5%
\$	1,312,467	\$	1,311,683	\$	1,257,023	\$	1,290,668	\$	1,233,450	\$	1,198,134	\$	1,152,459	\$	1,120,514
\$	(1,312,467)	\$	(1,311,683)	\$	(1,257,023)	\$	(1,290,668)	\$	(1,233,450)	\$	(1,198,134)	\$	(1,152,459)	\$	(1,120,514)
Ψ		Ψ		Ψ		Ψ		Ψ		Ψ		Ψ		Ψ	
\$	25,623,241 5.1%	\$	25,541,326 5.1%	\$	24,407,692 5.2%	\$	24,804,414 5.2%	\$	23,473,737 5.3%	\$	23,417,000 5.1%	\$	22,519,542 5.1%	\$	22,188,444 5.0%

Benefit changes: None to report.

 $Valuation \ assumptions: \ As \ of \ January \ 1,2024: \ Economic \ assumptions \ - \ salary \ increases \ 3.5\%, investment \ return \ assumption \ (discount \ rate) \ 4.00\%, \ growth \ in \ membership \ 0.0\%, \ postretirement \ benefit \ increases; \ related \ to \ salaries \ 3.5\%; \ related \ to \ consumer \ price \ index \ 2.5\%.$

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

	 2024	 2023
Fire Pension		
Balances at 12/31/2023	\$ 5,145,880	\$ 5,276,501
Changes for the year:		
Interest on total pension liability	161,564	188,597
Effect of economic / demographic gains or losses	(986,694)	_
Effect of assumptions changes or inputs	(211,178)	179,857
Benefit payments	 (352,140)	(499,075)
Net changes in total pension liability	 (1,388,448)	(130,621)
Balance at 12/31/2024	\$ 3,757,432	\$ 5,145,880
Covered payroll	\$ _	\$ _
Police Pension		
Balances at 12/31/2023	\$ 2,677,930	\$ 2,747,211
Changes for the year:		
Interest on total pension liability	83,524	98,243
Effect of economic / demographic gains or losses	(321,148)	_
Effect of assumptions changes or inputs	(107,242)	89,631
Benefit payments	(217,691)	(257,155)
Net changes in total pension liability	 (562,557)	(69,281)
Balance at 12/31/2024	\$ 2,115,373	\$ 2,677,930
Covered payroll	\$ _	\$ _

Due to a GASB implementation, the City is 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.

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

2022	 2021	 2020	 2019	 2018	 2017
\$ 6,185,676	\$ 6,617,462	\$ 6,236,408	\$ 6,029,283	\$ 6,635,284	\$ 6,902,294
118,726	126,790	163,713	229,640	221,918	247,672
(140,823)	_	401,168	_	_	(43,347)
(385,852)	_	386,453	559,744	(233,241)	129,589
(501,226)	(558,576)	(570,280)	(582,259)	(594,678)	 (600,924)
 (909,175)	 (431,786)	381,054	207,125	(606,001)	(267,010)
\$ 5,276,501	\$ 6,185,676	\$ 6,617,462	\$ 6,236,408	\$ 6,029,283	\$ 6,635,284
\$ _	\$ _	\$ _	\$ _	\$ _	\$ _
\$ 3,492,482	\$ 3,715,125	\$ 4,451,427	\$ 4,269,513	\$ 4,664,239	\$ 5,381,844
66,560	71,377	118,369	163,222	156,580	194,378
(205,121)	_	(769,827)	_	_	(604,017)
(312,174)	_	211,346	400,381	(166,958)	92,572
(294,536)	(294,020)	(296,190)	(381,689)	(384,348)	(400,538)
(745,271)	(222,643)	(736,302)	181,914	(394,726)	(717,605)
\$ 2,747,211	\$ 3,492,482	\$ 3,715,125	\$ 4,451,427	\$ 4,269,513	\$ 4,664,239
\$ _	\$ _	\$ _	\$ _	\$ _	\$ _

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) 4.0%, growth in membership 0.0%.

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

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended December 31 Last 10 Fiscal Years Page 1 of 2

	2024	2023
LEOFF 1 Fire		
Total OPEB liability - beginning	\$ 20,011,716	\$ 19,031,764
Interest on total OPEB liability	635,986	697,919
Effect of economic / demographic gains or losses	338,881	_
Effect of assumptions, changes or inputs	(1,593,596)	1,131,013
Expected benefit payments	(892,982)	(848,980)
Net changes in total OPEB liability	 (1,511,711)	979,952
Total OPEB liability - ending	\$ 18,500,005	\$ 20,011,716
Covered payroll	\$ _	\$ _
Total OPEB liability as a % of covered payroll	n/a	n/a
LEOFF 1 Police		
Total OPEB liability - beginning	\$ 18,014,344	\$ 17,111,639
Interest on total OPEB liability	575,300	628,352
Effect of economic / demographic gains or losses	(443,350)	_
Effect of assumptions, changes or inputs	(1,618,452)	992,118
Expected benefit payments	(630,650)	(717,765)
Net changes in total OPEB liability	 (2,117,152)	 902,705
Total OPEB liability - ending	\$ 15,897,192	\$ 18,014,344
Covered payroll	\$ _	\$ _
Total OPEB liability as a % of covered payroll	n/a	n/a
Non-LEOFF		
Total OPEB liability - beginning	\$ 6,475,640	\$ 5,982,192
Service cost	395,202	350,519
Interest on total OPEB liability	215,925	231,469
Effect of economic / demographic gains or losses	1,322,958	_
Effect of assumptions, changes or inputs	(414,472)	234,804
Expected benefit payments	(457,658)	(323,344)
Net changes in total OPEB liability	 1,061,955	493,448
Total OPEB liability - ending	\$ 7,537,595	\$ 6,475,640
Covered payroll	\$ _	\$ _
Total OPEB liability as a % of covered payroll	n/a	n/a

Notes to the Schedule

Due to a GASB implementation, the City is 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:

- 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

	2022		2021		2020		2019		2018
\$	23,813,442	\$	24,147,639	\$	25,326,993	\$	21,471,567	\$	22,910,332
Ψ	468,316	Ψ	474,902	Ψ	686,436	Ψ	842,411	Ψ	789,207
	582,178		474,902		(863,583)		042,411		709,207
	(5,032,894)		_		(265,860)		3,843,768		(1,498,572)
	(799,278)		(809,099)		(736,347)		(830,753)		(729,400)
	(4,781,678)	_		_	(1,179,354)	_	3,855,426	_	(1,438,765)
<u>c</u>		Ф.	(334,197)	Ф.		Ф.		Ф.	
\$	19,031,764	\$	23,813,442	\$	24,147,639	\$	25,326,993	\$	21,471,567
\$	_	\$	_	\$	_	\$	_	\$	_
	n/a		n/a		n/a		n/a		n/a
\$	22,500,246	\$	22,771,904	\$	24,999,972	\$	21,153,082	\$	22,457,760
	443,518		448,274		678,519		831,587		775,314
	(1,276,779)		_		(1,753,899)		_		_
	(3,903,426)		_		(495,138)		3,749,293		(1,462,797)
	(651,920)		(719,932)		(657,550)		(733,990)		(617,195)
	(5,388,607)		(271,658)		(2,228,068)		3,846,890		(1,304,678)
\$	17,111,639	\$	22,500,246	\$	22,771,904	\$	24,999,972	\$	21,153,082
\$	_	\$	_	\$	_	\$	_	\$	_
	n/a		n/a		n/a		n/a		n/a
\$	6,425,956	\$	6,186,687	\$	8,079,332	\$	8,316,041	\$	8,189,958
	460,129		444,569		378,171		533,439		563,641
	134,073		129,295		227,730		345,146		299,553
	232,008		_		(2,405,142)		_		_
	(903,271)		_		261,882		(669,196)		(343,848)
	(366,703)		(334,595)		(355,286)		(446,098)		(393,263)
	(443,764)		239,269		(1,892,645)		(236,709)		126,083
\$	5,982,192	\$	6,425,956	\$	6,186,687	\$	8,079,332	\$	8,316,041
		_						_	
\$	_	\$		\$		\$	_	\$	
	n/a		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.



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue			Debt Service	Capital Project	P	ermanent Fund	Total
Assets								
Cash	\$	10,379,582	\$	577,028	\$ 8,486,835	\$	738,606	\$ 20,182,051
Cash with fiscal agent		65,803		10,587	200,219		_	276,609
Investments		4,364,025		_	7,219,101		_	11,583,126
Receivables, net allowance for uncollectible accounts								
Taxes		656,173		63,207	179,217		_	898,597
Customer accounts		2,577,776		_	623,587		4,789	3,206,152
Notes and contracts		1,953,022		_	_		_	1,953,022
Due from other governments		724,181		_	5,537,822		_	6,262,003
Inventories and prepayments		191,513		_	_		_	191,513
Total assets	\$	20,912,075	\$	650,822	\$ 22,246,781	\$	743,395	\$ 44,553,073
Liabilities								
Accounts payable	\$	343,278	\$	_	\$ 1,358,909	\$	_	\$ 1,702,187
Contracts payable		43,861		_	84,441		_	128,302
Accrued salaries and benefits		1,293,042		_	_		_	1,293,042
Deposits type accounts		50,787		_	_		_	50,787
Due to other governments		8		_	_		_	8
Due to other funds		_		_	1,242,178		_	1,242,178
Total liabilities		1,730,976			2,685,528			4,416,504
Deferred inflows of resources								
Unavailable revenue and notes		4,163,574		_	623,587		_	4,787,161
Total deferred inflow of resources		4,163,574			623,587			4,787,161
Total liabilities and deferred inflows		5,894,550			3,309,115			9,203,665
Fund balances								
Nonspendable		191,513		_	_		743,395	934,908
Restricted		8,629,715		633,195	9,046,865		_	18,309,775
Committed		6,196,297		_	2,214,921		_	8,411,218
Assigned		_		17,626	7,675,880		_	7,693,506
Total fund balances	\$	15,017,525	\$	650,821	\$ 18,937,666	\$	743,395	\$ 35,349,407
Total liabilities, deferred inflows & fund balances	\$	20,912,075	\$	650,821	\$ 22,246,781	\$	743,395	\$ 44,553,072

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

For the Year Ended December 31, 2024

Page 1 of 1

	Special	Debt	Capital	Permanent	
	Revenue	Service	Project	Fund	Total
Revenues					
Taxes	\$ 16,745,479	\$ 3,037,245	\$ 6,116,429	\$ —	\$ 25,899,153
Licenses and permits	472,125	_	_	_	472,125
Intergovernmental revenues	2,989,784	_	15,804,831	_	18,794,615
Charges for goods and services	5,508,626	_	46,672	_	5,555,298
Fines, forfeitures and penalties	5,205	_	_	_	5,205
Contributions and donations	59,126	_	35,010	_	94,136
Investment earnings	39,323	_	_	_	39,323
Miscellaneous revenues	1,987,951	_	54,470	16,648	2,059,069
Total revenues	27,807,619	3,037,245	22,057,412	16,648	52,918,924
Expenditures					
Current					
General government	638,484	_	147,429	_	785,913
Public safety	7,022,193	_	240,230	_	7,262,423
Utilities services	416,907	_	1,370	_	418,277
Transportation	4,886,515	_	1,021,785	_	5,908,300
Economic environment	3,519,728	_	149,565	_	3,669,293
Public health services	651,518	_	_	_	651,518
Culture and recreation	7,530,957	_	458,609	_	7,989,566
Capital outlay					
General government	_	_	1,842,644	_	1,842,644
Transportation	_	_	13,055,450	_	13,055,450
Culture and recreation	9,179	_	6,586,836	_	6,596,015
Debt service					
Principal	260,878	3,098,668	468,365	_	3,827,911
Interest and related charges	104,195	1,255,524	89,352	_	1,449,071
Total expenditures	25,040,554	4,354,192	24,061,635		53,456,381
Excess (def) of revenue over (under) expenditure	2,767,065	(1,316,947)	(2,004,223)	16,648	(537,457)
Other financing sources (uses)					
Transfers in	3,464,015	1,583,942	3,689,679	_	8,737,636
Transfers out	(2,500,278)	_	(662,464)	(12,000)	(3,174,742)
Sale of capital assets	34,439		324,478		358,917
Total other financing sources (uses)	998,176	1,583,942	3,351,693	(12,000)	5,921,811
Net change in fund balances	3,765,241	266,995	1,347,470	4,648	5,384,354
Fund balances - January 1	11,252,289	383,826	17,590,195	738,747	29,965,057
Fund balances - December 31	\$ 15,017,530	\$ 650,821	\$ 18,937,665	\$ 743,395	\$ 35,349,411

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.

Aquatic Center at MLK Park (132) - This special revenue fund was authorized by City Council on January 16th, 2024 to segregate money received for the operation and maintenance of the Aquatic Center at MLK Jr. Park once it opens.

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.

Opioid Lawsuit (155) - The City of Yakima received settlement funds from a number of state lawsuits against opioid manufacturers, distributors and prescribers. These funds are required to be used as outlined in the settlement agreement and the One Washington Memorandum of Understanding Between Washington Municipalities.

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

	ONDS		ommunity		arks and		uatic Ctr		Clean	
	Fund	R	Relations	R	ecreation	M	LK Park		City	Streets
Assets	Φ ((Ε 100	Φ.	(0/ 100	ф	451 505		7 10 000	_	202 (24	ф 1 010 0 <i>(</i> 1
Cash	\$ 665,439	\$	606,193	\$	451,527	\$	719,000	\$	882,694	\$ 1,318,061
Cash with fiscal agent	_		_		16,085		_		_	25,259
Investments	_		_		632,851		_		_	1,853,114
Receivables, net allowance for uncollectible accounts										
Taxes	_		_		_		_		36,256	
Customer accounts	306		630		50,395		_		4,485	1,470
Notes and contracts	1,872,270		_		_		_		_	_
Due from other governments	489,321		_		4,468		_		_	178,774
Inventories and prepayments			_							191,513
Total assets	\$ 3,027,336	\$	606,823	\$	1,155,326	\$	719,000	\$	923,435	\$ 3,568,191
Deferred outflows of resources	_		_		_		_		_	_
Total assets & deferred outflows of resources	\$ 3,027,336	\$	606,823	\$	1,155,326	\$	719,000	\$	923,435	\$ 3,568,191
Liabilities										
Accounts payable	\$ 68,671	\$	884	\$	40,970	\$	_	\$	2,107	\$ 117,179
Contracts payable	43,275		_		_		_		_	498
Accrued salaries and benefits	21,194		55,163		270,272		_		47,060	234,421
Deposits type accounts	· —		, <u> </u>		, <u> </u>		_		_	· —
Due to other governments	_		_		8		_		_	_
Total liabilities	133,140	_	56,047	_	311,250		_		49,167	352,098
Deferred inflows of resources										
Unavailable revenue and notes	1,872,270		1,260		34,943				4,370	2,940
Total deferred inflow of resources	1,872,270		1,260	_	34,943			_	4,370	2,940
Total liabilities and deferred inflows	2,005,410	_	57,307	_	346,193		_		53,537	355,038
Fund balances										
										101 F12
Nonspendable	1 001 007		_		_		_		_	191,513
Restricted	1,021,927		— E40 E44						_	2.021.612
Committed			549,516		809,132		719,000	_	869,897	3,021,640
Total fund balances	1,021,927	. —	549,516	_	809,132		719,000	_	869,897	3,213,153
Total liabilities, deferred inflows & fund balances	\$ 3,027,337	\$	606,823	\$	1,155,325	\$	719,000	\$	923,434	\$ 3,568,191

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

	Cemetery			nergency Services		Safety Comm	Police Grants	Opioid Lawsuit		1	OYBID
Assets				_		_	_		_		
Cash	\$	138,270	\$	816,848	\$	1,483,526	\$ 463,007	\$	904,535	\$	145,949
Cash with fiscal agent		_		17,477		6,982	_		_		_
Investments		_		_		640,937	650,960		_		_
Receivables, net allowance for uncollectible accounts											
Taxes		_		85,261		43,239	_		_		_
Customer accounts		11,536		_		10,131	_		2,077,382		999
Notes and contracts		_		_		_	_		_		71,377
Due from other governments		_		_		_	51,618		_		_
Inventories and prepayments		_		_		_	_		_		_
Total assets	\$	149,806	\$	919,586	\$	2,184,815	\$ 1,165,585	\$	2,981,917	\$	218,325
Deferred outflows of resources		_		_		_	_		_		_
Total assets & deferred outflows of resources	\$	149,806	\$	919,586	\$	2,184,815	\$ 1,165,585	\$	2,981,917	\$	218,325
Liabilities											
Accounts payable	\$	730	\$	(1,786)	\$	5,384	\$ 25,409	\$	_	\$	43,750
Contracts payable		_		_		_	_		_		_
Accrued salaries and benefits		21,921		260,006		383,007	_		_		_
Deposits type accounts		_		_		_	_		_		_
Due to other governments		_		_		_	_		_		_
Total liabilities		22,651	_	258,220	_	388,391	25,409		_		43,750
Deferred inflows of resources											
Unavailable revenue and notes		10,706		71,754		4,306	_		2,077,382		70,534
Total deferred inflow of resources		10,706		71,754		4,306	_		2,077,382		70,534
Total liabilities and deferred inflows		33,357	_	329,974	_	392,697	25,409		2,077,382		114,284
Fund balances											
Nonspendable		_		_		_	_		_		_
Restricted		_		589,612		1,792,118	1,140,176		904,535		_
Committed		116,450		_		_	_		_		104,040
Total fund balances	_	116,450		589,612		1,792,118	1,140,176		904,535	_	104,040
Total liabilities, deferred inflows & fund balances	\$	149,807	\$	919,586	\$	2,184,815	\$ 1,165,585	\$	2,981,917	\$	218,324

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

Trolley			PBIA		urist Promo onv Center	Capitol Theatre	(PFD Conv Ctr		Tourist	Ca	PFD p Theatre		Total
													_	
\$	55,308	\$	6,621	\$	416,918	\$ 77,388	\$	491,790	\$	822	\$	735,687	;	\$ 10,379,582
	_		_		_	_		_		_		_		65,803
	_		_		586,162	_		_		_		_		4,364,025
	_		_		106,419	19,349		208,042		_		157,607		656,173
	_		_		105,365	_		101,962		135,872		77,244		2,577,776
	_		9,375		_	_		_		_		_		1,953,022
	_		_		_	_		_		_		_		724,181
			_			 _		_					_	191,513
\$	55,308	\$	15,996	\$	1,214,864	\$ 96,737	\$	801,794	\$	136,694	\$	970,538		\$ 20,912,075
	_		_		_	_		_		_		_		_
\$	55,308	\$	15,996	\$	1,214,864	\$ 96,737	\$	801,794	\$	136,694	\$	970,538	-	\$ 20,912,075
•						 	_	,			<u> </u>		-	·
\$	3,778	\$	_	\$	36,133	\$ _	\$	70	\$	_	\$	_	;	\$ 343,278
	<i>'</i>	·	_	·	87	_	·	_	·	_	·	_		43,861
	_		_		_	_		_		_		_		1,293,042
	_		_		50,787	_		_		_		_		50,787
	_		_		_	_		_		_		_		8
	3,778		_		87,007	_		70		_			-	1,730,976
	3,734		9,375			_		_					_	4,163,574
	3,734		9,375										_	4,163,574
	7,512		9,375		87,007	 		70					_	5,894,550
	_		_		_	_		_		_		_		191,513
	47,796		_		1,127,857	96,737		801,724		136,695		970,538		8,629,715
			6,621			 							_	6,196,297
	47,796		6,621		1,127,857	 96,737		801,724		136,695		970,538	_	15,017,525
\$	55,308	\$	15,996	\$	1,214,864	\$ 96,737	\$	801,794	\$	136,695	\$	970,538	<u>:</u>	\$ 20,912,075

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

	ONDS	Community	Parks and	Aquatic Ctr	Clean	
	Fund	Relations	Recreation	MLK Park	City	Streets
Revenues						
Taxes	\$ —	\$ —	\$ 3,570,919	\$ —	\$ 942,891	\$ 4,580,000
Licenses and permits	_	472,125	_	_	_	_
Intergovernmental revenues	1,194,682	_	22,341	_	_	1,369,374
Charges for goods and services	_	_	929,075	_	11,887	31,219
Fines, forfeitures and penalties	_	_	_	_	5,205	_
Contributions and donations	_	_	59,126	_	_	_
Investment earnings	6,703	_	_	_	_	_
Miscellaneous revenues	94,729	(604)	103,220	_	191	24,868
Total revenues	1,296,114	471,521	4,684,681		960,174	6,005,461
Expenditures						
Current						
General government	_	630,603	_	_	_	_
Public safety	_	_	58,440	_	_	_
Utilities services	_	_	_	_	_	_
Transportation	_	_	_	_	_	4,868,242
Economic environment	1,358,333	_	_	_	585,585	_
Public health services	_	_	651,518	_	_	_
Culture and recreation	_	_	5,393,522	_	_	_
Capital outlay						
Culture and recreation	_	_	9,179	_	_	_
Debt service						
Principal	_	_	_	_	_	175,878
Interest and related charges	_	_	_	_	_	68,732
Total expenditures	1,358,333	630,603	6,112,659		585,585	5,112,852
Excess (def) of revenue over (under) expenditure	(62,219)	(159,082)	(1,427,978)	_	374,589	892,609
Other financing sources (uses)						
Transfers in	_	_	1,977,015	719,000	_	_
Transfers out	_	_	(288,000)	_	_	(10,000)
Sale of capital assets	_	_	2,879	_	_	31,560
Total other financing sources (uses)			1,691,894	719,000		21,560
Net change in fund balances	(62,219)	(159,082)	263,916	719,000	374,589	914,169
Fund balances - January 1	1,084,145	708,599	545,218		495,308	2,298,985
Fund balances - December 31	\$ 1,021,926	\$ 549,517	\$ 809,134	\$ 719,000	\$ 869,897	\$ 3,213,154

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

Cer	Cemetery Emerger		Public Safety Comm	Police Grants	Opioid Lawsuit	DYBID	Trolley	PBIA	Tourist Promo Conv Center	
\$	_	\$ 2,641,960	\$ 1,788,927	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 827,593	
	_	_	_	_	_	_	_	_	_	
	_	766	_	402,621	_	_	_	_	_	
	150,280	_	2,717,020	142,819	_	_	_	_	359,310	
	_	_	_	_	_	_	_	_	_	
	_	_	_	- 22 120	_	_	_	_	_	
	_	_	_	22,139	757 (90	205 (91	2.026	4 000	720 972	
	150,280	2,642,726	4,505,947	63,368 630,947	757,689 757,689	205,681	3,936	4,000	730,872 1,917,775	
	130,280	2,042,720	4,303,547	030,747	737,009	203,081	3,930	4,000	1,917,773	
				5 004						
	_	1.000.000	4.565.202	7,881	_	_	_	_	_	
	416,907	1,960,866	4,565,293	437,594	_	_	_	_	_	
	410,907	_	_	_	_	_	18,273	_	_	
							10,273	7,473	408,126	
	_	_	_	_	_	_	_	-		
	_	_	_	_	_	182,284	_	_	1,504,168	
	_	_	_	_	_	_	_	_	_	
	_	_	85,000	_	_	_	_	_	_	
			35,463							
	416,907	1,960,866	4,685,756	445,475		182,284	18,273	7,473	1,912,294	
	(266,627)	681,860	(179,809)	185,472	757,689	23,397	(14,337)	(3,473)	5,481	
	200,000	_	100,000	_	_	_	10,000	_	300,000	
	_	(200,000)	_	_	_	_	_	_	_	
	200,000	(200,000)	100,000				10,000		300,000	
	(66,627)	481,860	(79,809)	185,472	757,689	23,397	(4,337)	(3,473)	305,481	
	183,077	107,751	1,871,928	954,705		80,643	52,133	10,094	822,377	
\$	116,450	\$ 589,611	\$ 1,792,119	\$ 1,140,177	\$ 757,689	\$ 104,040	\$ 47,796	\$ 6,621	\$ 1,127,858	

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

	Capitol	PFD	Tourist	PFD	
	Theatre	Conv Ctr	Promotion	Cap Theatre	Total
Revenues					
Taxes	\$ 252,248	\$ 1,218,127	\$ —	\$ 922,815	\$ 16,745,479
Licenses and permits	_	_	_	_	472,125
Intergovernmental revenues	_	_	_	_	2,989,784
Charges for goods and services	_	_	1,167,016	_	5,508,626
Fines, forfeitures and penalties	_	_	_	_	5,205
Contributions and donations	_	_	_	_	59,126
Investment earnings	_	3,808	3,783	2,890	39,323
Miscellaneous revenues	_	_	_	_	1,987,951
Total revenues	252,248	1,221,935	1,170,799	925,705	27,807,619
Expenditures					
Current					
General government	_	_	_	_	638,484
Public safety	_	_	_	_	7,022,193
Utilities services	_	_	_	_	416,907
Transportation	_	_	_	_	4,886,515
Economic environment	_	_	1,160,211	_	3,519,728
Public health services	_	_	_	_	651,518
Culture and recreation	421,500	15,302	_	14,182	7,530,957
Capital outlay					
Culture and recreation	_	_	_	_	9,179
Debt service					
Principal	_	_	_	_	260,878
Interest and related charges	_	_	_	_	104,195
Total expenditures	421,500	15,302	1,160,211	14,182	25,040,554
Excess (def) of revenue over (under) expenditure	(169,252)	1,206,633	10,588	911,523	2,767,065
Other financing sources (uses)					
Transfers in	158,000	_	_	_	3,464,015
Transfers out	_	(1,330,921)	_	(671,357)	(2,500,278)
Sale of capital assets					34,439
Total other financing sources (uses)	158,000	(1,330,921)		(671,357)	998,176
Net change in fund balances	(11,252)	(124,288)	10,588	240,166	3,765,241
Fund balances - January 1	107,989	926,013	126,107	730,372	11,252,289
Fund balances - December 31	\$ 96,737	\$ 801,725	\$ 136,695	\$ 970,538	\$ 15,017,530

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

	Conv Ctr/		Various		
	Cap	Th Bond	G	O Bonds	 Total
Assets					
Cash	\$	569,989	\$	7,039	\$ 577,028
Cash with fiscal agent		_		10,587	10,587
Receivables, net allowance for uncollectible accounts					
Taxes		63,207			63,207
Total assets	\$	633,196	\$	17,626	\$ 650,822
Fund balances					
Restricted	\$	633,195	\$	_	\$ 633,195
Assigned				17,626	17,626
Total fund balances		633,195		17,626	 650,821
Total liabilities, deferred inflows & fund balances	\$	633,195	\$	17,626	\$ 650,821

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

	Conv Ctr/ Cap Th Bond			Various O Bonds	Total
Revenues					
Taxes	\$	686,995	\$	2,350,250	\$ 3,037,245
Expenditures					
Debt service					
Principal		805,000		2,293,668	3,098,668
Interest and related charges		599,278		656,246	1,255,524
Total expenditures		1,404,278		2,949,914	4,354,192
Excess (def) of revenue over (under) expenditure		(717,283)		(599,664)	(1,316,947)
Other financing sources (uses)					
Transfers in		984,278		599,664	1,583,942
Net change in fund balances		266,995		_	266,995
Fund balances - January 1		366,200		17,626	383,826
Fund balances - December 31	\$	633,195	\$	17,626	\$ 650,821



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

	ntral Bus trict Impr	Capitol eatre Cons	akima Rev Dev Area	Parks & ecreation	Fire
Assets					
Cash	\$ 55,024	\$ 234,234	\$ 995,832	\$ 734,019	\$ 573,999
Cash with fiscal agent	_	_	_	483	_
Investments	_	_	1,400,081	_	_
Receivables, net allowance for uncollectible accounts					
Taxes	_	_	_	_	_
Customer accounts	_	_	_	_	_
Due from other governments	_	_	_	_	_
Total assets	\$ 55,024	\$ 234,234	\$ 2,395,913	\$ 734,502	\$ 573,999
Liabilities					
Accounts payable	\$ _	\$ _	\$ 8,814	\$ 145,572	\$ _
Contracts payable	_	9,977	_	5,554	550
Due to other funds	_	_	172,178	_	_
Total liabilities	_	9,977	180,992	151,126	550
Deferred inflows of resources					
Unavailable revenue and notes	_	_	_	_	_
Total liabilities and deferred inflows	_	9,977	180,992	151,126	550
Fund balances					
Restricted	_	_	_	_	_
Committed	_	_	2,214,921	_	_
Assigned	55,024	224,258	_	583,375	573,449
Total fund balances	 55,024	224,258	2,214,921	583,375	573,449
Total liabilities, deferred inflows & fund balances	\$ 55,024	\$ 234,235	\$ 2,395,913	\$ 734,501	\$ 573,999

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

\$ 1,412,932 \$ 1,207,598 \$ 294,880 \$ 2,018,135 \$ 2,959 \$ 913,149 \$ 44,073 — 98,298 98,298 — 3,140 — — — 1,697,811 — 2,837,377 — 1,283,832 — — 19,217 1,076 1,076 121,730 — 36,118 — — — — 623,587 — — — — — 5,537,822 — — \$ 1,432,149 \$ 3,004,783 \$ 394,254 \$ 4,977,242 \$ 6,167,508 \$ 2,233,099 \$ 44,073	Total		umulative Reserve	Center	 eet Overlay Reconstruct	Streets Capital		REET 2 Capital	_	REET 1 PW Trust	_	Law and Justice	
— 1,697,811 — 2,837,377 — 1,283,832 — 19,217 1,076 1,076 121,730 — 36,118 — — — — — 623,587 — — — — — — 5,537,822 — —	\$ 8,486,835	\$	44,073	\$ 913,149	\$ 2,959	\$ 2,018,135	\$	294,880	\$	1,207,598	\$	1,412,932	\$
19,217 1,076 1,076 121,730 — 36,118 — — — — 623,587 — — — — — 5,537,822 — —	200,219		_	_	3,140	_		98,298		98,298		_	
— — — 623,587 — — — — — 5,537,822 — —	7,219,101		_	1,283,832	_	2,837,377		_		1,697,811		_	
<u> </u>	179,217		_	36,118	_	121,730		1,076		1,076		19,217	
	623,587		_	_	623,587	_		_		_		_	
\$ 1,432,149 \$ 3,004,783 \$ 394,254 \$ 4,977,242 \$ 6,167,508 \$ 2,233,099 \$ 44,073	5,537,822				5,537,822		_			_			
	\$ 22,246,781	\$	44,073	\$ 2,233,099	\$ 6,167,508	\$ 4,977,242	\$	394,254	\$	3,004,783	\$	1,432,149	\$
\$ 10,751 \$ 199,901 \$ 4,187 \$ 158,866 \$ 804,752 \$ 26,065 \$ — — 33,291 166 — 27,734 7,170 — —— — 1,070,000 — — —— 10,751 233,192 4,353 158,866 1,902,486 33,235 —	\$ 1,358,909 84,441 1,242,178 2,685,528	\$	_ _ 	\$ 7,170 —	\$ 27,734 1,070,000	\$ 	\$	166 —	\$	33,291 —	\$		\$
_	623,587		_	_	623,587	_		_		_		_	
10,751 233,192 4,353 158,866 2,526,073 33,235 —	3,309,115		_	33,235	2,526,073	158,866		4,353		233,192		10,751	
— 2,771,591 389,902 — 3,641,435 2,199,865 44,073 — — — — — — 1,421,399 — — 4,818,377 — — — 1,421,399 2,771,591 389,902 4,818,377 3,641,435 2,199,865 44,073	9,046,865 2,214,921 7,675,880 18,937,666	_		 			_						
\$ 1,432,150 \$ 3,004,783 \$ 394,255 \$ 4,977,243 \$ 6,167,508 \$ 2,233,100 \$ 44,073	\$ 22,246,781	\$	44,073	\$ 2,233,100	\$ 6,167,508	\$ 4,977,243	\$	394,255	\$	3,004,783	\$	1,432,150	\$

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

	Central Bus District Impr	Capitol Theatre Cons	Yakima Rev Dev Area	Parks & Recreation	Fire
Revenues					
Taxes	\$ —	\$ —	\$ 1,000,000	\$ 107,120	\$ —
Intergovernmental revenues	_	29,454	822	4,924,999	7,400
Charges for goods and services	_	_	_	_	46,672
Contributions and donations	_	_	_	22,510	12,500
Miscellaneous revenues					3,130
Total revenues		29,454	1,000,822	5,054,629	69,702
Expenditures					
Current					
General government	_	_	_	_	_
Public safety	_	_	_	_	202,256
Utilities services	_	_	_	_	_
Transportation	_	_	_	_	_
Economic environment	_	_	149,565	_	_
Culture and recreation	_	7,270	_	30,911	_
Capital outlay					
General government	_	_	_	_	_
Transportation	_	_	364,405	_	_
Culture and recreation	_	55,287	_	6,531,379	_
Debt service					
Principal	_	_	_	_	_
Interest and related charges	_	_	17,756	_	_
Total expenditures		62,557	531,726	6,562,290	202,256
Excess (def) of revenue over (under) expenditure	_	(33,103)	469,096	(1,507,661)	(132,554)
Other financing sources (uses)					
Transfers in	_	60,000	1,000,000	1,600,000	100,000
Transfers out	_	_	_	_	_
Sale of capital assets				126,000	
Total other financing sources (uses)		60,000	1,000,000	1,726,000	100,000
Net change in fund balances	_	26,897	1,469,096	218,339	(32,554)
Fund balances - January 1	55,024	197,361	745,825	365,035	606,002
Fund balances - December 31	\$ 55,024	\$ 224,258	\$ 2,214,921	\$ 583,374	\$ 573,448

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

Total	Cumulative Reserve	Yak Conv Center	Street Overlay & Reconstruct	Streets Capital	REET 2 Capital	REET 1 PW Trust	Law and Justice
\$ 6,116,429	S —	\$ 280,880	\$ 697,006	1,568,793	1,167,096	\$ 1,167,096	128,438
15,804,831	_	_	10,842,156	_	_	_	_
46,672	_	_	_	_	_	_	_
35,010	_	_	_	_	_	_	_
54,470	_	_	50,340	_	_	_	1,000
22,057,412		280,880	11,589,502	1,568,793	1,167,096	1,167,096	129,438
147,429	147,429	_	_	_	_	_	_
240,230	_	_	_	_	_	_	37,974
1,370	1,370	_	_	_	_	_	_
1,021,785	_	_	331,121	36,546	310,628	343,490	_
149,565	_	_	_	_	_	_	_
458,609	_	420,429	_	_	_	_	_
1,842,644	_	_	_	_	1,211,756	630,888	_
13,055,450	_	_	10,828,121	1,862,650	274	_	_
6,586,836	_	97	_	_	_	73	_
468,365	_	_	240,508	_	165,100	62,757	_
89,352			45,778		4,128	21,691	
24,061,634	148,799	420,526	11,445,528	1,899,196	1,691,886	1,058,899	37,974
(2,004,222)	(148,799)	(139,646)	143,974	(330,403)	(524,790)	108,197	91,464
3,689,679	_	500,000	62,800	_	_	84,448	282,431
(662,464)	_	_		(62,800)	(200,000)	(399,664)	
324,478	_	_	126,000	_	_	—	72,478
3,351,693	_	500,000	188,800	(62,800)	(200,000)	(315,216)	354,909
1,347,471	(148,799)	360,354	332,774	(393,203)	(724,790)	(207,019)	446,373
17,590,195	192,872	1,839,511	3,308,660	5,211,580	1,114,692	2,978,608	975,025
\$ 18,937,666	3 44,073	\$ 2,199,865	\$ 3,641,434	4,818,377	389,902	\$ 2,771,589	1,421,398



PERMANENT FUND

emetery Trust Fund (dowment care. The p ansferred to the Ceme	710) - This non-expendable Tr principal shall be held forever etery Fund.	rust is credited for all me in trust by the City of	noney received from o Yakima, while interest	wners for earnings are

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUND

	C	emetery	
	Trust		
Assets			
Cash	\$	738,606	
Receivables, net allowance for uncollectible accounts			
Customer accounts		4,789	
Total assets	\$	743,395	
Fund balances			
Nonspendable	\$	743,395	
Total liabilities, deferred inflows & fund balances	\$	743,395	

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

	C	emetery	
	Trust		
Revenues			
Miscellaneous revenues	\$	16,648	
Total revenues		16,648	
Excess (def) of revenue over (under) expenditure		16,648	
Other financing sources (uses)			
Transfers out		(12,000)	
Net change in fund balances		4,648	
Fund balances - January 1		738,747	
Fund balances - December 31	\$	743,395	



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

	Stormwater	
Assets		
Current assets		
Cash	\$	2,320,846
Cash with fiscal agent		19,105
Investments		3,263,418
Receivables, net of allowance for uncollectible accounts		
Taxes		554
Notes and contracts		548,568
Due from other governments		50,643
Due from other funds		2,460,755
Total current assets		8,663,889
Noncurrent assets		
Capital assets not being depreciated		
Construction in progress		554,248
Capital assets, net of accumulated depreciation		
Machinery, equipment and vehicles		731
Other improvements		7,026,482
Other noncurrent assets		
Net pension asset		151,222
Total noncurrent assets		7,732,683
Total assets		16,396,572
Deferred outflows of resources		
Deferred outflows related to pension		225,195
Deferred outflows related to OPEB		20,236
Total deferred outflows of resources		245,431
Total assets and deferred outflows of resources	_	16,642,003

STATEMENT OF NET POSITION NONMAJOR PROPRIETARY FUNDS

	Stormwater
Liabilities	'
Current liabilities	
Accounts payable	10,796
Contracts payable	_
Accrued salaries and benefits	87,473
Compensated absences	45,763
Due to other governments	_
Total other post-employment benefits - current	5,411
Total current liabilities	149,443
Noncurrent liabilities	
Compensated absences	133,670
Net pension liability	66,477
Total other postemployment benefits	83,712
Total noncurrent liabilities	283,859
Total liabilities	433,302
Deferred inflows of resources	
Deferred inflows related to pension	61,771
Deferred inflows related to OPEB	33,388
Total deferred inflow of resources	95,159
Total liabilities and deferred inflows	528,461
Net position	
Investment in capital assets net of related debt	7,581,460
Restricted for:	
Pension plans	310,297
Unrestricted	8,221,783
Total net position	\$ 16,113,540

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

	S	tormwater
Operating revenues		
Charges and fees for services	\$	4,214,860
Total operating revenues	_	4,214,860
Operating expenses		
Personnel services		934,974
Materials and supplies		41,295
Contractual services		1,787,196
Depreciation		366,200
Total operating expenses		3,129,665
Operating income (loss)		1,085,195
Nonoperating revenues (expenses)		
Grants and subsidies		98,429
Interest income		40,308
Gain (loss) on disposal of capital assets		(75,794)
Total nonoperating revenues (expenses)	_	62,943
Income (loss) before contributions and transfers		1,148,138
Capital contributions		192,070
Change in net position		1,340,208
Net position - January 1		14,773,332
Net position - December 31	\$	16,113,540

STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS

	S	tormwater
Cash flows from operating activities		
Receipts from customers	\$	4,139,657
Payments to suppliers and service providers		(2,277,988)
Payments to employees for salaries and benefits		(972,232)
Net cash provided by operating activities	_	889,437
Cash flows from noncapital financing activities		
Operating grants		98,429
Other non-operating revenue		(2,260,912)
Net cash provided by noncapital financing activities		(2,162,483)
Cash flows from capital financing activities		
Acquisition and construction of capital assets		(331,870)
Other receipts		(37,467)
Net cash used for capital financing activities		(369,337)
Cash flows from investing activities		
Proceeds from sale of investments		3,518,737
Interest on investments		40,308
Purchase of investments		(3,263,418)
Net cash provided by investing activities		295,627
Net increase (decrease) in cash and cash equivalents		(1,346,756)
Cash and cash equivalents - January 1		3,686,706
Cash and cash equivalents - December 31	\$	2,339,950
Reconciliation of operating income (loss) to net cash		
provided by (used for) operations		
Operating income (loss)	\$	1,085,195
Adjustments to reconcile operating income (loss)		
to net cash provided by (used for) operations		
Depreciation expense		366,200
(Increase) decrease in net accounts receivable		(75,203)
(Decrease) increase in accounts payable		(446,043)
(Decrease) Increase in wages/benefits payable		3,543
(Decrease) increase in compensated absences		52,208
(Decrease) inc in due to other governments		(3,454)
(Decrease) increase in pension/OPEB liab - current yr		(93,009)
Total adjustments		(195,758)
Net cash provided by (used for) operations	\$	889,437
Schedule of noncash capital financing activities		
Contributions of capital assets	\$	192,070



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 <u>RCW 51.14</u>.

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.

	Con	Unemployment Compensation Reserve		• •		ensation Health Benefit Compensation		Compensation		Compensation		Compensation		Risk Ianagement Reserve
Assets														
Current assets	_		_		_									
Cash	\$	501,642	\$	772,989	\$	923,728	\$	3,206,382						
Investments		_		1,086,777		_		4,507,981						
Receivables, net of allowance for uncollectible accounts														
Customer accounts		27,072		1,703,829		332,595		_						
Due from other governments		_		_		_		_						
Inventories and prepayments				1,855										
Total current assets	-	528,714		3,565,450		1,256,323		7,714,363						
Noncurrent assets														
Capital assets, net of accumulated depreciation														
Buildings		_		_		_		_						
Machinery, equipment and vehicles		_		_		_		_						
Other improvements		_		_		_		_						
Subscription asset		_		_		_		20,793						
Other noncurrent assets														
Net pension asset		11,738		34,165		29,261		125,934						
Total noncurrent assets		11,738		34,165		29,261		146,727						
Total assets		540,452		3,599,615		1,285,584		7,861,090						
Deferred outflows of resources														
Deferred outflows related to pension		17,480		50,877		43,575		187,536						
Deferred outflows related to OPEB		1,084		4,709		3,885		19,238						
Total deferred outflows of resources		18,564		55,586		47,460		206,774						
Total assets and deferred outflows of resources		557,932		3,650,492		1,329,159	_	8,048,626						

Wellness/	Equipment		Public Works	Utility	
EAP	Rental	Environmental	Administration	Services	Total
\$ 232,690	\$ 1,412,089	\$ 30,891	\$ 825,455	\$ 497,132	\$ 8,402,999
_	1,985,313	_	_	754,587	8,334,658
_	92,310	_	_	173	2,155,979
_	_	265,585	_	_	265,585
	823,272				825,126
232,690	4,312,984	296,476	825,455	1,251,892	19,984,347
			010 700		010 500
_	45.000.405	-	213,733	_	213,733
	15,298,187	180,875	50,754	39,600	15,569,415
5,785	_	204,325	84,001	_	294,111
_	_	_	51,605	_	72,398
_	178,422	_	107,204	199,590	686,315
5,785	15,476,609	385,200	507,297	239,190	16,835,972
238,475	19,789,593	681,676	1,332,752	1,491,082	36,820,319
_	265,700	_	159,643	297,222	1,022,033
	27,430		17,284	27,453	101,083
_	293,130		176,927	324,675	1,123,116
238,475	20,082,723	681,676	1,509,679	1,815,757	37,943,435

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve
Liabilities				
Current liabilities				
Accounts payable	58,847	_	84,757	84,063
Contracts payable	_	_	_	_
Claims and judgments payable	_	2,839,300	750,000	3,379,090
Accrued salaries and benefits	4,349	20,951	18,825	73,863
Compensated absences	2,932	13,323	6,424	25,831
Deposits type accounts	_	_	_	_
Due to other governments	_	_	_	_
Other current liabilities	_	_	_	_
Subscriptions due within one year	_	_	_	15,793
Total other post-employment benefits - current	290	1,259	1,039	5,144
Total current liabilities	66,418	2,874,833	861,045	3,583,784
Noncurrent liabilities				
Compensated absences	3,878	25,174	9,713	43,749
Net pension liability	5,160	15,019	12,863	55,361
Total other postemployment benefits	4,483	19,481	16,072	79,585
Subscriptions due in more than one year	_	_	_	6,850
Total noncurrent liabilities	13,521	59,674	38,648	178,695
Total liabilities	79,939	2,934,507	899,693	3,762,479
Deferred inflows of resources				
Deferred inflows related to pension	4,795	13,956	11,953	51,442
Deferred inflows related to OPEB	1,788	<i>7,77</i> 0	6,410	31,742
Total deferred inflow of resources	6,583	21,726	18,363	83,184
Total liabilities and deferred inflows	86,522	2,956,233	918,056	3,845,663
Net position				
Investment in capital assets net of related debt	_	_	_	(1,850)
Restricted for:				,
Pension plans	24,085	70,104	60,042	258,408
Unrestricted	448,408	628,864	354,946	3,958,796
Total net position	\$ 472,493	\$ 698,968	\$ 414,988	\$ 4,215,354

Wellness/	Equipment		Public Works	Utility	
EAP	Rental	Environmental	Administration	Services	Total
1,708	66,509	10,222	30,381	10,045	346,531
_	_	12	157	_	169
_	_	_	_	_	6,968,390
_	96,973	_	72,470	116,680	404,111
_	27,271	_	52,439	28,400	156,619
_	_	_	_	380,998	380,998
_	39	_	_	_	39
_	_	_	_	5,018	5,018
_	_	_	17,205	_	32,998
	7,335		4,622	7,341	27,030
1,708	198,127	10,234	177,274	548,482	8,321,903
_	95,960	_	65,486	55,004	298,964
_	78,434	_	47,127	87,740	301,703
_	113,474	_	71,501	113,569	418,165
			18,145		24,995
	287,868		184,114	256,313	1,043,827
1,708	485,995	10,234	361,388	804,795	9,365,730
_	72,882	_	43,790	81,529	280,345
	45,258		28,517	45,296	166,781
	118,140		72,307	126,825	447,126
1,708	604,135	10,234	433,695	931,620	9,812,856
5,785	15,298,187	385,188	364,587	39,600	16,091,496
3,763	13,290,107	303,100	JU±,J07	37,000	10,071,470
	366,110		219,974	409,545	1,408,268
230,982	3,814,290	286,253	473,279	434,993	10,630,812
\$ 236,767	\$ 19,478,587	\$ 671,441	\$ 1,057,840	\$ 884,138	\$ 28,130,576

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

	Unemployment Compensation Reserve	Employees' Health Benefit Reserve	Workers' Compensation Reserve	Risk Management Reserve	
Operating revenues					
Charges and fees for services	\$ —	\$ —	\$ —	\$ —	
Charges for insurance	_	_	_	4,546,287	
Employer premium payments	262,919	13,645,283	3,842,204	_	
Employee premium payments	_	1,996,578	113,427	_	
Other operating revenue					
Total operating revenues	262,919	15,641,861	3,955,631	4,546,287	
Operating expenses					
Personnel services	42,073	211,051	160,226	809,471	
Materials and supplies	_	1,253	4,120	9,906	
Contractual services	5,737	2,963,260	787,729	4,627,896	
Claims and other benefits	252,959	13,331,122	2,204,069	3,788	
Depreciation	_	_	_	14,678	
Total operating expenses	300,769	16,506,686	3,156,144	5,465,739	
Operating income (loss)	(37,850)	(864,825)	799,487	(919,452)	
Nonoperating revenues (expenses)					
Grants and subsidies	_	_	_	_	
Other nonoperating revenues	_	54,097	2,758	106,849	
Interest and other debt related costs	_	_	_	(858)	
Gain (loss) on disposal of property					
Total nonoperating revenues (expenses)		54,097	2,758	105,991	
Income (loss) before contributions and transfers	(37,850)	(810,728)	802,245	(813,461)	
Change in net position	(37,850)	(810,728)	802,245	(813,461)	
Net position - January 1	510,344	1,509,697	(387,258)	5,028,813	
Net position - December 31	\$ 472,494	\$ 698,969	\$ 414,987	\$ 4,215,352	

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

— — — — 4,546,75,000 — — — — — — 17,825,7. — — — — — 2,110,7. — — 2,110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 2,2110,7. — — 34,986,7. — — — 34,986,7. — — — 3,65,7. — — — — — 3,65,4. — — — — 3,65,4. — — — — — — 1,95,4. — — — — — — 1,95,4. — — — <th colspan="2">Wellness/ Equipment EAP Rental</th> <th>Environmental</th> <th>Public Works Administration</th> <th>Utility Services</th> <th>Total</th>	Wellness/ Equipment EAP Rental		Environmental	Public Works Administration	Utility Services	Total
75,000 — — — — 2,110, — — — — 4,279 4, 75,000 6,771,098 62,565 1,462,119 2,209,361 34,986, — 1,168,404 — 740,021 1,198,540 4,329, 2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — — — (6,0120) <	\$ —	\$ 6,771,098	\$ 62,565	\$ 1,462,119	\$ 2,205,082	\$ 10,500,864
— — — — 4,279 4, 75,000 6,771,098 62,565 1,462,119 2,209,361 34,986, — 1,168,404 — 740,021 1,198,540 4,329, 2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — — (60,120) — (20,943) — (81,	_	_	_	_	_	4,546,287
— — — 4,279 4, 75,000 6,771,098 62,565 1,462,119 2,209,361 34,986, — 1,168,404 — 740,021 1,198,540 4,329, 2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — — — (60,120) — (20,943) — (81,	75,000	_	_	_	_	17,825,406
75,000 6,771,098 62,565 1,462,119 2,209,361 34,986, — 1,168,404 — 740,021 1,198,540 4,329, 2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,	_	_	_	_	_	2,110,005
$\begin{array}{cccccccccccccccccccccccccccccccccccc$					4,279	4,279
2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,	75,000	6,771,098	62,565	1,462,119	2,209,361	34,986,841
2,866 1,278,871 81 53,178 15,396 1,365, 45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,		11/0404		F40 001	1 100 510	4.000 507
45,734 578,259 422,303 559,135 894,243 10,884, — 27,334 — 9,000 11,367 15,839, 681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,	2066					
— 27,334 — 9,000 11,367 15,839,681 681 1,802,596 43,976 61,219 26,400 1,949,49,281 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368,4368,4368,4368,4368,4368,4368,436	,					
681 1,802,596 43,976 61,219 26,400 1,949, 49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — — — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,	45,/34		422,303			
49,281 4,855,464 466,360 1,422,553 2,145,946 34,368, 25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (60,120) — (20,943) — (81,			42.076			
25,719 1,915,634 (403,795) 39,566 63,415 617, — — 364,407 — — 364, — 1,456 — 3,882 — 169, — — — — (— (60,120) — (20,943) — (81,						
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	49,281	4,855,464	466,360	1,422,553	2,145,946	34,368,941
— 1,456 — 3,882 — 169, — — — — (60, — (60,120) — (20,943) — (81,	25,719	1,915,634	(403,795)	39,566	63,415	617,900
(60,120) (20,943) (81,	_	_	364,407	_	_	364,407
	_	1,456	_	3,882	_	169,042
	_	_	_	_	_	(858)
<u> </u>	_	(60,120)	_	(20,943)	_	(81,064)
	_	(58,664)	364,407	(17,061)		451,527
25,719 1,856,970 (39,388) 22,505 63,415 1,069,	25,719	1,856,970	(39,388)	22,505	63,415	1,069,427
25,719 1,856,970 (39,388) 22,505 63,415 1,069,	25,719	1,856,970	(39,388)	22,505	63,415	1,069,427
211,048 17,621,618 710,829 1,035,335 820,723 27,061,	211,048	17,621,618	710,829	1,035,335	820,723	27,061,149

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

December 31, 2024 Page 1 of 2

	Compe	loyment ensation erve		Employees' ealth Benefit Reserve	Com	Vorkers' npensation Reserve	M	Risk anagement Reserve
Cash flows from operating activities								
Receipts from customers	\$	_	\$	_	\$	_	\$	4,546,287
Contributions received - employer and employee		261,091		15,661,248		3,999,011		_
Payments to suppliers and service providers		(42,771)		(2,605,613)		(710,842)		(4,217,543)
Payments to employees for salaries and benefits		(49,822)		(236,972)		(165,403)		(822,735)
Payments to claimants and beneficiaries		(252,959)		(13,331,122)		(2,204,069)		(3,788)
Net cash provided by operating activities		(84,461)		(512,459)		918,697		(497,779)
Cash flows from noncapital financing activities								
Other nonoperating revenue				54,097		2,758		106,849
Net cash provided by noncapital financing activities		_		54,097		2,758		106,849
Cash flows from capital financing activities								
Cash received from disposal of capital assets		_		_		_		_
Acquisition and construction of capital assets		_		_		_		_
Interest and related charges paid		_		_		_		(858)
Other receipts		_		_		_		_
Net cash used for capital financing activities								(858)
Cash flows from investing activities								
Proceeds from sale of investments		_		1,134,647		_		3,967,695
Interest on investments		_		_		_		_
Purchase of investments		_		(1,086,777)		_		(4,507,981)
Net cash provided by investing activities				47,870				(540,286)
Net increase (decrease) in cash and cash equivalents		(84,461)		(410,492)		921,455		(932,074)
Cash and cash equivalents - January 1		586,102		1,183,480		2,273		4,138,457
Cash and cash equivalents - December 31	\$	501,641	\$	772,988	\$	923,728	\$	3,206,383
Reconciliation of operating income (loss) to net cash provided by (used for) operations Operating income (loss)	\$	(37,850)	\$	(864,825)	\$	799,488	\$	(919,451)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations	Ψ	(07,000)	Ψ	(001,020)	Ψ	777,100	Ψ	(717,131)
Depreciation expense		_		_		_		14,678
(Increase) decrease in net accounts receivable		(1,828)		19,388		43,379		_
(Increase) decrease in inventory		_		, <u> </u>		_		_
(Decrease) increase in accounts payable		(37,034)		_		81,007		10,363
(Decrease) Increase in wages/benefits payable		(8,209)		(23,538)		(10,594)		(25,626)
(Decrease) increase in compensated absences		459		(2,383)		5,417		12,362
(Decrease) Increase claims and judgements		_		358,900				409,896
Total Adjustments		(46,612)		352,367		119,209		421,673
Net cash provided by (used for) operations	\$	(84,462)	\$	(512,458)	\$	918,697	\$	(497,778)
1.6. capit provided by (ubed for) operations	Ψ	(01,104)	Ψ	(012,700)	Ψ	710,077	Ψ	(171,110)

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, 2024 Page 2 of 2

	Wellness/ EAP		aipment Rental	Env	ironmental		Public Works Admin		Utility Services		Total
\$	_	\$	6,678,788	\$	(50,778)	\$	1,462,119	\$	2,230,483	\$	14,866,899
	75,000		_		_		_		_		19,996,350
	(48,843)		(2,101,315)		(428,888)		(604,484)		(898,726)		(11,659,025)
	_		(1,228,994)		_		(739,480)		(1,264,697)		(4,508,103)
	_		(27,334)				(9,000)		(11,367)		(15,839,639)
	26,157		3,321,145		(479,666)		109,155		55,693		2,856,482
	_		1,456		364,407		_		_		529,567
	_		1,456		364,407				_		529,567
	_		(60,120)		_		3,882		_		(56,238)
	_		(4,967,118)		_		(54,831)		_		(5,021,949)
	_		_		_		_		_		(858)
			(5,027,238)		12		(50,792)				169
		-	(3,021,230)				(30,772)				(5,078,876)
	_		2,497,281		_		_		584,632		8,184,255
	_		(1,985,313)		_		_		(754,587)		(8,334,658)
	_		511,968		_		_		(169,955)		(150,403)
	26,157		(1,192,669)		(115,247)		58,363		(114,262)		(1,843,230)
	206,533		2,604,760		146,139		767,091		611,393		10,246,228
\$	232,690	\$	1,412,091	\$	30,892	\$	825,454	\$	497,131	\$	8,402,998
\$	25,720	\$	1,915,633	\$	(403,795)	\$	39,567	\$	63,415	\$	617,900
	681		1,802,596		43,976		61,219		26,400		1,949,550
	_		(92,310)		(113,343)		_		21,122		(123,592)
	-		(12,661)								(12,661)
	(243)		(231,524)		(6,504)		7,829		10,913		(165,193)
	_		(104,323)		_		(41,526)		(75,137)		(288,954)
	_		43,733		_		42,068		8,980		110,637 768,796
	438		1,405,511		(75,871)		69,590		(7,722)		2,238,583
\$	26,158	\$	3,321,144	\$	(479,666)	\$	109,157	\$	55,693	\$	2,856,483
<u> </u>	_5,100		-,-==,111	7	(2, 2,000)	*	107/107	<u> </u>	22,070	Ψ	_,000,100

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



FIDUCIARY FUND

Custodial Fund (633) - The Governmental Accounting Standards Board (GASB) came out with a statement regarding Fiduciary Activities 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, 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

	Custodial Fund		
Assets			
Current assets			
Cash	\$	356,206	
Receivables, net of allowance for uncollectible accounts			
Customer accounts		_	
Total assets		356,206	
Liabilities			
Current liabilities			
Accounts payable		145,619	
Deposits type accounts		_	
Due to other governments		_	
Total liabilities		145,619	
Total restricted net position	\$	210,587	

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2024

Page 1 of 1

Custodial		
Fund		
\$	5,538,376	
	5,538,376	
	5,730,559	
	5,730,559	
	(192,183)	
	402,770	
\$	210,587	

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

