

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year
January 1 - December 31, 2023

King County, Washington



King County

Finance and
Business Operations Division



ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

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Annual Comprehensive Financial Report

December 31, 2023

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June 28, 2024

The Honorable Dow Constantine, King County Executive,
Members of the Metropolitan King County Council and
Citizens of King County

We are pleased to transmit to you the Annual Comprehensive Financial Report of King County, Washington (the County) for the fiscal year ended December 31, 2023. Against a backdrop of COVID-19 becoming endemic, the County made several advances in 2023 towards its True North of *making King County a welcoming community where every person can thrive*. These advances were accomplished while managing the County's finances prudently. As one indicator of the County's commitment to financial management, the County's overall financial position as measured by Net Position improved 4 percent or \$368 million compared to last year.

The financial statements within this report are prepared according to generally accepted accounting principles that are prescribed by the Governmental Accounting Standards Board (GASB) for all state and local governments in the United States of America. This report covers the activities of King County, the primary government, and other legal entities whose activities are inextricably bound to those of the County including the King County Flood Control District, Harborview Medical Center, the King County Cultural Development Authority, and NJB Properties. These other entities are called "component units" and are reported within these financial statements alongside the County's own operations. The relationship between the Flood Control District and the County is sufficiently close that they are presented as a County agency; the financial results of the other entities may be found in the Component Unit section of this report.

The Annual Comprehensive Financial Report (ACFR) contains management's representations concerning the finances of the County and, therefore, we assume full responsibility for its completeness and the reliability of all information presented. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse. Because the cost of internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatements. We assert, to the best of our knowledge and belief, the ACFR is complete and reliable in all material respects.

The County's financial statements have been audited by the Washington State Auditor's Office. We are pleased to have earned an unmodified opinion on these statements, meaning that in all material respects the County's financial statements fairly represent the financial position of the County in conformity with generally accepted accounting principles for governments in the United States (GAAP). The auditor's report is presented as the first component in the financial section of this report.

Management's discussion and analysis (MD&A), which immediately follows the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and includes a profile of the County, an economic outlook, a discussion of major initiatives, and a recap of awards and acknowledgments.

Profile of the County

The County ranks number one in population in the state of Washington and is the financial, economic and industrial center of the Pacific Northwest region. Located between the sparkling blue waters of Puget Sound and the snow-capped Cascade Mountains, the County consists of 2,132 square miles, ranking 11th in geographical size among Washington's 39 counties. King County is nearly twice as large as the average county in the United States. With a population of 2.3 million, it also ranks as the 12th most populous county in the nation.

King County, named after Dr. Martin Luther King, Jr., is organized under the executive-council form of county government. The Metropolitan King County Council (the "Council") is the policy-determining legislative body while the Executive serves as the chief executive officer. Other elected officials include the prosecuting attorney, assessor, director of elections and Superior and District Court judges. The Executive presents to the Council annual statements of the County's financial and governmental affairs, the proposed biennial budget¹, and capital improvement plans.

The Executive signs or authorizes the signing, of all deeds, contracts and other instruments on behalf of the County and appoints the director of each executive department. The Council serves as the legislative body for the County, approving all laws (called Ordinances) and the biennial budget. Operating budgets are adopted at the appropriation unit level, which generally represents a department or division; these budgets expire at the end of the biennium unless reappropriated by the Council. The capital budget is adopted at the fund and project levels and continues until disappropriated by the Council, until the project has been completed or abandoned, or until three consecutive years have passed without expenditure or encumbrance in a project. Please refer to Note 3 in the financial statements for a more detailed discussion of budgetary levels of control.

King County delivers essential services regionally to both incorporated and unincorporated areas. Some services like land use planning and law enforcement are oriented towards the unincorporated areas; however, cities and other incorporated areas often contract with the County for select individual or suites of services. Within appropriate jurisdictions, the County provides public transportation, wastewater treatment, waste disposal and recycling, behavioral and physical health care, emergency medical and E-911 dispatch, elections, tax assessments and collections, law enforcement, adult and juvenile detention and community corrections, court services, licensing, animal control, surface water management, flood control, road construction and maintenance, low-income housing, agricultural services, parks and recreation, land use planning and permitting, radio communications, internet and other services.

Economic Outlook

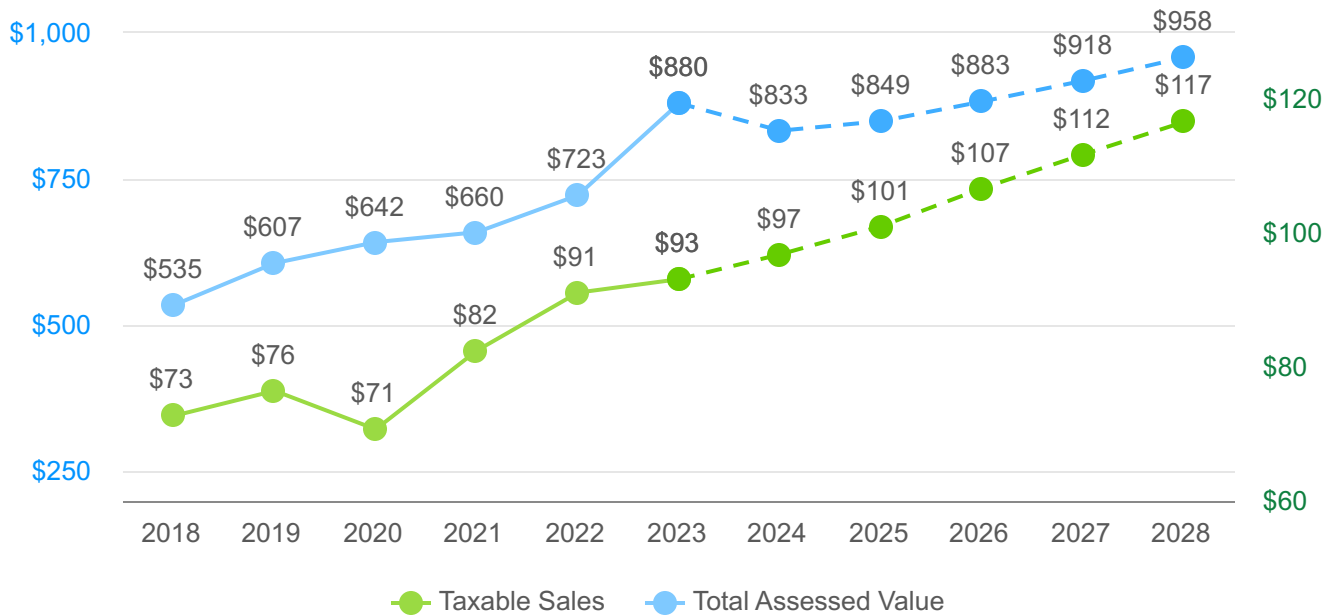
Economic conditions have a direct impact on the County's revenues and the demand for its services. The County's economy made a vigorous recovery following the 2020 pandemic, with total employment making new highs by the end of 2023. The county is home to large retailers like Costco and Nordstrom; high-tech conglomerates like Amazon and Microsoft; and industry leaders like Starbucks, Paccar, Expeditors International, Expedia, Alaska Air Group and Weyerhaeuser. The Boeing Company continues to conduct a significant portion of its commercial airplane manufacturing business in the area. The presence of these companies along with their networks of suppliers and supporting organizations, and combined with large institutional employers such as universities, local governments and hospitals, contribute to a well-diversified local economy with a strong employment base.

The County's main revenue sources include taxes, such as property and retail sales, charges for services, and intergovernmental revenues, such as grants and other financial assistance. The largest of these are combined property and sales taxes, comprising 45 percent of total countywide revenues, and charges for services at 39 percent, mostly generated by the County's large enterprise operations. The County's portion of sales tax revenue is relatively small as most of the tax is allocated to other governments including the State of Washington, cities, and Sound Transit. Retail sales and use taxes are dependent on the level of taxable retail sales which is largely driven by economic factors such as consumer confidence, personal income growth and market interest rates. Taxable sales increased by 2 percent in 2023, the third consecutive year of growth following the tumultuous times of 2020. Thanks to pent-up demand and the stimulating effects of government transfers, taxable sales growth rebounded significantly in 2021, 2022 and the first half of 2023. Taxable sales slowed considerably in the second half of 2023 and the County expects slower growth in 2024 and beyond.

Property taxes tend to be a more stable revenue source since the amount of revenue generated is based on the previous year's levy amount plus an increment (usually one percent), plus the property tax assessed on the value of new construction. In the County's general fund, property taxes made up the bulk of revenues at 37 percent, followed by charges for services at 29 percent, and retail sales and use taxes at 18 percent.

¹ For 2025 only, an annual budget will be adopted in accordance with Ordinance 19654.

King County Tax Base
(in Billions - dashed lines represent forecasts)



The County used 2022 assessed values to collect real property taxes in 2023; the graph above presents the year taxes were collected. Real property assessed values, measured using total assessed value (TAV), rose substantially in 2022 increasing by 22 percent, but declined 5 percent in 2023. Residential property values surged following the pandemic thanks to high demand and mortgage interest rates below 3 percent. There was a quick heel-turn in the residential sector in 2023 as mortgage interest rates reached highs in the 7 percent range. There were 25 percent fewer residential sales and the Seattle Case-Shiller Home Price Index declined 5 percent in 2023. Despite the grim year for residential properties, price growth turned positive at the end of year and mortgage interest rates are expected to drop slowly over the next few years. In commercial office real estate, questions remain about demand in a post-pandemic world. The near-term expectation is there will be less demand for office space and that higher-than-average interest rates will be a headwind for total commercial property values.

Pandemic-related issues have lessened over time but have given way to much higher price levels and higher borrowing rates. The ongoing war in Ukraine threatens the global supply chain and has added volatility in energy markets. The County anticipates moderating inflation in 2024 but overall price levels will remain high compared to where they were prior to the post-pandemic spurt of inflation.

Tax Abatements

The four property tax abatement programs available to King County residents are created by actions of the state legislature and cities within the county; the County has not implemented any of its own property tax abatement programs. The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts rates as needed to raise that revenue based on the assessed valuation of property. Under this system, property tax abatements do not result in a reduction or loss of revenue to the County because, pursuant to state law, these taxes are effectively reallocated to other property taxpayers. For more discussion of the tax abatement programs, and program-specific data, please see Note 6 in the financial statements.

The property tax abatement programs advance quality of living goals including preserving open space and privately-held historic landmarks, facilitating improvements in single-family dwellings and, within certain cities, optimizing urban density by incentivizing multi-family construction and rehabilitation activities. King County's Department of Assessments monitors compliance with property tax abatement programs except those implemented under city codes; in the latter case, the city implementing the program monitors compliance.

Sales and use tax abatement programs have been created by the State of Washington to incentivize certain economic activity. The State monitors compliance with these programs.

Major initiatives

The County's work is guided by its True North and values. The True North is what we aspire to: *Making King County a welcoming community where every person can thrive.* The values guide how we achieve these results.



We are one team.



We solve problems.



We focus on the customer.



We drive for results.



We are racially just.



We respect all people.



We lead the way.



We are responsible stewards.

From this strategic direction come major initiatives that move the County closer to the True North.

Equity and Social Justice

King County is investing and realigning itself to be an anti-racist and pro-equity government through initiatives ranging from transforming policing and the criminal legal system to making down-payments towards economic and racial justice. Efforts include co-creating change in partnership with communities, in attempts to disrupt systemic racism at its roots. The Office of Equity, Racial and Social Justice is coordinating the County's efforts to use equity and social justice considerations to guide decision making both internally and externally. This Office developed the Equity and Social Justice Strategic Plan which agencies use to advance goals and objectives in six goal areas: leadership, operations and services; plans, policies, and budgets; workplace and workforce; community partnerships; communication and education; and facility and system improvements.

Following the declaration of Racism is a Public Health Crisis in 2020, the Council allocated \$25 million in general fund monies to advance equitable economic recovery and racial justice through a community-centered, co-creation grant-making process. Envisioned jointly by community members and the County and launched in March 2022, The Gathering Collaborative is a group of trusted community members who are involved to uplift Black and Indigenous people and their communities – those who are most directly harmed by racism – and are entrusted with ensuring the grant program is in alignment with community priorities. The County awarded the \$25 million to 120 small businesses, not-for-profits, and community organizations in July 2023. Priorities for grants include health and wellness, economic stability and strengthening, housing, education, and power and capacity building.

King County is updating and expanding the 2016-2022 Equity and Social Justice Strategic Plan to refresh its equity, racial, and social justice vision and focus. Initially published in 2016, the current ESJ Strategic Plan has positively impacted the direction of the County's decision-making, policies, operations, services, community outreach, and workplace culture. Led by the Office of Equity, Racial and Social Justice, the County brought together community-based organizations, community members, County departments, leaders, employees, and other partners in 2023 to inform the update. The update will incorporate approaches needed to expedite progress in King County's pro-equity/anti-racist priority.

Confronting Climate Change

The County is guided by its 2020 Strategic Climate Action Plan (SCAP) in confronting climate change. The SCAP is a five-year blueprint for County climate action, integrating climate change into all areas of County operations and work with King County cities, partners, communities, and residents. The SCAP outlines King County's priorities and commitments for climate action for decision-makers, employees, partners, and the public. In addition to establishing targets and performance measures to track and assess the County's progress, the SCAP details more than 225 Priority Actions that the County will carry out over the plan's 5-year tenure. These actions cover diverse strategies including transit, renewable energy, green building, recycling, and preparing for local climate impacts such as increasing flood risks and extreme weather.

Transportation is the region's largest source of greenhouse gas emissions, emitting more than a third of all greenhouse gases. Metro Transit continues to progress on its zero emission vehicle journey under the "jump start" program authorized by the Council in 2020 under Ordinance 19052 which seeks to transition the County's revenue bus fleet to zero emission vehicles by 2035. Metro Transit ordered its last diesel-electric hybrid buses in 2023, turning a corner in its zero-emission vehicle strategy. The battery-electric coaches purchased last year are in operation and have already surpassed 400,000 miles of travel. Metro Transit's efforts do not stop at electrification of the public transit fleet. Single occupancy vehicles are still one of our region's primary sources of climate pollution. Metro Transit is making it even more compelling for residents and visitors to use public transit by delivering a

regionally integrated mobility network. Metro Flex, the on-demand transit solution for residents who do not live in neighborhoods where regular transit service is available, began operations in March (replacing three previous service providers) and expanded to Sammamish and Issaquah in October 2023. The service provides over six thousand rides a week.

In February 2023, King County launched Re+, an initiative to reinvent our region's waste system to cut carbon emissions and transition to a more sustainable economy. While King County has one of the highest recycling rates in the country, nearly 70 percent of the materials brought to the County's regional landfill could be reused, recycled or composted rather than buried as waste that generates greenhouse gas emissions. Re+ will mobilize the public, private, and nonprofit sectors to extend producer responsibility, make it more convenient to recycle, reduce food waste, and invest in new technologies that recover valuable materials. One of the best opportunities for improvement comes with food waste; businesses and households in King County threw out enough edible food to feed about 92,000 people for an entire year (in 2019, the most recent data available). Food production requires large amounts of resources - particularly water and energy - while creating significant greenhouse gas emissions. If food is not eaten and ends up at the landfill, its decay can create methane, a potent greenhouse gas.

Tackling Homelessness

Homelessness should be rare, brief and one-time in nature. The County seeks to address homelessness's root causes, from the skyrocketing costs of housing to addiction and mental health challenges. Two projects broke ground in 2023 providing nearly 500 units of affordable housing at completion. On January 20, a groundbreaking ceremony was held for a 160-unit affordable housing project in Seattle's North Beacon Hill neighborhood; the County contributed \$3.4 million to the project for land acquisition and construction costs. This complex includes two, three and four-bedroom units to meet the needs of multi- and intergenerational families. On February 1, a 334-unit affordable housing development project broke ground in Federal Way's Redondo Heights community; the project received \$11 million from the County. This affordable apartment complex, adjacent to a park-and-ride for easy access to public transit, will also include an on-site community resources navigator for its tenants, and a satellite food bank to serve North Federal Way communities. For new project proposals, the County funded eight additional projects totaling 994 units spread throughout south and east King County and the City of Seattle representing a total investment of over \$24 million. All the units will house low-income individuals or families, with half providing housing to previously homeless households, veterans, and persons with intellectual and developmental disabilities.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to King County for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 42nd consecutive year in which the County received this prestigious award. The Certificate of Achievement is valid for a period of one year only. We believe that our 2023 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's excellence requirements and we are submitting it to the GFOA for review.

In closing, preparation of this report would not have been possible without the dedication and outstanding work ethic of the Financial Accounting Unit staff of the Finance and Business Operations Division. We would also like to express our appreciation to all members of the division and finance staff of County agencies who assisted and contributed to the preparation of this report. Finally, we appreciate County Executive Dow Constantine, County Council members and other elected officials for their support in maintaining the highest standards of professionalism and ethical leadership in the stewardship of the County's finances.

Respectfully submitted,



Ken Guy
Finance Director
Finance and Business Operations Division



Eben Sutton, MAcc
Chief Accountant/Manager
Finance and Business Operations Division



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**King County
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



**King County Executive
Dow Constantine**



**King County Assessor
John Wilson**



**King County Prosecuting Attorney
Leesa Manion**



**King County Elections Director
Julie Wise**

ELECTED OFFICIALS (at time of publication)



METROPOLITAN KING COUNTY COUNCIL

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Presiding Judge
King County Superior Court
Ketu Shah



Chief Presiding Judge
King County District Court
Rebecca C. Robertson

ELECTED OFFICIALS (at time of publication)

Acknowledgments

The following were instrumental in performing the year-end closing of the County's general ledger and in supporting the preparation of the 2023 Annual Comprehensive Financial Report:

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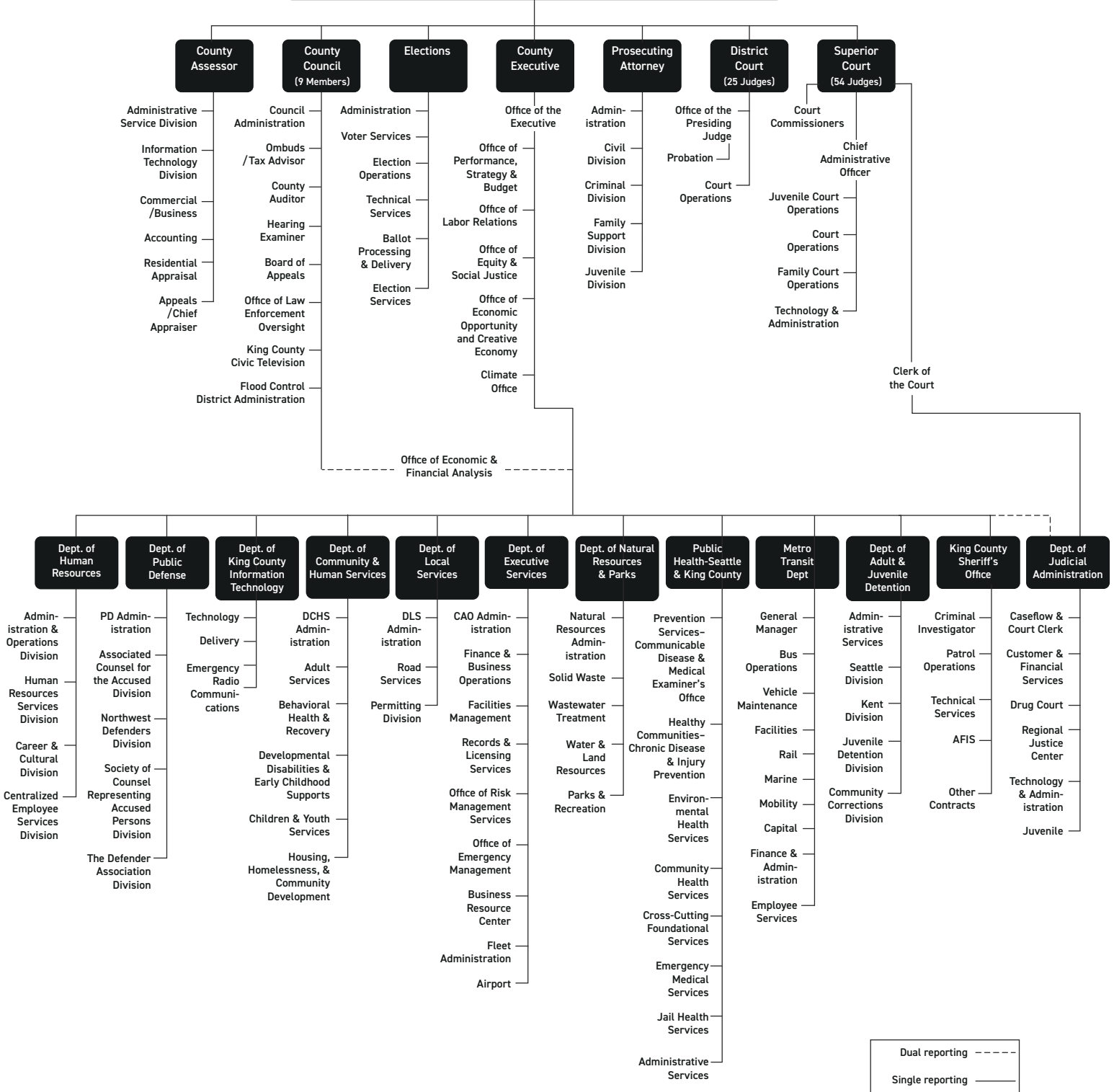
ADULT & JUVENILE DETENTION

Mike West

COMPONENT UNITS

4Culture	NJB Properties	Flood Control District	Harborview Medical Center
Mike Griggs	Eleanora Rocker	Francis and Co, PLLC	Tzeghe Makonnen Lisa Pascuzzi

The Electorate of King County



2023-2024 King County Organization

Elected Officials, Departments and Divisions



Financial Section

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington



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

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

Council and Executive
King County
Seattle, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of King County as of and for the year then ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of King County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Public Transportation, Water Quality, or Solid Waste funds, which in aggregate represent 95 percent, 95 percent and 97 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Transportation, Water Quality, and Solid Waste funds, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)* and Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such

procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of King County's Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the County for the year ended December 31, 2023. The County encourages readers to consider this information in conjunction with that furnished in the letter of transmittal and with the County's financial statements and accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

- At December 31, 2023, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$10.57 billion (referred to as *net position* of the primary government). Of this amount, \$2.45 billion represents unrestricted net position, which may be used to meet the County's short-term obligations to its vendors, creditors, employees and customers.
- The County's total net position increased 4 percent or \$0.37 billion over last year. Key contributors to net position include strong earnings in property tax revenue (\$1.22 billion) through the budget-based property tax method and retail sales and use tax revenue (\$1.28 billion) via the local economy recovering from the global pandemic.
- The governmental activities component of net position increased 6 percent or \$0.30 billion over last year while the business-type activities component increased 1 percent or \$0.07 billion.
- The County's governmental funds reported combined fund balances of \$2.44 billion, an increase of 22 percent or \$0.45 billion from the prior year. Approximately 6 percent or \$0.16 billion of this amount is unassigned fund balance which is available for spending at the government's discretion.
- Unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) for the General Fund was \$303 million, or approximately 28 percent of total annual General Fund expenditures. Total fund balance for the General Fund decreased less than 1 percent or \$1 million from the prior year.
- Total liabilities of the County increased by 1 percent or \$102 million in 2023. The largest change to liabilities was the amount due in more than one year which increased 11 percent or \$178 million in the governmental activities from last year due to several bond issuances towards the end of the year. The largest component of liabilities by size is debt, which increased \$164 million. See the section of this document titled "Debt Administration" for more information about changes to the County's debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which include three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The **government-wide financial statements** are designed to provide readers with an overview of the County's finances, in a manner similar to a private sector business. The statements provide near-term and long-term information about the County's financial position, which assists in assessing the County's financial condition at the end of the fiscal year.

The **statement of net position** presents all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will not result in cash flows until future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation leave.

Both government-wide financial statements have separate sections for three different types of County programs or activities:

Governmental activities

The activities in this section are principally supported by taxes and revenues from other governments (called "intergovernmental revenues" in the fund financial statements). The County classifies governmental activities into general government; law, safety and justice; physical environment; transportation; economic environment; health and human services; culture and recreation; debt service and capital outlay. Further discussion of these activities may be found in Note 1 to the Basic Financial Statements. Also included within governmental activities are the operations of the King County Flood Control District which, although legally separate, is reported as a blended component unit and shown as a special revenue fund to comply with governmental accounting standards.

Business-type activities

These functions are intended to recover all or a significant portion of their costs through user fees and charges to external users. The county's business-type activities include public transportation, wastewater treatment, solid waste disposal and recycling, airport property leasing, radio communications, and public internet services.

Discretely presented component units

The County's government-wide financial statements include the financial data of other legally separate entities that are reported as discrete component units: Harborview Medical Center, Cultural Development Authority of King County and NJB Properties. While governmental accounting standards call for these entities to be reported as part of the overall financial reporting entity, they are not included within the primary government. Individual financial statements for these discrete component units can be found in the Basic Financial Statements section, immediately following the fiduciary funds financial statements.

Following the government-wide statements are the fund financial statements, described further below.

Fund Financial Statements

The fund financial statements are designed to report financial information about the County's funds. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

The County, like most state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Most of the services provided by the County are accounted for in governmental funds. Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements.

Unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

King County maintains a general fund and several other individual governmental funds organized according to their type (special revenue, debt service, and capital projects). The government reports four governmental **major funds**, the General Fund, the Behavioral Health Fund, the Housing and Community Development Fund, and the Public Health Fund. Each major fund is presented in a separate column in the governmental funds balance sheet and the

governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single aggregated presentation as "nonmajor governmental funds." Individual fund data for each of these nonmajor funds is provided as supplementary information in the form of combining statements in the Governmental Funds section.

The County adopts biennial budgets for the major funds, appropriated at the department or division level. Budgetary comparison schedules are provided for each of the major governmental funds and may be found in the Required Supplementary Information section.

Proprietary funds

Proprietary funds are used to account for services for which the County charges customers a fee to recover all or a portion of the cost of providing the services. Proprietary funds provide the same type of information as shown in the government-wide financial statements but at a more detailed level, including the addition of cash flow statements. Like the government-wide financial statements, proprietary funds financial statements use the accrual basis of accounting. The basic proprietary funds financial statements can be found immediately following the governmental funds financial statements.

The County has two types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary funds financial statements provide separate information for the Water Quality Enterprise, the Public Transportation Enterprise, and the Solid Waste Enterprise, all of which are considered to be major funds of the County for financial reporting purposes. All other enterprise funds are aggregated into a single "nonmajor enterprise funds" column within the proprietary funds financial statements. Individual fund data for each of these nonmajor funds is provided as supplementary information in the form of combining statements in the Proprietary Funds section.

Internal service funds are used to report activities that provide centralized services to the County's other programs and activities on a cost reimbursement basis. The County uses this type of fund to account for services such as the motor pool, information and technology, employee benefits, facilities management, risk management, financial, and various other administrative services. These funds support or benefit primarily governmental rather than business-type functions and those funds have therefore been consolidated within governmental activities in the government-wide financial statements. At the fund level, because of their business-type nature, all the internal service funds are aggregated for reporting purposes under the proprietary fund group in the basic financial statements with individual fund statements provided as other supplementary information in the Internal Service Funds combining section.

Fiduciary funds

Fiduciary funds such as trust and custodial funds are used to account for resources held for the benefit of parties outside the government. This fund group also includes the external investment pool custodial funds that are used to report investment pool activity on behalf of special districts and public authorities. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements. The accounting for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found immediately following the proprietary funds financial statements.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the individual component unit financial statements in the Basic Financial Statements section.

Other Information

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information on budget to actual comparisons for major governmental funds, the current funding progress for pensions, the current funding progress for defined benefit post-employment benefits other than pensions, and infrastructure assets reported using the modified approach. The required supplementary information immediately follows the notes to the financial statements.

Combining statements

The combining statements are presented in separate sections immediately after the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. King County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$10.57 billion at December 31, 2023 as shown in the table below.

	King County's Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets ^(a)	\$ 3,929,669	\$ 3,508,366	\$ 4,022,003	\$ 3,994,499	\$ 7,951,672	\$ 7,502,865
Capital assets ^(a)	4,221,246	4,259,624	6,145,824	6,114,775	10,367,070	10,374,399
Total Assets	8,150,915	7,767,990	10,167,827	10,109,274	18,318,742	17,877,264
Deferred Outflows of Resources	284,375	313,467	297,063	329,121	581,438	642,588
Liabilities						
Long-term liabilities	1,951,080	1,761,968	4,536,081	4,553,478	6,487,161	6,315,446
Other liabilities ^(a)	529,509	629,905	456,234	425,307	985,743	1,055,212
Total Liabilities	2,480,589	2,391,873	4,992,315	4,978,785	7,472,904	7,370,658
Deferred Inflows of Resources	433,714	469,263	420,047	474,073	853,761	943,336
Net Position						
Net investment in capital assets ^(a)	3,248,873	3,212,819	2,144,248	2,118,470	5,393,121	5,331,289
Restricted ^(a)	2,220,939	2,065,082	510,058	420,389	2,730,997	2,485,471
Unrestricted ^(a)	51,175	(57,580)	2,398,222	2,446,678	2,449,397	2,389,098
Total Net Position	\$ 5,520,987	\$ 5,220,321	\$ 5,052,528	\$ 4,985,537	\$ 10,573,515	\$ 10,205,858

(a) Prior year balances restated. See Note 18 - Components of Net Position and Fund Balance, Restrictions and Restatements.

The largest portion of King County's net position, 51 percent or \$5.39 billion, reflects its net investment in capital assets. The County employs these long-lived assets in providing a variety of services to its residents. Accordingly, the net position associated with the capital assets does not represent amounts available for future spending. The County's investment in capital assets is reported net of related debt. The resources used to repay the capital-related borrowing must be provided from other more current, or liquid, assets.

An additional portion of County's net position, 26 percent or \$2.73 billion, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2.45 billion is unrestricted. A negative unrestricted net position represents more liabilities and deferred inflows of resources than assets and deferred outflows of resources.

King County's overall net position increased 4 percent or \$0.37 billion from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities During the current year, net position for the governmental activities increased 6 percent or \$0.30 billion for an ending balance of \$5.52 billion. Net position invested in capital assets comprised 59 percent of total net position in the governmental activities, or \$3.25 billion, an increase from the prior year of 1 percent. The increase was caused by the combined net additions to capital assets and net reductions in outstanding capital related debt during the year. Net position restricted for specific purposes amounted to \$2.22 billion including \$0.90 billion for health and human services; \$0.42 billion for pensions; \$0.31 billion for capital projects; \$0.21 billion for economic environment; and, \$0.22 billion for law, safety, and justice. Other restrictions, each individually less than \$0.10 billion, constituted the remaining \$0.16 billion.

Governmental activities accounted for 82 percent of the total improvement in net position of the County. The total revenues for governmental activities were \$3.34 billion, exceeding total expenses of \$3.04 billion. The largest contributors to the improvement in net position were property taxes at \$1.18 billion or 35 percent of total revenues and charges for services at \$1.04 billion or 31 percent of total revenues. Property tax revenues increased by \$0.08 billion or 7 percent from the prior year. The increase to property tax revenue is somewhat expected as Washington's property tax system is budget-based; the increased property tax receipts also include \$0.04 billion of new revenues generated by the Conservation Futures levy passed by voters in 2022. Health and human services and general government services contributed to the biggest charges for services for the County, with \$0.49 billion and \$0.22 billion reported respectively. The County's integrated managed care program provided almost half of health and human services charges at \$0.27 billion. General government services comprises many different programs and activities that individually do not appear as significant as the health programs. The most notable general government charges in 2023 all reporting approximately \$0.02 billion related to records and licensing services, election services, fines and penalties on tax payments, health permits and lease revenue and interest.

Expenses for governmental activities saw a slight uptick from last year, increasing by 5 percent or \$0.14 billion, though not increasing so much to overtake revenues earned during the year. Law, safety and justice expenses comprised the biggest portion of total expenses at \$1.17 billion, 38 percent. The Sheriff's Office's operations contributed the most at \$0.22 billion, emergency medical services added \$0.10 billion, district court and superior court operations reported a combined \$0.09 billion and indigent services incurred \$0.09 billion in expenses. The other function with major expenses was health and human services at \$1.08 billion. The behavioral health and recovery program incurred \$0.36 billion in expenses and public health program provided \$0.27 billion in costs. Expenses in both functions are in support of addressing emerging infections, the opioid crisis, homelessness and providing a safe community.

Business-type Activities King County's business-type activities reported a net position of \$5.05 billion, increasing by 1 percent or \$0.07 billion from the prior year. Of the total net position for business-type activities, 42 percent or \$2.14 billion was invested in capital assets net of the related debt used to finance the acquisition or construction of these capital assets. Another 10 percent or \$0.51 billion of the total net position of business-type activities is restricted for spending on capital projects, debt service, regulatory assets and environmental liabilities. The remaining 48 percent or \$2.40 billion is unrestricted net position which is available to meet ongoing obligations to customers, vendors, other creditors and employees.

Business-type activities' net position of \$5.05 billion comprised 48 percent of the total County net position at the end of 2023. Business-type activities accounted for 18 percent of the total increase in the County's aggregate net position during the year. This growth in net position was due primarily to positive results in the Water Quality Enterprise by \$0.13 billion and the contribution from retail sales and use tax revenues at \$0.84 billion in the Public Transportation Enterprise.

Total revenues of business-type activities were \$2.20 billion, an increase of 5 percent or \$0.10 billion from last year. The slight increase in total revenue stems from regular inflationary increases on rates in charges for services for all of the major business-type activities and improved interest earnings on idle cash, but is offset by the reduction in pandemic-related support, both operating and capital. Unrestricted interest earnings increased by 479 percent or \$0.16 billion due to the rise in interest rates. Operating grants and contributions decreased by 87 percent or \$0.13 billion and capital grants and contributions decreased by 33 percent or \$0.02 billion.

Business-type activities expenses increased 3 percent or \$53 million over the prior year for all business-type activities taken together. The Solid Waste Enterprise had the largest percent increase in expense by percentage, increasing 17 percent or \$29 million. The increase was mainly due to an increase in personal services cost.

Changes in Net Position
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services ^(b)	\$ 1,035,352	\$ 1,039,907	\$ 1,125,833	\$ 1,058,321	\$ 2,161,185	\$ 2,098,228
Operating grants and contributions	463,843	774,187	18,632	147,797	482,475	921,984
Capital grants and contributions	51,368	27,446	42,615	63,171	93,983	90,617
General revenues						
Property taxes	1,183,689	1,103,724	39,349	38,302	1,223,038	1,142,026
Retail sales and use taxes	434,331	424,122	841,759	825,036	1,276,090	1,249,158
Other taxes	23,161	29,235	—	—	23,161	29,235
Opioid settlement	1,382	25,553	—	—	1,382	25,553
Unrestricted interest earnings	142,569	(24,112)	129,453	(34,184)	272,022	(58,296)
Total revenues	<u>3,335,695</u>	<u>3,400,062</u>	<u>2,197,641</u>	<u>2,098,443</u>	<u>5,533,336</u>	<u>5,498,505</u>
Expenses^(a)						
General government	197,763	224,965	—	—	197,763	224,965
Law, safety and justice	1,166,451	903,385	—	—	1,166,451	903,385
Physical environment	29,397	28,030	—	—	29,397	28,030
Transportation	106,610	109,900	—	—	106,610	109,900
Economic environment ^(b)	291,268	267,174	—	—	291,268	267,174
Health and human services ^(b)	1,076,216	1,211,092	—	—	1,076,216	1,211,092
Culture and recreation	137,999	124,164	—	—	137,999	124,164
Interest and other debt service costs	34,826	33,163	—	—	34,826	33,163
Airport	—	—	38,155	35,559	38,155	35,559
Public transportation	—	—	1,229,092	1,240,368	1,229,092	1,240,368
Solid waste	—	—	193,989	165,131	193,989	165,131
Water quality	—	—	502,532	471,087	502,532	471,087
Other enterprise activities	—	—	9,376	8,118	9,376	8,118
Total expenses	<u>3,040,530</u>	<u>2,901,873</u>	<u>1,973,144</u>	<u>1,920,263</u>	<u>5,013,674</u>	<u>4,822,136</u>
Increase in net position before special items and transfers	295,165	498,189	224,497	178,180	519,662	676,369
Special Items	—	—	(152,005)	—	(152,005)	—
Transfers	5,501	8,420	(5,501)	(8,420)	—	—
Increase in net position	300,666	506,609	66,991	169,760	367,657	676,369
Net position, beginning of year ^(c)	5,220,321	4,713,712	4,985,537	4,815,777	10,205,858	9,529,489
Net position, end of year	<u>\$ 5,520,987</u>	<u>\$ 5,220,321</u>	<u>\$ 5,052,528</u>	<u>\$ 4,985,537</u>	<u>\$ 10,573,515</u>	<u>\$ 10,205,858</u>

(a) Expenses for all functions include the allocation of indirect expenses from general government. The amount of indirect general government expenses allocated to each function is shown in a separate column on the government-wide Statement of Activities next to the column of direct operating expenses incurred by each function. In the above statement, the \$198 million in general government expense consists of \$263 million in direct program expenses reduced by indirect charges of \$65 million that was charged to the other benefiting functions.

(b) 2022 revenues and expenses were adjusted for the corresponding effects of the restatements of beginning net position.

(c) Net position, beginning of year has been restated. See Note 18 - Components of Net Position and Fund Balance, Restrictions and Restatements.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use. It represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Council.

At December 31, 2023, the County's governmental funds reported a combined fund balance of \$2.44 billion, an increase of 22 percent or \$0.45 billion in comparison with the prior year. Approximately 6 percent or \$0.16 billion constitutes *unassigned fund balance*. The remainder of fund balance is either *nonspendable, restricted, committed* or *assigned* to indicate, respectively, that it is 1) not in spendable form or legally required to be maintained intact, \$0.41 billion, 2) restricted for particular purposes, \$1.78 billion, 3) committed for particular purposes, \$0.04 billion, or 4) assigned for particular purposes, \$0.05 billion.

The **General Fund** is the chief operating fund of the County. At the end of the 2023 fiscal year, total fund balance for the General Fund was \$313 million. Unassigned fund balance totaled \$263 million, a decrease of 7 percent or \$19 million from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures of \$1,072 million. The unassigned fund balance of \$263 million represents 25 percent of total General Fund expenditures, a decrease of 4 percent from 2022 while the total fund balance of \$313 million represents 29 percent of total expenditures in 2023, a decrease from 32 percent in 2022.

Fund balance of the General Fund decreased by less than 1 percent or \$1 million during 2023. Total revenues of \$1,103 million were offset by total expenditures of \$1,072 million, with taxes and charges for services comprising the bulk of revenues totaling \$608 million and \$320 million respectively. Expenditures were led by \$836 million for law safety and justice, related to the Sheriff's Office and court operations. Receipt of resources from other funds, "transfers in" totaled \$31 million with the majority, \$16 million, related to jail health services. Interfund transfers out to various programs totaled \$90 million, most notably \$31 million to support public health programs, \$20 million for debt service, \$8 million for children family services, \$8 million to work training programs and \$7 million to housing opportunity programs.

The **Behavioral Health Fund** provides oversight and management of crisis services, mental health treatment, substance use disorder treatment and diversion and reentry services to low income clients, with an emphasis on prevention, intervention, treatment, and recovery. At the end of 2023, it had a total fund balance of \$116 million, an increase from a total fund balance of \$114 million last year.

Charges for services revenue decreased by \$20 million or 6 percent from the prior year due mainly to a decrease in Medicaid revenues passed from the Managed Care Organizations as a result of termination of the COVID-19 public health emergency and advent of a Medicaid eligible redetermination which resulted in continual decrease of eligible clients generating revenue.

The **Housing and Community Development Fund** collects revenue from federal, state, and other funding sources to support housing and community development projects such as development of affordable and special needs housing, homeless prevention and supportive services, housing repairs, and community development projects that improve the livability of neighborhoods and communities. At the end of 2023, it had a total fund balance of \$685 million, an increase of 25 percent from a total fund balance (restated) of \$551 million last year.

The increase in fund balance in the current year was primarily due to proceeds from a new bond issuance of \$126 million exceeding the current year project cost of \$16 million. Revenues decreased by \$126 million from the prior year due to a decrease in intergovernmental revenues from COVID-19 pandemic relief grants to support eviction prevention and rental assistance programs. Expenditures for health and human services decreased by \$163 million mainly from the decrease in rental assistance program expenses.

The **Public Health Fund** finances health service centers located through King County and public health programs. The Public Health Fund supports clinical health services, primary care assurance, management and business practice, and population and targeted community health services. At the end of 2023, it had a total fund balance of \$114 million, an increase of 57 percent from a total fund balance of \$72 million last year.

Total revenues of \$231 million and interfund transfers in of \$92 million were offset by total expenditures of \$281 million. The largest sources of revenues and transfers in included federal and state grants, Best Start for Kids levy, and charges for goods and services. The increase in fund balance in the current year was primarily due to \$25 million in FEMA grant revenue for reimbursement of 2021 and 2022 COVID-19 pandemic related program expenditures and a \$5 million opioid settlement payment. Fund balance also increased an additional \$6 million in excess of revenue over expenditures due to labor cost savings, one-time grants from WIC and Uninsured grants, and interfund transfers from the General Fund to fund various programs including the King County Adult Dental program.

Proprietary Funds The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

At December 31, 2023, the County's proprietary funds reported a combined net position of \$5,002 million, an increase of 2 percent or \$83 million compared to the prior year. The Public Transportation Enterprise net position decreased 1 percent or \$41 million; the Solid Waste Enterprise net position decreased by 76 percent or \$24 million; and the Water Quality Enterprise net position increased by 12 percent or \$128 million.

The **Public Transportation Enterprise** accounts for the operations, maintenance and capital improvements of the County's public transportation system. At the end of 2023, the Public Transportation Enterprise had total net position of \$3,598 million of which 35 percent or \$1,273 million was invested in capital assets net of associated debt; 6 percent or \$201 million was restricted for capital projects and pensions; and 60 percent or \$2,124 million was unrestricted. Unrestricted net position increased from the prior year by 5 percent or \$95 million. The key revenues contributing to the Enterprise's net position are sales taxes at \$842 million or 70 percent of total revenue; service contracts at \$207 million or 17 percent of total revenue and passenger fares at \$79 million or 7 percent of total revenue. Total operating expenses increased by \$44 million from the prior year, with personal services experiencing the largest increase of \$40 million. The decrease in overall net position of \$41 million from the prior year was driven by lower federal subsidies, a loss from the transfer of the Downtown Seattle Transit Tunnel to Sound Transit and higher operating expenses, offset by an increase in sales tax revenue and passenger fair revenues.

The **Solid Waste Enterprise** accounts for the operations, maintenance, capital improvements and expansion of the County's solid waste collection and disposal system. At the end of 2023, the Solid Waste Enterprise reported total net position of \$8 million of which \$113 million was invested in capital assets net of the related debt; \$16 million was restricted for pensions; and the remainder (a deficit of \$122 million) was unrestricted. A deficit unrestricted net position represents more liabilities and deferred inflows of resources than assets and deferred outflows of resources. Total net position decreased by \$24 million over the prior year. The Enterprise reported \$152 million in solid waste disposal charges, an increase of \$4 million from the prior year. The Enterprise incurred \$186 million in total operating expenses, mainly comprised of personal services of \$66 million, contract services and other charges of \$49 million, internal services of \$26 million, and depreciation of \$18 million.

The **Water Quality Enterprise** accounts for the operations, maintenance, capital improvements and expansion of the County's water pollution control facilities. At the end of 2023, the Water Quality Enterprise reported total net position of \$1,196 million of which 56 percent or \$675 million was invested in capital assets net of the related debt; 24 percent or \$290 million was restricted for debt service, pensions and regulatory assets and environmental liabilities; and the remaining 19 percent or \$231 million was unrestricted. Total net position improved by \$128 million due to continually posting positive results from operations. The Enterprise reported \$479 million in sewage disposal fees, an increase of \$37 million or 8 percent from the prior year. Remaining operating revenues of \$115 million decreased by \$9 million or 7 percent. The Enterprise incurred \$385 million in total operating expenses, mainly comprised of \$173 million in depreciation and amortization expenses, personal services of \$73 million and internal services of \$42 million.

General Fund Budgetary Highlights

King County budgets on a biennial basis with each budget period beginning in an odd-numbered year. This is the first year of the 2023-2024 biennium for County operating funds. The biennial budget is a true 24-month budget, not two separate annual budgets enacted at the same time.

Original Budget Compared to Final Budget The General Fund's final budget differs from the original budget in that it reflects an increase of \$76 million in expenditures due to supplemental budget appropriations, which largely included programs to support community and housing services to specific organizations. Estimated revenues increased by a net \$2 million from the original adopted budget. Intergovernmental revenues decreased in estimates by \$27 million due to the winding down of pandemic-related funding; charges for services estimates increased \$19 million mainly in public defense and elections activities; projected general obligation bond proceeds increased by \$6 million; and transfers in estimates increased by \$4 million.

Expenditure budget increases were made during the budget period to the following county functions (listing appropriations with the most significant contributions to the increase): General government by \$18 million (principally from Elections; Office of Performance, Strategy and Budget); Law, safety and justice by \$15 million (principally from Sheriff's Office; Public Defense); and transfers out by \$30 million (principally from Transfers to Department of Community and Housing Services).

Final Budget Compared to Actual Results Property taxes are the largest revenue source in the General Fund, accounting for 37 percent of the currently budgeted revenues. Charges for services and retail sales and use taxes are the other significant sources of revenue for the General Fund, representing 30 percent and 17 percent of total budgeted revenues, respectively. The amounts received for charges for services is dependent on corresponding services provided and fluctuate with the applicable programs and services offered. Retail sales and use taxes are dependent on spending in the economy, which is influenced by various factors discussed in more detail in the Letter of Transmittal in the Introductory section of this report and under the heading "Economic Outlook and Next Year's Budget," below.

The actual budgetary basis expenditures were \$1.32 billion less than the final appropriation, mainly attributed to being the first year in the two-year budget. Law, safety, and justice and general government comprise the largest amounts of underexpenditures, at 64 percent and 22 percent, respectively.

CAPITAL ASSETS, INFRASTRUCTURE AND DEBT ADMINISTRATION

Capital Assets

The King County primary government's capital assets for its governmental and business-type activities as of December 31, 2023, amounted to \$4.22 billion for governmental activities and \$6.15 billion for business-type activities totaling \$10.37 billion, net of depreciation.

Capital assets include land, rights-of-way, easements and development rights, buildings, improvements other than buildings, infrastructure, vehicles, machinery, computers, software and other equipment and construction in progress. The total decrease in capital assets over the previous year was \$9 million, net of depreciation.

Major capital asset events during 2023 included the following:

- Public Transportation Enterprise transferred the Downtown Seattle Transit Tunnel (DSTT) to Sound Transit, and the assets associated with the DSTT were retired resulting in a loss of \$152 million.
- Water Quality Enterprise added new Lease Assets of \$49 million. Also during 2023, additional Georgetown Wet Weather Station and Sunset Heathfield Pump Station costs were capitalized totaling \$24 million. These two projects were originally placed into service in 2022. In 2023, the Lake Hills Interceptor Rehabilitation Phase II was placed into service with costs capitalized of \$16 million. Large 2023 construction project expenditures included \$79 million for West Point Power Quality Improvements, and \$51 million for North Mercer Island and Enatai Interceptors Upgrade.
- Puget Sound Emergency Radio Network (PSERN) is replacing the existing emergency communications radio system that is over 20 years old. The new system as a whole will provide improved coverage, capacity, capability and connectivity in PSERN's regional service area. The total estimated project cost is \$303 million; \$288 million has been spent through December 31, 2023. The radio network was operational in December 2023 and subsequently at the end of 2023, \$74 million of assets was transferred to the PSERN operator.
- Solid Waste Enterprise launched construction of the South County Recycling and Transfer Station (SCRTS) during the first quarter of 2023. The transfer station will replace the 1960's-era Algona Transfer Station and offer new recycling and hazardous waste disposal services to the community. The SCRTS is expected to open to the public in Spring 2026. The total cost of the new transfer station is estimated at \$132 million; \$25 million has been spent through December 31, 2023.
- Flood Control District recorded \$40 million in WIP, placed in service mainly due to the Lower Russell Levee Setback project which was substantially complete as of May 2023. The Lower Russell Levee Setback project is a 1.4-mile-long levee improvement project to replace an aging levee that did not meet current engineering design standards. The new levee is set back from the Green River to better reduce flood risks to residential and commercial development behind the levee, while also improving fish and wildlife habitat along the Green River.
- Parks capital projects placed \$41 million of WIP in service due to the East Lake Sammamish Trail project which was substantially complete as of October 2023. The completed 11-mile East Lake Sammamish Trail connects to the Burke-Gilman, Sammamish River, Marymoor Connectors, and Issaquah-Preston trails,

providing a safe, accessible paved path for people of all ages and abilities to walk, ride, roll, and bike and features a 12-foot-wide asphalt surface with 2-foot-wide gravel shoulders and 1-foot-wide clear zones on each side, plus rest areas, safer driveway and road intersections, improved drainage, fencing, and signage.

- Parks capital projects recorded approximately \$22 million in WIP for the construction of the Parks Central Maintenance Facility. The project includes re-development of approximately 5.7 acres with new shop and crew/administrative buildings, vehicle and equipment parking, and yard/materials storage. The new facility will improve function and space for shop operations and workplace environment, enhance vehicle and pedestrian safety, and accommodate future staff growth. The new Central Maintenance Facility is estimated to open for staff use in early 2025.

A summary of the 2023 capital assets activity is shown below. More detailed information on the County's capital assets can be found in Note 7 - Capital Assets.

	Capital Assets (in millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land and land rights	\$ 1,337.7	\$ 1,304.2	\$ 470.8	\$ 482.6	\$ 1,808.5	\$ 1,786.8
Buildings ^(a)	830.0	848.8	1,460.2	1,665.3	2,290.2	2,514.1
Leasehold Improvements ^(a)	29.4	37.5	0.5	0.6	29.9	38.1
Improvements other than buildings ^(a)	248.6	167.7	272.9	295.9	521.5	463.6
Infrastructure - roads and bridges	1,190.9	1,176.8	—	—	1,190.9	1,176.8
Infrastructure - other ^{(a)(b)}	93.4	55.9	1,699.3	1,732.2	1,792.7	1,788.1
Equipment, software and art collection ^(a)	149.7	174.6	1,020.5	1,119.3	1,170.2	1,293.9
Construction in progress ^(b)	169.4	291.5	1,105.3	758.9	1,274.7	1,050.4
Lease and SBITA assets ^{(a)(b)}	172.1	204.0	116.3	60.0	288.4	264.0
Total	\$ 4,221.2	\$ 4,261.0	\$ 6,145.8	\$ 6,114.8	\$ 10,367.0	\$ 10,375.8

(a) Net of depreciation and amortization

(b) 2022 Governmental activities balance is restated. See Note 7 - Capital Assets

Infrastructure

The County has elected to use the modified approach in reporting roads and bridges. Under the modified approach, capital assets are not depreciated because they will be preserved indefinitely. The condition of the assets is disclosed to provide evidence that established condition levels are being met. The rating scales for pavements (roads) and bridges and the results of the most recent condition assessments are further explained in the required supplementary information which follows the notes to the basic financial statements.

Condition assessments for roads are undertaken every three years using a pavement condition index (PCI). This is a 100-point scale numerical index that represents the pavement's functional condition based on the quantity, severity and type of visual distress. It is the policy of the King County Road Services Division to maintain at least 50 percent of the road system at a PCI of 40 or better. In the most recent condition assessment, more than two-thirds of the arterial and local access roads met the established condition level.

The County currently maintains 184 vehicular bridges. Physical inspections to uncover deficiencies are carried out at least every two years. A prioritization scale is maintained to determine which bridges are due for replacement or rehabilitation. The most significant criterion is the sufficiency rating which utilizes a 100-point priority scale based on various factors of bridge condition. It is the policy of the King County Road Services Division to maintain bridges in such a manner that no more than 12 bridges can have a sufficiency rating of 20 or less in one complete assessment cycle. The most current complete assessment showed only 8 bridges at or below this threshold.

The amount budgeted for 2023 roads preservation and maintenance was \$117 million, but the actual amount expended was \$50 million. For maintenance and preservation of bridges, the amount budgeted for 2023 was \$43 million, but the actual expended amount was \$8 million. The variance between budget and actual expenditures is due to supplemental budget and remaining work under contract to be completed in 2024.

Debt Administration

At the end of 2023, King County had a total of \$5.36 billion in debt outstanding. Of this amount, \$2.41 billion comprises of debt backed by the full faith and credit of the County and \$2.38 billion represents bonds secured by revenues generated by the debt-financed capital assets. The remainder of the County's long-term obligations is comprised of state revolving loans, notes, leases and subscription payable. Below is a summary of the County's debt by type and activity.

	Outstanding Debt (in millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 1,237.6	\$ 1,032.5	\$ 1,175.0	\$ 1,164.3	\$ 2,412.6	\$ 2,196.8
General obligation notes payable	1.3	1.7	—	—	1.3	1.7
Leases payable	174.0	202.8	113.9	55.7	287.9	258.5
Subscription payable	0.9	—	1.2	—	2.1	—
Revenue bonds	—	—	2,381.0	2,591.9	2,381.0	2,591.9
State revolving loans	—	—	272.3	144.3	272.3	144.3
Total	<u>\$ 1,413.8</u>	<u>\$ 1,237.0</u>	<u>\$ 3,943.4</u>	<u>\$ 3,956.2</u>	<u>\$ 5,357.2</u>	<u>\$ 5,193.2</u>

Bond amounts are presented inclusive of associated premiums and discounts. See *Note 15 - Liabilities* for details.

Total debt increased over the previous year by 3 percent \$164 million (a 14 percent or \$177 million increase for governmental activities and business-type activities remained about the same with a slight decrease of \$13 million).

Governmental activities' outstanding debt increased primarily due to the issuance of \$300 million in new limited tax general obligation bonds and refunding general obligation bonds, with related net premiums of \$22 million offset by the reductions of \$90 million for debt service payments and \$18 million for defeasance of bonds. Leases and subscription payable was decreased by 14 percent or \$28 million.

Business-type activities' outstanding debt remained about the same over the previous year, declining by \$13 million primarily due to the reductions of \$119 million in debt service payments and the defeasance of \$282 million in refunded bonds offset by the issuance of \$77 million in new limited tax general obligation bonds, with related net premiums of \$12 million and \$148 million in new revenue bonds, with related net premiums of \$9 million. State revolving loans increased by 89 percent or \$128 million (a \$135 million in new loans offset by \$7 million in loan repayment). Leases and subscription payable increased by 107% or \$59 million due to a \$69 million in new leases and subscriptions offset by \$10 million in leases and subscription repayment.

The County maintained a rating of "Aaa" from Moody's, a rating of "AAA" from Standard & Poor's, and a rating of "AAA" from Fitch for both its limited tax general obligation debt and unlimited tax general obligation debt. The ratings for Water Quality Enterprise's revenue debt are "Aa1" from Moody's and "AA+" from Standard & Poor's.

State statutes limit the amount of general obligation debt that the County may issue to 2.5 percent of its total assessed valuation for general county purposes and 2.5 percent for metropolitan functions (Water Quality and Public Transportation funds). The current debt limitation of total general obligations for general county purposes is \$20.83 billion, significantly higher than the County's outstanding net general obligation long-term liabilities of \$0.86 billion. For metropolitan functions the debt limitation is also \$20.83 billion and the County's outstanding net general obligation debt for metropolitan functions is \$1.14 billion.

Additional information on King County's long-term debt can be found in *Note 15 - Liabilities* of the Basic Financial Statements.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Items of note within King County:

- King County's unemployment rate was 3.5 percent in December 2023 (non-seasonally-adjusted), lower than state and national unemployment rates, which were 4.4 percent and 3.7 percent, respectively. King County average employment increased a mere 1.2 percent in 2023. The aerospace manufacturing sector

added 4,900 jobs in 2023 and is nearing pre-pandemic levels. A post-pandemic hangover afflicts the information technology sector. Amazon, Microsoft, and Meta continued local layoffs in 2023: county information sector employment has been in recession since mid-2022. The leisure and hospitality sector continued to recover from the COVID-19 pandemic in 2023. While employment levels for this sector are only 90 percent of their pre-pandemic average, their nominal taxable sales reached an all-time high in 2023. For a longer-term retrospective on unemployment trends, see the *Demographic and Economic Indicators* table in the Statistical section of this report; however, note the unemployment statistics quoted there are annual averages and not a point-in-time measure as reported here.

- Taxable retail sales growth was robust in the years prior to 2020 thanks to growing incomes, optimistic consumer confidence, strong employment, and a thriving construction sector. Local retail sales tax collections grew 4 percent in 2019, then *declined* 4 percent in 2020 due to the pandemic before growing 17 percent in 2021 and 11 percent in 2022. Taxable sales limped to the finish line in 2023, ending the year with 2 percent nominal growth. Monthly construction taxable sales declined each of the last six months of the year.
- The generationally high inflation of 2022 moderated somewhat in 2023. The Seattle Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W-STB) increased by 5.5 percent, down from a staggering 8.8 percent in 2022. The national CPI for All Urban Consumers (CPI-U-US) increased 4.1 percent during the same period. With inflation at 40-year highs, the Federal Reserve raised rates rapidly in 2022 and the beginning of 2023, with the current Fed target rate being maintained between 5.25-5.50 percent since July 2023. Many expect interest rates to decline slowly over the next few years, but the Fed hasn't ruled out the possibility of interest rates remaining "higher for longer." Much of the Fed's action (or inaction) will depend on near-term inflation and the temperature of the labor market.

In addition to managing the public health side of the pandemic, King County will continue to face numerous challenges, including high demand for mental health and housing services, immigration, volatile energy prices, fast-rising employee and programmatic health care costs, and the need to raise sufficient revenues to support utilities, the transit system, and general government operations. The County is committed to building reserves in times of economic prosperity. Over the years prior to the pandemic, the County increased its undesignated reserve for the General Fund from 6 percent to 8 percent of estimated annual revenues adjusted for intergovernmental receipts and interfund transfers², which is the maximum amount under County policy. These reserves buffered the effects of the pandemic on the County budget, which mitigated the number of General Fund service reductions. The County is willing to make difficult decisions to reduce expenditures to match revenue levels while retaining prudent reserves. At the state level, the County also continues to pursue statutory enhancements to local government revenues to balance revenues more flexibly with long-term cost pressures.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of the County's financial activities for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to help.genacctg@kingcounty.gov or via post.

King County Chief Accountant
201 S Jackson St, Ste 0714
Seattle, WA 98104-3854

² 2022 Comprehensive Financial Management Policies, Motion 16041



Basic Financial Statements

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

STATEMENT OF NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 2,466,875	\$ 2,550,659	\$ 5,017,534	\$ 422,142
Investments	—	14,260	14,260	—
Receivables, net	495,911	578,813	1,074,724	282,562
Internal balances	(66,121)	66,121	—	—
Due from component unit	134,791	—	134,791	—
Due from primary government	—	—	—	10,959
Inventory	4,402	36,019	40,421	13,418
Prepayments and other assets	40,740	4,308	45,048	14,334
Net pension asset	332,034	192,542	524,576	797
Nondepreciable capital assets	2,709,132	1,575,609	4,284,741	29,195
Amortizable and depreciable capital assets, net	1,512,114	4,570,215	6,082,329	396,356
Net investment in finance lease with primary government	—	—	—	6,603
Deposits with other governments	—	—	—	1,858
Regulatory assets - environmental remediation	—	178,812	178,812	—
Other assets	521,037	400,469	921,506	52,555
Total assets	<u>8,150,915</u>	<u>10,167,827</u>	<u>18,318,742</u>	<u>1,230,779</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refunding	10,203	130,451	140,654	—
Deferred outflows on pensions	263,395	159,268	422,663	701
Deferred outflows on other post employment benefits	7,632	2,829	10,461	12
Deferred outflows on asset retirement obligations	3,145	4,515	7,660	—
Total deferred outflows of resources	<u>284,375</u>	<u>297,063</u>	<u>581,438</u>	<u>713</u>
LIABILITIES				
Accounts payable and other current liabilities	258,911	333,700	592,611	125,395
Accrued liabilities	82,228	115,570	197,798	73,276
Due to component unit	1,444	—	1,444	—
Due to primary government	—	—	—	165,053
Unearned revenues	177,324	6,964	184,288	20,456
Lease payable to component unit	9,602	—	9,602	—
Noncurrent liabilities:				
Due within one year	208,123	147,411	355,534	7,869
Due in more than one year	1,742,957	4,388,670	6,131,627	37,803
Total liabilities	<u>2,480,589</u>	<u>4,992,315</u>	<u>7,472,904</u>	<u>429,852</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on forgivable loans	73,410	—	73,410	—
Deferred inflows on refunding	7	1,429	1,436	—
Deferred inflows on pensions	169,412	106,519	275,931	455
Rate stabilization	—	46,250	46,250	—
Deferred inflows on other post employment benefits	17,276	6,405	23,681	—
Deferred inflows on leases	172,126	259,444	431,570	35,513
Deferred inflows on public-private public-public partnerships	1,483	—	1,483	—
Total deferred inflows of resources	<u>433,714</u>	<u>420,047</u>	<u>853,761</u>	<u>35,968</u>
NET POSITION				
Net investment in capital assets	3,248,873	2,144,248	5,393,121	261,184
Restricted for:				
Capital projects	308,020	7,479	315,499	—
Debt service	2,584	129,744	132,328	—
Pensions	423,789	243,843	667,632	—
Other purposes	1,486,546	—	1,486,546	29,774
Regulatory assets and environmental liabilities	—	128,992	128,992	—
Unrestricted	51,175	2,398,222	2,449,397	474,714
Total net position	<u>\$ 5,520,987</u>	<u>\$ 5,052,528</u>	<u>\$ 10,573,515</u>	<u>\$ 765,672</u>

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
 (IN THOUSANDS)

Functions/Programs:	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units Total
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
						Governmental Activities	Business-type Activities		
Primary government:									
Governmental activities:									
General government	\$ 262,283	\$ (64,520)	\$ 215,542	\$ 36,817	\$ —	\$ 54,596	\$ —	\$ 54,596	\$ —
Law, safety and justice	1,164,201	2,250	158,732	47,044	561	(960,114)	—	(960,114)	—
Physical environment	28,612	785	74,076	4,573	11,377	60,629	—	60,629	—
Transportation	103,573	3,037	11,730	13,761	20,761	(60,358)	—	(60,358)	—
Economic environment	286,630	4,638	68,996	136,941	—	(85,331)	—	(85,331)	—
Health and human services	1,065,955	10,261	489,091	222,417	14,236	(350,472)	—	(350,472)	—
Culture and recreation	135,943	2,056	17,185	2,290	4,433	(114,091)	—	(114,091)	—
Interest and other debt service costs	34,826	—	—	—	—	(34,826)	—	(34,826)	—
Total governmental activities	3,082,023	(41,493)	1,035,352	463,843	51,368	(1,489,967)	—	(1,489,967)	—
Business-type activities:									
Airport	37,420	735	47,858	40	5,910	—	15,653	15,653	—
Public Transportation	1,197,609	31,483	312,733	16,815	36,029	—	(863,515)	(863,515)	—
Solid Waste	190,399	3,590	158,613	1,747	—	—	(33,629)	(33,629)	—
Water Quality	496,946	5,586	597,182	30	676	—	95,356	95,356	—
Institutional Network	2,816	65	3,485	—	—	—	604	604	—
Radio Communications Services	6,461	34	5,962	—	—	—	(533)	(533)	—
Total business-type activities	1,931,651	41,493	1,125,833	18,632	42,615	—	(786,064)	(786,064)	—
Total primary government	\$ 5,013,674	\$ —	\$ 2,161,185	\$ 482,475	\$ 93,983	\$ (1,489,967)	\$ (786,064)	\$(2,276,031)	\$ —
Component Units	\$ 1,383,097		\$ 1,326,232	\$ 72,080	\$ —				\$ 15,215
General revenues:									
Property taxes						\$ 1,183,689	\$ 39,349	\$ 1,223,038	\$ —
Retail sales and use taxes						434,331	841,759	1,276,090	—
Business and other taxes						23,161	—	23,161	—
Opioid settlement						1,382	—	1,382	—
Investment gains (losses)						142,569	129,453	272,022	9,307
Contributions to permanent funds						—	—	—	14
Special item - Loss on transfer of Downtown Seattle Transit Tunnel						—	(152,005)	(152,005)	—
Transfers						5,501	(5,501)	—	—
Total general revenues, contributions, special items, and transfers						1,790,633	853,055	2,643,688	9,321
Change in net position						300,666	66,991	367,657	24,536
Net position - January 1, 2023 (Restated)						5,220,321	4,985,537	10,205,858	741,136
Net position - December 31, 2023						\$ 5,520,987	\$ 5,052,528	\$10,573,515	\$ 765,672

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

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	GENERAL FUND	BEHAVIORAL HEALTH FUND	HOUSING AND COMMUNITY DEVELOPMENT FUND
ASSETS			
Cash and cash equivalents	\$ 244,864	\$ 119,400	\$ 295,203
Taxes receivable-delinquent	14,406	77	—
Accounts receivable, net	20,916	8,252	15
Interest receivable	30,321	—	1,490
Due from other funds	5,064	9,876	4,382
Interfund short-term loans receivable	—	—	—
Due from other governments, net	103,981	14,596	34,666
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	28	—	—
Advances to other funds	—	—	—
Other assets	51,209	—	452,398
Total assets	\$ 470,789	\$ 152,201	\$ 788,154
LIABILITIES			
Accounts payable	\$ 27,519	\$ 31,955	\$ 24,508
Due to other funds	18,251	4	109
Interfund short-term loans payable	—	—	—
Due to other governments	1,151	828	3,920
Due to component unit	—	417	109
Wages payable	41,510	1,329	564
Taxes payable	254	—	—
Unearned revenues	1,103	1,259	—
Deposits	4,508	—	312
Advances from other funds	—	—	—
Total liabilities	94,296	35,792	29,522
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	43,226	—	—
Deferred inflows on forgivable loans	—	—	73,410
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	12,429	59	—
Unavailable revenue-other receivables	7,739	—	—
Total deferred inflows of resources	63,394	59	73,410
FUND BALANCES (DEFICITS)			
Nonspendable	28	—	378,988
Restricted	10,195	111,841	304,583
Committed	28,426	—	251
Assigned	11,128	4,509	1,400
Unassigned (deficits)	263,322	—	—
Total fund balances	313,099	116,350	685,222
Total liabilities, deferred inflows of resources and fund balances	\$ 470,789	\$ 152,201	\$ 788,154

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	PUBLIC HEALTH FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 86,291	\$ 1,437,411	\$ 2,183,169
Taxes receivable-delinquent	—	15,544	30,027
Accounts receivable, net	1,129	8,405	38,717
Interest receivable	—	535	32,346
Due from other funds	2,602	52,355	74,279
Interfund short-term loans receivable	—	72,813	72,813
Due from other governments, net	104,136	122,360	379,739
Due from component unit	217	134,574	134,791
Inventory	633	145	778
Prepayments	45	26,552	26,625
Advances to other funds	—	9,942	9,942
Other assets	—	2,682	506,289
Total assets	\$ 195,053	\$ 1,883,318	\$ 3,489,515
LIABILITIES			
Accounts payable	\$ 33,539	\$ 62,800	\$ 180,321
Due to other funds	—	81,095	99,459
Interfund short-term loans payable	—	149,435	149,435
Due to other governments	10,156	29,737	45,792
Due to component unit	182	736	1,444
Wages payable	7,206	17,409	68,018
Taxes payable	3	11	268
Unearned revenues	3,477	171,052	176,891
Deposits	—	5,125	9,945
Advances from other funds	—	10,048	10,048
Total liabilities	54,563	527,448	741,621
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	126,189	169,415
Deferred inflows on forgivable loans	—	—	73,410
Deferred inflows on public-private public-public partnerships	—	1,483	1,483
Unavailable revenue-property taxes	—	11,778	24,266
Unavailable revenue-other receivables	26,684	2,514	36,937
Total deferred inflows of resources	26,684	141,964	305,511
FUND BALANCES (DEFICITS)			
Nonspendable	678	26,697	406,391
Restricted	102,395	1,255,319	1,784,333
Committed	—	15,348	44,025
Assigned	10,733	22,213	49,983
Unassigned (deficits)	—	(105,671)	157,651
Total fund balances	113,806	1,213,906	2,442,383
Total liabilities, deferred inflows of resources and fund balances	\$ 195,053	\$ 1,883,318	\$ 3,489,515
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balances - governmental funds			\$ 2,442,383
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			4,145,089
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.			562,852
Governmental activities internal service funds assets and liabilities are included in the governmental activities in the statement of net position.			157,373
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			(1,786,710)
Net position of governmental activities			\$ 5,520,987

See Note 2 for more detailed explanations of these adjustments.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	GENERAL FUND	BEHAVIORAL HEALTH FUND	HOUSING AND COMMUNITY DEVELOPMENT FUND
REVENUES			
Taxes:			
Property taxes	\$ 408,472	\$ 3,839	\$ —
Retail sales and use taxes	195,710	—	5,844
Business and other taxes	4,030	21	—
Licenses and permits	7,109	—	—
Intergovernmental revenues	75,354	28,285	166,017
Charges for services	320,400	327,763	10,681
Fines and forfeits	24,507	—	—
Investment gains (losses)	48,097	6,472	11,546
Miscellaneous revenues	19,753	5	4,152
Total revenues	<u>1,103,432</u>	<u>366,385</u>	<u>198,240</u>
EXPENDITURES			
Current:			
General government	179,208	9,260	—
Law, safety and justice	835,532	—	—
Physical environment	345	—	—
Transportation	190	—	—
Economic environment	21,973	—	65,310
Health and human services	6,237	358,404	130,584
Culture and recreation	—	—	—
Debt service:			
Principal	7,286	—	5,858
Interest and other debt service costs	2,011	—	465
Capital outlay	19,389	—	15,961
Total expenditures	<u>1,072,171</u>	<u>367,664</u>	<u>218,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,261</u>	<u>(1,279)</u>	<u>(19,938)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	31,470	19,333	38,835
Transfers out	(89,530)	(15,683)	(12,556)
General government debt issued	7,285	—	126,440
Refunding bonds issued	—	—	—
Premium on general government bonds issued	709	—	—
Premium on refunding bonds issued	—	—	—
Payment to refunding bonds escrow agent	—	—	—
Right-to-use lease acquisition	17,123	—	1,041
Subscription asset acquisition	230	—	—
Sale of capital assets	14	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(32,699)</u>	<u>3,650</u>	<u>153,760</u>
Net change in fund balances	<u>(1,438)</u>	<u>2,371</u>	<u>133,822</u>
Fund balances - beginning (Restated)	314,537	113,979	551,400
Fund balances - ending	<u>\$ 313,099</u>	<u>\$ 116,350</u>	<u>\$ 685,222</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	PUBLIC HEALTH FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes:			
Property taxes	\$ —	\$ 769,334	\$ 1,181,645
Retail sales and use taxes	—	232,776	434,330
Business and other taxes	—	19,109	23,160
Licenses and permits	515	22,039	29,663
Intergovernmental revenues	150,391	96,610	516,657
Charges for services	76,434	244,778	980,056
Fines and forfeits	34	469	25,010
Investment gains (losses)	24	77,062	143,201
Miscellaneous revenues	3,393	26,157	53,460
Total revenues	230,791	1,488,334	3,387,182
EXPENDITURES			
Current:			
General government	—	27,678	216,146
Law, safety and justice	—	228,465	1,063,997
Physical environment	—	27,658	28,003
Transportation	—	110,863	111,053
Economic environment	—	201,691	288,974
Health and human services	278,773	325,352	1,099,350
Culture and recreation	—	129,516	129,516
Debt service:			
Principal	1,372	93,872	108,388
Interest and other debt service costs	390	37,773	40,639
Capital outlay	260	176,258	211,868
Total expenditures	280,795	1,359,126	3,297,934
Excess (deficiency) of revenues over (under) expenditures	(50,004)	129,208	89,248
OTHER FINANCING SOURCES (USES)			
Transfers in	92,332	301,450	483,420
Transfers out	(924)	(331,208)	(449,901)
General government debt issued	—	147,500	281,225
Refunding bonds issued	—	17,440	17,440
Premium on general government bonds issued	—	20,962	21,671
Premium on refunding bonds issued	—	574	574
Payment to refunding bonds escrow agent	—	(17,909)	(17,909)
Right-to-use lease acquisition	—	—	18,164
Subscription asset acquisition	—	1,333	1,563
Sale of capital assets	—	1,393	1,407
Insurance recoveries	—	236	236
Total other financing sources (uses)	91,408	141,771	357,890
Net change in fund balances	41,404	270,979	447,138
Fund balances - beginning (Restated)	72,402	942,927	1,995,245
Fund balances - ending	\$ 113,806	\$ 1,213,906	\$ 2,442,383

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)**

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

Net change in fund balances - total governmental funds	\$	447,138
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		109,658
The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) is to increase net position.		(101,775)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(20,635)
The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums 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 long-term debt and related items.		(214,340)
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.		90,519
The net revenues and expenses of certain activities of internal service funds are reported with governmental activities.		(9,899)
Change in net position of governmental activities	<u>\$</u>	<u>300,666</u>

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	SOLID WASTE	WATER QUALITY
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,734,080	\$ 139,731	\$ 345,746
Restricted cash and cash equivalents	307	3,164	262
Receivables, net	3,368	20,571	48,819
Due from other funds	14,286	3,374	5,788
Interfund short-term loans receivable	—	—	—
Property tax receivable-delinquent	787	—	—
Due from other governments, net	477,901	1,325	331
Inventory of supplies	22,574	1,887	10,970
Prepayments and other assets	1,034	2,376	34
Total current assets	2,254,337	172,428	411,950
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	7,448	60,587	161,734
Investments	—	—	14,260
Due from other governments	31	—	—
Net pension asset	152,431	12,825	24,873
Total restricted assets	159,910	73,412	200,867
Capital assets:			
Nondepreciable assets	455,753	95,569	1,003,193
Depreciable assets, net	974,781	219,097	3,311,025
Total capital assets	1,430,534	314,666	4,314,218
Other noncurrent assets:			
Receivables	141,063	2,253	6,144
Advances to other funds	—	—	—
Regulatory assets, net of amortization	—	—	178,812
Total other noncurrent assets	141,063	2,253	184,956
Total noncurrent assets	1,731,507	390,331	4,700,041
Total assets	3,985,844	562,759	5,111,991
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refunding	520	893	129,038
Deferred outflows on pensions	126,077	10,612	20,582
Deferred outflows on other post employment benefits	2,270	191	335
Deferred outflows on asset retirement obligations	4,004	341	160
Total deferred outflows of resources	132,871	12,037	150,115

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 96,649	\$ 2,316,206	\$ 283,603
Restricted cash and cash equivalents	203	3,936	103
Receivables, net	23,979	96,737	799
Due from other funds	820	24,268	9,891
Interfund short-term loans receivable	—	—	76,623
Property tax receivable-delinquent	—	787	—
Due from other governments, net	1,701	481,258	14,283
Inventory of supplies	588	36,019	3,624
Prepayments and other assets	864	4,308	14,115
Total current assets	124,804	2,963,519	403,041
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	748	230,517	—
Investments	—	14,260	—
Due from other governments	—	31	—
Net pension asset	2,413	192,542	35,408
Total restricted assets	3,161	437,350	35,408
Capital assets:			
Nondepreciable assets	21,094	1,575,609	279
Depreciable assets, net	65,312	4,570,215	75,878
Total capital assets	86,406	6,145,824	76,157
Other noncurrent assets:			
Receivables	251,009	400,469	3,004
Advances to other funds	—	—	106
Regulatory assets, net of amortization	—	178,812	—
Total other noncurrent assets	251,009	579,281	3,110
Total noncurrent assets	340,576	7,162,455	114,675
Total assets	465,380	10,125,974	517,716
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refunding	—	130,451	—
Deferred outflows on pensions	1,997	159,268	29,445
Deferred outflows on other post employment benefits	33	2,829	448
Deferred outflows on asset retirement obligations	10	4,515	—
Total deferred outflows of resources	2,040	297,063	29,893

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	SOLID WASTE	WATER QUALITY
LIABILITIES			
Current liabilities			
Accounts payable	\$ 90,931	\$ 21,201	\$ 47,661
Estimated claim settlements	—	—	—
Due to other funds	8,930	—	50
Interfund short-term loans payable	—	—	—
Interest payable	778	850	56,293
Wages payable	46,439	3,659	6,926
Compensated absences payable	4,502	162	627
Other postemployment benefits	1,446	122	213
Unearned revenues	3,412	44	3,058
Pollution remediation	—	—	4,882
Bonds payable	3,500	9,365	95,320
Leases and subscriptions payable	7,974	988	413
State revolving loan payable	—	257	8,800
Landfill closure and post-closure care	—	8,088	—
Other liabilities	114	2	168,636
Total current liabilities	168,026	44,738	392,879
Noncurrent liabilities			
Compensated absences payable	48,883	5,145	13,900
Other postemployment benefits	18,974	1,599	2,797
Net pension liability	68,013	5,758	11,173
Bonds payable	63,394	237,402	3,147,010
Leases and subscriptions payable	53,054	1,286	50,470
State revolving loans payable	—	3,602	259,647
Landfill closure and post-closure care	—	253,523	—
Estimated claim settlements	—	—	—
Pollution remediation	1,915	1,126	44,938
Other liabilities	9,300	850	80,862
Total noncurrent liabilities	263,533	510,291	3,610,797
Total liabilities	431,559	555,029	4,003,676
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on rate stabilization	—	—	46,250
Deferred inflows on refunding	—	151	1,278
Deferred inflows on pensions	84,318	7,098	13,767
Deferred inflows on leases	142	4,344	17
Deferred inflows on other postemployment benefits	5,138	433	758
Total deferred inflows of resources	89,598	12,026	62,070
NET POSITION			
Net investment in capital assets	1,273,054	113,391	675,354
Restricted for:			
Capital projects	7,479	—	—
Debt service	—	—	129,744
Pensions	193,044	16,242	31,500
Regulatory assets and environmental liabilities	—	—	128,992
Unrestricted (deficit)	2,123,981	(121,892)	230,770
Total net position	\$ 3,597,558	\$ 7,741	\$ 1,196,360

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
LIABILITIES			
Current liabilities			
Accounts payable	\$ 4,160	\$ 163,953	\$ 20,213
Estimated claim settlements	—	—	80,850
Due to other funds	—	8,980	—
Interfund short-term loans payable	—	—	—
Interest payable	1	57,922	71
Wages payable	624	57,648	9,309
Compensated absences payable	121	5,412	953
Other postemployment benefits	21	1,802	286
Unearned revenues	450	6,964	433
Pollution remediation	—	4,882	—
Bonds payable	—	108,185	195
Leases and subscriptions payable	392	9,767	4,338
State revolving loan payable	—	9,057	—
Landfill closure and post-closure care	—	8,088	—
Other liabilities	1,213	169,965	2,691
Total current liabilities	6,982	612,625	119,339
Noncurrent liabilities			
Compensated absences payable	957	68,885	21,502
Other postemployment benefits	279	23,649	3,744
Net pension liability	1,088	86,032	16,103
Bonds payable	—	3,447,806	1,515
Leases and subscriptions payable	482	105,292	12,744
State revolving loans payable	—	263,249	—
Landfill closure and post-closure care	—	253,523	—
Estimated claim settlements	—	—	141,095
Pollution remediation	245	48,224	—
Other liabilities	998	92,010	—
Total noncurrent liabilities	4,049	4,388,670	196,703
Total liabilities	11,031	5,001,295	316,042
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on rate stabilization	—	46,250	—
Deferred inflows on refunding	—	1,429	—
Deferred inflows on pensions	1,336	106,519	19,635
Deferred inflows on leases	254,941	259,444	2,712
Deferred inflows on other postemployment benefits	76	6,405	1,014
Total deferred inflows of resources	256,353	420,047	23,361
NET POSITION			
Net investment in capital assets	82,449	2,144,248	58,451
Restricted for:			
Capital projects	—	7,479	—
Debt service	—	129,744	—
Pensions	3,057	243,843	44,840
Regulatory assets and environmental liabilities	—	128,992	—
Unrestricted (deficit)	114,530	2,347,389	104,915
Total net position	\$ 200,036	5,001,695	\$ 208,206
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time		50,833	
Net position of business-type activities		\$ 5,052,528	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	SOLID WASTE	WATER QUALITY
OPERATING REVENUES			
I-Net fees	\$ —	\$ —	\$ —
Radio services	—	—	—
Solid waste disposal charges	—	152,199	—
Airfield fees	—	—	—
Hangar, building, and site rentals and leases	—	—	—
Passenger	79,152	—	—
Service contracts	206,949	—	—
Sewage disposal fees	—	—	479,425
Capacity charges	—	—	90,847
Other operating revenues	22,126	3,807	24,332
Total operating revenues	308,227	156,006	594,604
OPERATING EXPENSES			
Personal services	641,532	66,036	73,108
Materials and supplies	94,790	11,002	29,139
Contract services and other charges	76,610	49,164	26,812
Utilities	4,893	1,651	20,442
Purchased transportation	71,636	—	—
Internal services	137,057	26,142	41,716
Landfill closure and post-closure care	—	13,661	—
Depreciation and amortization	161,761	18,178	172,993
Other operating expenses	1,923	105	21,014
Total operating expenses	1,190,202	185,939	385,224
Operating income (loss)	(881,975)	(29,933)	209,380
NONOPERATING REVENUES (EXPENSES)			
Sales tax	841,759	—	—
Property tax	39,349	—	—
Intergovernmental revenues	16,815	1,747	30
Investment gains (losses)	82,300	9,712	32,510
Miscellaneous revenues	4,506	2,607	2,578
Interest expense	(2,865)	(6,443)	(109,929)
Gain (loss) on disposal of capital assets	297	109	(1,327)
Gain on extinguishment of debt	—	—	1,789
Miscellaneous expenses	(22,643)	(975)	(6,967)
Total nonoperating revenues (expenses)	959,518	6,757	(81,316)
Income (loss) before contributions, special item, and transfers	77,543	(23,176)	128,064
Capital grants and contributions	36,029	—	676
Special item - Loss on transfer of Downtown Seattle Transit Tunnel	(152,005)	—	—
Transfers in	—	—	—
Transfers out	(2,582)	(1,205)	(1,167)
Change in net position	(41,015)	(24,381)	127,573
Net position - January 1, 2023	3,638,573	32,122	1,068,787
Net position - December 31, 2023	\$ 3,597,558	\$ 7,741	\$ 1,196,360

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
OPERATING REVENUES			
I-Net fees	\$ 3,485	\$ 3,485	\$ —
Radio services	5,360	5,360	—
Solid waste disposal charges	—	152,199	—
Airfield fees	3,402	3,402	—
Hangar, building, and site rentals and leases	28,158	28,158	—
Passenger	—	79,152	—
Service contracts	—	206,949	—
Sewage disposal fees	—	479,425	—
Capacity charges	—	90,847	—
Other operating revenues	323	50,588	731,032
Total operating revenues	40,728	1,099,565	731,032
OPERATING EXPENSES			
Personal services	12,323	792,999	157,793
Materials and supplies	2,290	137,221	10,917
Contract services and other charges	8,769	161,355	523,744
Utilities	3,778	30,764	—
Purchased transportation	—	71,636	—
Internal services	12,612	217,527	31,548
Landfill closure and post-closure care	—	13,661	—
Depreciation and amortization	7,661	360,593	16,654
Other operating expenses	50	23,092	—
Total operating expenses	47,483	1,808,848	740,656
Operating income (loss)	(6,755)	(709,283)	(9,624)
NONOPERATING REVENUES (EXPENSES)			
Sales tax	—	841,759	—
Property tax	—	39,349	—
Intergovernmental revenues	40	18,632	3,253
Investment gains (losses)	4,931	129,453	8,821
Miscellaneous revenues	16,577	26,268	300
Interest expense	(11)	(119,248)	(546)
Gain (loss) on disposal of capital assets	(129)	(1,050)	972
Gain on extinguishment of debt	—	1,789	—
Miscellaneous expenses	(1)	(30,586)	(3,057)
Total nonoperating revenues (expenses)	21,407	906,366	9,743
Income (loss) before contributions, special item, and transfers	14,652	197,083	119
Capital grants and contributions	5,910	42,615	2,799
Special item - Loss on transfer of Downtown Seattle Transit Tunnel	—	(152,005)	—
Transfers in	—	—	8,770
Transfers out	(31)	(4,985)	(37,304)
Change in net position	20,531	82,708	(25,616)
Net position - January 1, 2023	179,505		233,822
Net position - December 31, 2023	<u>\$ 200,036</u>		<u>\$ 208,206</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.		(15,717)	
Change in net position of business-type activities		<u>\$ 66,991</u>	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	SOLID WASTE	WATER QUALITY
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 272,779	\$ 153,814	\$ 589,791
Cash received from other funds - internal services	2,369	2,495	2,604
Cash payments to suppliers for goods and services	(249,983)	(56,895)	(76,371)
Cash payments to other funds - internal services	(137,057)	(26,142)	(41,671)
Cash payments for employee services	(730,364)	(63,649)	(67,965)
Other receipts	4,534	2,054	2,582
Other payments	—	(1,894)	(33,090)
Net cash provided (used) by operating activities	(837,722)	9,783	375,880
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and subsidies received	1,141,387	359	144
Interfund short-term loan principal loaned to other funds	—	—	—
Interfund short-term loan principal repayments from other funds	—	—	—
Interfund advance principal repayments from other funds	—	—	—
Assistance to other agencies	(3,658)	—	(2,281)
Transfers in	—	—	—
Transfers out	(2,582)	(1,205)	(1,167)
Net cash provided (used) by noncapital financing activities	1,135,147	(846)	(3,304)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(122,286)	(40,969)	(322,166)
Proceeds from capital debt	—	81,435	291,273
Principal paid on capital financing	(11,091)	(10,301)	(236,532)
Interest paid on capital financing	(3,777)	(8,283)	(129,886)
Cash payments for debt defeasance	—	—	(137,840)
Capital grants and contributions	52,835	—	3,695
Subsidies and other receipts	217	—	—
Proceeds from disposal of capital assets	652	329	16
Net cash provided (used) by capital and related financing activities	(83,450)	22,211	(531,440)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	—	—	(1,475)
Proceeds from sales and maturities of investments	—	—	1,556
Interest on investments	78,981	9,294	31,742
Net cash used by investing activities	78,981	9,294	31,823
Net increase (decrease) in cash and cash equivalents	292,956	40,442	(127,041)
Cash and cash equivalents - January 1, 2023	1,448,879	163,040	634,783
Cash and cash equivalents - December 31, 2023	<u>\$ 1,741,835</u>	<u>\$ 203,482</u>	<u>\$ 507,742</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 36,354	\$ 1,052,738	\$ 8,797
Cash received from other funds - internal services	4,661	12,129	726,357
Cash payments to suppliers for goods and services	(13,859)	(397,108)	(506,525)
Cash payments to other funds - internal services	(12,413)	(217,283)	(45,094)
Cash payments for employee services	(12,000)	(873,978)	(165,548)
Other receipts	6,306	15,476	3,148
Other payments	(1)	(34,985)	—
Net cash provided (used) by operating activities	9,048	(443,011)	21,135
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and subsidies received	3,129	1,145,019	3,529
Interfund short-term loan principal loaned to other funds	—	—	(78,270)
Interfund short-term loan principal repayments from other funds	—	—	72,564
Interfund advance principal loaned to other funds	—	—	(106)
Interfund advance principal repayments from other funds	—	—	—
Assistance to other agencies	—	(5,939)	—
Transfers in	—	—	8,770
Transfers out	(31)	(4,985)	(37,304)
Net cash provided (used) by noncapital financing activities	3,098	1,134,095	(30,817)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(9,946)	(495,367)	(15,622)
Proceeds from capital debt	—	372,708	1,711
Principal paid on capital financing	(199)	(258,123)	(4,992)
Interest paid on capital financing	(11)	(141,957)	(261)
Cash payments for debt defeasance	—	(137,840)	—
Capital grants and contributions	5,114	61,644	—
Subsidies and other receipts	—	217	—
Proceeds from disposal of capital assets	19	1,016	1,006
Net cash provided (used) by capital and related financing activities	(5,023)	(597,702)	(18,158)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	—	(1,475)	—
Proceeds from sales and maturities of investments	—	1,556	—
Interest on investments	4,755	124,772	8,108
Net cash used by investing activities	4,755	124,853	8,108
Net increase (decrease) in cash and cash equivalents	11,878	218,235	(19,732)
Cash and cash equivalents - January 1, 2023	85,722	2,332,424	303,438
Cash and cash equivalents - December 31, 2023	<u>\$ 97,600</u>	<u>\$ 2,550,659</u>	<u>\$ 283,706</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 4)

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC TRANSPORTATION	SOLID WASTE	WATER QUALITY
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (881,975)	\$ (29,933)	\$ 209,380
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	161,761	18,178	172,993
Nonoperating miscellaneous revenues (expenses)	4,538	1,656	2,578
(Increases) decreases in assets:			
Accounts receivable, net	2,752	2,485	(1,979)
Due from other funds	837	(941)	527
Due from other governments, net	(34,873)	(429)	—
Inventory	1,127	(164)	(168)
Prepayments	(1,034)	(1,805)	(21)
Net pension asset	(27,319)	(904)	(2,216)
Other assets	54	—	(9,063)
(Increases) decreases in deferred outflows of resources:			
Deferred outflows on pensions, refunding, OPEB and ARO	9,909	1,052	1,600
Increases (decreases) in liabilities:			
Accounts payable	(3,420)	7,087	223
Due to other funds	8,930	—	45
Due to other governments	—	—	—
Wages payable	6,647	355	783
Unearned revenues	(1,733)	—	262
Estimated claim settlements	—	—	—
Compensated absences payable	(3,032)	196	887
Other postemployment benefits	1,662	134	569
Net pension liability	(33,624)	5,758	11,173
Customer deposits and other liabilities	1,271	(197)	(4,247)
Landfill closure and post-closure care	—	13,661	—
Increases (decreases) in deferred inflows of resources:			
Deferred inflows on pensions and OPEB	(50,200)	(6,406)	(7,446)
Total adjustments	44,253	39,716	166,500
Net cash provided (used) by operating activities	\$ (837,722)	\$ 9,783	\$ 375,880

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Water Quality issued commercial paper in 2023 to refund debt issued in 2013 and 2020. The \$140.8 million of commercial paper proceeds were placed in escrow for the defeasance of \$140.0 million of outstanding bond principal and \$653 thousand of interest.

On April 20, 2023, Solid Waste partially refunded 2013 LTGO bonds with 2023 A LTGO bonds. Par value of the refunded bonds was \$8.0 million. A portion of the 2023 LTGO bond proceeds were deposited into escrow to pay future debt service of the defeased bonds.

Public Transportation had acquisition of capital assets through financing arrangements in the amount of \$18.9 million in 2023.

Water Quality had acquisition of capital assets through financing arrangements in the amount of \$49.8 million in 2023.

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	BUSINESS-TYPE ACTIVITIES		INTERNAL SERVICE FUNDS
	NONMAJOR ENTERPRISE FUNDS	TOTAL	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (6,755)	\$ (709,283)	\$ (9,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization - capital assets	7,661	360,593	16,654
Nonoperating miscellaneous revenues (expenses)	16,775	25,547	—
(Increases) decreases in assets:			
Accounts receivable, net	(21,119)	(17,861)	19
Due from other funds	88	511	(8,381)
Due from other governments, net	(77)	(35,379)	6,848
Inventory	(107)	688	(103)
Prepayments	(216)	(3,076)	(178)
Net pension asset	(203)	(30,642)	(2,295)
Other assets	—	(9,009)	—
(Increases) decreases in deferred outflows of resources:			
Deferred outflows on pensions, refunding, OPEB and ARO	201	12,762	4,689
Increases (decreases) in liabilities:			
Accounts payable	1,165	5,055	(892)
Due to other funds	—	8,975	(2,604)
Due to other governments	34	34	—
Wages payable	12	7,797	786
Unearned revenues	262	(1,209)	(549)
Estimated claim settlements	—	—	27,407
Compensated absences payable	34	(1,915)	1,715
Other postemployment benefits	(11)	2,354	26
Net pension liability	1,088	(15,605)	1,359
Customer deposits and other liabilities	204	(2,969)	371
Landfill closure and post-closure care	—	13,661	—
Increases (decreases) in deferred inflows of resources:			
Deferred inflows on pensions and OPEB	10,012	(54,040)	(14,113)
Total adjustments	15,803	266,272	30,759
Net cash provided (used) by operating activities	<u>\$ 9,048</u>	<u>\$ (443,011)</u>	<u>\$ 21,135</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Internal Service Funds received \$2.8 million of capital assets from other funds and transferred \$3.0 million of capital assets to other funds. Additionally, Internal Service Funds acquired \$4.5 million of new capital assets through financing arrangements in 2023.

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)

	CUSTODIAL FUNDS	
	EXTERNAL INVESTMENT POOL FUNDS	OTHER CUSTODIAL FUNDS
ASSETS		
Cash and cash equivalents	\$ —	\$ 135,702
Investments at fair value:		
Repurchase agreements	146,826	—
Commercial paper	485,883	—
Corporate notes	223,899	—
U.S. Treasury notes	1,054,517	26,183
GNMA Collateralized Mortgage Obligations	362,585	—
U.S. agency notes	465,229	—
U.S. agency collateralized mortgage obligations	19,370	—
Supranational coupon notes	590,336	—
State Treasurer's investment pool	729,278	—
Total investments	4,077,923	26,183
Taxes receivable for other governments	—	128,585
Accounts receivable	—	20,330
Interest receivable	13,480	—
Assessments receivable for other governments	—	922
Notes and contracts receivable	—	52
Total assets	4,091,403	311,774
LIABILITIES		
Accounts payable and other liabilities	—	110,503
Due to beneficiaries	—	32,178
Due to other governments	—	29,339
Total liabilities	—	172,020
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	4,091,403	151,440
Unrestricted deficit	—	(11,686)
Total net position	\$ 4,091,403	\$ 139,754

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)

	CUSTODIAL FUNDS	
	EXTERNAL INVESTMENT POOL FUNDS	OTHER CUSTODIAL FUNDS
ADDITIONS		
Property taxes collected for other governments	\$ —	\$ 13,826,581
State apportionment	—	4,239,932
Real estate excise taxes collected for other governments	—	571,631
Bond proceeds	—	589,278
Utility charges	—	375,831
Local support non-tax receipts	—	369,009
Member contributions	—	270,385
Drainage utility charges collected for other governments	—	265,944
Pool participant contributions	6,385,329	6,307,460
Line of credit receipts	—	27,500
Investment earnings:		
Interest, dividends and other	131,916	30
Net increase (decrease) in fair value of investments	90,005	41
Total investment earnings (losses)	221,921	71
Less investment costs:		
Investment activity costs	(2,690)	—
Net investment earnings (losses)	219,231	71
Charges for fire protection services	—	11,073
Receipts from other governments	—	205,740
Court fees collected for other governments	—	12,875
Lease contributions	—	14,638
Regulatory fees	—	13,710
Recording fees collected for other governments	—	24,645
Other taxes collected for other governments	—	686,798
Charges for emergency medical services	—	10,500
Impact fees collected for other governments	—	1,789
Food services receipts	—	5,624
Forest funds	—	638
Fines and forfeits collected for other governments	—	822
Licensing fees collected for other governments	—	205
Other fees collected for other governments	—	1,223
Miscellaneous receipts	—	218,684
Total additions	6,604,560	28,052,586
DEDUCTIONS		
Payments to vendors	—	8,301,987
Taxes distributed to other governments	—	12,210,122
Principal payments	—	426,045
Interest and other debt service costs	—	249,285
Other receipts distributed to other governments	—	231,771
Pool participant distributions	6,307,460	6,385,329
Line of credit payments	—	30,500
Election costs	—	7,653
Payments to escrow	—	—
Treasurer collection fees	—	3,377
Cash management fees	—	63
Miscellaneous payments	—	181,446
Total deductions	6,307,460	28,027,578
Net increase (decrease) in fiduciary net position	297,100	25,008
Net position - beginning (restated)	3,794,303	114,746
Net position - ending	<u>\$ 4,091,403</u>	<u>\$ 139,754</u>

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

STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2023
(IN THOUSANDS)

	Harborview Medical Center	Cultural Development Authority	NJB Properties	Total
ASSETS				
Cash and cash equivalents	\$ 383,186	\$ 38,956	\$ —	\$ 422,142
Receivables, net	282,535	—	27	282,562
Due from primary government	6,672	4,287	—	10,959
Inventory	13,418	—	—	13,418
Prepayments	14,126	192	16	14,334
Net pension asset	—	797	—	797
Nondepreciable assets	29,195	—	—	29,195
Depreciable assets, net of depreciation	394,428	1,928	—	396,356
Net investment in finance lease with primary government	—	—	6,603	6,603
Deposits with other governments	1,858	—	—	1,858
Other assets	51,561	102	892	52,555
Total assets	1,176,979	46,262	7,538	1,230,779
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on pensions	—	701	—	701
Deferred outflows on other postemployment benefits	—	12	—	12
Total deferred outflows of resources	—	713	—	713
LIABILITIES				
Accounts payable and other current liabilities	123,825	1,543	27	125,395
Accrued liabilities	73,244	—	32	73,276
Due to primary government	159,111	5,942	—	165,053
Unearned revenues	—	20,456	—	20,456
Noncurrent liabilities:				
Due within one year	5,061	2,428	380	7,869
Due in more than one year	28,076	3,142	6,585	37,803
Total liabilities	389,317	33,511	7,024	429,852
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on pensions	—	455	—	455
Deferred inflows on leases	35,513	—	—	35,513
Total deferred inflows of resources	35,513	455	—	35,968
NET POSITION				
Net investment in capital assets	261,184	—	—	261,184
Restricted for:				
Health and human services				
Expendable	13,231	—	—	13,231
Nonexpendable	3,534	—	—	3,534
Culture and recreation				
Expendable	—	13,009	—	13,009
Unrestricted	474,200	—	514	474,714
Total net position	\$ 752,149	\$ 13,009	\$ 514	\$ 765,672

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

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Harborview Medical Center	Cultural Development Authority	NJB Properties	
Component Units:								
Harborview Medical Center	\$ 1,369,021	\$ 1,326,055	\$ 56,230	\$ —	\$ 13,264	\$ —	\$ —	\$ 13,264
Cultural Development Authority	13,515	17	15,850	—	—	2,352	—	2,352
NJB Properties	561	160	—	—	—	—	(401)	(401)
Total component units	<u>\$ 1,383,097</u>	<u>\$ 1,326,232</u>	<u>\$ 72,080</u>	<u>\$ —</u>	<u>\$ 13,264</u>	<u>\$ 2,352</u>	<u>\$ (401)</u>	<u>\$ 15,215</u>
	General revenues:							
					\$ 7,038	\$ 1,918	\$ 351	\$ 9,307
					7,038	1,918	351	9,307
					14	—	—	14
					20,316	4,270	(50)	24,536
					731,833	8,739	564	741,136
					<u>\$ 752,149</u>	<u>\$ 13,009</u>	<u>\$ 514</u>	<u>\$ 765,672</u>

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

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Notes to the Financial Statements

For the Year Ended December 31, 2023

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Note 1

Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units [hereinafter referred to as generally accepted accounting principles (GAAP)]. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. King County's significant accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its discretely presented component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

King County was founded in 1852 and operates under a Home Rule Charter that was adopted by a vote of County citizens in 1968 and which established an executive-council form of government. Citizens elect the County Executive to a four-year, full-time term and the nine-member council by district to staggered four-year terms. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units

King County Flood Control District (FCD)

King County Flood Control District was created under the authority of chapter 86.15 RCW to manage, plan and construct flood control facilities within district boundaries. By statute, the Metropolitan King County Council serves as the Board of Supervisors for FCD.

FCD is a component unit of the County for the following reasons: (1) it is a legally separate entity established as a quasi-municipal corporation and independent taxing authority; (2) King County appoints the voting majority of the FCD board because the County Council members are the *ex officio* supervisors of the district; and (3) the County can impose its will on FCD. FCD is presented as a blended component unit because the two governing boards are substantively the same and there is a financial benefit relationship between the County and FCD. FCD contracts with King County Department of Natural Resources and Parks for flood control projects and programs. During 2023, FCD reimbursed the County \$67.8 million for such projects and programs.

FCD issues its own financial statements, which are audited by the Washington State Auditor's Office. Financial statements of FCD are included in Non-major Special Revenue Funds in the Governmental Funds section of this financial report. Independently audited statements for the FCD can be obtained from Francis & Company, PLLC, 200 West Mercer St, Suite 208, Seattle, WA 98119.

Component Units – Discretely Presented

Harborview Medical Center (HMC)

Harborview Medical Center (HMC), a 500 licensed-bed hospital with extensive ambulatory services, is located in Seattle, Washington and is managed by the University of Washington (UW).

The HMC Board of Trustees is appointed by the County Executive. The management contract between the HMC Board of Trustees and the UW Board of Regents recognizes the Trustees' desire to maintain HMC as a means of meeting King County's obligation to provide the community with a resource for health services, and UW's desire that HMC be maintained as a continuing resource for medical education, training, and research. The general conditions of the management contract specify that King County retains title to all real and personal property acquired for King County with HMC capital or operating funds.

The Trustees determine major institutional policies and retain control of programs and fiscal matters. The Trustees agree to secure UW's recommendations on any changes to the above. The Trustees are accountable to the public and King County for all financial aspects of HMC's operation and agree to maintain a fiscal policy that keeps the operating program and expenditures of HMC within the limits of operating income.

HMC is a component unit of the County for the following reasons: (1) it possesses *de facto* corporate powers evident from the UW management agreement; (2) the County Executive appoints HMC's Board of Trustees, who may be removed only for statutorily defined causes; and (3) HMC creates a financial burden on the County because the County is responsible for the issuance and repayment of all general obligation bonds for HMC capital improvements.

HMC is discretely reported as a component unit in the County's financial report because the County and HMC's governing boards are not substantively the same and the hospital does not provide services solely to King County.

The primary classification of HMC is that of a component unit, however, the County is the issuer of HMC's general obligation bonds. Note 15 - "Liabilities" reports on all the general obligation bonds issued by the County as of December 31, 2023, including bonds reported by HMC as of June 30, 2023.

The County has not recorded an equity interest in HMC because it is not estimable. The management agreement under which HMC operates specifies that allocation of HMC's assets will be negotiated during a winding-up period following either the expiration of the agreement or its termination.

HMC hires independent auditors and prepares its own financial statements with a fiscal year ending June 30. These statements may be obtained from the Finance Section of the Harborview Medical Center, Box 359415, 4333 Brooklyn Ave., Seattle, Washington, 98195.

Cultural Development Authority of King County (CDA), doing business as 4Culture

Cultural Development Authority of King County (CDA) is a public authority organized pursuant to Revised Code of Washington (RCW) 35.21.730 through 35.21.759 and King County Ordinance 14482. CDA commenced operations on January 1, 2003 and began doing business as 4Culture on April 4, 2004. CDA operates as a corporation for public purposes and was created to support, advocate for, and preserve the cultural resources of the region in a manner that fosters excellence, vitality, and diversity.

CDA is located in Seattle, Washington, and is governed by a 15-member board of directors and five *ex officio* members. The directors are appointed by the County Executive and confirmed by the County Council. CDA receives funds from King County through the Public Art Program where one percent of certain County construction project budgets are allocated to CDA to be used in providing artwork in County public spaces. For 2013-2020, the CDA was authorized to spend an endowment that was set aside in prior years from a portion of the King County lodging tax receipts. Beginning in 2021, by state statute, King County transferred 37.5 percent of lodging tax revenue - \$12.2 million and \$14.2 million in 2022 and 2023 respectively - to CDA to support art, cultural and heritage facilities, as well as the performing arts. In July of 2019, CDA launched Building for Equity, a joint initiative with the King County Council to support the existing needs of building projects within the cultural sector and to advance CDA's funding practices aimed at improving equitable outcomes.

CDA is a component unit of the County for the following reasons: (1) it is a separate legal entity; (2) CDA's board of directors is appointed by the County Executive (from a nonrestrictive pool of candidates) and confirmed by the County Council; and (3) the County is able to impose its will on CDA, for example, the County has the power to remove a director from the CDA board and the power to dissolve CDA. CDA is discretely reported as a component unit in the County's financial report because the County and CDA's governing bodies are not substantively the same and CDA does not provide services solely to King County government.

CDA reports on a fiscal year-end consistent with the King County primary government. It issues its own financial statements, which are audited by the Washington State Auditor's Office. These statements may be obtained from CDA at 4Culture, 101 Prefontaine Place South, Seattle, Washington 98104.

NJB Properties

King County has a project lease agreement with NJB Properties, a Washington State nonprofit corporation, which provided for the design and construction of the Ninth and Jefferson Building (NJB) for use by Harborview Medical Center, a discretely presented component unit of the County. The agreement is in accordance with IRS Revenue Ruling 63-20 and Revenue Procedure 82-26. The building was financed through bonds issued by NJB Properties on behalf of the County. The building is being leased to the County by the nonprofit corporation under guaranteed monthly rent payments over the term of the lease or until the bonds are fully retired. Harborview Medical Center makes monthly transfers to King County to satisfy the County's monthly rental payments to NJB Properties.

NJB Properties is recognized as a component unit of the County. Although it has an independently-appointed board, the nonprofit corporation is a single-purpose entity that is fiscally dependent on the County and who imposes a financial burden on the County because the monthly rent payments are considered limited general obligation debt. Because NJB Properties provides services almost exclusively to Harborview Medical Center and not to the County, it is reported using discrete presentation. Separately issued and audited financial statements for NJB Properties may be obtained from Grow America, 1218 Third Avenue, Suite 1403, Seattle, WA 98101.

Joint Venture

Seattle-King County Workforce Development Council (WDC) is a joint venture between King County and the City of Seattle. It was established as a nonprofit corporation in the State of Washington on July 1, 2000, as authorized under the Workforce Investment Act of 1998. It functions as the United States Department of Labor pass-through agency to receive the employment and training funds for the Seattle-King County area. The King County Executive and the Mayor of the City of Seattle, serving as the chief elected officials of the local area, have the joint power to appoint the members of the WDC board of directors and the joint responsibility for administrative oversight. An ongoing financial responsibility exists because of the potential for liability to grantors over disallowed costs. If expenditures of funds are disallowed by a grantor agency, WDC can recover the funds from (in order): (1) the agency creating the liability; (2) the insurance carrier; (3) future program years; and (4) as a final recourse, from King County and City of Seattle, each responsible for one-half of the disallowed amount. As of December 31, 2023, there are no outstanding program eligibility issues that might lead to a liability on the part of King County.

WDC contracts with King County to provide programs related to dislocated workers and workforce centers. For 2023, the WDC reimbursed King County approximately \$1.2 million for the Employment and Education Resource Program in eligible program costs. King County has a \$235 thousand equity interest in the WDC. Separately issued and independently audited financial statements may be obtained from the Workforce Development Council, 2003 Western Avenue, Suite 250, Seattle, Washington 98121.

Jointly Governed Organizations

Seattle Convention Center Public Facilities District (formerly Washington State Convention Center Public Facilities District)

The Seattle Convention Center Public Facilities District (SCC) was officially formed by King County Ordinance 16883 in July 2010 under the name Washington State Convention Center Public Facilities District (WSCC). It is directed by a nine-member board of community members appointed by the State of Washington, King County, and the City of Seattle. There is equal representation in the governance of SCC among the two local governments and the State, and the participant governments do not retain any ongoing financial interest nor any ongoing financial responsibility; therefore, the District is a jointly governed organization.

King County Regional Homelessness Authority

King County Regional Homelessness Authority (KCRHA) was created in December 2019. King County and City of Seattle elected officials signed an Interlocal Agreement creating the KCRHA to oversee a coordination and unified response to homelessness. The Authority is governed by a Governing Committee, comprised of 11 elected officials serving ex-officio, and individuals representing those with Lived Experience. The Implementation Board is

responsible for operations and management of all Authority affairs. It is comprised of 13 members and provides strategic vision, community accountability and robust oversight for the Authority.

Funding for the KCRHA comes from King County, City of Seattle and Continuum of Care grants from the Federal government. The KCRHA is a jointly governed organization as the participating governments have neither ongoing financial interest nor financial responsibility.

Puget Sound Emergency Radio Network Operator

King County, City of Seattle and other major cities created the Puget Sound Emergency Radio Network (PSERN) Operator in December 2020. The PSERN operator is governed by a Board of Directors. The Board of Directors is composed of four voting members that include the King County Executive or a designee approved by the King County Council; the Mayor of the City of Seattle or designee; one mayor or designee representing the Cities of Bellevue, Issaquah, Kirkland, Mercer Island and Redmond; and, one mayor or designee representing the Cities of Auburn, Federal Way, Kent, Renton and Tukwila. The Board of Directors also includes two non-voting members to comment and participate in discussion. One non-voting member is appointed by the King County Police Chief Association and the other member is selected jointly by the King County Fire Commissioners Association and the King County Fire Chiefs Association.

The PSERN Operator will undertake the ownership, operations, maintenance, management and on-going upgrading/replacing of the PSERN system. The new PSERN system will provide coverage and capacity, as well as uniformly high-quality emergency radio communication. The PSERN system will be financed through a funding measure approved by voters at the April 2015 election and with user fees (Service Rates) to be assessed against and paid by all User Agencies.

The PSERN Operator is a jointly governed organization as the participating governments have neither ongoing financial interest nor financial responsibility.

Related Organizations

There are three separate entities for which the County is accountable, but is not financially accountable. These related organizations are King County Library System (KCLS), King County Housing Authority (KCHA), and Washington State Major League Baseball Public Facilities District (PFD). The County Council appoints a majority of the board of KCLS and PFD. There is no evidence that the County Council can influence the programs and activities of these three organizations or that they create a significant financial benefit or burden to the County.

The County serves as the treasurer for KCLS, KCHA and PFD providing services such as tax collection and warrant issuance. Due to this fiduciary relationship, these districts are reported as custodial funds to distinguish them from County funds.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds (excluded from the government-wide financial statements), and component units. As discussed earlier, the government has three discretely presented component units, HMC, CDA and NJB. While none of the three is considered to be a major component unit, each is nevertheless shown in a separate column in the component unit financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include payments for services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would misstate the direct costs of the purchasing function and the program revenues of the selling function.

HMC has a June 30 fiscal year end, differing from the County's December 31 fiscal year end. The County reports HMC's financial results as of June 30 in the financial statements. In 2023, HMC reported \$6.7 million receivable from the County and \$159.1 million payable on June 30, 2023. Due to the differing fiscal years, County funds are reporting a total payable to HMC of \$1.4 million and receivable of \$134.9 million on December 31, 2023.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate financial statements are provided for each fund category – governmental funds, proprietary funds and fiduciary funds. Governmental funds are reported by mission, which corresponds to the County's strategic plan. Proprietary funds are reported by individual funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Major Governmental Funds

The County reports the following major governmental funds:

The General Fund is the government'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 Behavioral Health Fund encompasses the continuum of services for the King County Behavioral Health Administrative Services Organization (BH-ASO) and provides oversight and management of publicly funded mental health and substance use disorder services for eligible King County residents, with emphasis on prevention, intervention, treatment, and recovery. Its main sources of funding are Medicaid, federal and state grants, charges for services and property taxes.

The Housing and Community Development Fund collects revenue from federal, state, and other funding sources to support housing and community development projects such as development of affordable and special needs housing, homeless prevention and supportive services, housing repairs, and community development projects that improve the livability of neighborhoods and communities.

The Public Health Fund finances health services centers located through King County and public health programs. It supports clinical health services, primary care assurance, management and business practice, population, and targeted community health services. Its main sources of funding are from federal and state grants, entitlements and shared revenues, charges for services, Best Start for Kids levy, General fund transfers, and contributions from City of Seattle and charitable organizations.

Major Enterprise Funds

The County reports the following major enterprise funds:

The Public Transportation Enterprise accounts for the operations, maintenance, capital improvements, expansion of public transportation facilities in King County under the Metro Transit Department, and expansion of the County's Water Taxi service between downtown Seattle, Vashon Island and West Seattle under the Marine Division. Primary revenue sources include sales tax and passenger service fees. Construction and fleet replacement are funded through sales taxes, bonds and federal and state grants.

The Water Quality Enterprise accounts for the operations, capital improvements, and maintenance of the County's water pollution control facilities. The enterprise has three large treatment plants, the Brightwater Treatment Plant, the West Point Treatment Plant in Seattle, and the South Treatment Plant in Renton, as well as two smaller facilities, the Carnation and Vashon Island Treatment Plants. The enterprise is supported by user fees and connection charges.

The Solid Waste Enterprise accounts for the operation, maintenance, capital improvement, and expansion of the County's solid waste disposal facilities under the Solid Waste Division of the Department of Natural Resources and Parks. The County operates eight solid waste transfer stations, two drop box stations, two household hazardous waste facilities, one regional landfill, and recycling services for residential customers. Operating revenues result primarily from tipping fees at the active solid waste disposal sites, while bond proceeds fund most new construction. Significant reserves are set aside to provide for post-closure care and remediation costs, and to replace capital equipment.

Nonmajor Governmental Funds

Special Revenue Funds are used to account for a variety of County programs including the arts, an automated fingerprint identification system, road maintenance, emergency medical services, the enhanced 911 emergency telephone system, Harborview health and safety, local hazardous waste management, parks, surface water program and other services.

Debt Service Funds are used by the County to account for the accumulation of resources for, and the payment of, principal and interest on the County's general obligation bonds, and special assessment debt for certain special districts.

Capital Projects Funds are used to account for the acquisition, construction, and improvement of major capital assets and other capital-related activities such as infrastructure preservation, parks development and open space preservation, flood control, technology systems, and historic preservation.

Nonmajor Proprietary Funds

Enterprise Funds are used to account for the County's business-type operations, including the King County International Airport, Institutional Network, and the Emergency Radio Communications System.

Internal Service Funds

Internal Service Funds are used to account for the provision of motor pool, information technology, risk management, construction and facilities management, financial, employee benefits program and other services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. All are consolidated for reporting purposes with the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to report activities for which the County has a fiduciary responsibility. The County reports custodial funds in the fiduciary statements, representing assets over which the County exercises control on behalf of beneficiaries or other governments, but that are not derived from County revenues. The External Investment Pool Custodial Fund represents investment activity conducted by the County on behalf of legally separate entities. The Other Custodial Funds are used to report cash received and disbursed either in the County's capacity as *ex officio* treasurer or as collection agent for special districts, other governments, or beneficiaries.

Interfund Balances and Eliminations

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be reasonably estimated. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues from property taxes to be available if they are collected within 60 days of the end of the current fiscal period. All other accrued revenue sources are determined to be available if collected within 12 months 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases and software subscriptions are reported as other financing sources.

Property taxes, sales and use taxes, business and occupation taxes, federal grants-in-aid, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collected within one year. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the availability criteria are met. Expenditure-driven grant revenue is considered available if it can be collected at the same time cash is disbursed to cover the associated grant expenditure.

The proprietary funds and the custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

New Accounting Standards

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*. This statement establishes accounting and financial reporting guidance for arrangements between governments and an external entity. PPP arrangements generally result in the government conveying control of the right to operate or use a capital asset to an external entity for a period of time in an exchange or exchange-like transaction. APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. King County implemented the Statement in 2023; it did not have a material impact on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This statement establishes accounting and financial reporting guidance for SBITAs. A SBITA is defined as a contract that conveys control of the right to use another party’s IT software, alone or in combination with tangible underlying IT assets, in an exchange or exchange-like transaction. The government is required to recognize a subscription liability and an intangible right-to-use subscription asset. Cash outlays necessary to place the subscription asset in service can be capitalized during the initial project implementation stage. King County implemented the Statement in 2023; it did not have a material impact on the financial statements.

GASB Statement No. 99, *Omnibus 2022* (paragraphs 11-25). This statement improves consistency by addressing practice issues identified during implementation and application of certain GASB statements and addressing accounting and financial reporting for financial guarantees. King County implemented the paragraphs of the Statement that were applicable for 2023. They did not have a material impact on the financial statements.

Terminology

Expenditure Functions

Expenditures are presented on the nonmajor special revenue fund statements by county function. A short description of each function appears below.

General Government - Provided by the administrative branches of the government entity for the benefit of the public or governmental body as a whole. This function includes the County Council, County Executive, Performance Strategy and Budget, Information and Technology, Records and Licensing Services, and Elections and Assessments.

Law, Safety and Justice - Essential to the safety of the public, including expenditures for law enforcement, detention and/or correction, judicial operations, protective inspections, emergency services and juvenile services. This function includes the Sheriff's Office, Prosecuting Attorney, Superior Court, Public Defense, Judicial Administration, Adult and Juvenile Detention and Emergency Medical Services.

Physical Environment - Provided to achieve a satisfactory living environment for the community and the individual. This function includes Surface Water Management and Jobs and Housing Program.

Transportation - Provided by the government for the safe and adequate flow of vehicles and pedestrians, including expenditures for road and street construction, maintenance, transportation facilities and systems, and general administration. This function includes Road Services and the Roads Capital Program.

Economic Environment - Provided for the development and improvement of the welfare of the community and individual. This function includes expenditures for employment opportunity and development, child care services, and services for the aging and disabled. This function includes Youth Employment Programs, Development and Environmental Services, Planning and Community Development, Animal Control, River and Flood Control Construction and Natural Resources.

Health and Human Services - Provided to promote healthy people and healthy communities by preventing and treating mental, physical, and environmentally induced illnesses. This function includes expenditures for community mental health, communicable diseases, environmental health, public health clinics and programs, alcoholism treatment, drug abuse prevention, programs for the mentally disabled and mentally ill, the medical examiner, hospitals and jail health services. This function also includes regional hazardous waste management.

Culture and Recreation - Provided to increase the individual's understanding and enjoyment that includes expenditures for education, libraries, community events, parks and cultural facilities. This function includes Parks, Historical Preservation, Arts and Cultural Development and Law Library.

Debt Service - Accounts for the redemption of general long-term debt principal and interest and other debt service costs in the General, Special Revenue, Debt Service and Capital Projects Funds and payments to escrow agents other than refunding bond proceeds.

Capital Outlay - Accounts for expenditures related to capital projects and expenditures for capital assets acquired by outright purchase and by lease and SBITA financing agreements.

Certain Accounts are Grouped on the Statement of Net Position:

- The asset account *Receivables, net* combines Taxes receivable - delinquent; Accounts receivable, net; Interest receivable; and Due from other governments, net.
- The liability account *Accounts payable and other current liabilities* combines Accounts payable, Retainage payable, Due to other governments, Customer deposits and Other liabilities.
- The liability account *Accrued liabilities* combines Wages payable, Taxes payable and Interest payable.
- The liability account *Noncurrent liabilities* includes Claims and judgments payable, Estimated claim settlements, General obligation bonds, Revenue bonds payable, Lease obligation payable, SBITA obligation payable, PPP obligation payable, State revolving loans payable, Compensated absences, Pollution remediation, Other postemployment benefits, Net pension liability, Landfill closures and post-closure care, Asset retirement obligations, and Other liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and pooled equity invested in the King County Investment Pool.

All County funds and most component units and special districts participate in the King County Investment Pool ("Pool") maintained by the King County Treasury Operations Section (See Note 4 - "Deposits and Investments"). The Pool consists of internal and external portions. For Pool participants, the Pool functions essentially as a demand deposit account where participants receive an allocation of their proportionate share of pooled earnings. Each fund's equity share of the internal portion of the Pool's net position is reported on the balance sheet as *Cash and cash equivalents* and reflects the change in fair value of the corresponding investment securities.

Included in the internal portion of the Pool is the investment of short-term cash surpluses not otherwise invested by individual funds. The interest earnings related to investment of short-term cash surpluses that are not pool participants are allocated to the General Fund in accordance with legal requirements and are used in financing general County operations.

Investments

Investments are reported in business-type activities for the Water Quality fund. Water Quality's investments include Wastewater revenue bond reserves in the Pool Plus program, which allows approved County agencies and districts to invest funds beyond the maximum maturity limit established for the King County Investment Pool. The amount reported is the fair value of the investment plus interest receivable. (For more information see the Pool Plus section in Note 4 - "Deposits and Investments.")

Receivables (See Note 5 - "Receivables")

Receivables include charges for services rendered by the County or intergovernmental grants that have not been received by the end of the fiscal year. All unbilled service receivables are recorded at year-end. The provisions for estimated uncollectible receivables are reviewed and updated at year-end. These provisions are estimated based on an analysis of an aging of the year-end *Accounts receivable* balance or the historical rate of collectability.

Taxes receivable - delinquent - This account includes receivables for property taxes levied for the current year and the allowance for uncollectible amounts. Revenue is recognized when payment is received within 60 days of the end of the fiscal period.

Accounts receivable, net - This account includes receivables for customer accounts, employee travel advances, abatement revenues from the DLS / Permitting Division, civil penalties, district court revenues, assessments on local improvement districts and abatement revenues, leases receivable, and an allowance for uncollectible amounts from violations reported by the Code Enforcement Section on property within the County. Abatement costs may be certified to the property tax parcel; as a result, these costs might not be paid until the property is sold, which may take years.

Interfund Activity

Due to/from other funds - These accounts include any outstanding balances between funds on the governmental funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal balances."

Interfund short-term loan receivables/payables - These accounts include the short-term portion of lending or borrowing arrangements between funds that are outstanding at the end of the fiscal year.

Advances to/from other funds - Noncurrent portions of long-term interfund loans are reported as advances. In the governmental funds, Advances to other funds are included in nonspendable fund balance as they are long-term receivables and are not available for appropriation.

Interfund Reimbursements

Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not recognized in the fund-level activity statements. Charge back transactions for shared services from certain departmental funds or cost centers to the funds of divisions under their administration are also treated as reimbursements.

Inventory

Inventories of governmental funds are recorded using the consumption method; expenditures are recognized when inventories are actually consumed. Proprietary funds expense inventories when used or sold. Facilities Management Department (FMD) and Public Health funds use the first-in, first-out (FIFO) valuation method. Radio Communications uses last-in, first-out (LIFO). The Motor Pool Equipment Rental, King County International Airport, Solid Waste, Public Transportation and Water Quality Funds use the weighted-average valuation method.

Prepayments

Payments made in advance to vendors for certain goods or services, such as building rent, that will benefit future periods are recorded as prepaid items in both the government-wide and fund financial statements. The expenditures are recognized in the period of consumption or occupancy.

Restricted Assets and Liabilities (See Note 8 – "Restricted Assets" and Note 15 - "Liabilities")

These accounts contain resources for construction and debt service, including current and delinquent special assessments receivable, in enterprise funds. Specific debt service reserve requirements are described in Note 15 – Liabilities. Restricted assets for the proprietary funds and component units can be found in Note 8 - Restricted Assets.

Capital Assets (See Note 7 - "Capital Assets")

Capital assets include: Land (fee simple land, rights-of-way and easements and farmland development rights); Infrastructure (roads and bridges network); Buildings; Improvements other than buildings; Furniture, machinery and equipment; Software; and Artwork. Work-in-progress is reported for all unfinished construction and development for most capital assets except for roads and bridges infrastructure.

General capital assets, including those in internal service funds that support governmental funds, are reported in the governmental activities column of the government-wide Statement of Net Position.

Capital assets of enterprise funds are reported in the business-type column of the government-wide Statement of Net Position. Enterprise and internal service funds capital assets are also reported in the individual proprietary fund Statement of Net Position.

The capitalization threshold in the King County primary government is \$5 thousand for machinery and equipment, \$500 thousand for internally developed and purchased software, and \$100 thousand for buildings, intangible assets and other improvements.

The County elects to use the modified approach for reporting infrastructure assets in lieu of the depreciation method because it is committed to maintaining the roads and bridges infrastructure indefinitely. The County is eligible to use the modified approach because it has an asset management system in place that allows for periodic monitoring of the infrastructure to ensure that assets are maintained and preserved at the predetermined condition level set by the Road Services Division. The asset management system tracks the mileage, condition and the actual and planned maintenance and preservation costs of individual infrastructure assets.

Certain equipment and facilities used in the Solid Waste Enterprise landfill closure and post-closure activities are not reported as capital assets. Instead, the liability for landfill post-closure care is reduced by these costs.

Capital assets are valued at historical cost or estimated historical cost where actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the date of donation. Expenditures for normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item, or extend its useful life beyond the original estimate, are expensed as incurred. Expenditures for repairs and upgrades that materially add to the value or life of an asset are capitalized. Costs

incurred to extend the life of governmental infrastructure assets are considered preservation costs and are therefore not capitalized. Capital assets (excluding non-depreciable assets such as land, roads and bridges infrastructure, and artwork) are depreciated or amortized over their estimated useful lives using a standard straight-line allocation method. Capital assets and their components useful lives are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings and other improvements	10-50
Buses and trolleys	12-18
Cars, vans, and trucks	3-10
Equipment - other	3-25
Software	3-10
Sewer plant	20-50

Leases and Subscription-Based Information Technology Arrangements

Lessee and Subscription-Based Information Technology Arrangements (SBITA) Activities: The County is a lessee for various noncancelable leases. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The County also has noncancellable SBITAs for the right to use information technology hardware and software.

For leases and SBITAs that meet the capitalization threshold, the county recognizes a lease or subscription liability, respectively, and an intangible right-to-use lease asset or subscription asset (capital assets), respectively, on the Statement of Net Position in the government-wide and proprietary and fiduciary fund financial statements.

For governmental fund financial reporting, the initial value of the lease or subscription liability is reported as other financing sources with a corresponding capital outlay at lease or subscription commencement. The lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the amount of the lease liability, plus any lease payments made at or before the lease commencement date and initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the county is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

The SBITA liability is initially measured at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the amount of the subscription liability, plus any subscription payments made at or before the subscription commencement date and capitalizable implementation costs, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

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

The future lease or SBITA payments are discounted using the interest rate implicit in the lease or SBITA contracts. If the interest rate is not available, the County generally uses its incremental borrowing rate for similar terms (including options to extend which are likely to be exercised) of less than 15 years and the US Treasury Securities-State and Local Government Series (SLGS) rate for leases with terms of 15 years or more.

The lease or subscription term includes the noncancelable period of the contract. Payments included in the measurement of the lease or SBITA liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases or subscriptions, and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

For leases and SBITAs below the capitalization threshold and leases and SBITAs with a maximum possible term of 12 months or less at commencement, an expense/expenditure is recognized based on the provisions of the contract.

With the implementation of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs)*, the County recognized SBITAs with an initial value of \$1.3 million.

Lessor Activities: The County is a lessor for noncancelable leases. The County 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 County initially measures the lease receivable at the present value of 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 measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the effective interest method.

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

The future lease payments are discounted using the interest rate implicit in the lease contract. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases, 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.

Regulatory Accounting

The Metropolitan King County Council (the "Council") has taken various regulatory actions resulting in differences between the recognition of revenues for rate-making purposes in the Water Quality Enterprise fund and their treatment under generally accepted accounting principles for nonregulated entities. Currently, the Water Quality Enterprise is authorized to apply the accounting treatment of costs under the GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" criteria because the rates for its services are regulated by the Council, and the regulated rates chargeable to its customers are designed to recover the enterprise's allowable costs of operations.

Rate stabilization - The Council established a Rate Stabilization Reserve in the Water Quality Enterprise fund. This allows for certain operating revenues to be treated as deferred inflows of resources and recognized as revenue in subsequent years through amortization in order to maintain stable sewer rates.

Regulatory assets - The Water Quality Enterprise treats pollution remediation obligations, program payments to Rainwise participants, and strategic planning costs as regulatory assets to allow for cost recovery through future rate increases. The portion of regulatory asset costs that have been accrued is being amortized over a recovery period of 7 to 30 years.

Accrued Liabilities

Accrued liabilities refer to Accounts payable, Due to other governments, Due to component unit, Interest payable, Leases payable, SBITA obligation payable, PPP obligation payable, Wages payable and Taxes payable. Expenditures incurred during the year but paid in the subsequent year are recorded based on the following materiality thresholds according to when invoices were received:

February 2 - 10	\$50,000
February 11 - March 2	\$100,000
March 3 - April 15	\$1,000,000

Individual assessments for specific funds are made for amounts not meeting the stated materiality thresholds. Grant-related items to be reported on the Schedule of Expenditures of Federal Awards (SEFA) or Schedule of Expenditures of State Financial Assistance (SESFA) are assessed without considering the materiality thresholds.

Unearned Revenues

Unearned revenues are obligations of the County to perform services or provide goods. This account offsets reported assets for revenues that have not met recognition requirements. Reported assets include grants received in advance, mitigation fees received in lieu of developers performing mitigation projects, prepayment for parks programs and rental facilities and rent prepaid by tenants in internal service funds.

Long-term Obligations (See Note 15 - "Liabilities")

Long-term debt and other long-term obligations are reported in the applicable accrual basis statements of net position. Bond premiums and discounts, and refunding gains and losses, are deferred and amortized over the life of the associated bonds using the outstanding principal balance method. Bonds payable are reported net of the applicable premium or discount. Refunding losses are reported as deferred outflows of resources while refunding gains are reported as deferred inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and bond issuance costs in the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service costs.

Rebatable Arbitrage

The County's tax-exempt debt is subject to arbitrage restrictions as defined by the Internal Revenue Code. Most of the County's bonded debts are tax-exempt; exceptions are identified in Note 15 - "Liabilities." Arbitrage occurs when the funds borrowed at tax-exempt rates of interest are invested in higher yielding taxable securities. The County's recent arbitrage analysis reveals only an immaterial arbitrage liability at December 31, 2023.

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. Net pension liability occurs when the total pension liability of a plan exceeds its net position while net pension asset arises when a plan's net position exceeds its total pension liability.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The following items qualify for reporting in this category: deferred charge on debt refunding, deferred outflows of resources associated with pensions and postemployment benefits other than pensions (OPEB), and deferred retirement obligations associated with certain capital assets. A *deferred charge on debt 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. The *deferred outflows of resources for pensions and OPEB* result from contributions subsequent to the measurement date, the difference between projected and actual investment earnings, the difference between expected and actual experience, and changes in actuarial assumptions and changes in proportions. The *deferred outflows related to the retirement of certain tangible capital assets* arise from a legal obligation for the government to perform future asset retirement activities.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category: deferred inflows of resources for

sewer rate stabilization, deferred inflows on refunding, deferred inflows of resources on pensions and OPEB, deferred inflows on forgivable loans, deferred inflows on leases, deferred inflows on public-private public-public partnerships, and deferred inflows of resources-unavailable revenue. The *deferred inflows of resources for sewer rate stabilization* reported in the business-type activities and proprietary funds represent sewer revenues that are reserved annually to normalize future sewer rates (see Rate Stabilization, above). The *deferred inflows on refunding* reported in the statement of net position represent deferred recognition of gain on refunding of old debt. The *deferred inflows of resources on pensions and OPEB* reported in the statement of net position result from contributions subsequent to the measurement date, the difference between projected and actual investment earnings, the difference between expected and actual experience, and changes in actuarial assumptions and changes in proportions. The *deferred inflows on forgivable loans* reported on the government-wide statement of net position and the governmental funds balance sheet represent the accrued interest revenue on a forgivable loan earned before meeting time requirements, but after all other eligibility requirements have been met. The *deferred inflows on leases* reported on the statement of net position and the governmental funds balance sheet is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. *Deferred inflows on public-private public-public partnerships* reported on the statement of net position and the governmental funds balance sheet represent the consideration received or to be received as part of public-private and public-public partnerships and availability payment arrangements. The *deferred inflows of resources-unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, district court receivables, grants and abatement receivables. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

Net Position Flow Assumption

Sometimes the government 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Metropolitan King County Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Council has by ordinance authorized the executive to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Compensated Absences

Compensated absences consist of vacation pay, sick pay, and compensatory time in lieu of overtime pay. Employees earn vacation based on their date of hire and years of service. Employees hired prior to January 1, 2018 have a maximum vacation accrual of 480 hours, while those hired January 1, 2018 or after have a maximum vacation accrual of 320 hours unless the employee's collective bargaining unit agreement specifies a different maximum. Unused vacation at retirement or normal termination is considered vested and payable to the employee, up to the employee's maximum accrual. Employees also earn up to 12 days of sick leave per year and may accumulate sick leave balances without limit. If the employee is leaving their employment due to death or retirement, they are paid for 35 percent of the value of unused sick leave with no maximum. For reporting purposes, a variety of factors are used to estimate the portion of the accumulated sick leave that is subject to accrual.

Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). All vacation pay liability and a portion of sick leave liability are accrued in the government-wide and proprietary statements. The County has only immaterial excess compensation liabilities, which are not reported. An excess compensation liability is incurred when an employee whose retirement benefits are based in part on excess compensation receives a termination or severance payment (e.g. a cash out of unused vacation leave in excess of 240 hours) defined by the State as excess compensation.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *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 of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Allocating Indirect Expense to Functions

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses that have been allocated from general government to various functional activities are reported in a separate column.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. User fees (sewage fees, passenger fares, disposal charges, etc.) charged by the County's enterprise funds for the use of its business-type facilities and charges for services of internal service funds are classified as operating revenues. Rental income is operating revenue to the Airport enterprise, whose principal operation is leasing real property. The corresponding costs of service provision and delivery, including direct administration costs, depreciation or amortization of capital assets, and other allocations of future costs to current year operations (e.g., landfill post-closure, other postemployment benefits), comprise operating expenses. All other revenues and expenses not meeting this definition are reported as nonoperating.

Note 2

Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (in thousands): The governmental funds balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains, "Long-term amounts, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

Long-term amounts reported for governmental activities:	
Bonds payable and other general government debt	\$ (1,172,562)
Plus: Unamortized premiums on bonds sold	(64,643)
Accrued interest payable	(5,520)
Leases payable	(156,935)
Subscription payable	(885)
Compensated absences	(117,471)
Net pension liability	(91,034)
Total other post employment benefits	(64,633)
Pollution remediation	(4,282)
Asset retirement obligations	(3,902)
Earned but unavailable fines and penalties and abatements	2,514
Earned but unavailable taxes	24,266
Earned but unavailable grants	13,692
Earned but unavailable opioid settlement	20,731
Deferred inflows on pensions	(149,777)
Deferred inflows on other post employment benefits	(16,262)
Deferred inflows on refunding	(7)
Total adjustments related to long-term liabilities and deferred inflows	<u>\$ (1,786,710)</u>

Another element of that reconciliation states, "Capital assets used in governmental activities are not financial resources and are not reported in the funds."

Capital assets reported for governmental activities:	
Nondepreciable assets	\$ 2,709,132
Amortizable and depreciable assets	1,512,114
Less: Capital and right-to-use assets in internal service funds	(76,157)
Total adjustments related capital assets	<u>\$ 4,145,089</u>

Another element of the reconciliation states, "Other long-term amounts are not available to pay for current-period expenditures and therefore are deferred in the funds."

Other long-term amounts reported for governmental activities:	
Net pension asset	\$ 296,626
Assets constructed for others	11,744
Deferred outflows on refunding (to be amortized as interest expense)	10,203
Deferred outflows on pensions	233,950
Deferred outflows on other post employment benefits	7,184
Deferred outflows on asset retirement obligation	3,145
Total adjustments related to long-term assets and deferred outflows	<u>\$ 562,852</u>

Another element of that reconciliation states, "Governmental activities internal service funds assets and liabilities are included in the governmental activities in the statement of net position."

Internal service funds reported for governmental activities:	
Net position of the governmental activities internal service funds	\$ 208,206
Internal payable representing charges in excess of cost to the enterprise funds by the governmental activities internal service funds - prior years	(66,550)
Internal payable representing the amount overcharged to the enterprise funds by the governmental activities internal service funds - current year	<u>15,717</u>
Total adjustments related to internal service funds	<u>\$ 157,373</u>

Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (in thousands): The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds and changes in net positions of governmental activities* reported in the government-wide statement of activities.

One element of that reconciliation explains, "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."

Capital outlay reported for governmental activities:	
Capital outlay	\$ 211,868
Depreciation expense	<u>(102,210)</u>
Total adjustments related to capital outlay	<u>\$ 109,658</u>

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins and donations) increases net position."

Miscellaneous capital asset transactions reported for governmental activities:	
The statement of activities report the loss on the disposal of capital assets while gross proceeds increase financial resources in the governmental funds. The difference is the net book value of capital assets sold.	\$ (114,614)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds.	<u>12,839</u>
Total adjustments related to miscellaneous capital asset transactions	<u>\$ (101,775)</u>

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds."

Revenues reported for the governmental activities:	
Unavailable revenue-property taxes	\$ 2,045
Unavailable revenue-grants	(27,423)
Unavailable revenue-charges for services	478
Unavailable revenue-fines and forfeits	585
Unavailable revenue-opioid settlement	(1,436)
Gain on lease modification	531
LEOFF special funding	<u>4,585</u>
Total adjustments related to revenues	<u>\$ (20,635)</u>

Another element of that reconciliation states, "The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

Debt issuance or refundings reported for governmental activities:	
Issuance of general government debt	\$ (281,225)
Issuance of refunding bonds	(17,440)
Premium on bonds issued	(22,245)
Principal repayments	108,388
Payment to escrow agent	17,909
Lease proceeds	(18,164)
Subscription asset proceeds	(1,563)
Total adjustments related to debt issuance or refundings	<u>\$ (214,340)</u>

Another element of that reconciliation states, "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."

Expenses reported for governmental activities:	
Compensated absences	\$ (3,761)
Other postemployment benefits	3,578
Interest on long-term debt	6,356
Lease amortization	(19,710)
Subscription asset amortization	(710)
Pension expense	99,456
Asset retirement obligations amortization	(148)
Pollution remediation	(1,679)
Project expenditures for others	7,137
Total adjustments related to expenses	<u>\$ 90,519</u>

Another element of that reconciliation states, "Net revenues and expenses of certain activities of internal service funds are reported with governmental activities."

Internal service funds reported for governmental activities:	
Gain on investment value	\$ 8,821
Intergovernmental revenues	3,253
Revenues related to services provided to outside parties	11,486
Expenses related to services provided to outside parties	(11,637)
Miscellaneous nonoperating revenue	300
Miscellaneous nonoperating expense	(3,057)
Gain on disposal of capital assets	972
Interest expense	(546)
Capital contributions	2,799
Transfers in	8,770
Transfers out	(37,304)
Internal service fund gains allocated to governmental activities	6,244
Total adjustments related to internal service funds	<u>\$ (9,899)</u>

Explanation of certain differences between the Proprietary Funds Statement of Net Position and the Government-wide Statement of Net Position (in thousands): The proprietary funds statement of *net position* includes reconciliation between *net position - total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position.

The description of the reconciliation is “adjustment to report the cumulative internal balance for net effect of the activity between the internal service funds and the enterprise funds over time.” The details are as follows:

Cumulative internal balance for net effect of activity between internal service funds and enterprise funds:	
Internal receivable representing charges in excess of cost to the enterprise funds by the governmental activities internal service funds - prior years	\$ 66,550
Internal receivable representing the amount overcharged to the enterprise funds by the governmental activities internal service funds - current year	(15,717)
Total adjustments related to internal service fund activities related to enterprise funds	<u>\$ 50,833</u>

Note 3

Stewardship, Compliance and Accountability

Budgetary Basis of Accounting

Biennial budgets are adopted on the modified accrual basis of accounting for the General Fund, Behavioral Health Fund, Housing and Community Development Fund, Public Health Fund, nonmajor special revenue funds and debt service funds, with some exceptions. Exceptions include subscription-based information technology arrangements (SBITA), public-private and public-public partnerships (PPP), and lease payments, which are budgeted on the cash basis, and the transfer of bond proceeds to projects in the same fund, which are not budgeted. The capital projects funds are controlled by multi-year budgets. Some nonmajor special revenue funds are controlled by multi-year budgets including Harborview Health and Safety, Long-Term Leases, Major Maintenance, Surface Water Program, and Transfer of Development Credits. The Law Library Fund, Road Improvement Districts and Treasurer's Operating and Maintenance have the authority under state law to pay expenditures without appropriations.

The budget for the Flood Control District, a blended component unit, is approved under the authority of its respective governing body on an annual basis in accordance with RCW 86.15.140. The budget is divided into four appropriation items: (1) flood district administration; (2) maintenance and operation; (3) construction and improvements; and (4) bond retirement and interest.

Revenues are estimated on the basis of when they become susceptible to accrual. Budgeted appropriations include both expenditures and other financing uses; they are budgeted based on liabilities expected to be paid in the given budget period for the acquisition of goods and services.

The Metropolitan King County Council enacts appropriations by ordinance, generally at the appropriation unit level. The Grants Fund is appropriated at the fund level. These are the legal levels of budgetary control. Unless otherwise provided by the appropriation ordinances, all unexpended and unencumbered operating appropriations lapse at the end of the biennium. The budgetary comparison schedules (budgetary basis) include variances at the appropriation level of expenditure.

Excess of Expenditures over Appropriations

The County views expenditures in excess of \$50 thousand over appropriation to be significant.

The Finance General Fund appropriation unit exceeded appropriations by \$2.2 million. The overage is a result of a transfer from General Fund to Public Health fund using an incorrect appropriation unit. The overage will be resolved by requesting supplemental budget in the next omnibus.

Deficit Fund Equity

Nonmajor Governmental Funds

The Department of Community and Human Services Administration fund reports a total fund balance deficit of \$1.5 million. The deficit is a result of Coronavirus Disease (COVID) isolation and quarantine program expenditures. The deficit is anticipated to be resolved by future reimbursements. An interfund loan is approved to cover the expenditures.

The Long-Term Leases fund reports a total fund deficit of \$6.6 million, which is due to COVID-related lease expenditures. The timing to resolve the fund deficit is dependent on the amount and timing of reimbursements from federal grants. Currently, an interfund loan is approved to cover the expenditures.

The Permitting and Abatement fund reports a total fund deficit of \$2.9 million, which is due to the post-pandemic decline in permitting activity. Economic recovery is expected to resolve the fund deficit in future years.

The Building Repair and Replacement fund reports a total fund deficit of \$14.8 million. The deficit is mostly caused by the Children and Family Justice Center (CFJC) project and COVID-related expenditures. For the CFJC project, a property sale is expected to decrease the deficit for the project. The timing to resolve the COVID-related fund deficit is dependent on the amount and timing of reimbursements from federal grants. Currently, an interfund loan is approved to cover the expenditures.

The Department of Local Services Capital fund reports a total fund balance deficit of \$901 thousand. The fund deficit is expected to be resolved by a future general obligation bond issuance with debt service to be funded by the General Fund. In the interim, an interfund loan is approved to cover expenditures.

The KCIT Capital Projects fund reports a total fund balance deficit of \$19.0 million. This is mainly due to the Property Tax Assessment System Capital Project. The deficit will be resolved by a bond issuance in 2024.

The Puget Sound Emergency Radio Network Capital fund reports a total fund balance deficit of \$21.6 million. This is mainly due to the timing of collecting the levy proceeds. The deficit will be resolved by the end of 2024. Currently, an interfund loan is approved to cover the expenditures.

Internal Service Funds

The Insurance Fund has a deficit net position of \$26.1 million caused by the current nationwide trend of rising claims and insurance costs. The fund is expected to be fully funded by the end of 2026 through central rate increases.

Interfund Loans In Excess of Authorization

Section 490 of the County's home rule Charter permits one agency of the county to temporarily borrow the resources of another agency. The Metropolitan King County Council implemented this provision of the charter through Ordinance 823 and King County Code (KCC) section 4.24 which establishes the Executive Finance Committee (EFC) and empowers it to regulate interfund borrowing.

The EFC has adopted policy governing interfund borrowing. Amongst other conditions, the policy requires each fund manager in the County to analyze funds with a negative cash balance monthly. If a cash deficit occurs in a fund, was inadvertent, and will correct itself within sixty days, no interfund loan is required. Otherwise, the fund manager must request an interfund loan from the EFC specifying the amount needed and when the interfund loan will be repaid. Loans are granted at the subfund level.

A subfund of the KC Flood Control Contract fund pertaining to capital expenditures secured approval for an interfund loan not to exceed \$16.0 million on December 7, 2023. At December 31, 2023 the subfund's cash deficit was \$25.7 million. This cash deficit is expected to be resolved in 2024 with payment from the Flood Control District for monthly expenditure reimbursement.

Note 4

Deposits and Investments

Deposits

King County maintains deposit relationships with several local commercial banks in addition to its concentration bank. The deposits that are not covered by the Federal Deposit Insurance Corporation (FDIC) are collateralized by the Public Deposit Protection Commission of the State of Washington (PDPC) at no less than 50 percent. Effective June 7, 2018, resolution 2018-1 adopted by Commission on June 1, 2018, allowed that “all Well Capitalized public depositories...may collateralize uninsured public deposits at no less than fifty percent.” The PDPC is a statutory authority established under chapter 39.58 RCW that governs public depositories and provides that “All public funds deposited in public depositories, including investment deposits and accrued interest thereon, shall be protected against loss, as provided in the chapter.” It constitutes a multiple financial institution collateral pool that can make *pro rata* assessments to all public depositories within the state for their public deposits. PDPC protection is of the nature of collateral, not of insurance.

Custodial credit risk - Deposits The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County’s deposits may not be recovered. State statutes require that certificates of deposit be placed in qualified public depositories in the State of Washington and total deposits cannot exceed the net worth of the financial institution. Those institutions not meeting 100 percent collateralization or the minimum credit rating requirements may receive deposits up to the FDIC or federally guaranteed amounts. The County’s diversification policy limits the maximum amount of investment in certificates of deposit to 25 percent of the total amount of the portfolio and five percent from a single issuer.

As of December 31, 2023, the bank balance of the County’s total deposits, including certificates of deposits, was \$11.7 million, of which \$8.3 million was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

King County Investment Pool - The King County Investment Pool (KCIP), the main pool, consists of monies invested on behalf of the County and other special purpose districts within the County including school, fire, sewer, library, water and other districts. The KCIP operates in accordance with the King County Investment Policy which has been prepared in accordance with state law. This policy is reviewed annually and any modifications shall be approved by the King County Executive Finance Committee (EFC). The policy applies to all financial assets invested in the KCIP as defined in King County Code (KCC) 4.10.090.

This policy also covers King County non-pooled investments. Non-pooled King County investments, which do not meet the criteria of this policy, require approval by the EFC.

The King County Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. Oversight is provided by the EFC, which serves the role of the County Finance Committee as defined in RCW 36.48.070.

The Investment Pool Advisory Committee (IPAC) was created by Ordinance 16280 to provide input to the EFC on matters related to the King County Investment Pool. The IPAC has not been vested with decision-making authority for the KCIP; it makes recommendations to the EFC on agenda items related to the KCIP.

The King County Investment Policy is designed to help King County meet the objectives of the KCIP. The objectives of the County’s investment policy are to invest public funds in a manner which will preserve the safety and liquidity of all investments within the KCIP while obtaining a reasonable return within established investment guidelines. The portfolio should be managed in a manner that is responsive to the public trust and consistent with state law. The King County Investment Pool is guided by the following principles:

1. The primary objective of King County’s investment of public funds is to safeguard investment principal.
2. The secondary objective is to maintain sufficient liquidity to ensure that funds are available to meet daily cash flow requirements.
3. The third consideration is to achieve a reasonable yield consistent with these objectives.

Investment Instruments - Statutes authorize King County to invest in:

- Savings or time accounts in designated qualified public depositories; and certificates, notes or bonds of the United States.
- Other obligations of the United States, its agencies, or in any corporation wholly owned by the United States government and supranational institutions where the United States is its largest shareholders.
- Bankers' acceptances purchased on the secondary market, Federal Home Loan bank notes and bonds, Federal Land Bank bonds, Federal National Mortgage Association notes, debentures and guaranteed certificates of participation.
- Obligations of any other government-sponsored corporation whose obligation is or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve System.
- Commercial paper and corporate notes (within the policies established by the State Investment Board).
- Debt instruments of local and state general obligations.
- General obligation bonds issued by any states and revenue bonds issued by Washington state governments that are rated at least "A" by a nationally recognized rating agency.

King County voluntarily invests in the Washington State Treasurer's Local Government Investment Pool (LGIP). The LGIP values its investments at amortized cost, which approximates fair value. The LGIP portfolio will be managed to meet the portfolio maturity, quality, diversification and liquidity requirements set forth in GASB Statement No. 79 for external investment pools who wish to measure, for financial reporting purposes, all of its investments at amortized cost. LGIP is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee and the Washington State Auditor's Office.

LGIP participants may withdraw funds from the LGIP on any business day and must notify the LGIP of any withdrawal over \$1.0 million no later than 9 A.M. on the same day the withdrawal is made. The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if U.S. bond markets are closed, if the SEC declares an emergency or if the State has determined irrevocably to liquidate the LGIP and suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the LGIP in an orderly manner.

The County is authorized to enter into repurchase agreements to meet the investment needs of the King County Investment Pool. Such transactions are governed by a Master Repurchase Agreement. County investment policies require that securities' tri-party underlying repurchase agreements have a fair value equal to at least 102 percent of repurchase price, plus accrued interest. Repurchase agreements in excess of 60 days are not allowed. Currently, the County's tri-party custodial bank monitors compliance with some of these provisions.

Although the County is authorized to enter into reverse repurchase agreements, the County chose not to enter into this type of transaction since 2008. Also, the County did not buy, sell, or hold any derivative or similar instrument except for certain U.S. agency collateralized mortgage obligation securities during the year.

External Investment Pool - The King County Investment Pool administered by the King County Treasury Operations Section is an external investment pool. For investment purposes, the County pools the cash balances of County funds and participating component units, and allows for participation by other legally separate entities such as special districts, for which the County is the *ex officio* treasurer, and public authorities. The external portion of the KCIP (the portion that belongs to special districts and public authorities other than component units) is reported in the Fiduciary Funds under Custodial Funds. Except for County agencies that have been approved to invest in the Pool-Plus program, it is County policy to invest all county funds in the King County Investment Pool. All non-County participation in the KCIP is voluntary.

All securities are reported at fair value. Fair value reports are prepared monthly and are distributed to all Pool participants. Fair value pricing is provided by the County's safekeeping bank. If a security is not priced by the County's safekeeping bank, prices are obtained from the County's investment accounting system vendor or from Bloomberg L.P., a provider of fixed income analytics, market monitors, and security pricing. The County has not

provided or obtained any legally binding guarantees to support the value of the King County Investment Pool's shares.

The King County Investment Pool values participants' shares using an amortized cost basis. Monthly income is distributed to participants based on their relative participation during the period. Income is calculated based on: (1) realized investment gains and losses; (2) interest income based on stated rates (both paid and accrued); and (3) the amortization of discounts and premiums on a straight-line basis. Income is reduced by contractually agreed upon fees. This method differs from the fair value method used to value investments in the financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses due to changes in the fair values. The net change in the fair value of the investments is reported as an increase or decrease in cash and cash equivalents in the statement of net position.

The King County Investment Pool's total fair value of investment including purchased interest was \$9.6 billion at year-end. At year-end, the change in the fair value of the total investments for the reporting entity, after considering purchases, sales and maturities, resulted in a net markdown from cost of \$30.2 million. The following schedule shows the types of investments, the average interest rate, and the effective duration limits of the various components of the King County Investment Pool as of December 31, 2023 (dollars in thousands):

Investment Type	KING COUNTY INVESTMENT POOL		Average	Effective
	Fair Value	Principal	Interest	Duration
			Rate	(Years)
Repurchase Agreements	\$ 347,000	\$ 347,000	5.29 %	0.011
Commercial Paper	1,146,816	1,167,900	5.68 %	0.336
Corporate Notes	527,265	532,202	5.11 %	2.005
U.S. Treasury Notes	2,415,126	2,469,500	2.73 %	1.094
GNMA Collateralized Mortgage Obligations	856,915	844,603	5.71 %	0.798
U.S. Agency Notes	1,099,499	1,112,875	3.52 %	0.611
U.S. Agency Collateralized Mortgage Obligations	45,778	44,202	6.11 %	0.638
Supranational Coupon Notes	1,394,596	1,423,371	2.25 %	1.464
State Treasurer's Investment Pool (LGIP)	1,723,538	1,723,538	5.44 %	0.011
Total investments in Pool	<u>\$ 9,556,533</u>	<u>\$ 9,665,191</u>	4.09 %	0.788

Custodial credit risk - Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy mandates that all security transactions, including repurchase agreements, are settled "delivery versus payment (DVP)." This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the County's safekeeping bank or its tri-party custodian banks. Exempt from the DVP policy are Certificates of Deposits (CDs) and funds placed with the Local Government Investment Pool (LGIP).

Concentration of credit risk - Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year-end, the King County Investment Pool had concentrations greater than 5.0 percent in the following issuers: Federal Home Loan Banks, 6.5 percent, and Inter-American Development Bank, 5.1 percent.

Interest rate risk - Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by setting maturity and effective duration limits for the King County Investment Pool. The policy limit for the KCIP's maximum effective duration is 1.5 years or less, and 40 percent of the KCIP's total value in securities must have a maturity of 12 months or less. Securities in the portfolio cannot have an average life greater than five years at purchase. As of December 31, 2023, the effective duration of the main Pool was 0.788 years.

Credit risk - Debt Securities - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At year-end, the King County Investment Pool was not rated by a Nationally Recognized Statistical Rating Organization (NRSRO). In compliance with state statutes, the King County Investment Pool's policy authorizes investments in U.S. Treasury securities, U.S. federal agency securities and mortgage-backed securities, municipal securities and corporate notes (rated at least "A" by two NRSROs), commercial paper (rated at least the

equivalent of "A-1" by two NRSROs), certificates of deposit issued by qualified public depositories, repurchase agreements and the LGIP.

The credit quality distribution below is categorized to display the greatest degree of credit risk as rated by Standard and Poor's and Moody's. For example, a security rated "AAA" by one rating agency and "AA" by another would be listed as "AA."

This table shows the credit quality for all securities in the King County Investment Pool not backed by the full faith and credit of the United States (in thousands):

Investment Type	Credit Quality Distribution				Total
	AAA or A-1	AA	A	Not Rated	
Repurchase Agreements	\$ 347,000	\$ —	\$ —	\$ —	\$ 347,000
Commercial Paper	1,146,816	—	—	—	1,146,816
Corporate Notes	6,699	210,934	309,632	—	527,265
U.S. Agency Notes	—	1,099,499	—	—	1,099,499
U.S. Agency Collateralized Mortgage Obligations	—	45,778	—	—	45,778
Supranational Coupon Notes	1,394,596	—	—	—	1,394,596
State Treasurer's Investment Pool	—	—	—	1,723,538	1,723,538
Total investments	\$ 2,895,111	\$ 1,356,211	\$ 309,632	\$ 1,723,538	\$ 6,284,492

The King County Investment Pool's policies limit the maximum amount that can be invested in various securities. The following table summarizes the King County Investment Pool's diversification policy:

**OVERVIEW OF THE KING COUNTY INVESTMENT POOL'S POLICIES
TO LIMIT INTEREST RATE AND CREDIT RISK**

Investment Type	Maximum Maturity	Security Type Limit	Single Issuer Limit	Minimum Credit Rating
U.S. Treasury	5 Years	100%	None	N/A
U.S. Federal Agency ⁽¹⁾	5 Years	100%	35%	N/A
U.S. Federal Agency MBS ⁽²⁾	5 Year WAL	25%	25%	N/A
Certificates of Deposit ⁽³⁾	1 Year	25%	5%	A-1 or P-1
Municipal Securities ⁽⁴⁾	5 Years	20%	5%	A
Corporate Securities	5 Years	25%	2%	A ⁽⁵⁾
Commercial Paper	270 Days	25%	3%	A-1/P-1 ⁽⁶⁾
Repurchase Agreements ⁽⁷⁾	60 Days	100%	25%	A-1 or P-1
Bankers' Acceptances	180 Days	25%	5%	A-1/P-1 ⁽⁸⁾
State LGIP ⁽⁹⁾	N/A	25%	25%	N/A

N/A = Not applicable

(1) Senior debt only and includes Supranational agencies where the U.S. is the largest shareholder.

(2) MBS counts towards the total that can be invested in any one U.S. federal agency.

(3) Must be a public depository; if not 100% collateralized, must be rated at least A-1 or P-1.

(4) County policy limits purchases to general obligation bonds rated A or better by Standard & Poor's or Moody's.

(5) Must be rated A or better by both Standard and Poor's and Moody's for 2 percent issuer limit. But if rated AA or higher, 3 percent issuer limit applies.

(6) Must be rated in top credit category by Standard & Poor's and Moody's. Maturities > 100 days must have a long-term rating of A or higher.

(7) Tri-party repurchase agreements collateralized at 102 percent and for purposes of aggregating across sectors, overnight repos shall not be included. Ten percent of the portfolio can be in overnight repos rated A-2 or P-2.

(8) Bankers' acceptances must be rated in top credit category by Standard & Poor's and Moody's.

(9) The State LGIP is a money market-like fund managed by the State Treasurer's Office.

At year-end the King County Investment Pool was in compliance. The KCIP's actual composition consisted of Repurchase Agreements, 3.6 percent, Commercial Paper, 12.0 percent, Corporate Notes, 5.5 percent, U.S. Treasury Notes, 25.3 percent, GNMA Collateralized Mortgage Obligations, 9.0 percent, U.S. Agency Notes, 11.5 percent, U.S. Agency Collateralized Mortgage Obligations, 0.5 percent, Supranational Coupon Notes, 14.6 percent, and the State Treasurer's Investment Pool (LGIP), 18.0 percent.

Fair Value Hierarchy

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The following is a summary of inputs in valuing the County's investments as of December 31, 2023 (in thousands):

	Fair Value 12/31/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments by fair value level				
Commercial Paper	\$ 1,146,816	\$ —	\$ 1,146,816	\$ —
Corporate Notes	527,265	—	527,265	—
U.S. Treasury Notes	2,415,126	2,415,126	—	—
GNMA Collateralized Mortgage Obligations	856,915	—	856,915	—
U.S. Agency Notes	1,099,499	—	1,099,499	—
U.S. Agency Collateralized Mortgage Obligations	45,778	—	45,778	—
Supranational Coupon Notes	1,394,596	—	1,394,596	—
Subtotal investments measured at fair value	<u>7,485,995</u>	<u>\$ 2,415,126</u>	<u>\$ 5,070,869</u>	<u>\$ —</u>
Investments measured at amortized cost (not subject to fair value hierarchy)				
Repurchase Agreements	347,000			
State Treasurer's Investment Pool	<u>1,723,538</u>			
Subtotal investments measured at cost	<u>2,070,538</u>			
Total investments in Investment Pool	<u>\$ 9,556,533</u>			

U.S. Treasury Notes are valued using quoted prices in active markets and classified in Level 1 of the fair value hierarchy.

Commercial Paper, Corporate Notes, U.S. Agency Notes, U.S. Agency and GNMA Collateralized Mortgage Obligations and Supranational Coupon Notes are valued using standard inputs including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Interactive Data also monitors market indicators, industry and economic events and corroborating market data and are classified in Level 2 of the fair value hierarchy.

Impaired Investment Pool

The King County Executive Finance Committee approved the bifurcation of the investment pool as of September 1, 2008. This separated the impaired investments into their own pool distinct from the main pool of performing investments. The reasons for bifurcating the pool were to: (1) ensure the yield on the performing assets is not negatively impacted by the impaired investments; (2) enhance transparency about the value of the performing pool and the impaired pool; (3) ease the implementation of the restructuring processes for the impaired investments.

For the bifurcation, the County placed four impaired commercial paper investments into an impaired investment pool (Impaired Pool). Three of the four impaired investments have been completely written off since no further cash payments are expected. The Impaired Pool still holds one restructured commercial paper asset, VFNC Trust (originally Victoria Finance) in which the County accepted an exchange offer in 2009 and is receiving the cash flows from the Victoria Finance's underlying securities.

The fair value of the Impaired Pool at December 31, 2023, was \$1.1 million and the book value was \$2.2 million. The remaining investment in the impaired investment pool is associated with VFNC Trust (Victoria). VFNC Trust continues to make monthly cash distributions. During 2023, VFNC Trust distributed a total of \$437 thousand to the County. Including all the receipts to date, the cash recovery rate on the original Victoria investment is 96 percent. Monthly distributions will continue for as long as the underlying securities in the trust continue to pay, which is expected to continue for at least 5 to 10 more years. However, with the consent of 50 percent of the note holders,

the assets of the trust could be sold before the underlying securities mature. Also, because of the small balance remaining, the County chose not to discount these future cash flows.

VFNC Trust (Victoria) is recorded at fair value of \$1.1 million which is based on market price of the underlying securities that are held by VFNC Trust and the cash value retained by the receivers as of December 31, 2023, and is classified in Level 3 inputs of fair value hierarchy. These prices are provided by the collateral agent.

King County Investment Pool and Impaired Investment Pool Condensed Statements

The King County Investment Pool (main Pool) and the Impaired Investment Pool's Condensed Statements of Net Position and Changes in Net Position as of December 31, 2023 (in thousands) are as follows:

Condensed Statement of Net Position

	Total	King County Investment Pool	Impaired Investment Pool
Assets			
Current and other assets	\$ 9,574,371	\$ 9,573,274	\$ 1,097
Total Assets	<u>\$ 9,574,371</u>	<u>\$ 9,573,274</u>	<u>\$ 1,097</u>
Net Position			
Equity of internal pool participants	\$ 5,515,386	\$ 5,514,922	\$ 464
Equity of external pool participants	4,058,985	4,058,352	633
Total net position	<u>\$ 9,574,371</u>	<u>\$ 9,573,274</u>	<u>\$ 1,097</u>

Condensed Statement of Changes in Net Position

	Total	King County Investment Pool	Impaired Investment Pool
Net position, beginning of year	\$ 8,574,250	\$ 8,572,758	\$ 1,492
Net change in investments by pool participants	1,000,121	1,000,516	(395)
Net position, end of year	<u>\$ 9,574,371</u>	<u>\$ 9,573,274</u>	<u>\$ 1,097</u>

Pool Plus - Long-Term Investment Option

King County's Executive Finance Committee (EFC) adopted the Pool Plus program which allows approved County agencies and districts to invest funds beyond the maximum maturity limit established for the KCIP. This policy provides an investment option that allows a participant in the KCIP to request the County to combine a portfolio of individual long-term securities in the same fund that is invested in KCIP. The pooling of the long-term portfolio with the KCIP provides the ability to invest at durations longer than KCIP, while maintaining access to the liquidity of the KCIP. The Pool Plus program allows qualifying funds to invest over longer durations recognizing there are: (1) potential risks such as increased price volatility and the possibility of selling securities before maturity to pay unexpected expenditures that could result in a loss of principal; (2) benefits from reducing reinvestment risk which improves the predictability of future budget revenue; (3) and potential rewards such as increased earnings.

The policy is intended to serve the following goals:

- Provide an investment option for funds with investment horizons far beyond the maximum maturity limit of the pool.
- Minimize credit risk exposure that long-term investments outside the KCIP will face.
- Minimize the possibility of negative financial impacts on current pool participants.
- Ensure that a fund requesting to invest in long-term investments outside the pool understands, and accepts, the greater price volatility that is inherent in longer term investments.
- Minimize any operational burden that would distract the investment team from its primary mission of managing the investment pool.

The KCIP will be used for the liquidity portion of the portfolio, while the following investment types will be used for the longer term investments:

- U.S Treasuries or securities with full faith and credit of the U.S. government backing them.

- Senior debt obligations issued by U.S. agencies, instrumentalities, or government-sponsored enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). While these agencies have credit ratings equivalent to the U.S. government, they are not explicitly guaranteed by the U.S. government. Financial market participants view them as having an “implied guarantee” because these agencies were chartered by Congress.

At year-end, the fair value of securities invested in the Pool Plus program was \$14.2 million for County agencies and \$32.2 million for districts. The following schedule shows a summary of the characteristics of the assets in the Pool Plus program at December 31, 2023 (in thousands):

KING COUNTY POOL PLUS PROGRAM

Investment Type	Fair Value	Principal	Average Interest Rate	Effective Duration (Years)
U.S. Treasury Notes - County agencies	\$ 14,195	\$ 15,190	2.41 %	3.98
U.S. Treasury Notes - District funds	10,549	11,315	3.53 %	4.54
U.S. Treasury Notes - District funds	6,780	7,126	2.66 %	3.14
U.S. Treasury Notes - District funds	14,834	15,894	3.66 %	4.56

Individual Investment Accounts

Under the Pool Plus Program, King County purchases individual investments for other legally separate entities, such as special districts and public authorities, which are not part of the financial reporting entity. Net positions in these individual investments accounts are reported in the Fiduciary Funds section under Custodial Funds.

Component Units

Harborview Medical Center (HMC)

Harborview Medical Center (HMC) participates in the County’s investment pool and follows the applicable criteria as described above for the King County Investment Pool deposits and investments.

Custodial credit risk - Deposits - The custodial credit risk for deposits is the risk that in the event of a bank failure, HMC’s deposits may not be recovered. As of June 30, 2023, the deposits not covered by the FDIC are uninsured and are partially collateralized by the PDPC collateral pool. HMC’s custodial credit risk for its deposits is shown in the following table (in thousands):

**Harborview Medical Center
As of June 30, 2023**

	Carrying Amount	Bank Balance	Uninsured and Uncollateralized
Cash in other banks	\$ 3,961	\$ —	\$ —
Equity in Investment Pool	379,225	380,057	—
Total deposits	<u>\$ 383,186</u>	<u>\$ 380,057</u>	<u>\$ —</u>

Cultural Development Authority of King County (CDA)

Deposits

The Cultural Development Authority of King County (CDA) maintains a deposit relationship with a local commercial bank. All deposits with this qualified public depository that are not insured by the Federal Deposit Insurance Corporation (FDIC) are partially collateralized by the Public Deposit Protection Commission of the State of Washington (PDPC). The PDPC is a statutory authority established under charter 39.58 RCW and constitutes a multiple financial institution collateral pool that can make pro rata assessments to all public depositories within the state for their public deposits. PDPC protection is of the nature of collateral, not of insurance.

Custodial credit risk - Deposits - The custodial credit risk for deposits is the risk that, in the event of a bank failure, the CDA’s deposits may not be recovered. At year-end, the CDA’s total deposits, excluding investments in the WA

State LGIP, were \$1.3 million in carrying amount and \$1.6 million of bank balance, of which \$670 thousand was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The CDA has an investment policy to guide the management of its assets and help ensure that all investment activity is within the regulations established by state law and county codes. The primary objective is the preservation of principal.

State laws authorize CDA to invest in certificates, notes and bonds of the United States, and other obligations of the United States or its agencies, or any corporation wholly owned by the government of the United States. Statutes also authorize the CDA to invest in bankers' acceptances purchased on the secondary market, Federal Home Loan bank notes and bonds, Federal Land Bank bonds, Federal National Mortgage Association notes and debentures and guaranteed certificates of participation.

CDA is also authorized to invest in the Washington State Local Government Investment Pool (LGIP). The LGIP values its investments at amortized cost, which approximates fair value. The LGIP funds are limited to high quality obligations with limited maximum and average maturities, which has the effect of minimizing both market and credit risk.

Fair Value Hierarchy

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. CDA's investments in the State Treasurer's Investment Pool (LGIP) are recorded at amortized cost.

The following schedule shows the types of investments, the average interest rate, the effective duration limits and the concentration of all CDA investments as of December 31, 2023 (in thousands):

Cultural Development Authority Investments By Type					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal</u>	<u>Average Interest Rate</u>	<u>Effective Duration (Years)</u>	<u>Concentration</u>
<u>Investments measured at amortized cost (not subject to fair value hierarchy)</u>					
State Treasurer's Investment Pool	\$ 37,658	\$ 37,658	5.43 %	0.003	100.00 %
Less: State Treasurer's Investment Pool (Cash Equivalent)	(37,658)				
Total investments per Statement of Net Position	<u>\$ —</u>				

Interest rate risk - Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, CDA manages its exposure to interest rate risk by setting maturity and effective duration limits for its portfolio. As of December 31, 2023, the combined weighted average effective duration of the CDA's portfolio was 0.003 years.

Credit risk - Debt Securities - Credit risk is the risk that an issuer will not fulfill its obligations. As of December 31, 2023, the Washington State Local Government Investment Pool is not rated.

Concentration of credit risk - Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of December 31, 2023, the CDA's investments were fully concentrated in the WA State Local Government Investment Pool.

NJB Properties

Concentration of credit risk - The Organization maintains its cash and reserves in various financial institutions in which the accounts are insured up to \$250 thousand per depositor under the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts, and monitors the credit-worthiness

of the financial institutions with which it conducts business. The Organization believes it is not exposed to any significant credit risk on its cash, reserves and other deposits.

Deposits Held In Trust - In accordance with the Indenture of Trust, certain restricted deposits and funded reserves have been established in the form of escrows. The balance of each fund as of December 31 is as follows (in thousands):

	2023
Non-bond Proceeds	\$ 28
Revenue Fund	825
Bond Fund	39
	<u>\$ 892</u>

Note 6

Tax Revenues

Taxing Powers

King County is authorized to levy both “regular” property taxes and “excess” property taxes.

Regular property taxes are imposed for general municipal purposes, including the payment of debt service on limited tax general obligation bonds and for road district purposes. Regular property tax levies are subject to rate limitations and amount limitations, as described below, and to the uniformity requirement of Article VII, Section 1, of the State Constitution, which specifies that a taxing district must levy the same rate on similarly classified property throughout the taxing district. Aggregate property taxes vary within the County because of its different overlapping taxing districts.

Maximum Rate Limitations. The County may levy regular property taxes for general municipal purposes and for road district purposes. Each purpose is subject to a rate limitation. The general municipal purposes levy is limited to \$1.80 per \$1,000 of assessed value, and the County levied \$0.96323 per \$1,000 of assessed value for the 2023 tax year. The road district levy, which is levied in unincorporated areas of the county for road construction and maintenance and other County services provided in the unincorporated areas, is limited to \$2.25 per \$1,000 of assessed value. The County currently levies \$1.24031 per \$1,000 of assessed value for the 2023 tax year. Additional statutory provisions limit the increase in the aggregate amount of taxes levied.

The County is authorized to increase its general municipal purposes levy to a maximum of \$2.475 per \$1,000 of assessed value if the total combined levies for both general municipal and road district purposes do not exceed \$4.05 per \$1,000 and if no other taxing district has its levy reduced as a result of the increased County levy (RCW 84.52.043).

The \$1.80 per \$1,000 limitation on the general purposes levy is exclusive of the following regular property taxes:

- (1) A voted levy for emergency medical services, limited to \$0.50 per \$1,000 of assessed value (RCW 84.52.069),
- (2) A voted levy to finance affordable housing for very low income households, limited to \$0.50 per \$1,000 of assessed value (RCW 84.52.105), although, the County has not sought approval from voters for this levy,
- (3) A non-voted levy for conservation futures, limited to \$0.0625 per \$1,000 of assessed value (RCW 84.34.230), and
- (4) A non-voted levy for transit-related purposes, limited to \$0.075 per \$1,000 of assessed value (RCW 84.52.140).

One Percent Aggregate Regular Property Tax Levy Limitation. Aggregate regular property tax levies by the State and all taxing districts except port districts and public utility districts are subject to a rate limitation of 1.0 percent of the true and fair value of property (or \$10.00 per \$1,000 assessed value) by Article VII, Section 2, of the State Constitution and RCW 84.52.050.

\$5.90 per \$1,000 Aggregate Regular Property Tax Levy Limitation. Within the 1.0 percent limitation described above, aggregate regular property tax levies by all taxing districts except the State, port districts, and public utility districts are subject to a rate limitation of \$5.90 per \$1,000 of assessed value by RCW 84.52.043(2). This limitation is exclusive of excess levies authorized by Article VII, Section 2, of the State Constitution; levies for acquiring conservation futures, for emergency medical services, affordable housing for very low income households, for ferry districts, for transit-related purposes, for regional transit authorities, for criminal justice purposes, a portion of certain levies by metropolitan park districts, fire protection districts and certain flood control zone districts.

If aggregate regular property tax levies exceed the 1.0 percent or \$5.90 per \$1,000 of assessed value limitations, then, in order to bring the aggregate levy into compliance, levies requested by “junior” taxing districts within the area affected are reduced or eliminated according to a detailed prioritized list (RCW 84.52.010). Junior taxing districts are defined by RCW 84.52.043 as all taxing districts other than the State, counties, cities, towns, road districts, port districts and public utility districts.

Regular Property Tax Increase Limitation. The regular property tax increase limitation (RCW 84.55) limits the total dollar amount of regular property taxes levied by an individual taxing district to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an adjustment to account for taxes on new construction at the previous year's rate. The limit factor is defined as the lesser of 101.0 percent or 100.0 percent plus inflation. If the inflation rate is less than 1.0 percent, the limit factor can be increased to 101.0 percent, if approved by a majority plus one vote of the governing body of the taxing district, upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the taxing district upon a finding of substantial need and is also approved by the voters at a general or special election within the taxing district. Such election must be held less than 12 months before the date on which the proposed levy will be made, and any tax increase cannot be greater than described under "Maximum Rate Limitations." The new limit factor will be effective for taxes collected in the following year only.

Since the regular property tax increase limitation applies to the total dollar amount levied, rather than to levy rates, increases in the assessed value of all property in the taxing district (excluding new construction) that exceed the growth in taxes allowed by the limit factor result in decreased regular tax levy rates, unless voters authorize a higher levy and vice versa for decreases in assessed value.

RCW 84.55.092 allows the property tax levy to be set at the amount that would be allowed if the tax levy for taxes due in each year since 1986 had been set at the full amount allowed under chapter 84.55 RCW. This is sometimes referred to as "banked" levy capacity. The County currently has no such banked levy capacity.

With a majority voter approval, a taxing district may levy, within the statutory rate limitations described above, more than what otherwise would be allowed by the tax increase limitations (RCW 84.55.050). This is known as a "levy lid lift," which has the effect of increasing the taxing district's levy "base" when calculating permitted levy increases in subsequent years. The new base can apply for a limited or unlimited period, except that if the levy lid lift was approved for the purpose of paying debt service on bonds, the new base can apply for no more than nine years. After the expiration of any limited purpose or limited duration specified in the levy lid lift, the levy is calculated as if the taxing district had levied only up to the limit factor in the interim period.

In 2018 the State Legislature approved SHB 2597 (Chapter 46, Wash. Laws of 2018), which permits cities and counties to provide senior citizens, individuals with disabilities, and veterans in the Senior Exemption Program with an exemption from any portion of their regular property tax attributable to a levy lid life, with voter approval.

In 2021, the State Legislature passed, and the Governor signed into law, ESHB 1189 (the "TIF Act") authorizing the use of tax increment financing. Starting July 25, 2021 the TIF Act allows counties, cities, and port districts (or any combination of the three) to form increment areas to finance public improvement costs. Once the increment area has been formed, the county treasurer is directed to distribute receipts from regular property taxes imposed on real property located in the increment area. Each taxing district will receive that portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on the "tax allocation base value" (the assessed value of real property located within an increment area for taxes imposed in the year in which the increment area is first designated) for that increment area and the sponsoring jurisdiction will receive an additional amount equal to the amount derived from the regular property taxes levied by or for each taxing district upon the "increment value" (the increase in property values in the increment area after formation of the increment area). A sponsoring jurisdiction can create only two, non-overlapping increment areas that are active at any time, and the increment area (or both areas if there are two) may not have an assessed value of more than \$200 million or more than 20.0 percent of the sponsoring jurisdiction's total assessed value. The increment areas are subject to a 25-year sunset date. Accordingly, if a sponsoring jurisdiction forms an increment area, it will receive regular property taxes representing the increased assessed value within the increment area from its levy as well as the levy of overlapping taxing districts (other than State taxes and property taxes levied by port districts or public utility districts to the extent necessary for the payments of principal of and interest on general obligation debt). The County could form up to two increment areas and receive the property taxes allocated to a sponsoring jurisdiction (including taxes that are levied for the other taxing districts) and/or the Port of Seattle or any city within the County could form up to two increment areas and the city or port will receive the property tax revenues allocated to a sponsoring jurisdiction (including taxes that are levied for the County and other taxing districts).

Excess Property Taxes. The County also may impose "excess" property taxes, which are not subject to limitation, when authorized by a 60.0 percent supermajority voter approval, as provided in Article VII, Section 2 of the State Constitution and RCW 84.52.052. To be valid, such popular vote must have a minimum voter turnout of 40.0 percent of the number who voted at the last County general election, except that one-year excess tax levies also are valid if

the number of voters approving the excess levy is at least 60.0 percent of a number equal to 40.0 percent of the number who voted at the last County general election. Excess levies also may be imposed without voter approval when necessary to prevent the impairment of the obligation of contracts.

Component Units with Taxing Authority. In 2023, the county-wide flood control zone district levy rate was \$0.06717 per \$1,000 of assessed value. The boundaries of the District are coterminous with the boundaries of the County and the members of the Metropolitan King County Council serve initially as the legislative body for the District, but under state law, it is a separate taxing district with independent taxing authority.

Allocation of Tax Levies

The table on the following page compares the allocation of the 2023 and 2022 Countywide, Conservation Futures, Unlimited Tax GO Bonds, Emergency Medical Services (EMS) and unincorporated County (Road District) levies. The original tax levy reflects the levy before any supplemental levies, tax cancellations or other adjustments. The 2023 countywide assessed valuation was \$879.9 billion, a \$157.4 billion increase from 2022; the assessed valuation for the unincorporated area levy was \$80.1 billion, an increase of \$19.3 billion from 2022.

ALLOCATION OF 2022 AND 2023 TAX LEVIES

	2022 Original Taxes Levied (in thousands)	2022 Levy Rate (per thousand)	2023 Original Taxes Levied (in thousands)	2023 Levy Rate (per thousand)
Countywide Levy				
Assessed Value:				
	\$879,895,419,279 ^(a)			
Items Within Operating Levy: ^(b)				
General Fund	\$ 401,638	0.55836	\$ 411,223	0.46916
Veterans' Relief	3,368	0.00468	3,444	0.00393
Human Services	7,552	0.01050	7,739	0.00883
Automated Fingerprint Identification System	22,924	0.03187	23,500	0.02681
Parks Levy	133,000	0.18584	149,481	0.17143
Veterans, Seniors and Human Services	65,547	0.09159	68,702	0.07879
Best Starts for Kids	136,668	0.19000	142,103	0.16297
Radio Communications	35,327	0.04911	36,209	0.04131
Marine Operating	6,523	0.00907	6,820	0.00778
Total Operating Levy	<u>812,547</u>	<u>1.13102</u>	<u>849,221</u>	<u>0.97101</u>
Conservation Futures Levy				
Conservation Futures Levy ^(c)	<u>22,422</u>	<u>0.03117</u>	<u>23,010</u>	<u>0.02625</u>
Conservation Futures Lid Lift	—	—	31,607	0.03625
Total Conservation Futures Levy	<u>22,422</u>	<u>0.03117</u>	<u>54,617</u>	<u>0.06250</u>
Unlimited Tax GO Bonds (Voter-approved Excess Levy)	<u>15,667</u>	<u>0.02189</u>	<u>17,011</u>	<u>0.01951</u>
Transportation Levy ^(d)	<u>31,786</u>	<u>0.04419</u>	<u>32,615</u>	<u>0.03721</u>
Total Countywide Levy	<u>882,422</u>	<u>1.22827</u>	<u>953,464</u>	<u>1.09023</u>
Emergency Medical Services Levy				
Assessed Value:				
	\$879,587,942,596 ^(a)			
Emergency Medical Services Levy ^(e)	<u>110,274</u>	<u>0.24841</u>	<u>118,938</u>	<u>0.20922</u>
Unincorporated County Levy				
Assessed Value:				
	\$80,088,157,156 ^(a)			
County Road Fund ^(f)	<u>96,531</u>	<u>1.60120</u>	<u>98,705</u>	<u>1.24031</u>
Total County Tax Levies	<u>\$ 1,089,227</u>		<u>\$ 1,171,107</u>	

(a) Assessed value for taxes payable in 2023

(b) The operating levy tax rate is statutorily limited to \$1.80 per \$1,000 of assessed value.

(c) The Conservation Futures Levy is limited statutorily to \$0.0625 per \$1,000 of assessed value.

(d) The Transportation Levy is limited statutorily to \$0.075 per \$1,000 of assessed value.

(e) The Emergency Medical Services Levy is limited statutorily to \$0.265 per \$1,000 of assessed value. The assessed value for the County's Emergency Medical Services levy does not include the cities of Seattle or Milton.

(f) The County Road Fund Levy is levied only in the unincorporated areas of the County and is limited statutorily to \$2.25 per \$1,000 of assessed value.

The Automated Fingerprint Identification System (AFIS) levy, a regular property tax levy (RCW 84.55.050), was renewed in August 2018 for a six-year term by a majority of voters in the County. The levy began in 2013 at a rate of no more than \$0.05920 per \$1,000 assessed value. In 2022 and 2023 the tax rate was \$0.03187 and \$0.02681 per \$1,000 of assessed value, respectively.

In August 2019, the Parks lid lift levy was renewed by voters for six years, for a rate of \$0.18770 per \$1,000 of assessed value. The 2022 and 2023 tax year rate for the Parks levy lid lift is \$0.18584 and \$0.17143 per \$1,000 of assessed value, respectively. This lid lift is exempt for taxpayers in the Senior Exemption Program.

In November 2017, voters approved a new temporary six-year lid lift for the Veterans, Seniors, and Human Services Levy at a rate of \$0.10 per \$1,000 of assessed value. This is a regular property tax levy and is to be increased by no more than 3.5 percent in each of the remaining five years. Due to the passage of SHB 2597 in the 2018 legislative session, this lid lift is now exempt for taxpayers in the Senior Exemption Program for the next five years of its existence. The 2022 and 2023 tax rate is \$0.09159 and \$0.07879 per \$1,000 of assessed value, respectively.

Puget Sound Emergency Radio Network (PSERN) replacement lid lift levy was approved by voters in April 2015 at a rate of \$0.07 per \$1,000 of assessed value for nine years, beginning in 2016. The rate for 2022 and 2023 is \$0.04911 and \$0.04131 per \$1,000 assessed value.

The Best Starts for Kids levy was approved by voters at the November 3, 2015, general election to invest in prevention and early intervention strategies for children and families. This was a six-year levy beginning in 2016 at a rate of \$0.13285 per \$1,000 of assessed value. This levy was renewed by the voters at the 2021 primary election for an additional six years beginning in 2022. The rate for 2022 and 2023 is \$0.19000 and \$0.16297 per \$1,000 of assessed value.

The County's levy rate for transit-related purposes is \$0.03721 per \$1,000 of assessed value, and its levy rate for conservation futures is \$0.02625 per \$1,000 of assessed value in 2023.

The County's EMS levy was most recently approved in November 2019 for six years beginning in 2020, at a rate not to exceed \$0.265 per \$1,000 of assessed value. The rate for 2022 and 2023 is \$0.24841 and \$0.20922 per \$1,000 of assessed value.

Assessed Valuation Determination

The County Assessor (the "Assessor") determines the value of all real and personal property throughout the County that is subject to *ad valorem* taxation, with the exception of certain public service properties for which values are determined by the State Department of Revenue. The Assessor is an elected official whose duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the State Department of Revenue.

For tax purposes, the assessed value of property is 100.0 percent of its true and fair value. Since 1996, all property in the County has been subject to on-site appraisal and revaluation every six years, and is revalued each year based on annual market adjustments. Personal property is valued each year based on affidavits filed by the property owner. The property is listed by the Assessor on a roll at its current assessed value and the roll is filed in the Assessor's office. The Assessor's determinations are subject to revision by the County Board of Appeals and Equalization and, if appealed, subject to further revision by the State Board of Tax Appeals. At the end of the assessment year, in order to levy taxes payable the following year, the County Council receives the Assessor's final certificate of assessed value of property within the County.

Tax Collection Procedure

Property taxes are levied in specific amounts by the County Council and the rate for all taxes levied for all taxing districts in the County is determined, calculated and fixed by the Assessor based upon the assessed valuation of the property within the various taxing districts. The Assessor extends the tax levied within each taxing district upon a tax roll that contains the total amounts of taxes levied and to be collected and assigns a tax account number to each tax lot. The tax roll is delivered to the Treasury Operations Manager, who is responsible for the billing and collection of taxes due for each account. All taxes are due and payable on April 30 of each tax year, but if the amount due from a taxpayer exceeds \$50.00, one-half may be paid by then and the balance no later than October 31 of that year (except that the half to be paid on April 30 may be paid at any time prior to October 31 if accompanied by penalties and interest accrued until the date of payment).

During a state of emergency declared under RCW 43.06.010(12), the County Treasurer, on the County Treasurer's own motion or at the request of any taxpayer affected by the emergency, may grant extensions on the due date of any such taxes as the County Treasurer deems proper. Further, the Governor of the State may, among other actions, waive or suspend the application of tax due dates and penalties relating to collection of taxes.

The methods for giving notice of payment of taxes due, collecting taxes, accounting for the taxes collected, dividing the collected taxes among the various taxing districts, and giving notice of delinquency are covered by detailed statutes.

Personal property taxes levied by the County Council are secured by a lien on the personal property assessed. A federal tax lien filed before the County Council levies the personal property taxes is senior to the County's personal property tax lien. In addition, a federal civil judgment lien is senior to a lien on real property taxes once the federal lien has been recorded. In all other respects, and subject to the possible "homestead exemption" described below, the lien of property taxes is senior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, the County may commence foreclosure on a tax lien on real property after three years have passed since the first delinquency. The State's courts have not decided if the homestead law (chapter 6.13 RCW) gives the occupying homeowner a right to retain the first \$125 thousand in proceeds of the forced sale of a family residency or other "homestead" property for delinquent general property taxes. The State Legislature recently adopted ESSB 5408, increasing the homestead exemption amount from \$125 thousand to the greater of \$125 thousand or the county median sale price of a single-family home in the preceding calendar year. The United States Bankruptcy Court for the Western District of Washington has held that the homestead exemption applies to the lien for property taxes, while the State Attorney General has taken the position that it does not.

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 due
May 31	Assessed value of property established for next year's levy at 100% of market value
October 31	Second installment payment due

Accounting for Property Taxes Receivable

In the governmental funds, property taxes levied for the current year are recorded on the balance sheet as taxes receivable and unavailable revenue - property taxes at the beginning of the year. Property taxes are recognized as revenue when collected in cash, at which time the accounts taxes receivable and unavailable revenues - property taxes on the balance sheet are reduced by the amount of the collection. The amount of property tax receivable at year-end that would be collected soon enough to be used to pay liabilities of the current period is not material. At year-end, all uncollected property taxes are reported on the balance sheet as taxes receivable-delinquent and deferred inflow of resources. For the government-wide financial statements, the deferred inflow of resources related to the current period, net of the allowance for uncollectible property taxes, is reclassified as revenue.

Tax Abatement

As of December 31, 2023, the County provides tax abatement through four programs: the Current Use Program, the Historic Preservation Program, the Single-family Dwelling Improvement Program, and the Multifamily Housing Property Tax Exemption program. These programs are property tax abatements. The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts the rates for the taxpayers based on the assessed valuation of their property. The tax abatements did not result in a reduction or loss of revenue to the County because, pursuant to state law, these taxes were effectively reallocated to other property taxpayers.

Current Use Programs

The Current Use Programs provide property tax abatements to landowners to voluntarily preserve open space, farmland or forestland via four programs on their property pursuant to RCW 84.33.130 and RCW 84.34.010.

Public Benefit Rating System (PBRS) enrollment and associated tax savings are based on a point system. Points are awarded for each PBRS resource category a property qualifies for such as protecting buffers to streams and wetlands, ground water protection, preserving significant wildlife habitat, conserving farmland and native forestland and preserving historic landmarks.

Timber Land enrollment requires a property to have between five and twenty acres of manageable forestland, and be zoned accordingly. Land participating in this program must be devoted primarily to the growth, harvest and

management of forest crops for commercial purposes and must be managed according to an approved forest stewardship plan.

Farm and Agricultural Land enrollment requires land to be used for the production of livestock or agricultural commodities for commercial purposes.

Forestland enrollment requires a property to have more than twenty acres of eligible forestland primarily devoted to the growth and harvest of timber.

An owner of land desiring current use classification must submit an application to the County Assessor. Once enrolled, a participating property is assessed at a "current use" value, which is lower than the "highest and best use" assessment value that would otherwise apply to the property.

When land no longer meets the requirements for the respective classifications, abated taxes and applicable penalties and interest are collected.

Historic Preservation Program

The Historic Preservation Program provides property tax abatement through the legislature's encouragement to maintain, improve and preserve privately owned historic landmarks pursuant to Chapter 84.26 RCW. The property must meet four criteria to qualify for special valuation to receive a reduction in property taxes. The property must: (1) be a historic property; (2) fall within a class of historic property determined eligible for special valuation by the local legislative authority; (3) be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within 24 months prior to the application for special valuation; and (4) be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2). Abatement under this program remains valid for ten (10) consecutive assessment years from the date of application.

The County Assessor shall, for 10 consecutive assessment years following the calendar year in which application is made, place a special valuation on property classified as eligible historic property. The entitlement of property to the special valuation provisions of this section shall be determined as of January 1. If property becomes disqualified for the special valuation for any reason, the property shall receive the special valuation for that part of any year during which it remained qualified or the owner was acting in good faith belief that the property was qualified. At the conclusion of special valuation, the cost shall be considered new construction.

Whenever property classified and valued as eligible historic property under RCW 84.26.070 becomes disqualified for the valuation, there shall be added to the tax an additional tax equal to (a) the cost multiplied by the levy rate in each year the property was subject to special valuation; plus (b) interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property under this chapter; plus (c) a penalty equal to 12 percent of the amount determined in (a) and (b).

Single-family Dwelling Improvement Program

The Single-family Dwelling Improvement Program provides property tax abatement to encourage home improvements to single-family dwellings under RCW 84.36.400. Any physical improvement to single-family dwellings upon real property shall be exempt from taxation for the three (3) assessment years subsequent to the completion of the improvement. Abatement is obtained through application by the property owner, including proof that the improvements have been made and equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, not to exceed 30 percent of the pre-improvement value of the structure.

Multifamily Housing Property Tax Exemption

Chapter 5.73 of the Seattle Municipal Code provides an exemption from *ad valorem* property taxation for eligible housing construction and rehabilitation improvement projects for up to twelve years, depending on the circumstance of each project. The goal is to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for housing in Seattle. Among the eligibility requirements, the housing must be located in a residentially targeted area as designated by the city council. If the recipient of the tax abatement fails to comply with the statutory requirements of this Chapter the tax exemption shall be canceled and additional taxes, interest, and penalties will be imposed pursuant to state law.

Below summarizes the tax abatement programs and the total amount of taxes abated during the calendar year ended December 31, 2023 (in thousands):

Tax Abatement Program	Total Amount of Taxes Abated
Current Use	\$ 2,687
Historical Preservation	757
Single-family Dwelling Improvement	17
Multifamily Housing Property Tax Exemption	156

State of Washington Tax Abatements

The information provided by Washington State is based upon calendar 2022 as a proxy for fiscal year 2023. The State’s fiscal year end is June 30, 2023. The state of Washington provides tax abatements through the below programs subject to the requirements of GASB Statement No. 77. Only tax abatement programs that are material and attributable to activities in King County are disclosed below.

High-Technology Sales and Use Tax Deferral

Chapter 82.63 RCW provides a deferral and ultimate waiver of sales and use tax to encourage the creation of high-wage, high-skilled jobs in Washington. The deferral applies to sales and use tax arising from the construction or expansion of a qualified research and development facility or a pilot scale manufacturing facility used in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology.

If the investment project is used for any other purpose at any time during the calendar year in which the investment is certified as operationally complete, or during the next seven calendar years, a portion of the deferred taxes must be repaid immediately.

Multi-Unit Urban Housing Exemption

Chapter 84.14 RCW provides for an exemption from *ad valorem* property taxation for eligible housing construction, conversions, and rehabilitation improvement projects for a duration between eight and twelve years, depending on the circumstances of each project. The goal is to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for housing in urban centers. Among the eligibility requirements, the housing must be located in a residentially targeted area as designated by the city or county. If the recipient of the tax abatement fails to comply with the statutory requirements of this Chapter a lien will be placed on the property in the amount of the real property taxes that would normally be imposed, plus a penalty and interest.

Multipurpose Sports and Entertainment Facility Deferral

RCW 82.32.558 allows qualifying businesses to apply for a deferral of state and local sales and use taxes for multipurpose sports and entertainment facilities, associated parking structures, plazas and public space projects intended to attract professional ice hockey and basketball league franchises. Qualifying businesses receive a certificate for the taxes abated which expires upon project completion. Abated local sales and use taxes, and interest accrued from the date of project completion, may be repaid in annual installments beginning on January 1st of the year following the year of project completion. State sales and use taxes, along with aforementioned interest, must be paid back by June 30, 2023. If the project is not complete within three calendar years from the date the certificate was issued, the amount of taxes outstanding for the project become immediately due and payable. The debt for taxes due is not extinguished by insolvency.

Machinery and Equipment Used to Generate Solar Electricity

RCW 82.08.962(1)(c)(i)(B) grants taxpayers a remittance for 50 percent of the state and local sales tax paid in connection with the purchase of machinery and equipment – and the labor and services rendered in connection to installing such machinery and equipment – that is used directly in the generation of electricity by a solar energy system. The system is required to be capable of producing more than 100 kilowatts alternating current (AC) but no more than 500 kilowatts AC of electricity. Further, the Department of Labor and Industries must certify that the project includes: the procurement from and contracts with women, minority, or veteran-owned businesses – all who

have a history of complying with state and federal wage and hour laws and regulations; apprenticeship utilization; and preferred entry for workers living in the area where the project is being constructed.

Data Center Server Equipment and Power Infrastructure Exemption

RCW 82.08.9861 and 82.12.9861 provide an exemption from the sales and use tax associated with the purchase, and related installation costs, of eligible data center server equipment. The exemption also applies to purchases and labor costs associated with repairing, altering, or improving power infrastructure at an eligible computer data center. For a business to qualify it must be located in a county with a population over 800,000; must demonstrate that it has a minimum of 1.5 megawatts of available power; and, must evidence that within six years of receiving the exemption certificates the net employment of the data center has increased by a minimum of three family-wage employment positions for each incremental 20,000 square feet of additional space dedicated to housing working servers. Should a recipient of the above exemptions fail to meet the requirements within these sections, all previously exempted sales and use taxes become immediately due and payable.

Aerospace Incentives

The state of Washington provides seven tax abatement and incentive programs to the aerospace industry to encourage the industry's continued presence in the state of Washington.

RCWs 82.04.260(11), 82.04.290(3), and 82.04.250(3) allow for a reduced business and occupation (B&O) tax for manufacturers and processors for hire of commercial airplanes, component parts of commercial airplanes, or tooling designed for use in manufacturing commercial airplanes or components; non-manufacturers engaged in the business of aerospace product development; and certificated Federal Acquisition Regulation (FAR) repair stations making retail sales.

The purchase of goods and services, including labor, for the construction of new buildings used to manufacture commercial airplanes or fuselages or wings of commercial airplanes are exempt from sales and use tax per RCWs 82.08.980 and 82.12.980. The exemption also applies to new buildings or parts of new buildings used for storing raw materials or finished products used to manufacture commercial airplanes and certain commercial airplane parts. Port districts, political subdivisions, or municipal corporations may also use the sales and use tax exemption when constructing new facilities to lease to these manufacturers.

RCW 82.04.4461 allows a business and occupation tax credit equal to 1.5 percent of expenditures on aerospace product development performed within Washington.

Per RCW 82.04.4463, manufacturers and processors for hire of commercial airplanes or their component parts and aerospace tooling manufacturers are eligible for a business and occupation tax credit equal to the property and leasehold taxes paid on certain buildings, land, and the increased value from certain building renovations or expansions, as well as a portion of property taxes paid on certain machinery and equipment. Eligibility for the credit requires the building, land, and/or machinery and equipment be used exclusively in manufacturing commercial airplanes or their components or in manufacturing tooling specifically designed for use in manufacturing commercial airplanes or their components.

Non-manufacturers engaged in the business of aerospace product development and certificated FAR repair stations making retail sales are eligible for a business and occupation tax credit equal to property and leasehold taxes on certain buildings, land, and the increased value of renovated buildings, and qualifying computer equipment and peripherals under RCW 82.04.4463. Eligibility for the credit requires the building, land, and/or computer equipment and peripherals be used exclusively in aerospace product development or in providing aerospace services.

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

Leasehold interests in port district facilities used by a manufacturer of super-efficient airplanes are exempt from leasehold excise tax per RCW 82.29A.137. In addition, all buildings, machinery, equipment, and other personal property of a lessee of a port district used exclusively in manufacturing super-efficient airplanes is exempt from property taxation per RCW 84.36.655.

The following table shows the amount of taxes attributable to activities in King County abated by the State of Washington during the calendar year ended December 31, 2023 (in thousands):

Tax Abatement Program	Total Amount of Taxes Abated
High-Technology Sales and Use Tax Deferral	\$ 690
Multi-Unit Urban Housing Exemption	16,573
Multi-Purpose Sports and Entertainment Facility Deferral	D*
Sale of Machinery and Equipment Used to Generate Solar Electricity	D*
Data Center Server Equipment and Power Infrastructure Exemption	D*
Aerospace incentives: Computer Hardware, Software and Peripherals sales and use tax exemption	82

*Washington State cannot disclose these amounts as fewer than three taxpayers received these exemptions and would thereby be disclosing the confidential tax information of these recipients (RCW 82.32.330(2)).

Note 7

Capital Assets

Primary Government

Governmental activities include capital assets of governmental internal service funds. A summary of changes in capital assets for the governmental activities is shown below (in thousands):

	Balance 01/01/2023	Additions	Retirements / WIP Deductions	Transfers / Reclassifications	Balance 12/31/2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 794,992	\$ 26,368	\$ (252)	\$ —	\$ 821,108
Rights-of-way and easements	509,222	7,397	—	—	516,619
Infrastructure – roads and bridges	1,176,730	14,173	—	—	1,190,903
Art collections	10,967	174	—	—	11,141
* Work in progress	291,549	121,934	(38,859)	(205,263)	169,361
Total capital assets not being depreciated	<u>2,783,460</u>	<u>170,046</u>	<u>(39,111)</u>	<u>(205,263)</u>	<u>2,709,132</u>
Capital assets being depreciated:					
Buildings	1,483,535	12,397	(1,249)	14,436	1,509,119
Leasehold improvements	52,442	—	—	—	52,442
Improvements other than buildings	226,768	—	(150)	91,370	317,988
* Infrastructure – levees	66,147	—	—	40,259	106,406
Furniture, machinery and equipment	337,080	35,765	(119,161)	34,555	288,239
Software	173,045	3,007	(11,534)	24,661	189,179
Total capital assets being depreciated	<u>2,339,017</u>	<u>51,169</u>	<u>(132,094)</u>	<u>205,281</u>	<u>2,463,373</u>
Less accumulated depreciation for:					
Buildings	(634,752)	(44,345)	16	(8)	(679,089)
Leasehold improvements	(14,955)	(8,125)	—	—	(23,080)
Improvements other than buildings	(59,084)	(10,425)	150	8	(69,351)
Infrastructure – levees	(10,221)	(2,738)	—	—	(12,959)
Furniture, machinery and equipment	(211,513)	(32,095)	44,742	(2)	(198,868)
Software	(135,032)	(16,476)	11,534	—	(139,974)
Total accumulated depreciation	<u>(1,065,557)</u>	<u>(114,204)</u>	<u>56,442</u>	<u>(2)</u>	<u>(1,123,321)</u>
Total capital assets being depreciated, net	<u>1,273,460</u>	<u>(63,035)</u>	<u>(75,652)</u>	<u>205,279</u>	<u>1,340,052</u>
Lease assets, net (see Note 12)	<u>202,704</u>	<u>(1,902)</u>	<u>(12,813)</u>	<u>(16,778)</u>	<u>171,211</u>
* Subscription-based assets, net (see Note 12)	<u>1,332</u>	<u>(481)</u>	<u>—</u>	<u>—</u>	<u>851</u>
Governmental activities capital assets, net	<u>\$ 4,260,956</u>	<u>\$ 104,628</u>	<u>\$ (127,576)</u>	<u>\$ (16,762)</u>	<u>\$ 4,221,246</u>

Beginning Balance Adjustment

Items above that are placed by an asterisk (*) had their beginning balance restated.

Beginning work in progress was restated by \$4.6 million. Four million dollars for overreporting of Flood Control District project costs and \$560 thousand for underreported WIP in service from standalone statements.

Beginning Infrastructure – Levees was restated by \$560 thousand for underreported Flood Control District levees in service from standalone statements.

Beginning subscription-based assets was restated to include the net right-to-use asset balance under Statement No. 96 of the Governmental Accounting Standards Board (Subscription Based Information Technology Arrangements).

A summary of the changes in capital assets for the business-type activities is shown below (in thousands):

	Balance 01/01/2023	Additions	Retirements / WIP Deductions	Transfers / Reclassifications	Balance 12/31/2023
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 446,216	\$ 1,372	\$ (2)	\$ —	\$ 447,586
Rights-of-way and easements	31,199	—	(12,949)	35	18,285
Art collections	4,394	—	—	—	4,394
Work in progress	758,894	452,174	—	(105,724)	1,105,344
Total capital assets not being depreciated	1,240,703	453,546	(12,951)	(105,689)	1,575,609
Capital assets being depreciated:					
Buildings	3,723,324	2,674	(419,736)	14,464	3,320,726
Leasehold Improvements	2,426	—	—	—	2,426
Improvements other than buildings	583,309	—	(1,083)	(187)	582,039
Rights-of-way – temporary easement	7,635	—	—	—	7,635
Infrastructure – water quality	2,607,092	—	(1,057)	20,463	2,626,498
Furniture, machinery and equipment	3,137,541	20,735	(76,187)	68,507	3,150,596
Software	139,244	—	(12,188)	2,425	129,481
Total capital assets being depreciated	10,200,571	23,409	(510,251)	105,672	9,819,401
Less accumulated depreciation for:					
Buildings	(2,057,954)	(83,307)	280,685	—	(1,860,576)
Leasehold Improvements	(1,846)	(50)	—	—	(1,896)
Improvements other than buildings	(287,420)	(22,712)	884	—	(309,248)
Rights-of-way – temporary easement	(2,453)	(218)	—	—	(2,671)
Infrastructure – water quality	(874,898)	(53,043)	769	—	(927,172)
Furniture, machinery and equipment	(2,052,680)	(177,836)	74,644	1	(2,155,871)
Software	(109,204)	(11,036)	12,188	—	(108,052)
Total accumulated depreciation	(5,386,455)	(348,202)	369,170	1	(5,365,486)
Total capital assets being depreciated, net	4,814,116	(324,793)	(141,081)	105,673	4,453,915
Lease assets, net (see Note 12)	59,956	38,343	—	16,778	115,077
Subscription-based assets, net (see Note 12)	—	1,223	—	—	1,223
Business-type activities capital assets, net	\$ 6,114,775	\$ 168,319	\$ (154,032)	\$ 16,762	\$ 6,145,824

Depreciation and Amortization Expense

Depreciation/amortization expense was charged to functions of the governmental activities of the primary government as follows (in thousands):

	2023
Governmental Activities	
General government services	\$ 50,007
Law, safety and justice	39,952
Physical environment	3,466
Transportation	436
Economic environment	9,510
Health and human services	10,824
Culture and recreation	8,435
Capital assets held by the County's governmental internal service funds are charged to governmental activities based on their usage of the assets	16,654
Total depreciation and amortization - governmental activities	<u>\$ 139,284</u>

Additionally, depreciation/amortization expense was reported in the business-type activities of the primary government as follows (in thousands):

	<u>2023</u>
Business-type Activities	
Water Quality	\$ 172,993
Public Transportation	161,761
Solid Waste	18,178
King County International Airport	6,690
Institutional Network	283
Radio Communications	688
Total depreciation and amortization - business-type activities	<u>\$ 360,593</u>

Infrastructure

Roads and Bridges Infrastructure Valuation

The roads and bridges infrastructure network acquired or constructed prior to 2002 is valued at estimated historical cost. Base year estimates of 2001 replacement costs for all existing roads and 1988 replacement costs for all bridges were obtained using standard costing methods with the resultant values being deflated to the acquisition year (or estimated acquisition year, where the actual year was unknown), using the Engineering News Record Construction Cost Index. Retroactive reporting of traffic control elements is based on replacement cost.

Rights-of-Way

Historical costs for infrastructure-related rights-of-way were obtained by estimating replacement costs at 2001 using land assessed valuation data and then deflating the resultant values to the acquisition year (or estimated acquisition year, where the actual year is unknown), using assessed land value indices from the King County Assessor's Office.

Construction Commitments

Project commitments are defined as authorized and planned expenditures for the next fiscal year.

Enterprise Funds

Public Transportation Enterprise - \$297.5 million is committed to the maintenance of existing infrastructure, service delivery and partnership efforts.

Water Quality Enterprise - \$222.8 million is committed to ensuring the continued operation, reliability and compliance with regulatory standards of existing wastewater treatment facilities.

Solid Waste Enterprise - \$35.7 million is committed to improving the County's solid waste regional landfill and maintenance of existing facilities.

Other Enterprises - \$1.9 million is committed for Airport facility improvements within the County.

Capital Projects Funds

\$125.8 million is committed to various capital projects, including: (1) open space and conservation easement acquisitions; (2) development and improvement of trails, playgrounds and ball fields and other cultural facilities; (3) technology initiatives to improve business efficiency, emergency preparedness and network security; (4) flood control projects to protect the ecosystem and public property; (5) preservation of roads and construction of bridges; and (6) improvements and major repairs to office buildings and other facilities.

Discretely Presented Component Units

Harborview Medical Center (HMC)

Capital assets activity for HMC during the fiscal year ended June 30, 2023 (in thousands):

	Balance 7/1/2022	Additions	Retirements	Transfers	Balance 6/30/2023
Capital assets not being depreciated:					
Land	\$ 2,432	\$ —	\$ —	\$ —	\$ 2,432
Work in progress	12,521	24,343	—	(10,101)	26,763
Total capital assets not being depreciated	<u>14,953</u>	<u>24,343</u>	<u>—</u>	<u>(10,101)</u>	<u>29,195</u>
Capital assets being depreciated:					
Buildings	459,243	—	—	7,463	466,706
Improvements other than buildings	21,536	—	—	—	21,536
Equipment	323,102	9,155	(41,549)	2,638	293,346
Total capital assets being depreciated	<u>803,881</u>	<u>9,155</u>	<u>(41,549)</u>	<u>10,101</u>	<u>781,588</u>
Less accumulated depreciation for:					
Buildings	(258,074)	(14,729)	—	—	(272,803)
Improvements other than buildings	(13,686)	(1,172)	—	—	(14,858)
Equipment	(280,334)	(12,494)	41,549	—	(251,279)
Total accumulated depreciation	<u>(552,094)</u>	<u>(28,395)</u>	<u>41,549</u>	<u>—</u>	<u>(538,940)</u>
Lease assets, net (see Note 12 for detail)	<u>157,857</u>	<u>(6,077)</u>	<u>—</u>	<u>—</u>	<u>151,780</u>
HMC capital assets, net	<u>\$ 424,597</u>	<u>\$ (974)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 423,623</u>

Beginning Balance Adjustment

Beginning balances for HMC are restated due to the implementation of GASB Statement No. 87, Leases.

Note 8

Restricted Assets

Within the Statement of Net Position are amounts that are restricted as to their use. In some funds, these amounts appear under both current and noncurrent assets because the County classifies the restricted asset to align with any associated liabilities. The restricted assets for these funds are summarized below (in thousands):

Proprietary Funds

<u>Public Transportation</u> - restricted for net pension asset, future construction projects, and obligations.	\$ 160,217
<u>Solid Waste</u> - restricted for net pension asset, construction projects, landfill closure and post-closure care costs.	76,576
<u>Water Quality</u> - restricted for net pension asset, debt service, reserves and obligations.	201,129
<u>King County International Airport</u> - restricted for net pension asset, construction projects and obligations.	2,715
<u>Radio Communications Services</u> - restricted for net pension asset and construction projects and obligations.	497
<u>iNet</u> - restricted for net pension asset and construction projects and obligations.	152
<u>Business Resource Center</u> - restricted for net pension asset.	2,689
<u>Construction and Facilities Management</u> - restricted for net pension asset and construction projects.	7,133
<u>Employee Benefits Program</u> - restricted for net pension asset.	671
<u>Financial Management Services</u> - restricted for net pension asset and construction projects.	5,130
<u>Insurance</u> - restricted for net pension asset and construction projects.	908
<u>King County Geographic Information Systems</u> - restricted for net pension asset.	702
<u>King County Information Technology Services</u> - restricted for net pension asset.	15,634
<u>Motor Pool Equipment Rental</u> - restricted for net pension asset.	1,801
<u>Safety & Workers' Compensation</u> - restricted for net pension asset.	843
Total Proprietary Funds restricted assets	<u>\$ 476,797</u>

Component Unit - Harborview Medical Center (HMC)

HMC Special Purpose Fund - restricted donations, gifts and bequests from various sources for specific uses.	\$ 16,926
Total HMC restricted assets	<u>\$ 16,926</u>

Component Unit - Cultural Development Authority of King County (CDA)

<u>1% for Art Fund</u> - restricted for net pension asset and the one percent for public art programs operated for the benefit of King County.	\$ 20,431
<u>Cultural Special Account and Other Funds</u> - restricted for arts and heritage cultural programs.	25,831
Total CDA restricted assets	<u>\$ 46,262</u>

Component Unit - NJB Properties

<u>Non-bond Proceeds Fund</u> - restricted for costs of the NJB Project	\$ 28
<u>Revenue Fund</u> - restricted for transfers to the Bond Fund and authorized administrative fees	825
<u>Bond Fund</u> - restricted for interest and principal on the bonds	39
Total NJB Properties restricted assets	<u>\$ 892</u>

Note 9

Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year 2023:

Aggregate Pension Amounts - All Plans (in thousands)	
Pension liabilities	\$ 193,169
Pension assets	524,576
Deferred outflows of resources related to pensions	422,663
Deferred inflows of resources related to pensions	275,931
Pension expense/expenditures	(47,191)

Substantially all of the County's full-time and qualifying part-time employees participate in one of the following retirement plans: Public Employees' Retirement System (PERS) Plan 1, 2 and 3; Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 and 2; Public Safety Employees' Retirement System (PSERS) Plan 2; and Seattle City Employees' Retirement System (SCERS).

PERS, LEOFF and PSERS are 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 statewide 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 comprehensive annual financial report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

Or the DRS annual comprehensive financial report may be downloaded from the DRS website at www.drs.wa.gov.

The Seattle City Employees' Retirement System (SCERS) is a multiple employer defined benefit public employee retirement plan administered by the Retirement System Board of Administration. The seven-member Board of Administration establishes and amends laws pertaining to the administration of SCERS.

The Employees' Retirement System issues an independent financial report. A copy of the report is available from the Seattle City Employees' Retirement System at 720 Third Avenue, Suite 900, Seattle, WA 98104; by telephone at 206-386-1293; or by accessing the website <http://www.seattle.gov/retirement>.

Public Employees' Retirement System (PERS)

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

PERS Plan 1

Benefits Provided: PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may

receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions: The PERS Plan 1 member contribution rate is established by State statute at 6.00 percent. The employer contribution rate is developed by the Office of the State Actuary (OSA) and includes an administrative expense component that was set at 0.18 percent January through August 2023, and 0.20 percent September through December 2023. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January through June 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative fee	0.18%	
Total	10.39%	6.00%
July through August 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative fee	0.18%	
Total	9.39%	6.00%
July through August 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative fee	0.20%	
Total	9.53%	6.00%

*For employees participating in JBM, the contribution rate was 12.26% from January through December 2023.

The County's actual contributions to the plan were \$53.6 million for the year ended December 31, 2023.

PERS Plans 2 and 3

Benefits Provided: PERS Plans 2 and 3 (PERS 2/3) provide retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the average of the member's 60 highest paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS 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 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

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

PERS 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI) capped at three percent annually, and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS Plan 2 members are vested after completing five years of

eligible service. PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

The Judicial Branch Multiplier (JBM) program began January 1, 2007. It gives eligible justices and judges an option to increase the benefit multiplier used, along with service credit years and average final compensation, to set the retirement benefit. The JBM program increases the multiplier for Plan 2 to 3.5 percent (from 2.0 percent for non-JBM participants) and for Plan 3 to 1.6 (from 1.0 percent for non-JBM participants).

Contributions: The PERS 2/3 employer and employee contribution rates are developed by the OSA to fully fund Plan 2 and the defined benefit portion of Plan 3. PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability and an administrative expense that was set at 0.18 percent January through August 2023, and 0.20 percent September through December 2023. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The PERS 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 2/3			
Actual Contribution Rates:	Employer 2/3	Employee 2*	Employee 3**
January through June 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%		
Administrative fee	0.18%		
Total	10.39%	6.36%	Varies
July through August 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%		
Administrative fee	0.18%		
Total	9.39%	6.36%	Varies
September through December 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative fee	0.20%		
Total	9.53%	6.36%	Varies

* For employees participating in the JBM, the contribution rate was 15.90% from January through December 2023 for PERS 2 members.

**For employees participating in the JBM, the contribution rate was 7.50% from January through December 2023 for PERS 3 members.

The County's actual contributions to the plan were \$95.1 million for the year ended December 31, 2023.

Public Safety Employees' Retirement System (PSERS)

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

- Have completed a certified criminal-justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or

- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

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

PSERS covered employers include:

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

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

Contributions: The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2. The Plan 2 employer rate includes components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense was set at 0.18 percent January through August 2023, and 0.20 percent September through December 2023. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The PSERS Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January through June 2023		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.63%	6.60%
July through August 2023		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.63%	6.60%
September through December 2023		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.90%	6.73%

The County's actual contributions to the plan were \$3.7 million for the year ended December 31, 2023.

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

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

LEOFF Plan 1

Benefits Provided: 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 consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of-living adjustment, and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF Plan 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 1 had no required employer or employee contributions for fiscal year 2023. Employers paid only the administrative expense of 0.18 percent of covered payroll January through August 2023, and 0.20 percent of covered payroll September through December 2023.

LEOFF Plan 2

Benefits Provided: LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF Plan 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI),

capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF Plan 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 OSA to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent January through August 2023, and 0.20 percent September through December 2023. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2023.

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

LEOFF 2		
Actual Contribution Rates:	Employer	Employee
January through August 2023	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
September through December 2023	5.12%	8.53%
Administrative Fee	0.20%	
Total	5.32%	8.53%

The County's actual contributions to the plan were \$7.2 million for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the State contributed \$88.0 million to LEOFF Plan 2. The amount recognized by the County as its proportionate share of special funding is \$4.3 million.

Seattle City Employees' Retirement System (SCERS)

SCERS is a cost-sharing, multiple-employer retirement plan administered in accordance with Chapter 4.36 of the Seattle Municipal Code. County employees of METRO and Public Health - Seattle and King County who have established membership in SCERS remain covered by the City Retirement System.

Benefits Provided: SCERS provides retirement, disability and death benefits. Employees covered by this plan may retire after 30 years of service regardless of age; after age 52 with 20 years or more of service; after age 57 with 10 or more years of service; and after age 62 with five or more years of service. Disability retirement is available after 10 years of service. The unmodified monthly retirement allowance is based on a percentage of average salary for every year of service to a maximum of 60 percent. The average salary for this plan is defined as the highest consecutive 24-months' average rate of pay. The percentage for each year of service used to compute the retirement benefit depends on the age at retirement and the years of service. It ranges from 1.2 percent at age 52 with 20 years of service to a maximum of 2 percent for each year of service. The maximum allowance a member can receive is the unmodified plan, which has no provision for a beneficiary and, at the member's death, stops all payments. Several optional retirement benefit formulas exist which provide for beneficiaries with reduced monthly allowances.

Contributions: The SCERS member contribution rate is 10.03 percent of compensation except for members qualifying for lower rates prior to June 1972. The County is required to contribute at an actuarially determined rate. The current rate is 16.20 percent of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the Board of Administration. The SCERS Plan required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

SCERS		
Actual Contribution Rates:	Employer	Employee
January through December 2022	16.20%	10.03%

The County's actual contributions to the plan were \$204 thousand for the year ended December 31, 2023.

Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022.

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

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

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

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

- The Joint-and-Survivor Factors and Early Retirement Factors were updated in the model. These factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors recently provided to DRS for future implementation that reflect current demographic and economic assumptions.
- The economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board were updated. The investment return assumption was reduced from 7.50 (7.40 for LEOFF 2) to 7.00 percent, and the salary growth assumption was lowered from 3.50 to 3.25 percent. This action is a result of recommendations from our biennial economic experience study.
- The WSPRS general salary growth assumptions were increased for FY 2023 from 3.25 to 10.00 percent consistent with the increases included in the 2022 supplemental budget (Chapter 297, Laws of 2022, Sec 913 [2] and 914 [2]). The understanding is this increase will apply to all troopers and will be granted in addition to the other salary increases for experience and promotions. Therefore, no adjustment for the service-based salary increases assumption.

The total pension liability (TPL) for SCERS pension plan was determined by an actuarial valuation as of December 31, 2022. The actuarial assumptions used in the valuation were based on an actuarial experience study for the period January 1, 2014 through December 31, 2018. The following actuarial assumptions were applied to all periods including the measurement period.

- Inflation: 2.60 percent
- Salary increases: 3.35 percent
- Investment rate of return: 6.75 percent compounded annually, net of expenses

Mortality rates for the SCERS plan were based on Pub G-2010 mortality tables and using generational projection of improvement using MP-2021 Ultimate projection scale.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. 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 percent was used to determine the liability.

The discount rate used to measure the total pension liability for SCERS pension plan was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the participating governmental entity contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine the total pension liability.

Long-Term Expected Rate of Return

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

The long-term expected rate of return on the SCERS pension plan investments of 6.75 percent was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the DRS pension plan's target asset allocation as of June 30, 2023 are summarized in the table below. The inflation component used to create the table is 2.20 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Percent Long-term Expected Real Rate of Return Arithmetic
Fixed Income	20.0%	1.5%
Tangible Assets	7.0%	4.7%
Real Estate	18.0%	5.4%
Global Equity	32.0%	5.9%
Private Equity	23.0%	8.9%
	100.0%	

Best estimates of geometric real rates of return for each major asset class included in the SCERS pension plan's target asset allocation as of December 31, 2021 are summarized in the chart that follows:

Asset Class	Percent Long-term Expected Real Rate of Return Geometric
Equity: Public	4.9%
Equity: Private	7.5%
Fixed Income: Core	2.1%
Fixed Income: Credit	5.3%
Real Assets: Real Estate	3.0%
Real Assets: Infrastructure	4.4%

Sensitivity of Net Pension Liability (Asset)

The table below presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent (6.75 percent for SCERS), as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent, 5.75 percent for SCERS) or one percentage point higher (8.0 percent, 7.75 percent for SCERS) than the current rate.

Sensitivity of Net Pension Liability (Asset) (in thousands)			
Plans	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1	\$ 269,206	\$ 192,692	\$ 125,914
PERS 2/3	465,474	(427,975)	(1,161,999)
PSERS 2	11,890	(7,668)	(23,104)
LEOFF 1	(15,930)	(17,966)	(19,731)
LEOFF 2	11,750	(70,967)	(138,665)

Sensitivity of Net Pension Liability (in thousands)			
Plans	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
SCERS	\$ 681	\$ 477	\$ 306

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' and SCERS plan's fiduciary net position are available in the separately issued DRS and City of Seattle financial reports.

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

At December 31, 2023, the County reported a total pension liability of \$193.2 million and total pension asset of \$524.6 million for its proportionate share of the net pension liabilities (assets) as follows:

Net Pension Liability (Asset) (in thousands)	
PERS 1	\$ 192,692
PERS 2/3	(427,975)
PSERS 2	(7,668)
LEOFF 1	(17,966)
LEOFF 2	(70,967)
SCERS	477

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

Net Pension Asset (in thousands)	LEOFF 1	LEOFF 2
County's proportionate share	\$ (17,966)	\$ (70,967)
State's proportionate share of the net pension asset associated with King County	(121,519)	(45,319)
TOTAL	\$ (139,485)	\$ (116,287)

The County's proportionate share of the collective net pension liabilities/assets was as follows:

Collective Net Pension Liabilities/Assets			
	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	8.27%	8.44%	0.17%
PERS 2/3	10.31%	10.44%	0.13%
PSERS 2	7.09%	7.23%	0.14%
LEOFF 1	0.60%	0.61%	0.01%
LEOFF 2	2.77%	2.96%	0.19%

Collective Net Pension Liabilities			
	Proportionate Share 12/31/21	Proportionate Share 12/31/22	Change in Proportion
SCERS	0.03%	0.03%	0.00%

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

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

In fiscal year 2023, the State of Washington contributed 38.97 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61.03 percent of employer contributions.

The collective net pension liability (asset) for all DRS pension plans was measured as of June 30, 2023, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2021, with update procedures used to roll forward the total pension liability to the measurement date.

The collective net pension liability for SCERS was measured as of January 1, 2022, and the actuarial valuation date on which the total pension liability was based was as of January 1, 2022, with update procedures used to roll forward the total pension liability to the measurement date taking into account any significant changes between the valuation date and the fiscal year end.

Pension Expense

For the year ended December 31, 2023, the County recognized pension expense as follows:

Pension Expense (in thousands)	
PERS 1	\$ 3,533
PERS 2/3	(50,905)
PSERS 2	1,933
LEOFF 1	(1,745)
LEOFF 2	(212)
SCERS	205
TOTAL	\$ (47,191)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
PERS 1		
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(21,737)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	24,986	—
TOTAL	\$ 24,986	\$ (21,737)

	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
PERS 2/3		
Differences between expected and actual experience	\$ 87,178	\$ (4,782)
Net difference between projected and actual investment earnings on pension plan investments	—	(161,287)
Changes of assumptions	179,679	(39,163)
Changes in proportion and differences between contributions and proportionate share of contributions	12,519	(9,965)
Contributions subsequent to the measurement date	49,859	—
TOTAL	\$ 329,235	\$ (215,197)

	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
PSERS 2		
Differences between expected and actual experience	\$ 2,400	\$ (1,973)
Net difference between projected and actual investment earnings on pension plan investments	—	(2,064)
Changes of assumptions	3,431	(1,334)
Changes in proportion and differences between contributions and proportionate share of contributions	196	(382)
Contributions subsequent to the measurement date	1,900	—
TOTAL	\$ 7,927	\$ (5,753)

LEOFF 1	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(1,191)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	—	—
TOTAL	\$ —	\$ (1,191)

LEOFF 2	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 28,988	\$ (584)
Net difference between projected and actual investment earnings on pension plan investments	—	(15,017)
Changes of assumptions	18,129	(5,829)
Changes in proportion and differences between contributions and proportionate share of contributions	9,317	(10,514)
Contributions subsequent to the measurement date	3,545	—
TOTAL	\$ 59,979	\$ (31,944)

SCERS	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Differences between expected and actual experience	\$ 1	\$ (6)
Net difference between projected and actual investment earnings on pension plan investments	83	—
Changes of assumptions	29	—
Changes in proportion and differences between contributions and proportionate share of contributions	423	(103)
Contributions subsequent to the measurement date	—	—
TOTAL	\$ 536	\$ (109)

Deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an addition to the net pension asset in the subsequent year. 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 (in thousands)
2024	\$ (14,789)
2025	(18,598)
2026	11,468
2027	182
2028	—
Thereafter	—

Year ended December 31:	PERS 2/3 (in thousands)
2024	\$ (75,324)
2025	(92,191)
2026	135,152
2027	47,943
2028	47,241
Thereafter	1,358

Year ended December 31:	PSERS 2 (in thousands)
2024	\$ (1,280)
2025	(1,587)
2026	1,503
2027	208
2028	227
Thereafter	1,203

Year ended December 31:	LEOFF 1 (in thousands)
2024	\$ (817)
2025	(1,025)
2026	636
2027	15
2028	—
Thereafter	—

Year ended December 31:	LEOFF 2 (in thousands)
2024	\$ (5,925)
2025	(8,350)
2026	13,018
2027	4,684
2028	5,015
Thereafter	16,048

Year ended December 31:	SCERS (in thousands)
2023	\$ 124
2024	103
2025	100
2026	89
2027	11
Thereafter	—

As of December 31, 2023, the County reported restricted net position related to the net pension asset as follows:

Restricted Net Position (in thousands)	
PERS 2/3	\$ 542,014
PSERS 2	9,841
LEOFF 1	16,774
LEOFF 2	99,003

Component Unit - Harborview Medical Center (HMC)

HMC personnel are University of Washington (UW) employees. HMC faculty and professional staff participate in the University of Washington Retirement Plan (UWRP), an IRC Section 403(b) defined contribution retirement plan, authorized by the Board of Regents. HMC staff participate in a plan authorized by the State of Washington Department of Retirement Systems (DRS). Plan participation is defined by position, with the majority of HMC employees enrolled in one of the three Public Employees' Retirement Systems (PERS) plans.

All plans include contributions by both employee and employer. Employee contributions are tax-deferred. Employer contributions are paid semi-monthly by the UW in accordance with rates specified by the retirement systems.

Component Unit - Cultural Development Authority of King County (CDA)

All eligible CDA personnel participate in PERS, a statewide local government retirement system administered by the DRS under cost-sharing, multiple-employer defined benefit plans. CDA's net pension asset (PERS 2/3), net pension liability (PERS 1), deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023 were \$797 thousand, \$377 thousand, \$701 thousand and \$455 thousand, respectively.

Note 10

Defined Benefit Other Postemployment Benefit (OPEB) Plan

The County is required to accrue other postemployment benefit (OPEB) expense related to its postretirement health care plan based on a computed total OPEB liability. Instead of recording expense on a "pay-as-you-go" basis, the County has recorded a liability of \$94.1 million for the difference between the actuarially calculated liability and the estimated contributions made.

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement No. 75 for the year ended December 31, 2023 (in thousands):

Aggregate OPEB Amounts (in thousands)	
OPEB liabilities	\$ 94,114
OPEB assets	—
Deferred outflows of resources	10,461
Deferred inflows of resources	23,681
OPEB expense/expenditures	4,213

The County's total OPEB liability was measured as of December 31, 2023 using an actuarial valuation as of December 31, 2022.

Plan Description The King County Health Plan (the Health Plan) is a single-employer defined-benefit health care plan administered by the County. The Health Plan provides medical, dental, prescription drug, and vision benefits to eligible retirees, their spouses, and children. Retiree premiums for dental and vision plans are assumed to cover the full cost of those benefits. The Health Plan does not issue a separate stand-alone financial report.

LEOFF 1 retirees, representing less than 2 percent of plan participants, are not required to contribute to the Health Plan. All other retirees are required to pay into the health plan by contributing 100 percent of the rate established by the County for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). As a self-insurer, COBRA rates are set by the County each budget year. At December 31, 2022 (the census date) the following employees were covered by the Health Plan.

OPEB Census	
Inactive employees or beneficiaries currently receiving benefits	510
Inactive employees entitled to, but not yet receiving benefits	—
Active employees	14,525
Total	15,035

For the fiscal year ended December 31, 2023, the County contributed an estimated \$6.4 million to the Health Plan to pay for retiree benefits. The County's contribution was entirely to fund "pay-as-you-go" costs under the Health Plan and not to pre-fund benefits. Accordingly, there are no assets in a qualifying trust.

Actuarial Methods and Assumptions The basis of benefit projections for financial reporting purposes is the substantive plan (the Health Plan as understood by the County and members of the Health Plan) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County and Members of the Health Plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2022 valuation used the entry-age normal, level percentage of salary actuarial cost method. The actuarial assumptions included an initial annual health care cost trend rate of 6.80 percent reduced by decrements to an ultimate rate of 4.14 percent over 51 years. The Medicare premium trend rate is 4.17 percent reduced by decrements to an ultimate rate of 4.14 percent over 51 years. All trend rates include a 2.75 percent inflation assumption and 3.25 percent salary increase assumption. County employees have multiple medical plans to select from during and after employment. Plan Members are assumed to retain the same medical plan after retirement as they selected while an employee before retirement, including an assumption that employees choosing not to enroll

in a County medical plan before retirement will not select a County medical plan after retirement. Mortality rates were based on tables from the Society of Actuaries.

These assumptions reflect the County’s best estimates. The following presents the total OPEB liability of the County calculated using the current healthcare cost trend rate of 6.80 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands).

	1% Decrease	Current Trend Rate	1% Increase
	5.80%	6.80%	7.80%
Total OPEB Liability	\$ 85,425	\$ 94,114	\$ 104,117

Discount Rate The discount rate used to measure the total OPEB liability is 3.77 percent. The County’s OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

The following presents the total OPEB liability of the County calculated using the discount rate of 3.77 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands).

	1% Decrease	Current Discount Rate	1% Increase
	2.77%	3.77%	4.77%
Total OPEB Liability	\$ 100,553	\$ 94,114	\$ 88,090

Changes in the Total OPEB Liability The County’s actuarial analysis used a measurement date of December 31, 2023. For the current reporting period, the following schedule includes changes in the total OPEB liability since last year (in thousands).

Current Year Changes in OPEB Liability (in thousands)	
	Total OPEB Liability
Balance at 1/1/2023	\$ 92,158
Changes for the Year:	
Service cost	2,936
Interest	3,723
Changes of benefit terms	—
Difference between expected and actual experience	(65)
Changes of assumptions	1,728
Benefit payments	(3,477)
Other changes	(2,889)
Net changes	1,956
Balance at 12/31/2023	\$ 94,114

The County recognized \$4.2 million in OPEB expense for the year. There were no changes to the plan benefits in 2023. Changes in actuarial assumptions for the valuation dated December 31, 2022 included decreasing the discount rate to 3.77 percent from 4.05 percent.

Deferred Inflows and Deferred Outflows At December 31, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows (in thousands):

Composition of Deferred Inflows and Deferred Outflows		
(in thousands)		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,264	\$ (4,774)
Changes of assumptions	4,197	(18,907)
Total	\$ 10,461	\$ (23,681)

The County did not make payments subsequent to the measurement date, which otherwise would have been reported as a deferred outflow of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Amortization of Deferred Inflows and Deferred Outflows	
(in thousands)	
Year ended December 31:	Amount
2024	\$ (2,445)
2025	(2,445)
2026	(2,445)
2027	(2,042)
2028	(1,651)
Thereafter	(2,192)
Total	\$ (13,220)

Component Unit - Harborview Medical Center (HMC)

OPEB are benefits provided to retired employees (and their spouses) beyond those provided by their pension plans. These programs for employees of the state of Washington are administered by the Washington State Health Care Authority (HCA). Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine terms and conditions of employee and retired employee participation and coverage. Benefits provided by this single-employer defined-benefit OPEB plan include medical, prescription drug, life, dental, vision, disability, and long-term care insurance. Medical, prescription drug, and vision insurance comprise the bulk of the monetary assistance, or subsidies, provided by PEBB OPEB. The Office of the State Actuary determines the total OPEB obligations at the state level using individual state employee data, including age, retirement eligibility, and length of service.

Based on the University's benefit load, apportionment, Harborview incurred and paid \$4.0 million in both fiscal years 2022 and 2023, related to annual OPEB funding, which is recorded in employee benefits expense in the statements of revenues, expenses, and changes in net position. Because Harborview is not part of the University's financial reporting entity and Harborview does not directly fund the employer contribution to HCA, Harborview does not record an OPEB liability in the statements of net position.

Component Unit - Cultural Development Authority (CDA)

The CDA's OPEB plan is a single-employer defined-benefit health care plan administered by the Public Employees Benefit Board (PEBB). The plan provides medical and dental benefits to eligible retirees, their spouses and children.

The following table represents the aggregate OPEB amounts for the plan subject to the requirements of GASB Statement No. 75 for the year ended December 31, 2023 (in thousands):

Aggregate OPEB Amounts (in thousands)	
OPEB liabilities	\$ 1,109
OPEB assets	—
Deferred outflows of resources	12
Deferred inflows of resources	—
OPEB expense	(93)

CDA recognized \$(93) thousand in OPEB expense for the year. There were no changes to the plan benefits in 2023. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

At June 30, 2023, there were 41 total employees in the plan, including nine inactive employees or beneficiaries currently receiving benefits, no inactive employees entitled to but not yet receiving benefits, and 32 active employees.

Actuarial Methods and Assumptions

The total OPEB liability was calculated using the alternate measurement method model provided by the Office of the State Actuary with an actuarial valuation and measurement date of June 30, 2023, using the entry age actuarial cost method. The actuarial assumptions included a discount rate of 3.54 percent and 3.65 percent, respectively, for the beginning and end of the measurement year, projected salary changes of 3.25 percent plus service-based increases, and an inflation rate of 2.35 percent. The actuarial assumptions included an initial healthcare cost trend rate of 2.00 percent to 16.00 percent, reaching an ultimate rate of approximately 3.80 percent in 2075.

The following presents the total OPEB liability calculated using the current healthcare cost trend rate of 2.00-16.00 percent decreasing to 3.80 percent by 2075, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (8.00 percent) or 1-percentage point higher (10.00 percent) than the current rate.

	1% Decrease	Current Rate	1% Increase
	8.00%	9.00%	10.00%
Total OPEB Liability	\$ 929	\$ 1,109	\$ 1,342

The following represents the total OPEB liability calculated using a discount rate of 3.65 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current rate.

	1% Decrease	Current Rate	1% Increase
	2.65%	3.65%	4.65%
Total OPEB Liability	\$ 1,309	\$ 1,109	\$ 949

Changes in the Total OPEB Liability CDA's actuarial analysis used a measurement date of June 30, 2023. For the current reporting period, the following schedule includes changes in the total OPEB liability since last year (in thousands).

Current Year Changes in OPEB Liability (in thousands)	
Total OPEB liability at January 1, 2023	\$ 1,226
Changes for the Year:	
Service cost	45
Interest	45
Changes of benefit terms	—
Difference between experience data and assumptions	(183)
Changes of assumptions	—
Benefit payments	(24)
Net changes	(117)
Total OPEB liability at December 31, 2023	\$ 1,109

Deferred outflows of resources of \$12 thousand 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.

Note 11

Risk Management

The County uses three internal service funds to account for and finance property/casualty, workers' compensation and employee medical, pharmacy, dental, and vision benefits self-insurance programs. The County contracts with a plan administrator to process medical, pharmacy, vision and dental claims. County fund/claims managers, together with the Civil Division of the Prosecuting Attorney's Office, are responsible for processing all tort and workers' compensation claims.

Claims settlements and loss expenses are accrued in the three internal service funds for the estimated settlement value of both reported and unreported claims. These funds are responsible for collecting interfund premiums from insured funds and departments for paying claim settlements and for purchasing certain policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures.

Insurance Fund

The Insurance Fund, an internal service fund, accounts for the County's property/casualty program. The fund accounts for the County's exposures to loss due to the tortious conduct of the County, including those exposures commonly covered by general liability, automobile liability, police professional, public officials, errors and omissions and professional malpractice insurance policies. With some exceptions, the County self-insures most liability exposures and purchases reinsurance over its self-insured retentions. With the assistance of an actuary, the Insurance Fund's claims liability is estimated based upon historical claims experience and other actuarial techniques. The estimated liability for probable self-insurance losses (reported and unreported) recorded in the fund as of December 31, 2023, is \$114.7 million.

Changes in the Insurance Fund's estimated claims liability in 2022 and 2023 (in thousands):

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2022	\$ 101,007	\$ 27,143	\$ (35,119)	\$ 93,031
2023	93,031	58,072	(36,358)	114,745

The amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

The current excess liability insurance limits are \$75.0 million (reflecting an increase of \$5.0 million over the prior year) in excess of a \$7.5 million self-insured retention for Transit and \$6.5 million self-insured retention for all other County agencies. In lieu of purchasing the certified terrorism coverage offered by our excess liability insurance carriers, a stand-alone liability terrorism insurance policy is maintained with a limit of \$40.0 million.

Risk Management renewed the County's property insurance policy on July 1, 2023 with FM Global Insurance Company and various other excess property insurers, which includes layered excess Earth Movement coverage. The program maintains a blanket limit of \$750.0 million above a \$1.0 million per occurrence deductible. The program provides an overall Earthquake sublimit of \$100.0 million and a Flood sublimit of \$250.0 million. In lieu of purchasing the certified terrorism coverage offered by our property insurance carriers, a stand-alone property terrorism insurance policy was placed with limits of \$500.0 million.

King County International Airport (Boeing Field) property insurance was renewed with incumbent carrier, AIG. The policy provides a \$279.2 million limit with sub-limits of \$100.0 million for Flood and \$25.0 million for Earthquake coverage.

Risk Management renewed the County's cyber liability insurance for total limits of \$60.0 million above a \$1.0 million deductible for third party losses. As of April 2023, this coverage was increased from \$30.0 million. The program provides coverage for third-party claims arising from failure of network security or protection of data in addition to first-party coverage for security failure, breach, event management, forensic investigations, and business interruption.

In addition to the policies already mentioned, the County has ancillary insurance policies in place to cover some of its other exposures. These are listed in the following table:

COVERAGE	COVERAGE AMOUNT	DEDUCTIBLE
Excess General Liability	\$75 million	\$6.5 million per occurrence; \$7.5 million per occurrence Transit bus losses
Terrorism — Liability	\$40 million	\$100 thousand per occurrence
Terrorism — Property	\$500 million	\$100 thousand per occurrence
Property & Mobile Equipment	\$750 million	\$1 million per occurrence
	\$100 million EQ (Earthquake)	EQ - 5% of location value / \$1 million minimum per location
	\$250 million Flood	Flood - \$1 million per location
Excess Workers' Compensation	Statutory (unlimited)	\$2 million per occurrence
Multi-State Workers' Compensation	Statutory (unlimited)	None
Aircraft Liability & Physical Damage	\$50 million (liability); scheduled value (property)	None
King County International Airport General Liability	\$300 million	None
King County International Airport Property Damage	\$279 million	\$100 thousand per occurrence
Drone Liability	\$5 million (liability); \$115 thousand (physical damage)	None (liability); 5% (physical damage) each loss
Marine Liability & Property Damage	\$150 million (liability); scheduled values (property)	Varies based on vessel and coverage type
Foreign Liability	\$1 million	None (liability); \$500 (each auto)
Fiduciary Liability	\$20 million	\$50 thousand each claim
Fiduciary Liability — Investment Pool	\$10 million	\$50 thousand each claim
Parks Swimming Pools General Liability	\$7 million per occurrence; \$8 million aggregate	\$5 thousand per occurrence
Crime and Fidelity	\$2.5 million	\$50 thousand per loss
Flood Insurance	scheduled value	\$1 - 2 thousand per occurrence
Cyber Liability	\$60 million	\$1 million each incident
PSERN - Inland Marine (Policy cancelled upon asset transfer)	\$25 million	\$5 thousand per occurrence; EQ - \$100 thousand per location; Flood - \$10 thousand per location
PSERN - Site Specific Pollution (Scheduled locations only) (Policy cancelled upon asset transfer)	\$2 million per occurrence; \$4 million aggregate	\$25 thousand (3rd party); \$50 thousand per occurrence (clean-up)
Active Assailant	\$2 million per occurrence; \$4 million aggregate	\$10 thousand each event

Safety and Workers' Compensation Fund

The Safety and Workers' Compensation Fund, an internal service fund, accounts for the County's self-insurance for workers' compensation as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act. Interfund charges are derived from actuarial projections of their future claims and administrative costs. The estimated liability for probable self-insurance losses (reported and unreported) recorded in the financial statements is not discounted due to the low rate of return on investment. As of December 31, 2023, the total claim liability is \$83.4 million.

The County purchases an excess workers' compensation policy that provides statutory limits coverage, and therefore has had no risk exposure over the statutory limits during the last three years. The amount of loss retained by King County (the self-insured retention) under this policy, effective April 1, 2023, was \$2.0 million.

The Fund's claims liability is estimated by an independent actuary. The claim liability represents the estimated ultimate amount to be paid for reported and incurred but not reported claims based on past experience and other actuarial techniques.

Changes in the Safety and Workers' Compensation Fund's claims liability in 2022 and 2023 (in thousands) are shown below:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	\$ 68,203	\$ 34,097	\$ (28,455)	\$ 73,845
2023	73,845	44,762	(35,175)	83,432

Employee Benefits Program Fund

The Employee Benefits Program Fund, an internal service fund, accounts for employee medical, dental, vision, life, accidental death and dismemberment (AD&D) and long-term disability (LTD) benefit programs. Two medical plans, and the pharmacy, dental and vision plans are self-insured. The life, AD&D, and LTD benefit programs are fully insured. Interfund premiums are determined on a per employee, per month basis.

The estimated liability for probable self-insurance losses (reported and unreported) recorded in the fund as of December 31, 2023, is \$23.8 million.

The Fund's claims liability is based on historical experience. Changes in the Employee Benefits Program Fund's claims liability in 2022 and 2023 (in thousands) are shown below:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	\$ 23,280	\$ 297,511	\$ (293,129)	\$ 27,662
2023	27,662	307,418	(311,312)	23,768

Component Unit - Harborview Medical Center (HMC)

HMC is exposed to risk of loss related to professional, automobile and general liability, employment practices, property loss, and injuries to employees. HMC participates in risk pool and professional liability programs managed by the University of Washington to mitigate risk of loss related to these exposures.

Professional and General Liability

The University's professional liability program currently includes self-insured and commercial reinsurance coverage components of which statutory self-insurance coverage is first dollar. HMC's annual contribution to the professional liability program is determined by UW Medicine Finance using information from an annual actuary study conducted by the University administration. Various participants in the program contribute to the self-insurance fund and share in the expenses of the program. HMC's contribution to the professional liability program was \$9.2 million in 2023 and \$5.8 million in 2022, recorded in other expense on the Statements of Revenues, Expenses and Changes in Net Position.

Employee Benefits Program

HMC personnel are employees of the University. Benefit costs are pooled centrally for all University employees. Annually the University reviews total employee benefit costs and prepares standard benefit load rates by employment classification. These benefit costs cover employee healthcare costs, workers' compensation, unemployment, employment taxes and other postretirement benefit plans and retirement plans.

Component Unit - Cultural Development Authority (CDA) of King County

Insurance Fund

Cultural Development Authority of King County (CDA) carries comprehensive general liability and auto liability coverage with a limit of \$20.0 million per occurrence. Commercial property losses are covered up to the replacement cost on file with Enduris Washington. CDA also carries 1) Public Official Errors and Omissions Liability coverage with a limit of \$20.0 million per occurrence for each wrongful act and with an aggregate limit of \$20.0 million per member; 2) Employment Practices Liability coverage with an aggregate limit of \$20.0 million per member; 3) Crime Blanket Coverage with Faithful Performance of Duty with a limit of \$250 thousand per occurrence; 4) Cyber coverage with a limit of \$2.0 million per member aggregate and \$40.0 million per program aggregate; and 5) Identity Fraud expense reimbursement with a limit of \$25 thousand per occurrence and an aggregate limit of \$25 thousand per member.

Employee Benefits Program

The CDA provides its eligible employees with a comprehensive health benefits package through the Public Employees Benefits Board (PEBB), which includes medical, dental, basic life and long-term disability coverage. In addition, the PEBB offers the following optional products: long-term care, auto and home insurance. CDA also offers insurance with American Family Life Assurance Company (AFLAC) and MetLife. With the AFLAC and MetLife coverage, CDA employees can pick from a selection of insurance policies at their own expense. CDA benefits-eligible employees can enroll in FSA through Wageworks, Inc.

Note 12

Leases, Subscription Based Information Technology Arrangements, and Public-Private Partnerships

Lessee and SBITA Activity

King County has entered into various lease agreements as lessee for equipment, office space, radio towers, railroad tracks and land. The County has noncancellable Subscription-Based Information Technology Arrangements (SBITA) for the right to use information technology hardware and software. Assets acquired and liabilities incurred through such agreements for governmental funds and internal service funds are accounted for under governmental activities; assets and liabilities related to enterprise funds are accounted for under business-type activities.

Most leases have initial terms of up to 20 years, and may contain one or more renewals at the County's option, generally for three- or five-year periods. The County has included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees.

The County has several leases with variable payments, or payments that change based upon an economic index like the consumer price index (CPI). For 2023, the total amount paid on such variable payments was \$2.9 million. Additionally, the County retired certain leases before their maturity, substantially all of which were furniture, machinery and equipment leases for copy machines as well as equipment for an emergency radio network. The total outlay for these early retirements was \$447 thousand.

Right-to-use lease and subscription assets relating to lease and subscription agreements as of December 31, 2023 (in thousands) are as follows:

	Right-to-Use Leased and Subscription Assets			
	Governmental Activities			Balance December 31, 2023
	Balance January 1, 2023	Increase	Decrease	
Right-to-use lease and subscription assets:				
Buildings	\$ 201,646	\$ 18,158	\$ (24,718)	\$ 195,086
Leasehold improvements	3,178	—	(615)	2,563
Land	5,330	—	(5,330)	—
Equipment	14,515	4,527	(2,474)	16,568
Subscriptions ^(a)	1,332	230	—	1,562
Total right-to-use lease and subscription assets	<u>226,001</u>	<u>22,915</u>	<u>(33,137)</u>	<u>215,779</u>
Less accumulated amortization:				
Buildings	(17,251)	(19,747)	922	(36,076)
Leasehold improvements	(200)	(200)	64	(336)
Land	(292)	(298)	590	—
Equipment	(4,222)	(4,342)	1,970	(6,594)
Subscriptions	—	(711)	—	(711)
Total accumulated amortization	<u>(21,965)</u>	<u>(25,298)</u>	<u>3,546</u>	<u>(43,717)</u>
Total right-to-use lease and subscription assets, net:	<u>\$ 204,036</u>	<u>\$ (2,383)</u>	<u>\$ (29,591)</u>	<u>\$ 172,062</u>

^(a) Beginning balance of governmental activities subscriptions assets has been restated due to the implementation of GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA).

The County's governmental activities made commitments under lease contracts that were signed on or before December 31, 2023 but that have not yet commenced. Lease contracts of approximately \$8.9 million (not discounted) will appear in future financial reports. The governmental activities have entered into, in the aggregate, only immaterial subscription contracts that have not yet commenced as of December 31, 2023.

	Right-to-Use Leased and Subscription Assets			
	Business-type Activities			Balance December 31, 2023
	Balance January 1, 2023	Increase	Decrease	
Right-to-use lease and subscription assets:				
Buildings	\$ 17,736	\$ 67,363	\$ —	\$ 85,099
Leasehold improvements	7,564	—	—	7,564
Land	37,400	—	(7)	37,393
Furniture, machinery, and equipment	786	—	(121)	665
Easements	3,633	—	—	3,633
Subscriptions	—	1,372	—	1,372
Total right-to-use lease and subscription assets	67,119	68,735	(128)	135,726
Less accumulated amortization				
Buildings	(2,185)	(7,092)	—	(9,277)
Leasehold improvements	(646)	(646)	—	(1,292)
Land	(3,034)	(3,033)	7	(6,060)
Furniture, machinery, and equipment	(227)	(227)	121	(333)
Easements	(1,071)	(1,244)	—	(2,315)
Subscriptions	—	(149)	—	(149)
Total accumulated amortization	(7,163)	(12,391)	128	(19,426)
Total right-to-use lease and subscription assets, net:	\$ 59,956	\$ 56,344	\$ —	\$ 116,300

The County's business-type activities made commitments under subscription contracts that were signed on or before December 31, 2023. Subscription contracts of approximately \$9.7 million (not discounted) will appear in future financial reports. The business-type activities did not enter into material lease contracts that were signed but had not yet commenced as of December 31, 2023.

Future payments

Future minimum lease payments under lease and subscription agreements and the present value of the net minimum payments are shown below as of December 31, 2023 (in thousands):

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 27,419	\$ 2,568	\$ 29,987	\$ 9,767	\$ 2,430	\$ 12,197
2025	20,752	2,284	23,036	9,653	2,601	12,254
2026	19,845	2,023	21,868	9,137	2,455	11,592
2027	14,450	1,778	16,228	6,509	2,325	8,834
2028	11,660	1,606	13,266	4,977	2,256	7,233
2029-2033	44,405	5,479	49,884	20,544	10,186	30,730
2034-2038	31,442	1,754	33,196	9,672	8,506	18,178
2039-2043	2,775	329	3,104	10,893	6,823	17,716
2044-2048	2,155	107	2,262	15,378	4,601	19,979
2049-2053	—	—	—	18,432	1,508	19,940
2054-2058	—	—	—	27	9	36
2059-2063	—	—	—	30	6	36
2064-2068	—	—	—	33	3	36
2069-2073	—	—	—	7	—	7
Total	\$ 174,903	\$ 17,928	\$ 192,831	\$ 115,059	\$ 43,709	\$ 158,768

Amounts in the governmental activities above include a lease payable to NJB Properties, a discretely presented component unit of the County. This balance of \$9.6 million is presented on the Statement of Net Position as "Lease Payable to Component Unit." See "Component Unit - NJB Properties" below for additional information.

County as Lessor

The County currently leases some of its property to various tenants under long-term, renewable contracts. In the governmental activities, the County leases land, buildings, radio antenna towers and office space. In the business-

type activities, the majority of the leases are at the King County International Airport/Boeing Field to companies and government agencies in the aviation industry. Most of these leases have initial terms ranging from five to 25 years, and contain one or more renewal options, generally for three- to five-year periods. The County has included these renewal options in the lease term when it is reasonably certain that the renewal option will be exercised.

The County has several leases with variable payments that either depend upon the future performance of the lessee, the lessee's usage of the underlying asset, or that depend upon an index or rate like the Consumer Price Index. For 2023, the total amount received under such variable payments was \$4.0 million.

The County enters into sublease transactions wherein it leases to others the rights to assets it has itself leased. The largest subleases by value support the county hospital, Harborview Medical Center. Additional contracts pertain to parcels of land where the County has developed radio transmission facilities, space on which it subsequently leases to telecommunication companies.

The County's investment in property under long-term leases and subleases as of December 31, 2023 (in thousands):

	Governmental Activities	Business-type Activities	Total
Lease revenue	\$ 8,680	\$ 27,221	\$ 35,901
Sublease revenue	7,901	—	7,901
Interest revenue	9,534	13,447	22,981
	<u>\$ 26,115</u>	<u>\$ 40,668</u>	<u>\$ 66,783</u>

Minimum future lease receipts on leases based on contract amounts and terms as of December 31, 2023 (in thousands):

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 13,130	\$ 9,042	\$ 22,172	\$ 19,709	\$ 13,101	\$ 32,810
2025	14,001	8,335	22,336	19,469	12,105	31,574
2026	15,346	7,604	22,950	17,531	11,194	28,725
2027	15,202	6,813	22,015	18,059	10,333	28,392
2028	15,644	6,043	21,687	19,079	9,453	28,532
2029-2033	68,592	18,313	86,905	58,345	35,172	93,517
2034-2038	32,739	4,407	37,146	34,960	25,345	60,305
2039-2043	651	1,005	1,656	38,432	16,447	54,879
2044-2048	1,127	793	1,920	34,765	6,816	41,581
2049-2053	1,784	442	2,226	12,726	1,527	14,253
2054-2058	835	39	874	—	—	—
2059-2063	—	—	—	—	—	—
2064-2068	—	—	—	—	—	—
2069-2073	—	—	—	—	—	—
Total	<u>\$ 179,051</u>	<u>\$ 62,836</u>	<u>\$ 241,887</u>	<u>\$ 273,075</u>	<u>\$ 141,493</u>	<u>\$ 414,568</u>

The County has not issued debt secured by the principal and interest payments on any leases.

Sale-Leaseback Transactions

In 2014 Public Health - Seattle and King County (PHSKC) sold the North Public Health Center located in north Seattle, Washington for redevelopment. PHSKC entered into a lease agreement for space in the redeveloped building in October 2015. The agreement is for 12 years for total of 9,638 square feet of dedicated and shared space.

Public-Private Partnerships

County as Transferor

The County, through its Parks Operating Levy fund, has two five-year term public-private partnership contracts with Seattle Event Solutions, LLC (SES) also doing business as Cascade Music Collective. Except for certain reserved dates, SES is granted permission to use a stage and amphitheater seating area, additional entertainment infrastructure and the Clise Mansion to provide an annual summer concert series and food and beverage concession services at Marymoor Park. The County receives annual performance guarantee installment payments from SES which began at \$400 thousand and \$100 thousand for the concert series and concessions services, respectively, increasing by 3 percent per year. The County continues to report the stage and amphitheater seating area, additional entertainment infrastructure and the Clise Mansion at carrying values totaling \$151 thousand at year-end. The deferred inflow of resources reported in the Parks Operating Levy fund is \$1.5 million at year-end. As of 12/31/2023, the receivable is \$1.5 million. Not included in the measurement of the receivable are variable sales and variable fees above the performance guarantee payments, totaling \$92 thousand in 2023. A 5 percent incremental borrowing rate is applied to the measurement of the receivable for installment payments.

Discretely Presented Component Units**Component Unit - Harborview Medical Center**

Harborview leases various equipment and facilities under noncancelable lease agreements. Existing leases have lease terms through 2042.

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Right-to-use lease asset				
Buildings	\$ 180,351	\$ 1,611	\$ (156)	\$ 181,806
Equipment	1,790	5,180	(1,307)	5,663
Total right-to-use asset	<u>182,141</u>	<u>6,791</u>	<u>(1,463)</u>	<u>187,469</u>
Less accumulated amortization for:				
Buildings	(22,850)	(11,820)	25	(34,645)
Equipment	(1,434)	(917)	1,307	(1,044)
Total accumulated amortization	<u>(24,284)</u>	<u>(12,737)</u>	<u>1,332</u>	<u>(35,689)</u>
Total right-to-use asset, net	<u>\$ 157,857</u>	<u>\$ (5,946)</u>	<u>\$ (131)</u>	<u>\$ 151,780</u>

	June 30, 2022	Additions	Deductions	June 30, 2023	Due within one year
Lease liabilities	\$ 166,663	\$ 6,791	\$ (11,015)	\$ 162,439	\$ 11,095

The following schedule shows future annual lease payments, for the next five years and in five-year increments thereafter, as of June 30, 2023, for both principal and interest:

Year	Principal	Interest	Total
2024	\$ 11,095	\$ 4,723	\$ 15,818
2025	11,240	4,379	15,619
2026	11,582	4,039	15,621
2027	11,932	3,687	15,619
2028	12,275	3,334	15,609
2029-2033	60,727	11,036	71,763
2034-2038	43,571	2,628	46,199
2039-2043	17	—	17
Total payments	<u>\$ 162,439</u>	<u>\$ 33,826</u>	<u>\$ 196,265</u>

Component Unit - NJB Properties**Project Lease**

NJB Properties' Project Lease Agreement with the County qualified as a finance lease under ASC 842 - Accounting for Leases. The composition of the net investment in finance leases as of December 31, 2023 is shown below, as well as the minimum lease rental payments expected to be received for the next five years and in the aggregate (in thousands).

Year	Minimum Lease Payment	Net Investment in Lease	
		2022	2023
2024	\$ 764	\$ 10,702	\$ 9,939
2025	763	(3,686)	(3,336)
2026	766	<u>7,016</u>	<u>6,603</u>
2027	762		
2028	763		
Thereafter	6,121		
	<u>\$ 9,939</u>		

Note 13

Landfill Closure and Post-Closure Care

King County is legally responsible for closure and post-closure care costs associated with the County's solid waste landfills. Estimated costs of closure and post-closure care are recognized as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in current dollars. Actual cost may be different due to inflation or deflation, changes in technology and changes in laws or regulations.

State and federal laws and regulations require King County to complete closure activities at its Cedar Hills landfill site when the County stops accepting waste at this location. Certain maintenance and monitoring functions are also required at the sites for minimum of 30 years or until the closed landfill reaches functional stability under state law; the County estimates it will take 42 years following closure for the Cedar Hills Landfill to reach functional stability. Enumclaw, Hobart, Vashon and Cedar Falls landfills have been closed. Duvall, Puyallup, Houghton, Bow Lake and First Northeast are custodial landfills which were closed 30 or more years ago and are subject to less prescriptive laws and regulations.

Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these costs as an operating expense in each period. The expense is based on landfill capacity used as of each year-end.

The \$261.6 million reported as landfill closure and post-closure care liability as of December 31, 2023, represents the cumulative percentage reported based on the amount that each of the landfills has been filled to date as follows (dollars in thousands):

Landfill	Percent Filled	Estimated Liability	Estimated Remaining Liability	Estimated Year of Closure
Cedar Hills	88.27%	\$ 197,469	\$ 46,395	2040
Closed	100%	45,604	—	Closed
Custodial	100%	18,538	—	Closed

The County is required by state and federal laws and regulations to make annual contributions to a reserve fund to finance closure and post-closure care. The County is in compliance with these requirements. As of December 31, 2023, cash and cash equivalents of \$3.0 million were held in the Landfill Post-closure Maintenance Fund. In addition, \$57.0 million were held in the Landfill Reserve Fund designated for the management and development of the landfill.

The County expects that future cost increases resulting from inflation will be covered by the interest income earned on these annual contributions. However, if interest earnings are inadequate, or additional post-closure care requirements are determined due to changes in technology or regulations, the County may need to increase future user fees or tax revenues.

Note 14

Pollution Remediation

Pollution remediation liabilities reported at the end of 2023 do not include potential costs of cleanup that may arise out of the legal issues described in Note 20 - "Legal Matters, Financial Guarantees and Other Commitments." The likelihood of negative outcomes in these matters, the amount of liabilities that may arise and the resultant allocation among potentially responsible parties (PRP), cannot be reasonably estimated at this time.

The major sites where the County is conducting remediation activities are:

Elliott Bay and the Lower Duwamish Waterway - These ongoing projects include the sediment management of aquatic habitats along Elliott Bay and the cleanup of certain sites along the Lower Duwamish Waterway. The Sediment Management Project has been approved by the Metropolitan King County Council as a self-obligated pollution remediation program. The Lower Duwamish Waterway project became an obligation when King County entered into an Administrative Order on Consent (AOC) with the Washington State Department of Ecology (DOE) and the U.S. Environmental Protection Agency (EPA). This AOC also identified the Boeing Company, the City of Seattle and the Port of Seattle as parties to conduct the studies on which to base the cleanup decision. Each party has agreed in principle to pay one-fourth of the cleanup costs.

Both projects can result in additional cleanup efforts if future regulatory orders are declared. These potential cleanup liabilities, however, cannot be reasonably estimated at this time. Ongoing regulatory action may identify other PRPs for the Lower Duwamish Waterway cleanup.

There are no estimated recoveries at this time that will reduce the amount of these obligations. The total pollution remediation liability at December 31, 2023 stands at \$49.8 million although the actual amount will vary due to changes resulting from price increases or reductions, changes in technology, or changes in applicable laws or regulations.

The method for estimating liabilities continues to be based on internal engineering analysis, program experience, and cost projections for the remediation activities scheduled in future years as programmed under Water Quality's Regional Wastewater Services Plan. Certain costs were developed by consulting engineers. Costs were estimated using the expected cash flow method. For the Lower Duwamish Waterway Project a weighted-average method is used to calculate the liability. The Sediment Management Plan does not employ a weighted-average cost estimate because the remaining work is well-defined which negates the utility of multiple estimates. The cost estimates continue to be re-measured as succeeding benchmarks are reached or when cost assumptions are modified. All pollution remediation obligations under the Water Quality enterprise are being deferred as assets as permitted by regulatory accounting standards.

Lake Union Tank and Other Facilities Groundwater Monitoring - The Public Transportation Enterprise (Metro Transit) reported a pollution remediation liability of \$1.9 million at December 31, 2023. The pollution obligation is primarily related to monitoring soil and ground water contamination at the Lake Union Tank (under consent decrees from the DOE), East Base Operation and Maintenance (O&M) Facility, South Base O&M Facility, and the South Facilities/South Annex Parcel. Additional pollution obligation is associated with soil and groundwater contamination underlying the South Campus Office and Storage Auxiliary (SCOSA) property. Metro Transit has an on-going program of monitoring groundwater contamination resulting from spill events at the facilities and reporting the results to DOE. These four properties are listed as hazardous sites by DOE. DOE has communicated to Metro Transit that actions should be taken to address contamination at the hazardous sites. Remedial Investigations (RI) have been initiated at East Base, and South Facilities/South Annex and will be initiated at SCOSA during 2024. Metro Transit anticipates initiating the RI at South Base during 2025. The liability amounts were estimated by Metro Transit staff with knowledge of environmental issues at the sites, using the expected cash flow technique. Cost estimates are subject to changes when additional information becomes available regarding the level of contamination at specific sites, when existing agreements or remediation methods are modified, or when new applicable regulations emerge.

Maury Island Gravel Mine Site - King County acquired approximately 250 acres of property on Vashon Island in 2010. The property is within the footprint of the former ASARCO smelter plume, and contains elevated levels of lead and arsenic, a condition that was known at the time of acquisition. In February 2011, King County was named a "potentially liable party" for cleanup of the site by the DOE. An Agreed Order between DOE and King County was finalized in January 2013 requiring the County to conduct a remediation investigation, a feasibility study, and a

cleanup action plan. The remediation was a prerequisite to the purchase agreement. The remediation will be completed in phases over a period of about five to ten years. As of December 31, 2016, the County completed an Interim Action Cleanup Plan with approval from the DOE, costing approximately \$600 thousand. The cleanup included removing invasive vegetation and surface soil on three acres immediately south of SW 260th St, adding a compost cap, and replanting the area with native trees and shrubs. The cleanup costs incurred in 2016 were capitalized.

The approved Maury Island Space Site Cleanup Action Plan describes the cleanup action selected by the Washington State Department of Ecology. The plan lays out four phases for cleanup. Implementation of phase 1 cleanup - trail capping, capping of the former skeet range, and removal of three more acres of invasive vegetation then to be covered with temporary weed fabric was completed in 2021. Phases 2 through 4 include removal of invasive vegetation followed by planting, which will then continue to occur in phases every two to three years until 16 acres of contaminated area has been restored. In 2022, work on Phase 2 continued including planting and maintaining 3 acres. Final design for Phase 3 is underway (i.e., 4 more acres of invasive vegetation removal and replanting) with a tentative construction date of Q4 2024. Parks reported a pollution remediation liability of \$4.3 million as of December 31, 2023.

Washington Air National Guard Site Investigation - The Washington Air National Guard (WANG) site is located at 6736 Ellis Avenue South in Seattle, Washington. The WANG site occupies approximately 7.5 acres, adjacent to the northwest boundary of the North Boeing Field Georgetown Steam Plant (NBF/GTSP). The WANG site was developed during World War II by the War Department and served as an aircraft factory school between 1943 and 1948. During environmental investigations at the site, a dissolved Trichloroethene (TCE) plume was identified in shallow groundwater in the southern portion of the site. In May 2016, the Washington State Department of Ecology (DOE) recommended that King County conduct an investigation to determine if the source of recent increases in TCE concentrations in groundwater monitoring wells at the NBF/GTSP site is from the WANG site. In a December 2019 letter, Washington State Department of Ecology (DOE) informed the NBF/GTSP Agreed Order parties (Boeing, City of Seattle, and King County) that the comingled contamination from both the WANG site and the Boeing site will be addressed during the Feasibility Study phase of the Order. DOE may require a new separate cleanup effort and will consider alternative administrative approaches. The site investigation work will be conducted in three phases: soil and groundwater data collection, soil and groundwater sampling, and quarterly groundwater monitoring. The Airport was informed of this determination and obligation and will inform WANG in the future when DOE decides to investigate and remediate the WANG site. WANG terminated its long-term lease with the Airport in July 2023. The Airport reported a pollution remediation liability of \$245 thousand as of December 31, 2023.

East Perched Zone - The East Perched Zone (EPZ) is a 20-acre area of shallow groundwater located on the east side of the Cedar Hills Regional Landfill (CHRLF) in Maple Valley, Washington. Based on an incomplete draft Remedial Investigation (RI), shallow groundwater in the EPZ is impacted by vinyl chloride, arsenic, manganese, and iron. The County believes these contaminants were deposited through exposure of the water and surrounding soils to landfill gas. Regulations did not require liners between refuse and native soils when refuse was placed in this part of the landfill, which dates back to the mid-1960s. The Washington State Department of Ecology, on behalf of Public Health - Seattle and King County, requested that the Solid Waste Division engage in a voluntary cleanup of the EPZ under the Model Toxics Control Act (MTCA). The Solid Waste Division reported a pollution remediation liability of \$1.1 million at December 31, 2023 to complete the RI work and a feasibility study.

A summary of pollution remediation liabilities at December 31, 2023 is as follows (in thousands):

	Governmental Activities
Pollution remediation	
Due within one year	\$ —
Due in more than one year	4,282
Total	<u>\$ 4,282</u>

	Business- type Activities	Total Enterprise Funds	Major Funds			Nonmajor Enterprise Funds
			Public Transportation	Water Quality	Solid Waste	
Pollution remediation						
Due within one year	\$ 4,882	\$ 4,882	\$ —	\$ 4,882	\$ —	\$ —
Due in more than one year	48,224	48,224	1,915	44,938	1,126	245
Total	<u>\$ 53,106</u>	<u>\$ 53,106</u>	<u>\$ 1,915</u>	<u>\$ 49,820</u>	<u>\$ 1,126</u>	<u>\$ 245</u>

Note 15

Liabilities

Short-term Debt Instruments and Liquidity

At December 31, 2023, to finance certain projects or refund outstanding and future bonds of the County's sewer system, the County was authorized (in 2020) to utilize a commercial paper program funded by Multi-Modal Limited Tax Obligation Notes (Payable from Sewer Revenues) up to the aggregate principal amount of \$250 million outstanding at any time. The authorization expires on December 15, 2050. The commercial paper can have maturities ranging between one and 270 days.

Short-term activities for the year ended December 31, 2023 are summarized as follows:

CHANGES IN SHORT-TERM DEBT					
FOR THE YEAR ENDED DECEMBER 31, 2023					
(IN THOUSANDS)					
	Balance		Balance		Balance
Business-type activities	01/01/2023	Additions	Reductions	12/31/2023	12/31/2023
Commercial paper	\$ 151,200	\$ 141,345	\$ (123,945)	\$	168,600

Long-term Debt

King County has long-term debt reported for both governmental activities and business-type activities.

For governmental activities, long-term debt consists of general obligation bonds and notes payable. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds consist of limited, and unlimited general obligation bonds. The general obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as serial bonds with principal maturing each year.

For business-type activities, long-term debt consists of limited tax general obligation bonds which are accounted for in the Solid Waste, Public Transportation and Water Quality Enterprise Funds. Sewer Revenue Bonds are accounted for in the Water Quality Enterprise Fund. State of Washington revolving loans-Direct Borrowings are accounted for in the Solid Waste and Water Quality Enterprise Funds.

Sewer revenue bonds are secured by the pledge of and lien on revenues of the sewer system subject to the payment of all operating and maintenance expenses of the sewer system. Payments from revenues of Water Quality are required to be made to the sewer revenue bond fund in the annual amounts sufficient to retire serial or term bonds on or before maturity. The amount required in the cash reserved and surety policies is based on the highest year of debt service over the life of all outstanding revenue bonds. The sewer revenue bonds are special limited obligations of the County, and neither its full faith and credit nor any taxing power is pledged to the payment of the sewer revenue bonds.

The following tables summarize long-term debt issuances and amounts outstanding:

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 1 OF 3)

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding 12/31/2023
I. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT					
IA. Limited Tax General Obligation Bonds (LTGO)					
2010C LTGO (RZEDBs) (Taxable) Bonds	12/1/2010	12/1/2030	4.58-6.05%	\$ 23,165	\$ 17,775
2010D LTGO (QECBs) (Taxable) Bonds	12/1/2010	12/1/2025	5.43%	2,825	2,825
2012D LTGO Refunding 2002BOP Lease (HMC) Bonds	11/29/2012	12/1/2031	2.00-5.00%	41,810	19,145
2012E LTGO SE District Court Relocation Bonds (Partial)	12/19/2012	12/1/2027	2.00-5.00%	3,000	930
2014B LTGO (Tall Chief Acquisition/SWM) Bonds	6/24/2014	6/1/2034	2.00-5.00%	15,395	8,385
2015B LTGO (Fed Tax-exempt) Bonds	10/13/2015	12/1/2030	2.50-5.00%	27,355	6,795
2015C LTGO Refunding 2007C and 2007D Bonds	10/13/2015	1/1/2028	3.00-5.00%	25,970	14,415
2015E LTGO Refunding 2006A NJB and 2007 KSC Lease Bonds	12/17/2015	12/1/2036	4.00-5.00%	172,320	113,905
2016A LTGO Bond 4Culture Building	3/10/2016	12/1/2030	1.50-5.00%	22,450	15,135
2017B LTGO Bond Various Purpose (Partial)	8/10/2017	6/1/2037	3.00-5.00%	33,325	11,905
2018A LTGO Bond Various Purpose (Partial)	8/8/2018	6/1/2038	5.00%	5,845	3,290
2019HUD LTGO Refg06HUD Section108 Bonds	3/28/2019	8/1/2024	2.55-2.67%	1,437	244
2019A LTGO Refunding 2009B and 2013MM Bonds	3/15/2019	6/1/2029	5.00%	41,420	26,010
2019B LTGO Bond Various Purpose	9/12/2019	7/1/2039	5.00%	62,340	41,310
2019C LTGO Refunding 2009C Bonds	12/19/2019	1/1/2024	5.00%	13,020	3,505
2020A LTGO Various Purpose Bonds (Partial)	11/3/2020	12/1/2050	5.00%	32,090	28,695
2020B LTGO Refunding Bonds (Taxable) (Partial)	11/3/2020	12/1/2034	0.35-2.00%	54,065	51,645
2021A LTGO Various Purpose Bonds (Partial)	6/22/2021	12/1/2051	4.00-5.00%	27,675	26,120
2021B LTGO Refunding 2011, 2011D, 2012A, and 2012B Bonds	12/1/2021	6/30/2029	5.00%	30,410	12,300
2021C LTGO TOD Affordable Housing (Taxable) Bonds	12/1/2021	12/1/2041	0.35-2.73%	466,150	425,960
2022A LTGO and Refunding 2012C Bonds	4/14/2022	7/1/2052	4.00-5.00%	32,605	26,860
2023A LTGO and Refunding 2012D and 2013	4/20/2023	12/1/2053	5.00%	25,065	22,705
2023B LTGO and Refunding 2013B	12/6/2023	12/1/2053	5.00%	55,510	55,510
2023C LTGO (Taxable) (Social Bonds)	12/19/2023	12/1/2043	4.71%-5.57%	126,440	126,440
Total Payable From Limited Tax GO Redemption Fund				1,341,687	1,061,809
Payable from Internal Service Funds					
2023B LTGO and Refunding 2013B	12/6/2023	12/1/2030	5.00%	1,595	1,595
Total payable from Internal Service Funds				1,595	1,595
IB. Limited Tax GO Note Payable					
2022 Notes Payable	5/20/2022	4/20/2027	0.00%	2,000	1,333
Total Limited Tax GO Note Payable				2,000	1,333
IC. Unlimited Tax General Obligation Bonds (UTGO)					
Payable From Unlimited Tax GO Redemption Fund					
2021A UTGO HMC Bonds	11/3/2021	12/31/2041	4.00-5.00%	18,885	17,770
2023A UTGO HMC Bonds	12/18/2023	12/1/2043	5.00%	91,650	91,650
Total Payable From Unlimited Tax GO Bond Redemption Fund				110,535	109,420
TOTAL GOVERNMENTAL ACTIVITIES – LONG-TERM DEBT				1,455,817	1,174,157

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 2 OF 3)

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding 12/31/2023
II. BUSINESS-TYPE ACTIVITIES - LONG-TERM DEBT					
IIA. Limited Tax General Obligation Bonds (LTGO) Payable from Enterprise Funds					
2010B LTGO (BABs) (Transit) Taxable Bonds	12/1/2010	12/1/2030	2.85-6.05%	\$ 20,555	\$ 10,085
2013 LTGO (Solid Waste) Bonds	2/27/2013	12/1/2040	3.10-5.00%	77,100	31,600
2014C LTGO (Solid Waste) and Refunding (Solid Waste) 2007E Bonds	7/30/2014	12/1/2034	2.00-5.00%	25,515	12,580
2015A LTGO (WQ) Refunding 2009B2 Bonds	2/18/2015	7/1/2038	2.00-5.00%	247,825	99,460
2015B LTGO (FED Tax-Exempt) (Solid Waste) Bonds	10/13/2015	12/1/2025	5.00%	60	20
2015D LTGO (Solid Waste) and Refunding 2007E (Solid Waste) Bonds	11/5/2015	12/1/2040	3.00-5.00%	50,595	37,155
2017A LTGO (WQ) Refunding 2008 Bonds	10/25/2017	7/1/2033	4.00-5.00%	154,560	122,715
2017A LTGO (Solid Waste) Bonds	6/8/2017	6/1/2040	3.25-5.00%	31,230	26,100
2017B LTGO (Solid Waste) Bond Various Purpose	8/10/2017	6/1/2027	4.00-5.00%	135	65
2018A LTGO (Marine Construction) (Partial)	8/8/2018	6/1/2038	4.00-5.00%	6,330	5,260
2019 LTGO (WQ) Capital Improvement Projects Bonds	10/24/2019	1/1/2038	5.00%	101,035	101,035
2019A LTGO Multi-Modal (WQ) Refunding 2015AB Bonds	6/27/2019	1/1/2046	Variable ^(a)	100,000	100,000
2019B LTGO Multi-Modal (WQ) Refunding 2017 Bonds	6/27/2019	1/1/2046	Variable ^(a)	48,095	48,095
2020A LTGO (Transit) Various Purpose Bonds (Partial)	11/3/2020	12/1/2050	5.00%	21,065	20,140
2020B LTGO (Solid Waste) Refunding Bonds (Taxable) (Partial)	11/3/2020	12/1/2031	0.35-1.70%	19,975	18,930
2021A LTGO Solid Waste Bonds (Taxable) (Partial)	6/22/2021	12/1/2051	4.00-5.00%	24,475	22,800
2021A LTGO (WQ) (Sewer) and Refunding (State Revolving Loans) Bonds	8/10/2021	1/1/2038	2.00-5.00%	239,585	225,205
2021B LTGO (WQ) Refunding (Sewer) Bonds (Taxable)	8/10/2021	7/1/2036	0.14-2.24%	94,510	89,850
2022A LTGO and Refunding 2012C Bonds (Transit)	4/14/2022	7/1/2034	5.00%	24,375	22,660
2023A LTGO and Refunding 2013 (Solid Waste)	4/20/2023	12/1/2040	5.00%	49,935	47,315
2023B LTGO Various Purpose (Solid Waste)	12/6/2023	12/1/2040	5.00%	26,930	26,930
Total Limited Tax GO Bonds Payable From Enterprise Funds				<u>1,363,885</u>	<u>1,068,000</u>
IIB. Revenue Bonds Payable from Enterprise Funds					
2014B Sewer Revenue Refunding 2004B, 2006, 2006B, 2007 and 2008 Bonds	8/12/2014	7/1/2035	1.00-5.00%	192,460	96,010
2015A Sewer Revenue Refunding 2007, 2008, and 2009 Bonds	2/18/2015	7/1/2047	3.00-5.00%	474,025	250,660
2015B Sewer Revenue and Refunding 2006 Bonds	11/17/2015	1/1/2046	4.00-5.00%	93,345	53,650
2016A Sewer Revenue and Refunding 2007, 2008, 2009, 2010 Bonds	2/17/2016	7/1/2041	4.00-5.00%	281,535	251,450
2016B Sewer Revenue and Refunding 2006-2, 2010, 2011A, 2011B, 2011C	10/12/2016	7/1/2049	4.00-5.00%	499,655	418,855
2017A Sewer Revenue Refg 2009LTGO, 2010, 2011A, 2011B, 2011C Bonds	12/19/2017	7/1/2049	5.00%	149,485	107,325
2018B Sewer Revenue Refg 2010, 2011B, 2012 Bonds	11/15/2018	7/1/2032	5.00%	124,455	96,985
2020B Junior Lien Sewer Revenue Refunding 2011 (Mandatory Put Bonds)	7/14/2020	1/1/2042	Variable ^(b)	100,295	100,295
2020A Sewer Improvement and Refunding Revenue 2010 Bonds	8/4/2020	1/1/2052	1.625-5.00%	179,530	175,240
2020B Sewer Revenue Refunding 2012B, 2012C, 2013A, and 2016B (Txble)	8/4/2020	1/1/2040	0.27-2.48%	186,745	177,595
2021A Sewer Refunding 2015A Taxable Bonds	8/10/2021	7/1/2047	0.57-2.84%	231,200	222,835
2021A Junior Lien Sewer Revenue Refunding 2017A, 2017B, 2020 (SIFMA Index)	12/1/2021	1/1/2040	Variable ^(c)	140,000	140,000
2023 Sewer Revenue Bonds	7/19/2023	1/1/2047	4.00-5.00%	129,970	129,970
2023 WQ Water Infrastructure Finance and Innovation Act (WIFIA) bonds	4/19/2018	1/1/2051	0.0306	17,686	17,686
Total Revenue Bonds Payable from Enterprise Funds				<u>2,800,386</u>	<u>2,238,556</u>

SCHEDULE OF LONG-TERM DEBT

(IN THOUSANDS)

(PAGE 3 OF 3)

	Issue Date	Final Maturity	Interest Rates	Original Issue Amount	Outstanding 12/31/2023
IIC. State Revolving Loans-Direct Borrowings Payable from Enterprise Funds					
2000-2023 WQ State of Washington Revolving Loans	Various	Various	0.50-3.10%	\$ 377,948	\$ 268,447
2019-2023 Solid Waste State of Washington Revolving Loans	Various	Various	1.66%	4,453	3,859
Total State Revolving Loans-Direct Borrowings Payable from Enterprise Funds				<u>382,401</u>	<u>272,306</u>
TOTAL BUSINESS-TYPE ACTIVITIES – LONG-TERM DEBT				<u>4,546,672</u>	<u>3,578,862</u>
TOTAL LONG-TERM DEBT				<u>\$ 6,002,489</u>	<u>\$ 4,753,019</u>

(a) The Multi-Modal 2019A Bonds initially will bear interest at Daily Interest Rate for Daily Interest Rate Periods and the Multi-Modal 2019B Bonds initially will bear interest at Weekly Interest Rates for Weekly Interest Rate Periods, subject to conversion to other Modes.

(b) The Junior Lien Sewer Revenue refunding bonds (Mandatory Put Bonds) Series 2020B initially will bear interest at Daily Interest Rate at a Term Rate, subject to conversion to other Modes and while bearing interest at the Term Rates, will be issuable in authorized denominations of \$5,000 or any integral multiple thereof within a Series, with interest paid semi-annually on each January 1 and July 1, commencing on January 1, 2021, as further provided in the Mode Agreement.

(c) On December 3, 2021 the 2021A Junior Lien Sewer Revenue refunding bonds will bear interest at the Index Floating Rate for the Initial Index Floating Rate Period, subject to prior optional redemption on or after the Par Call Date. At the end of the Initial Index Floating Rate Period, the Bonds are subject to mandatory tender for purchase. The Bonds are also subject to mandatory tender for purchase and Conversion to a new Index Floating Rate or to a Daily Mode, Weekly Mode, Commercial Paper Mode, Fixed Mode, or Term Mode on or after the Par Call Date. No Credit Enhancement or Liquidity Facility secures payment of the Purchase Price of any Bonds that are not remarketed at the end of the Initial Index Floating Rate Period.

The following tables display the scheduled debt service payments for the next five years and in five-year increments thereafter:

DEBT SERVICE REQUIREMENTS TO MATURITY
(IN THOUSANDS)

GOVERNMENTAL ACTIVITIES								
Year	General Obligation				Total			
	General Obligation Bonds		Note Payable		Governmental Activities			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 87,094	\$ 42,232	\$ 400	\$ —	\$ 87,494	\$ 42,232		
2025	84,290	39,485	400	—	84,690	39,485		
2026	75,210	36,214	400	—	75,610	36,214		
2027	73,730	33,387	133	—	73,863	33,387		
2028	75,240	30,768	—	—	75,240	30,768		
2029-2033	320,390	117,736	—	—	320,390	117,736		
2034-2038	246,990	69,044	—	—	246,990	69,044		
2039-2043	181,145	26,128	—	—	181,145	26,128		
2044-2048	14,975	5,477	—	—	14,975	5,477		
2049-2053	13,760	1,772	—	—	13,760	1,772		
TOTAL	\$ 1,172,824	\$ 402,243	\$ 1,333	\$ —	\$ 1,174,157	\$ 402,243		

BUSINESS-TYPE ACTIVITIES								
Year	State Revolving Loans-				Total			
	General Obligation Bonds		Direct Borrowings		Revenue Bonds		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 44,100	\$ 46,213	\$ 9,057	\$ 4,827	\$ 64,085	\$ 76,930	\$ 117,242	\$ 127,970
2025	54,230	44,102	7,246	4,715	57,290	77,893	118,766	126,710
2026	64,305	41,490	9,491	4,601	58,165	76,015	131,961	122,106
2027	64,425	38,808	9,006	4,465	67,410	73,996	140,841	117,269
2028	62,880	36,026	9,101	4,316	78,320	71,220	150,301	111,562
2029-2033	349,860	133,401	45,474	19,253	408,550	312,963	803,884	465,617
2034-2038	232,930	76,052	47,417	15,165	487,507	233,598	767,854	324,815
2039-2043	39,215	44,796	40,769	11,197	647,052	134,175	727,036	190,168
2044-2048	153,500	25,467	44,386	7,290	310,843	49,693	508,729	82,450
2049-2053	2,555	193	45,156	2,949	59,334	6,557	107,045	9,699
2054-2058	—	—	5,203	211	—	—	5,203	211
TOTAL	\$ 1,068,000	\$ 486,548	\$ 272,306	\$ 78,989	\$ 2,238,556	\$ 1,113,040	\$ 3,578,862	\$ 1,678,577

**DEBT SERVICE
REQUIREMENTS
TO MATURITY**

Year	Primary Government	
	Principal	Interest
2024	\$ 204,736	\$ 170,202
2025	203,456	166,195
2026	207,571	158,320
2027	214,704	150,656
2028	225,541	142,330
2029-2033	1,124,274	583,353
2034-2038	1,014,844	393,859
2039-2043	908,181	216,296
2044-2048	523,704	87,927
2049-2053	120,805	11,471
2054-2058	5,203	211
TOTAL	\$ 4,753,019	\$ 2,080,820

Long-term liability activity is reported by King County within governmental activities and business-type activities. The summary of changes in long-term liabilities for the year ended December 31, 2023 is as follows (in thousands):

SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

	Balance 01/01/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental Activities:					
General Obligation bonds payable:					
General Obligation (GO) bonds	\$ 980,839	\$ 300,260	\$ (108,275)	\$ 1,172,824	\$ 87,094
Unamortized bonds premium	51,618	22,362	(9,222)	64,758	—
Total bonds payable	<u>1,032,457</u>	<u>322,622</u>	<u>(117,497)</u>	<u>1,237,582</u>	<u>87,094</u>
Other liabilities:					
General obligation notes payable	1,733	—	(400)	1,333	400
Leases payable ^(a)	192,463	40,808	(68,855)	164,416	25,916
Subscription liability ^(b)	1,332	230	(677)	885	789
Compensated absences liability	136,460	8,236	(3,761)	140,935	8,211
Net pension liability	128,896	150,317	(172,076)	107,137	—
Other postemployment benefits	69,061	11,048	(11,446)	68,663	4,863
Pollution remediation	2,603	1,679	—	4,282	—
Asset retirement obligation	3,756	146	—	3,902	—
Estimated claims settlements and other liabilities	194,538	398,379	(370,972)	221,945	80,850
Total other liabilities	<u>730,842</u>	<u>610,843</u>	<u>(628,187)</u>	<u>713,498</u>	<u>121,029</u>
Total Governmental activities long-term liabilities	<u>\$ 1,763,299</u>	<u>\$ 933,465</u>	<u>\$ (745,684)</u>	<u>\$ 1,951,080</u>	<u>\$ 208,123</u>
Business-type Activities:					
Bonds payable:					
General Obligation (GO) bonds	\$ 1,052,360	\$ 76,865	\$ (61,225)	\$ 1,068,000	\$ 44,100
Revenue bonds	2,431,030	147,656	(340,130)	2,238,556	64,085
Unamortized bonds premium	272,821	20,593	(43,979)	249,435	—
Total bonds payable	<u>3,756,211</u>	<u>245,114</u>	<u>(445,334)</u>	<u>3,555,991</u>	<u>108,185</u>
Other liabilities:					
State revolving loans-Direct Borrowings	144,319	135,201	(7,214)	272,306	9,057
Leases payable	55,724	67,757	(9,603)	113,878	9,595
Subscription liability	—	1,372	(191)	1,181	172
Compensated absences liability	76,213	66,381	(68,297)	74,297	5,412
Net pension liability	101,637	48,569	(64,174)	86,032	—
Other postemployment benefits	23,097	5,837	(3,483)	25,451	1,802
Landfill closure and post-closure care liability	247,949	13,662	—	261,611	8,088
Pollution remediation	56,206	3,799	(6,899)	53,106	4,882
Asset retirement obligation	11,885	—	—	11,885	—
Customer deposits and other liability	80,237	301	(195)	80,343	218
Total other liabilities	<u>797,267</u>	<u>342,879</u>	<u>(160,056)</u>	<u>980,090</u>	<u>39,226</u>
Total Business-type activities long-term liabilities	<u>\$ 4,553,478</u>	<u>\$ 587,993</u>	<u>\$ (605,390)</u>	<u>\$ 4,536,081</u>	<u>\$ 147,411</u>

Governmental activities estimated claims settlements of \$221.9 million are liquidated by internal service funds. Governmental activities net pension liability and other postemployment benefits are liquidated by the governmental fund in which an employee receiving the payment is budgeted, including most notably, General Fund, Public Health Fund and County Road Fund.

(a) Beginning balance in leases payable in the amount of \$10.3 million was reclassified to its own line as lease payable to component unit.

(b) Beginning balance of governmental activities long-term liabilities has been adjusted due to the implementation of GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA).

State of Washington Revolving Loans-Direct Borrowings

Water Quality - Water Quality has received loans from the Washington State Department of Ecology under the Water Pollution Control State Revolving Fund Loan Program and the Washington State Department of Commerce under the Washington Public Works Trust Fund. State loans are secured by a subordinate lien on the net revenues of the system. Events of default under the loan agreements with the Department of Ecology include nonpayment of amounts due, failure to commence the project for which the loan was granted and unjustified failure to perform loan agreement obligations. Remedies include suspending any undisbursed loan proceeds and acceleration of the

outstanding balance, provided that the loan is not subject to acceleration if any sewer revenue bonds are outstanding. Any state funds owed to the County may also be withheld. Events of default under the loan agreements with the Public Works Trust Fund include nonpayment of amounts due and failure to use loan proceeds for permitted activities. Remedies include withholding of any undisbursed loan proceeds, assessment of additional interest and notification to creditors.

Solid Waste - Solid Waste has received loans from the Washington State Department of Commerce under the Washington Public Works Board. State loans are secured by a subordinate lien on the net revenues of the system. Events of default under the loan agreements with the Department of Commerce include nonpayment of amounts due, failure to commence the project for which the loan was granted and unjustified failure to perform loan agreement obligations. Remedies include suspending any undisbursed loan proceeds and acceleration of the outstanding balance. Any state funds owed to the County may also be withheld.

Terms specified in debt agreement related to Events of Default with finance-related consequences and subjective acceleration clauses:

The County's outstanding 2019A/B Multi-Modal LTGO Water Quality Refunding bonds related to business-type activities in the combined amount of \$148.1 million are secured by a subordinate lien on the net revenue of the Water Quality system as well as the full faith and credit of the County. This outstanding 2019A/B Multi-Modal LTGO WQ Refunding bonds contain 1) provision that in the event of default under the standby bond purchase agreements that provide the liquidity support for the bonds includes non-payment of amounts due and ratings downgrades below certain thresholds and 2) a provision that if the County is unable to make payment, outstanding amounts are due immediately.

Authorized But Unissued

At December 31, 2023 the County had authorized \$3.0 billion of sewer revenue, general obligation bonds, loans, and commercial paper that remained unissued.

SCHEDULE OF AUTHORIZED BUT UNISSUED DEBT
(IN THOUSANDS)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES			PRIMARY GOVERNMENT
		Public Transportation	Water Quality	Solid Waste	
Commercial paper	\$ —	\$ —	\$ 81,400	\$ —	\$ 81,400
State Loans	—	—	66,000	—	66,000
General Obligation bonds and Revenue bonds	1,967,764	—	775,470	153,500	2,896,734
Total	\$ 1,967,764	\$ —	\$ 922,870	\$ 153,500	\$ 3,044,134

Unused Lines of Credit

The County has no unused lines of credit at December 31, 2023.

Computation of Legal Debt Margin

Under Washington State law (RCW 39.36.020), a county may incur general obligation debt for general county purposes in an amount not to exceed 2.5 percent of the assessed value of all taxable property within the county. State law requires all property to be assessed at 100 percent of its true and fair value. Unlimited tax general obligation debt requires an approving vote of the people; any election to validate such general obligation debt must have a voter turnout of at least 40 percent of those who voted in the last state general election and, of those voting, 60 percent must be in the affirmative. The County Council may by resolution authorize the issuance of limited tax general obligation debt in an amount up to 1.5 percent of assessed value of property within the County for general county purposes and 0.75 percent for metropolitan functions (Wastewater Treatment and Public Transportation), but the total of limited tax general obligation debt for general county purposes and metropolitan functions should not exceed 1.5 percent of assessed value. No combination of limited and unlimited tax debt, for general county purposes, and no combination of limited and unlimited tax debt, for metropolitan functions, may exceed 2.5 percent of the valuation. The debt service on unlimited tax debt is secured by excess property tax levies, whereas the debt

service on limited tax debt is secured by property taxes collected within the \$1.80 per \$1,000 of assessed value operating levy.

The legal debt margin computation for the year ended December 31, 2023 (in thousands):

2023 ASSESSED VALUE (2024 TAX YEAR)	<u>\$ 833,036,264</u>
Debt limit of limited tax general obligations for metropolitan functions	
0.75% of assessed value	\$ 6,247,772
Less: Net limited tax general obligation indebtedness for metropolitan functions	<u>(1,140,769)</u>
LIMITED TAX GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 5,107,003</u>
Debt limit of limited tax general obligations for general county purposes and metropolitan functions	
1.50% of assessed value	\$ 12,495,544
Less: Net limited tax general obligation indebtedness for general county purposes	\$ (756,267)
Net limited tax general obligation indebtedness for metropolitan functions	<u>(1,140,769)</u>
Total net limited tax general obligation indebtedness for general county purposes and metropolitan functions	<u>(1,897,036)</u>
LIMITED TAX GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES AND METROPOLITAN FUNCTIONS	<u>\$ 10,598,508</u>
Debt limit of total general obligations for metropolitan functions	
2.50% of assessed value	\$ 20,825,907
Less: Net total general obligation indebtedness for metropolitan functions	<u>(1,140,769)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 19,685,138</u>
Debt limit of total general obligations for general county purposes	
2.50% of assessed value	\$ 20,825,907
Less: Net unlimited tax general obligation indebtedness for general county purposes	\$ (106,836)
Net limited tax general obligation indebtedness for general county purposes	<u>(756,267)</u>
Total net general obligation indebtedness for general county purposes	<u>(863,103)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES	<u>\$ 19,962,804</u>

Refunding and Defeasing General Obligation Bond Issues - 2023

Limited Tax General Obligation Refunding Bonds, 2023 Series A - On April 20, 2023, the County issued \$4.7 million in limited tax general obligation refunding bonds, 2023 Series A with an effective interest cost of 2.6 percent to current refund \$4.7 million of outstanding limited tax general obligation bonds 2012 Series D. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the governmental activities column of the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$87 thousand. This amount, reported in the statement of net position, is being charged to operations through fiscal year 2024, using the outstanding principal balance method. This current refunding was undertaken to reduce total debt service payments by \$80 thousand over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$84 thousand.

Limited Tax General Obligation Refunding Bonds, 2023 Series A - On April 20, 2023, the County issued \$7.9 million in limited tax general obligation refunding bonds, 2023 Series A with an effective interest cost of 2.5 percent to current refund \$8 million of outstanding limited tax general obligation bonds, series 2013 Solid Waste. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the business-type activity column of the statement of net position.

The net carrying amount of the old debt exceeded the reacquisition price by \$446 thousand. This amount, reported in the statement of net position, is being charged to operations through fiscal year 2024, using the outstanding principal balance method. This current refunding was undertaken to reduce total debt service payments by \$288

thousand over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$278 thousand.

Limited Tax General Obligation Refunding Bonds, 2023 Series B - On December 06, 2023, the County issued \$12.7 million in limited tax general obligation refunding bonds, 2023 Series B with an effective interest cost of 3.2 percent to current refund \$13.1 million of outstanding limited tax general obligation bonds 2013 Series B. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the governmental activities column of the statement of net position.

The reacquisition price is less than the net carrying amount of the old debt by \$8 thousand. This amount, reported in the statement of net position, is being charged to operations through fiscal year 2025, using the outstanding principal balance method. This current refunding was undertaken to reduce total debt service payments by \$428 thousand over the life of the new bonds, resulting in an economic gain (difference between the present values of the old and new debt service payments) of \$402 thousand.

Refunding Sewer Revenue Bond Issues - 2023

2023 Limited Tax General Obligation Notes (Payable from Sewer Revenues) (Commercial Paper) Series A to Refund Sewer Revenue Bonds and Junior Lien Sewer Revenues Bonds

On October 04, 2023, the County issued \$141.3 million in Limited Tax General Obligation Notes (Payable from Sewer Revenues) (Commercial Paper) Series A, to refund of \$140.0 million of Sewer Revenue Refunding Bonds, 2013 Series B, and Junior Lien Sewer Revenues Bonds, 2020 Series A, to reduce future debt services. A total of \$140.8 million was placed in escrow to redeem the bonds at their earliest redemption dates. As a result, the 2013 Series B bonds and Junior Lien Sewer Revenue Bonds, 2020 Series A are considered defeased and the liability for those bonds has been removed from the business-type activities column of the statement of net position.

2023 Partial Cash Defeasance of Sewer Revenue Refunding Bonds 2014A, 2014B, 2015, and 2017 - On October 13, 2023, the County purchased State and Local Government Securities (SLGS) consisting of notes and certificates of indebtedness at a cost of \$137.8 million and placed them in an escrow to pay interest and redeem at their earliest redemption dates the \$133.8 million of outstanding Sewer Revenue and Refunding Bonds, Series 2014A, 2014B, 2015 and 2017. Funding for the escrow came from operations. As a result, a portion of these series bonds are considered defeased and the liability for those bonds has been removed from the business-type activities column of the statement of net position. Water Quality undertook the defeasance to reduce future debt service payments.

Prior Year Refunded and Defeasance of Debt

As of December 31, 2023, King County has eight refunded and defeased bond issues outstanding, consisting of four limited tax general obligation bonds (\$163.5 million) and four sewer revenue bonds (\$374.0 million). In prior years, the County defeased these bonds by placing the proceeds of the new bonds in an irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the payments of principal and interest on these old bond issues are the responsibility of the escrow agent, U.S. Bank National Association, and the liability for the defeased bonds has been removed from the County's financial statement.

Asset Retirement Obligations

In 2023, the County reported asset retirement obligations (ARO) in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*. The liability is measured at its current value and based on professional judgment, experience, and historical cost data.

The following tables summarize the County's AROs as of December 31, 2023 (in thousands):

Governmental Activities						
Business-type Activities	Total Enterprise Funds	Major Funds			Nonmajor Enterprise Funds	
		Public Transportation	Water Quality	Solid Waste		
\$ 3,902						
\$ 11,885	\$ 11,885	\$ 9,300	\$ 1,485	\$ 850	\$ 250	

The County's ARO relates to the disposition of underground storage tanks (USTs) and stormwater dams due to applicable regulations and requirements. The estimated remaining useful life of the USTs and stormwater dams range from one to 50 years.

The liability could change over time as new information becomes available as a result of changes in technology, legal or regulatory requirements, and types of equipment, facilities or services that will be used to meet the obligation to dispose of the USTs and stormwater dams.

Component Unit - NJB Properties

The following tables summarize the scheduled maturity dates of bond principal over the next five years and in the aggregate of the discretely presented component unit NJB Properties as reported in its separately issued financial statements (in thousands):

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Issue Amount</u>	<u>Outstanding at 12/31/2023</u>
Lease Revenue Bonds, 2006 Series A	12/5/2006	12/1/2036	5.00-6.00%	\$ 179,285	\$ 5
Lease Revenue Bonds, 2006 Series B	12/5/2006	12/1/2036	5.00-6.00%	10,435	6,960
Total Bonds Payable				<u>\$ 189,720</u>	<u>\$ 6,965</u>

<u>Year</u>	<u>Principal</u>
2024	\$ 380
2025	400
2026	425
2027	445
2028	470
Thereafter	4,845
Total	<u>\$ 6,965</u>

Note 16

Interfund Balances and Transfers

Interfund Balances

Due from/to other funds and interfund short-term loans receivable and payable (in thousands)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 5,064
Behavioral Health Fund	General Fund	1,648
	Nonmajor Governmental Funds	8,228
Housing and Community Development Fund	General Fund	754
	Nonmajor Governmental Funds	3,628
Public Health	General Fund	16
	Housing and Community Development Fund	103
	Nonmajor Governmental Funds	2,483
Nonmajor Governmental Funds	General Fund	4,713
	Behavioral Health Fund	4
	Housing and Community Development Fund	6
	Nonmajor Governmental Funds	120,395
	Water Quality Enterprise	50
Public Transportation Enterprise	General Fund	5,646
	Nonmajor Governmental Funds	8,640
Water Quality Enterprise	General Fund	3,559
	Nonmajor Governmental Funds	2,229
Solid Waste Enterprise	General Fund	688
	Nonmajor Governmental Funds	2,686
Nonmajor Enterprise Funds	General Fund	773
	Nonmajor Governmental Funds	47
Internal Service Funds	General Fund	454
	Nonmajor Governmental Funds	77,130
	Public Transportation Enterprise	8,930
Total interfund balances		<u>\$ 257,874</u>

The interfund balances resulted from the time lag between the dates: (1) when interfund goods and services were provided or reimbursable expenditures incurred, and when interfund payments were made; and (2) when interfund short-term loans were made and when the loans were repaid.

Advances from/to other funds (in thousands)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 9,942
Internal Service Funds	Nonmajor Governmental Funds	106
Total advances from/to other funds		<u>\$ 10,048</u>

All of these advances consisted of loans made for the purpose of cash flow. None of the advances are scheduled to be repaid in 2024.

Interfund TransfersTransfers in and transfers out (in thousands)

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Behavioral Health Fund	\$ 382
	Housing and Community Development	7,391
	Public Health	32,979
	Nonmajor Governmental Funds	47,428
	Internal Service Funds	1,350
Behavioral Health Fund	General Fund	9,716
	Housing and Community Development	114
	Nonmajor Governmental Funds	5,801
	Internal Service Funds	52
Housing and Community Development	Behavioral Health Fund	132
	Nonmajor Governmental Funds	5,685
	Internal Service Funds	6,739
Public Health	Nonmajor Governmental Funds	924
Nonmajor Governmental Funds	General Fund	20,543
	Behavioral Health Fund	18,819
	Housing and Community Development	31,330
	Public Health	59,353
	Nonmajor Governmental Funds	201,163
Public Transportation Enterprise	General Fund	530
	Nonmajor Governmental Funds	2,046
	Internal Service Funds	6
Water Quality Enterprise	General Fund	196
	Nonmajor Governmental Funds	971
Solid Waste Enterprise	General Fund	311
	Nonmajor Governmental Funds	894
Nonmajor Enterprise Funds	General Fund	2
	Nonmajor Governmental Funds	29
Internal Service Funds	General Fund	172
	Nonmajor Governmental Funds	36,509
	Internal Service Funds	623
Total interfund transfers		<u>\$ 492,190</u>

Transfers are used to move resources from a fund collecting them to the fund using them, as required by statute or budget, and to account for ongoing operating subsidies between funds in accordance with budget authorizations.

Note 17

Related Party Transactions

Harborview Medical Center (HMC), a discretely presented component unit of King County, makes monthly occupancy fee and rental payments to the County for use of the Patricia Bracelin Steel Building (PSB) and the Ninth & Jefferson Building (NJB). The County became the legal owner of PSB in December 2012 when it refinanced the original developer issued bonds. HMC will continue to use the building. Rent is also paid by HMC to the County for use of NJB, owned by a nonprofit corporation that is a discrete component unit of the County. The County is contractually obligated for the debt service on the lease revenue bonds issued by the nonprofit which funded construction of NJB. In both situations, HMC has agreed to include the annual rental payments in its operating budget for as long as it uses the buildings. In 2023, the primary government received \$14.7 million in building lease and occupancy revenues from HMC. In addition, HMC made \$5.0 million in payments to Public Health - Seattle and King County for mission-related purposes.

The Cultural Development Authority (CDA), a discretely presented component unit of King County, annually receives funding from various County funds under the One Percent for Art program. Revenues are used to support activities related to the development and maintenance of County public art. In 2023, the King County primary government transferred \$4.6 million to the CDA. The CDA spent net \$1.7 million on art projects, for which the County recorded a corresponding decrease in receivables from the CDA and an increase in artwork. In addition, King County made a \$14.2 million revenue transfer in support of the Building 4Equity program and \$0.3 million payment to the CDA for mission-related purposes. The CDA made a \$2.1 million repayment to King County for the Building 4 Equity loan.

The Public Transportation Enterprise (Metro Transit) entered into a ground lease agreement as lessor with King County Housing Authority (KCHA) for the development of affordable housing units and a parking garage in the City of Redmond. The land under the lease has a cost of \$1.3 million. KCHA is a related organization of King County. The lease provides for a minimum set-aside of 150 parking stalls for park-and-ride commuters. The lease calls for an annual lease payment with a 3.0 percent increase each year, commencing with the year ended December 31, 2003. The lease payment is due within 90 days following the end of each calendar year. A portion of the annual lease payment is restricted for use on future Federal Transit Administration projects. The term of the lease is 50 years with one option to extend for 25 years. Transit reported lease revenue of \$54 thousand in 2023.

The King County Regional Homelessness Authority (RHA) is a jointly governed organization, formed in December 2019 as further discussed in Note 1. In support of this new regional government, the County agreed via Ordinance 19039 to make facilities available to the RHA for its operations. The RHA took occupancy of space in the County's Yesler Building on March 1, 2020. The County has recorded an in-kind contribution totaling \$410 thousand in 2023 for the associated cost of the occupied space.

Note 18

Components of Net Position and Fund Balance, Restatements and Restrictions

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is classified into three components:

Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt attributed to the acquisition, construction, or improvement of those assets.

Restricted net position - Results when constraints are placed on net position use either by external parties or by law through constitutional provision or enabling legislation. Restricted net position for other purposes for the year ended December 31, 2023, was as follows:

	<u>Governmental Activities</u>	<u>Component Units</u>
Net position restricted for other purposes:		
General government	\$ 7,022	\$ —
Law, safety and justice	220,895	—
Physical environment	46,775	—
Transportation	28,770	—
Economic environment	207,195	—
Health and human services - expendable	900,036	13,231
Health and human services - nonexpendable	—	3,534
Culture and recreation - expendable	75,853	13,009
Total net position restricted for other purposes	<u>\$ 1,486,546</u>	<u>\$ 29,774</u>

Unrestricted net position - Consists of net position that does not meet the definition of the two preceding categories.

Components of Fund Balance

King County's governmental fund balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- *Nonspendable*. Balances that either are not in a spendable form or are legally or contractually required to remain intact.
- *Restricted*. Balances restricted for specific purposes by the constitution, enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments.
- *Committed*. Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Metropolitan King County Council. A Council ordinance or motion is required to establish, modify or rescind a commitment of fund balance.
- *Assigned*. Balances that are constrained by management to be used for specific purposes, but are neither restricted nor committed. Assignments are authorized by chief officers of executive departments and administrative offices.
- *Unassigned*. Residual balances that are not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Rainy Day Reserve Ordinance 15961 created the Rainy Day Reserve for the purpose of accumulating revenues to be available for emergencies. The fund is fully invested for its own benefit. The ordinance states that the Rainy Day

Reserve shall be used in the event of an emergency, as declared by a vote of the County Council, for the following purposes:

- Maintenance of essential county services in the event that current expense fund revenue collections in a given fiscal year are less than 97 percent of adopted estimates;
- Payment of current expense fund legal settlements or judgments in excess of the County's ability to pay from other sources;
- Catastrophic losses in excess of the County's other insurances against such losses; and
- Other emergencies as determined by the County Council.

The Rainy Day Reserve is reported as part of the General Fund. As of December 31, 2023, it had a committed fund balance of \$25.2 million.

As of December 31, 2023, King County's governmental funds reported combined fund balance of \$2,442.4 million. Of this amount, \$157.7 million constitutes unassigned fund balance. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$406.4 million; (2) restricted for particular purposes, \$1,784.3 million; (3) committed for particular purposes, \$44.0 million; or (4) assigned for particular purposes, \$50.0 million.

A summary of governmental fund balances at December 31, 2023 is as follows (in thousands):

	General Fund	Behavioral Health Fund	Housing and Community Development Fund	Public Health Fund	Nonmajor Governmental Funds	Total
Nonspendable - Inventory						
Emergency Medical Services	—	—	—	—	145	145
Public Health	—	—	—	633	—	633
Nonspendable - Long-term Notes Receivable						
Housing and Community Development	—	—	378,988	—	—	378,988
Nonspendable - Prepaid Expenses						
Arts and Cultural Development	—	—	—	—	20,432	20,432
Building Repair and Replacement	—	—	—	—	200	200
Conservation Futures	—	—	—	—	390	390
County Road Operating	—	—	—	—	135	135
Environmental Health	—	—	—	—	92	92
General Fund	28	—	—	—	—	28
Long Term Leases	—	—	—	—	3,381	3,381
Parks Capital Projects	—	—	—	—	1,622	1,622
Parks Operating Levy	—	—	—	—	28	28
Public Health	—	—	—	45	—	45
Surface Water Program	—	—	—	—	4	4
Transfer of Developer Credit	—	—	—	—	268	268
Total Nonspendable Fund Balance	28	—	378,988	678	26,697	406,391

A summary of governmental fund balances at December 31, 2023 continues (in thousands) (page 2 of 3):

	General	Behavioral	Housing and Community Development	Public Health	Nonmajor Governmental	Total
	Fund	Fund	Fund	Fund	Funds	
Restricted for:						
Animal Services	—	—	—	—	2,693	2,693
Arts and Cultural Development	—	—	—	—	5,880	5,880
Automated Fingerprint Identification System	—	—	—	—	39,271	39,271
Behavioral Health	—	111,841	—	—	—	111,841
Best Starts For Kids Levy	—	—	—	—	57,707	57,707
Building Repair and Replacement	—	—	—	—	10,977	10,977
Community Projects	7,958	—	—	—	—	7,958
Community Services Operating	—	—	—	—	1,679	1,679
Conservation Futures	—	—	—	—	77,063	77,063
County Road Operating	—	—	—	—	26,855	26,855
Crime Victim Compensation Program	29	—	—	—	—	29
Deferred Compensation Admin	563	—	—	—	—	563
Department of Local Services Administration	—	—	—	—	1,882	1,882
Developmental Disabilities	—	—	—	—	9,446	9,446
Dispute Resolution	21	—	—	—	—	21
Drug Enforcement	1,599	—	—	—	—	1,599
Emergency Medical Services	—	—	—	—	109,635	109,635
Emergency Telephone Enhanced 911	—	—	—	—	46,047	46,047
Employment and Education Resources	—	—	—	—	1,292	1,292
Enhanced 911 Emergency Telephone Capital	—	—	—	—	15,973	15,973
Environmental Health	—	—	—	—	12,390	12,390
Flood Control District	—	—	—	—	26,797	26,797
Grants Fund	—	—	—	—	5,922	5,922
Harborview Health and Safety	—	—	—	—	114,299	114,299
Health Through Housing	—	—	—	—	115,897	115,897
Historical Preservation	—	—	—	—	194	194
Housing and Community Development	—	—	304,583	—	—	304,583
KCIT Capital Projects	—	—	—	—	5,880	5,880
King County Flood Control Contract	—	—	—	—	121	121
Law Library	—	—	—	—	1,123	1,123
Local Hazardous Waste	—	—	—	—	21,752	21,752
Lodging Tax	—	—	—	—	33,359	33,359
Major Maintenance	—	—	—	—	9,874	9,874
Mental Illness and Drug Dependency	—	—	—	—	67,092	67,092
Noxious Weed Control	—	—	—	—	1,136	1,136
Open Space Acquisition Program	—	—	—	—	863	863
Parks Capital Projects	—	—	—	—	140,980	140,980
Parks Operating Levy	—	—	—	—	52,224	52,224
Permitting and Abatement	—	—	—	—	984	984
Public Health	—	—	—	102,395	—	102,395
Puget Sound Emergency Radio Network	—	—	—	—	1,467	1,467
Puget Sound Taxpayer Accountability	—	—	—	—	15,098	15,098
Real Estate Excise Tax Capital	—	—	—	—	58,029	58,029
Real Property Title Assurance	25	—	—	—	—	25
Recorder's Operations and Maintenance	—	—	—	—	3,078	3,078
Road Improvement Districts	—	—	—	—	21	21
Roads Capital Program	—	—	—	—	55,357	55,357
Surface Water Program	—	—	—	—	52,308	52,308
Treasurer's Operations and Maintenance	—	—	—	—	858	858
Unlimited GO Bond Redemption	—	—	—	—	2,293	2,293
Veterans' Relief	—	—	—	—	1,433	1,433

A summary of governmental fund balances at December 31, 2023 continues (in thousands) (page 3 of 3):

	General Fund	Behavioral Health Fund	Housing and Community Development Fund	Public Health Fund	Nonmajor Governmental Funds	Total
Restricted for - continued:						
Veterans, Seniors and Human Services	—	—	—	—	38,493	38,493
Youth Amateur Sports	—	—	—	—	9,488	9,488
Youth Services Facilities	—	—	—	—	109	109
Total Restricted Fund Balance	10,195	111,841	304,583	102,395	1,255,319	1,784,333
Committed for:						
Antiprofitteering Program	70	—	—	—	—	70
Dept of Natural Resources and Parks Admin	—	—	—	—	2,317	2,317
Housing and Community Development	—	—	251	—	—	251
Rainy Day Reserve	25,189	—	—	—	—	25,189
School District Impact Fees	—	—	—	—	303	303
Transfer of Developer Credit	—	—	—	—	11,554	11,554
Wheelchair Access	3,167	—	—	—	—	3,167
Youth Amateur Sports	—	—	—	—	1,174	1,174
Total Committed Fund Balance	28,426	—	251	—	15,348	44,025
Assigned for:						
Behavioral Health	—	4,509	—	—	—	4,509
Emergency Telephone Enhanced 911	—	—	—	—	852	852
Housing and Community Development	—	—	1,400	—	—	1,400
IT Services Capital	—	—	—	—	7,795	7,795
Inmate Welfare	1,122	—	—	—	—	1,122
Limited GO Bond Redemption	—	—	—	—	9,580	9,580
Major Maintenance	—	—	—	—	3,986	3,986
Parking Facilities	10,006	—	—	—	—	10,006
Public Health	—	—	—	10,733	—	10,733
Total Assigned Fund Balance	11,128	4,509	1,400	10,733	22,213	49,983
Unassigned for:						
Arts and Cultural Development	—	—	—	—	(16,702)	(16,702)
Building Repair and Replacement	—	—	—	—	(25,930)	(25,930)
Dept of Community and Human Services Admin	—	—	—	—	(1,451)	(1,451)
Dept of Local Services Capital	—	—	—	—	(901)	(901)
General Fund	263,322	—	—	—	—	263,322
KCIT Capital Projects	—	—	—	—	(24,875)	(24,875)
King County Flood Control Contract	—	—	—	—	(21)	(21)
Long-Term Leases	—	—	—	—	(10,026)	(10,026)
Permit and Abatement	—	—	—	—	(4,174)	(4,174)
Puget Sound Emergency Radio Network Capital	—	—	—	—	(21,591)	(21,591)
Total Unassigned Fund Balance	263,322	—	—	—	(105,671)	157,651
Total Fund Balance	\$ 313,099	\$ 116,350	\$ 685,222	\$ 113,806	\$ 1,213,906	\$ 2,442,383

Restatements of Beginning Balances

Detailed information regarding restatements of beginning balances are below (in thousands):

GOVERNMENTAL ACTIVITIES

	Total Governmental Funds	Major Funds			Public Health	Nonmajor Governmental Funds
		General Fund	Behavioral Health	Housing and Community Development		
Fund balance - January 1, 2023	2,003,843	\$ 316,361	\$ 113,979	\$ 556,706	\$ 71,255	\$ 945,542
Reclass of funds for opioid settlement funds	—	(1,147)	—	—	1,147	—
Accrued expenditures twice in 2022	964	—	—	964	—	—
FEMA revenue corrections	(9,562)	(677)	—	(6,270)	—	(2,615)
Fund balance - January 1, 2023 (Restated)	<u>\$ 1,995,245</u>	<u>\$ 314,537</u>	<u>\$ 113,979</u>	<u>\$ 551,400</u>	<u>\$ 72,402</u>	<u>\$ 942,927</u>

	Total Governmental Activities
Net position - January 1, 2023	\$ 5,232,938
Flood construction in progress correction	(4,019)
Accrued expenditures twice in 2022	964
FEMA revenue corrections	(9,562)
Net position - January 1, 2023 (Restated)	<u>\$ 5,220,321</u>

Governmental Activities

In 2022 the County won an opioid settlement to be paid out over multiple years. Available revenue for years one through three were recognized in the General Fund while it was determined where the funds would go. The opioid settlement balances have been moved to Public Health Fund but year three receipts were recorded in Public Health Fund in 2023, requiring the adjustment to last year's revenue recognized for year three totaling \$1,147 thousand.

In 2022 the General Fund recognized Federal Emergency Management Agency (FEMA) grant revenues twice in error totaling \$677 thousand.

In 2022 the Housing and Community Development Fund recognized FEMA grant revenues twice in error totaling \$6,270 thousand. In addition, the fund accrued expenditures twice in 2022, totaling \$964 thousand.

In 2022 the Grants Fund recognized FEMA grant revenues twice in error totaling \$2,615 thousand.

The Flood Control District, a blended component unit of the County, recorded changes to 2022 draft financial statement balances after the County released its 2022 financial statements, resulting in a decrease of \$4,019 thousand in Work in Progress.

FIDUCIARY FUNDS

	CUSTODIAL FUNDS	
	External Investment Pool Funds	Other Custodial Funds
Net position - January 1, 2023	\$ 3,794,303	\$ 71,520
Funds held pending judicial action	—	43,226
Net position - January 1, 2023 (Restated)	<u>\$ 3,794,303</u>	<u>\$ 114,746</u>

Fiduciary Funds

The County reported the entire asset balance of Judicial Administration as due to beneficiaries subsequent to the implementation of *GASB Statement 84: Fiduciary Activities*. Upon further review, the County determined that these resources are held pending court order; they should have been reported as net position instead of a liability resulting in the restatement of prior period net position totaling \$43.2 million.

COMPONENT UNITS

	Total Component Units	Harborview Medical Center	Cultural Development Authority	NJB Properties
Changes in Net Position				
Net position - January 1, 2023	\$ 741,132	\$ 731,833	\$ 8,735	\$ 564
Updated CDA statements after publication	4	—	4	—
Net position - January 1, 2023 (Restated)	<u>\$ 741,136</u>	<u>\$ 731,833</u>	<u>\$ 8,739</u>	<u>\$ 564</u>

Component Units

Cultural Development Authority (CDA) published audited 2022 financial statements after the County released its 2022 financial statements resulting in a decrease in leased assets of \$35 thousand and an offsetting decrease in noncurrent liabilities of \$39 thousand, increasing its net position by \$4 thousand.

Restricted Net PositionComponent Unit - Harborview Medical Center (HMC)

Restricted expendable net position - \$13.2 million of expendable net position is restricted for either capital purposes use or through donor restrictions. Restrictions are imposed by King County on the use of resources for designated capital projects. Other restrictions are placed by donors or external parties, such as creditors, through purpose or time restrictions on the use of the assets.

Restricted nonexpendable net position - The \$3.5 million consists of permanent endowments provided by donors with restrictions requiring HMC to maintain the assets in perpetuity.

Component Unit - Cultural Development Authority of King County (CDA)

Restricted expendable net position - \$13.0 million is restricted by RCW 67.28.180.3 and King County ordinance to be used for the arts and heritage cultural program awards fund and special account, for which the amount is derived according to a specified formula, and one percent for public arts program.

Note 19

Telecommunication Services

The County's Institutional Network (I-Net) Enterprise fund develops and operates a fiber-optic network that connects over 300 public facilities across King County. I-Net provides broadband Internet connectivity, allowing data, voice, and video communications for various public, education, and government agencies, including schools, libraries, and cities in King County. Below are disclosed the fund's revenues and expenses by their major categories and the fund's net capital investment in telecommunication services (reported in thousands).

Telecommunication Services	2023
Operating Revenue	
Retail Telecommunication Services for Internal and External Agencies	\$ 3,260
Other (Public, Educational, and Governmental Access Cable TV Fees)	225
Total Operating Revenue	<u>\$ 3,485</u>
Operating Expenses	
Administration and General	\$ 1,417
Network Operations	1,170
Repair and Maintenance	119
Interconnection Access	176
Total Operating Expenses	<u>\$ 2,882</u>
Nonoperating Revenue (Expenses)	
Investment gains (losses)	\$ 251
Total Nonoperating Revenue (Expenses)	<u>\$ 251</u>
Capital Investment	
Current	\$ —
Cumulative Since Beginning Telecommunication Services	23,104
Total Capital Investment	<u>\$ 23,104</u>

Capital Investment is reported at historical cost for in-service assets.

Note 20

Legal Matters, Financial Guarantees and Other Commitments

Pending Litigation and Other Claims

King County and its agencies are parties to routine legal proceedings that normally occur in governmental operations. At any given point, there may be numerous lawsuits that could significantly impact expenditures and future budgets. The County's threshold for disclosure of loss contingencies is \$1.3 million.

The following litigation or potential litigation may involve claims for material damages that may be asserted against King County. However, the County can provide no opinion as to the ultimate outcome, or estimate the amount of damages that may be found, except as described below:

Denny Way CSO Model Toxic Control Act Cleanup - A potential requirement exists for additional cleanup in the area contaminated when the Denny Way combined sewer outflow (CSO) was replaced in 2005. Water Quality signed an Agreed Order with the Washington State Department of Ecology (DOE) under the Model Toxics Control Act for an interim cleanup action in November 2007 and subsequently performed the interim cleanup at a cost of \$3.6 million. WTD has recently engaged in negotiations with DOE to prepare a remedial investigation, feasibility study and draft cleanup action plan and to implement what may be an interim or final cleanup action. It is unclear what final remedy DOE may select. Therefore, the County is unable to determine an amount, if any, for which WTD may be responsible.

East Waterway Operable Unit of the Harbor Island Superfund Site - The Port of Seattle completed a significant removal action in the East Waterway. In addition, the Port of Seattle under administrative order to the Environmental Protection Agency (EPA) has completed the site investigation including a supplemental Remedial Investigation/Feasibility Study (RI/FS). A three-way agreement with the Port of Seattle, the City of Seattle and King County covers the participation of the City, the Port and the County in the RI/FS process and allocates to the County a one-third pro rata share of the study costs as defined in the agreement. These costs are subject to reallocation among Potentially Responsible Parties (PRP), and the County, City and Port have now begun their efforts to seek contribution from other PRPs for these and future site costs. The County, City and Port are in early discussions with over 20 other parties to begin participation in an alternative dispute resolution process, called an allocation, to determine shares of liability for the costs of the investigation and cleanup. Because the parties do not yet know their respective shares of cleanup costs and no consent decree has been negotiated with EPA, we are unable to determine the schedule or cost of any required remediation. In addition, we are unable to determine the extent to which King County and WTD (which has been covering the costs of the County's share to date) will be responsible for the cost of such remediation. On April 20, 2023, EPA issued a Proposed Plan which proposes an interim cleanup remedy for the site.

Lower Duwamish Waterway - The EPA issued an administrative order that required King County, City of Seattle, Boeing, and the Port of Seattle to conduct studies to determine the nature and extent of contamination in the Lower Duwamish Waterway. The County and the other three parties have agreed with the EPA to amend the administrative order to conduct additional studies. The last two amendments cover the first two (of three) phases of remedy design. EPA's Record of Decision (ROD), issued in 2014, contains EPA's final plan for cleanup. King County and other parties are participating in an alternative dispute resolution process, called an allocation, to determine shares of liability for the costs of the cleanup. The 2014 ROD estimated total cleanup costs of \$342.0 million in 2011 dollars for the Lower Duwamish Waterway. As of 2023, due to inflation and other factors, the current estimate of the cleanup costs is approximately \$700.0 million to \$750.0 million. The Port of Seattle rejected its share and withdrew from the allocation process and filed suit against Boeing, seeking to have Boeing pay more and it pay less. All other participants accepted their shares and are currently negotiating final settlement(s) around those shares. The Allocator issued the final allocation identifying party shares, and sufficient parties have accepted their allocated shares in order to move toward final settlements. In addition, in January 2023, EPA issued Special Notice Letters to the Port, County, City, Boeing and certain United States agencies inviting consent decree negotiations for performance of final cleanup, and the County is now involved in consent decree negotiations with EPA and other parties. After attempts at settlement with the Port by Boeing, the City and County failed, the Port voluntarily withdrew its lawsuit in May of 2023, leaving its intent toward cleanup unclear. Because additional process is still involved to negotiate final settlements among participants, that a settlement must also be reached with the United States (as a non-participant potentially responsible party), and the consent decree has not yet been fully negotiated with EPA, the County is unable to determine the schedule or cost of any required remediation. The County has indicated willingness to be a Performing Party in conjunction with the City and Boeing under the Consent Decree, if

satisfactory terms are agreed to and if settlements with other parties are achieved. The County expects to utilize funds from cash out parties but otherwise will be required to pay its performing party share (approximately 15 percent) of the Lower Duwamish cleanup costs, which will be primarily allocated to the Wastewater Treatment System, over the approximately 10-year cleanup period.

Lower Duwamish Waterway - Possible Natural Resource Damages - King County has participated in discussions with National Oceanic and Atmospheric Administration (NOAA) regarding alleged natural resource damages (NRD) in the Lower Duwamish Waterway and around Harbor Island. These discussions have included NOAA's determination that the County may be a potentially liable party that has contributed to the release of hazardous substances that have injured natural resources. NOAA notified the County in 2016 that the Natural Resources Trustees will proceed with a NRD assessment and invited the County to participate in the development of the assessment. The County notified NOAA in 2016 and again in 2019 that the County desires to conduct settlement discussions regarding the NRD liability that NOAA attributes to the County. The County is currently in the process of negotiating a settlement with NOAA but cannot predict the amount or likelihood of settlement at this point in time.

North Lake Union Site Model Toxics Control Act Cleanup - In the 1970s King County acquired a former bulk fueling terminal on the north shore of Lake Union in the vicinity of Gasworks Park and used it as a maintenance base and fuel storage facility. In the early 1990s the upland portion of the site was identified by the DOE as a potential source of environmental contamination under the Model Toxics Control Act. In 1999 the former owner and King County entered into an interim cost-sharing agreement, and entered into a Consent Decree with DOE for final cleanup actions and over a period of years, performed shallow soil remediation and groundwater remediation required under the Consent Decree. In 2009 King County sold a portion of the site to a developer after the developer entered into a separate Prospective Purchaser Consent Decree (PPCD) for its portion of the site in 2007. During 2014 through 2015 the developer performed the deep soil excavation required under its PPCD and in 2016 DOE declared the developer's cleanup complete and closed out the PPCD. However, under the 1999 Consent Decree, the former owner and King County remain obligated to monitor groundwater on the site and DOE has reserved the right to require additional or different remedial actions at the site if new or different information comes to light. Therefore, we are presently unable to determine an amount, if any, for which King County and Metro Transit may be responsible.

Permitting - In December 2021 the DOE issued the Puget Sound Nutrient General Permit (PSNGP) which applies to all 58 wastewater treatment plants in the State. To comply with the permit would potentially require the County to spend over \$15.0 million. The County and eight other wastewater utilities have appealed the permit to the Pollution Control Hearings Board (PCHB) and have also obtained a partial stay of the permit's provisions during the pendency of the appeal. The PCHB appeal is stayed pending resolution of separate litigation challenging DOE's regulatory authority. That separate litigation is pending before the Washington State Supreme Court, with oral argument scheduled for May 15, 2024.

Cedar Hills Landfill - Since 2008, Solid Waste Division has contracted with Bio Energy Washington (BEW) to convert landfill gas generated through the normal operation of the Cedar Hills Landfill into natural gas. BEW leases property at the landfill and operates a plant that scrubs the landfill of gas of impurities and sells it to Puget Sound Energy (PSE). Solid Waste Division has a separate contract with PSE for the value of the environmental attributes of this renewable source of energy. In 2020, King County initiated a lawsuit against PSE alleging that PSE was not paying the full value for the environment attributes. PSE settled the claim with an agreed payment of \$7.0 million to County and the suit was dismissed. The County initially engaged both PSE and BEW in discussions and invoked the dispute resolution procedure under their respective contracts. As part of those initial discussions, BEW also invoked the dispute resolution process specified in the contract with the County. BEW alleged that the County was not employing "good engineering practices" to collect the landfill gas and is delivering a substandard quantity and quality of gas to BEW. In April 2022, the County initiated the dispute resolution process with BEW as the recent testing showed that the County cannot accept the BEW condensate under its wastewater permit. The parties have had many discussions but have not reached agreement. BEW has now filed suit alleging breach of contract and seeking a declaratory judgment that the County should be responsible for all the BEW condensate. BEW seeks in excess of \$10.0 million in past damages for lost revenue plus an additional \$300 thousand in damages per month; and specific performance of certain landfill gas improvements and for the County to manage the condensate. BEW also seeks a 50 percent reduction in its payments due the County until the County completes all of the landfill gas improvements. The County intends to vigorously defend against these claims.

Vaccine Mandate - King County Police Officers Guild - Twenty-four King County Police Officers Guild (KCPOG) grievances are currently being held in abeyance pending a decision from the Washington Public Employment Relations Commission (PERC) on a related unfair labor practice complaint. The grievances all allege that the

respective employee-grievant was improperly separated related to the vaccine mandate. All of the employees had requested religious and/or medical accommodations, which were provisionally granted. Each employee was separated after it was determined they could not be reasonably accommodated. PERC is anticipated to issue a decision at the end of April 2024 and it is further anticipated that whatever decision flows from PERC, the grievances will need to be resumed. The County intends to contest the grievance arbitrations. Determining exposure is speculative and variable, and dependent on the facts of each grievance.

Financial Guarantees

King County has extended nonexchange financial guarantees in the form of contingent loan agreements with the King County Housing Authority (KCHA), a related organization to the County, and other owners/developers of affordable housing. The County will provide credit support, such as assumption of monthly payments, for certain bonds and lines of credit issued by these agencies in the event of financial distress. Any guarantee payments made become liabilities of the guaranteed contract holders to be paid back after regaining financial stability. The County's credit enhancement program, managed by the Department of Community and Human Services, allows up to \$350.0 million in total commitment. At the end of 2023, there are 14 contingent loan agreements outstanding totaling \$274.6 million. These agreements have maturity dates ranging from 10 to 30 years. All projects are currently self-supporting and the County has not made any payments pursuant to these agreements. It is unlikely that the County will make any payments in relation to these guarantees based on available information at the end of December 31, 2023 and the standards prescribed under GASB Statement No. 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

Fuel Farm - The existing fuel farm is located at the North end of the King County International Airport inside the security fence at 1495 S. Hardy Street. The site occupies approximately 1.98 acres and includes 11 underground tanks (eight operational tanks dispensing aviation fuel and three closed tanks). The fuel farm tenant and subtenant are responsible for the cleanup of the fuel farm site. Under the Model Toxics Control Act (MTCA), the DOE can pursue all cleanup costs from a single owner or operator. In such a scenario, the County (as owner) would need to identify a responsible third party, such as a former tenant or tenants, who are responsible for all the existing contamination. But if the County is responsible for any of the contamination, the DOE could order the County to clean the site. The County would then pursue other potentially liable parties for statutory contribution. There are still ongoing cleanup investigative studies by the tenant and subtenant at December 31, 2023, and the County believes the scenario wherein it performs the cleanup activities itself to be unlikely.

Other Commitments

The Solid Waste Enterprise paid the County General Fund \$3.3 million for rent on the Cedar Hills landfill site in 2023. The Enterprise is committed to paying rent to the General Fund as long as the Cedar Hills site continues to accept waste.

Component Unit - Harborview Medical Center

Harborview Medical Center (HMC) is aware of certain asserted and unasserted legal claims and regulatory matters arising in the normal course of business. After consultation with legal counsel, HMC management estimates that these matters will be resolved without material adverse effect on HMC's financial statements.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, governmental healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Through the UW Medicine compliance program, HMC strives to maintain an effective and safe program for reporting and addressing potential regulatory concerns. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions known or unasserted at this time.

HMC is operated by the University of Washington under a management and operations contract with King County. In this contract, the University of Washington agrees to defend, indemnify, and save and hold harmless King County's elected and appointed officials, employees, and agents, from and against any damage, cost, claim or liability arising out of the negligent acts or omissions of the University, its employees or agents, or arising out of the activities or operations of the medical center.

Note 21

Subsequent Events

Long-Term Debt Issuances in 2024

On January 25, 2024, Water Quality and the U.S. Environmental Protection Agency signed a \$498.3 million loan agreement to fund 14 infrastructure projects that will help improve water quality.

On January 29, 2024, Water Quality made a \$25.9 million draw on its Georgetown Wet Weather Station project State loans.

On February 12, 2024, Water Quality made a \$2.5 million draw on its Joint Ship Canal project State loans.

On April 15, 2024, Water Quality made a \$9.6 million draw on its Water Infrastructure Finance and Innovation Act (WIFIA) loan from the U.S. Environmental Protection Agency for Water Quality's Joint Ship Canal project.

On April 24, 2024, the County issued \$87.1 million in Limited Tax General Obligation and Refunding Bonds, 2024 Series A. Proceeds will be used to finance new projects in solid waste landfill and transfer station, conservation future, climate equity projects, case management projects, property tax accounting system, information technology and to refund series LTGO 2014 Series B bond at a more favorable interest rates.

On June 6, 2024, the County issued \$115.6 million in Junior Lien Sewer Revenue Refunding Bonds, 2024. Proceeds will be used to pay a portion of the County's Limited Tax General Obligation Notes (Payable from Sewer Revenues) (Commercial Paper) Series A and to pay the costs of issuing the Bonds.

Short-Term Debt Issuances in 2024

The County's Water Quality Enterprise utilizes a limited tax general obligation commercial paper program to finance certain capital activities and/or to refinance outstanding and future bonds of the County's sewer system. The authorization for this program expires December 15, 2050.

On January 26, 2024, Water Quality issued \$30.0 million in commercial paper.

Information about transactions that occurred in 2024 may be found on the County's bondholder website: www.kingcountybonds.com.



Required Supplementary Information

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

KING COUNTY
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023

(In Thousands)

(Page 1 of 2)

2023-2024 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes:				
Property taxes	\$ 822,097	\$ 822,097	\$ 408,472	\$ (413,625)
Retail sales and use taxes	382,656	382,656	195,710	(186,946)
Business and other taxes	8,625	8,625	4,030	(4,595)
Licenses and permits	15,097	15,197	7,109	(8,088)
Intergovernmental revenues	158,257	131,370	75,354	(56,016)
Charges for services	646,778	665,690	320,378	(345,312)
Fines and forfeits	40,271	40,698	24,507	(16,191)
Interest earnings	31,368	31,368	34,525	3,157
Miscellaneous revenues	38,286	38,320	16,946	(21,374)
Sale of capital assets	—	—	14	14
General obligation bonds issued	22,660	28,660	—	(28,660)
Transfers in	49,366	53,177	31,359	(21,818)
Total revenues	<u>2,215,461</u>	<u>2,217,858</u>	<u>1,118,404</u>	<u>(1,099,454)</u>
EXPENDITURES				
Current:				
General government	454,716	472,856	178,157	294,699
Law, safety and justice	1,671,396	1,688,318	843,951	844,367
Physical environment	897	997	345	652
Transportation	—	—	190	(190)
Economic environment	21,988	23,389	21,973	1,416
Health and human services	18,634	20,863	6,242	14,621
Debt service:				
Principal	6	6	—	6
Interest and other debt service costs	1	1	720	(719)
Capital outlay	24,336	31,970	2,037	29,933
Transfers out	195,411	225,323	89,530	135,793
Total expenditures	<u>2,387,385</u>	<u>2,463,723</u>	<u>1,143,145</u>	<u>1,320,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (171,924)</u>	<u>\$ (245,865)</u>	<u>(24,741)</u>	<u>\$ 221,124</u>
Adjustment from budgetary basis to GAAP basis ^(a)			<u>23,303</u>	
Net change in fund balance			<u>(1,438)</u>	
Fund balance - Beginning balance (Restated)			<u>314,537</u>	
Fund balance - Ending balance			<u>\$ 313,099</u>	

KING COUNTY
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023

(In Thousands)

(Page 2 of 2)

	<u>2023</u>	<u>2024</u>	<u>2023-2024</u>
^(a) Elements of adjustment from budgetary basis to GAAP basis:			
Adjustments to revenues:			
Basis of accounting differences:			
GASB Statement No. 31 unrealized gains	\$ 9,918	\$ —	\$ 9,918
GASB Statement No. 87 lease receipts reclass	(6,156)	—	(6,156)
GASB Statement No. 87 lease interest	2,509	—	2,509
GASB Statement No. 87 lease revenue	5,662	—	5,662
GASB Statement No. 87 lease proceeds	17,123	—	17,123
GASB Statement No. 96 subscription asset proceeds	230	—	230
Total basis of accounting differences	<u>29,286</u>	<u>—</u>	<u>29,286</u>
Perspective differences:			
Intrafund eliminations	(938)	—	(938)
Total perspective differences	<u>(938)</u>	<u>—</u>	<u>(938)</u>
Total adjustments to revenues	<u>28,348</u>	<u>—</u>	<u>28,348</u>
Adjustments to expenditures:			
Basis of accounting differences:			
GASB Statement No. 87 lease expenditure	17,123	—	17,123
GASB Statement No. 96 subscription asset expenditure	230	—	230
Total basis of accounting differences	<u>17,353</u>	<u>—</u>	<u>17,353</u>
Perspective differences:			
Intrafund eliminations	(2,300)	—	(2,300)
Total perspective differences	<u>(2,300)</u>	<u>—</u>	<u>(2,300)</u>
Total adjustments to expenditures	<u>15,053</u>	<u>—</u>	<u>15,053</u>
Rollup funds to General Fund:			
GF LTGO Bonds Subfund 2023B	7,981	—	7,981
KC Employee Deferred Compensation Admin Fund	103	—	103
Inmate Welfare Fund	113	—	113
Rainy Day Reserve Fund	1,136	—	1,136
Parking Facilities	675	—	675
Total rollup funds to General Fund	<u>10,008</u>	<u>—</u>	<u>10,008</u>
Adjustment from budgetary basis to GAAP basis	<u>\$ 23,303</u>	<u>\$ —</u>	<u>\$ 23,303</u>

KING COUNTY
Required Supplementary Information
Behavioral Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023
(In Thousands)

2023-2024 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes:				
Property taxes	\$ 7,755	\$ 7,754	\$ 3,839	\$ (3,915)
Business and other taxes	—	—	21	21
Intergovernmental revenues	66,946	68,581	28,285	(40,296)
Charges for services	655,986	677,786	327,763	(350,023)
Interest earnings	258	258	3,881	3,623
Miscellaneous revenues	—	—	5	5
Transfers in	25,076	45,278	19,333	(25,945)
Total revenues	<u>756,021</u>	<u>799,657</u>	<u>383,127</u>	<u>(416,530)</u>
EXPENDITURES				
Current:				
General government	—	—	9,260	(9,260)
Health and human services	724,303	769,788	358,404	411,384
Debt service:				
Transfers out	25,908	26,290	15,683	10,607
Total expenditures	<u>750,211</u>	<u>796,078</u>	<u>383,347</u>	<u>412,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,810</u>	<u>\$ 3,579</u>	(220)	<u>\$ (3,799)</u>
Adjustment from budgetary basis to GAAP basis ^(a)			2,591	
Net change in fund balance			2,371	
Fund balance - Beginning balance			113,979	
Fund balance - Ending balance			<u>\$ 116,350</u>	
	<u>2023</u>	<u>2024</u>	<u>2023-2024</u>	
^(a) Elements of adjustment from budgetary basis to GAAP basis:				
Adjustments to revenues:				
Basis of accounting differences:				
GASB Statement No. 31 unrealized gains	\$ 2,591	\$ —	\$ 2,591	
Total adjustments to revenues	<u>2,591</u>	<u>—</u>	<u>2,591</u>	

KING COUNTY
Required Supplementary Information
Housing and Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023
(In Thousands)

2023-2024 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes:				
Retail sales and use taxes	\$ 7,991	\$ 7,991	\$ 5,844	\$ (2,147)
Intergovernmental revenues	249,667	245,667	166,017	(79,650)
Charges for services	40,071	40,071	11,809	(28,262)
Interest earnings	2,733	2,733	6,853	4,120
Miscellaneous revenues	4,375	4,375	4,152	(223)
General government bond issued	54,000	54,750	126,440	71,690
Transfers in	247,208	273,485	38,835	(234,650)
Total revenues	<u>606,045</u>	<u>629,072</u>	<u>359,950</u>	<u>(269,122)</u>
EXPENDITURES				
Current:				
Economic environment	—	—	108,124	(108,124)
Health and human services	583,954	605,231	136,572	468,659
Debt service:				
Interest and other debt service costs	559	559	335	224
Capital outlay	—	5,750	14,920	(9,170)
Transfers out	4,304	4,304	12,556	(8,252)
Total expenditures	<u>588,817</u>	<u>615,844</u>	<u>272,507</u>	<u>343,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,228</u>	<u>\$ 13,228</u>	87,443	<u>\$ 74,215</u>
Adjustment from budgetary basis to GAAP basis ^(a)			46,379	
Net change in fund balance			133,822	
Fund balance - Beginning balance (Restated)			551,400	
Fund balance - Ending balance			<u>\$ 685,222</u>	

	<u>2023</u>	<u>2024</u>	<u>2023-2024</u>
^(a) Elements of adjustment from budgetary basis to GAAP basis:			
Adjustments to revenues:			
Basis of accounting differences:			
GASB Statement No. 31 unrealized gains	\$ 4,693	\$ —	\$ 4,693
GASB Statement No. 87 lease proceeds	1,041	—	1,041
CDBG Program Income adjusted for administrative costs	(1,128)	—	(1,128)
Total basis of accounting differences	<u>4,606</u>	<u>—</u>	<u>4,606</u>
Total adjustments to revenues	<u>4,606</u>	<u>—</u>	<u>4,606</u>
Adjustments to expenditures:			
Basis of accounting differences:			
GASB Statement No. 87 lease expenditure	1,041	—	1,041
Advanced Housing loans	(42,814)	—	(42,814)
Total basis of accounting differences	<u>(41,773)</u>	<u>—</u>	<u>(41,773)</u>
Total adjustments to expenditures	<u>(41,773)</u>	<u>—</u>	<u>(41,773)</u>
Adjustment from budgetary basis to GAAP basis	<u>\$ 46,379</u>	<u>\$ —</u>	<u>\$ 46,379</u>

KING COUNTY
Required Supplementary Information
Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023
(In Thousands)

2023-2024 BUDGETED AMOUNTS (BIENNIAL)

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Licenses and permits	\$ 1,035	\$ 1,035	\$ 515	\$ (520)
Intergovernmental revenues	264,165	298,571	150,391	(148,180)
Charges for services	156,561	158,416	79,592	(78,824)
Fines and forfeits	6	6	34	28
Interest earnings	—	—	39	39
Miscellaneous revenues	2,631	6,904	3,393	(3,511)
Transfers in	183,715	185,077	92,332	(92,745)
Total revenues	<u>608,113</u>	<u>650,009</u>	<u>326,296</u>	<u>(323,713)</u>
EXPENDITURES				
Current:				
Health and human services	579,609	618,268	283,418	334,850
Debt service:				
Interest and other debt service costs	—	—	80	(80)
Capital outlay	374	374	260	114
Transfers out	1,891	2,913	914	1,999
Total expenditures	<u>581,874</u>	<u>621,555</u>	<u>284,672</u>	<u>336,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,239</u>	<u>\$ 28,454</u>	41,624	<u>\$ 13,170</u>
Adjustment from budgetary basis to GAAP basis ^(a)			(220)	
Net change in fund balance			41,404	
Fund balance - Beginning balance (Restated)			72,402	
Fund balance - Ending balance			<u>\$ 113,806</u>	

	<u>2023</u>	<u>2024</u>	<u>2023-2024</u>
^(a) Elements of adjustment from budgetary basis to GAAP basis:			
Adjustments to revenues:			
Basis of accounting differences:			
GASB Statement No. 31 unrealized losses	\$ (15)	\$ —	\$ (15)
Total basis of accounting differences	<u>(15)</u>	<u>—</u>	<u>(15)</u>
Perspective differences:			
Intrafund eliminations	<u>(3,159)</u>	<u>—</u>	<u>(3,159)</u>
Total perspective differences	<u>(3,159)</u>	<u>—</u>	<u>(3,159)</u>
Total adjustments to revenues	<u>(3,174)</u>	<u>—</u>	<u>(3,174)</u>
Adjustments to expenditures:			
Perspective differences:			
Intrafund eliminations	(3,159)	—	(3,159)
DPH Admin fund structure difference	205	—	205
Total perspective differences	<u>(2,954)</u>	<u>—</u>	<u>(2,954)</u>
Total adjustments to expenditures	<u>(2,954)</u>	<u>—</u>	<u>(2,954)</u>
Adjustment from budgetary basis to GAAP basis	<u>\$ (220)</u>	<u>\$ —</u>	<u>\$ (220)</u>

Notes to Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Differences between budgetary amounts and GAAP

Differences between budgetary amounts and amount reported under generally accepted accounting principles (GAAP) may be attributed to the following, with specific differences (if any) described:

1. Basis of accounting differences – differences from revenues and expenditure being recognized at different points in time for budgeting relative to GAAP reporting. Specific differences include:

GASB Statement No. 31: Unrealized gains or losses on investments reports the fair market value of investments at a point in time and does not reflect budgetary activity.

GASB Statement No. 87: Lease accounting is budgeted on the cash basis. The transactions which initiate new leases and convert the periodic payments into debt service transactions (payments of principal and interest) do not reflect budgetary activity.

GASB Statement No. 96: Subscription-based information technology arrangements are budgeted on the cash basis. The transactions which initiate new SBITAs and convert periodic payments into debt service transactions (payments of principal and interest) do not reflect budgetary activity.

Advanced Community Development Block Grant Housing loans: Housing and Community Development fund administers a housing loan program that advances loans to eligible recipients. The outflows are budgeted as expenditures and repayments are considered as program income.

2. Timing differences – differences in the financial reporting period relative to the budget (annual vs biennial, respectively).

3. Perspective differences – differences from funds being treated differently under budgeting relative to GAAP reporting. Specific differences include:

Intrafund eliminations: Activity occurs between appropriations units of the same fund. The related revenues and expenditures from this activity are eliminated for GAAP financial reporting.

DPH Administration Fund structure difference: The fund structure of financial information for budgetary purposes differs from that used for financial reporting purposes. The activity occurring between the DPH Administration Fund and the Public Health Fund is eliminated for financial reporting purposes because the DPH Administration Fund is eliminated for financial reporting purposes.

4. Entity differences – differences from budgetary reporting that includes activity that is not part of the primary government.

Other differences between budgetary and GAAP reporting may include:

Additional funds are included in GAAP reporting for the general fund as the funds are not appropriately reported as special revenue funds. Funds included are: GF LTGO Bonds Subfund 2023B, KC Employee Deferred Comp Admin fund, Inmate Welfare fund, Rainy Day Reserve fund, and Parking Facilities fund. Activity between these funds (if any) and the general fund, is eliminated.

Beginning Balance Restatements

Detailed information about beginning balance restatements may be found in *Note 18: Components of Net Position and Fund Balance, Restatements and Restrictions*.

KING COUNTY
Required Supplementary Information
Last Ten Fiscal Years
December 31, 2023

Schedule of the County's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 1

Measurement Date of June 30¹

(dollars in thousands)

	2023	2022	2021	2020	2019
County's proportion of the net pension liability	8.44 %	8.27 %	8.61 %	8.85 %	8.25 %
County's proportionate share of the net pension liability	\$ 192,692	\$ 230,262	\$ 105,126	\$ 312,368	\$ 317,333
County's covered payroll ²	\$ 1,490,885	\$ 1,302,359	\$ 1,266,269	\$ 1,283,745	\$ 1,196,465
County's proportionate share of the net pension liability as a percentage of covered payroll	12.92 %	17.68 %	8.30 %	24.33 %	26.52 %
Plan fiduciary net position as a percentage of the total pension liability	80.16 %	76.56 %	88.74 %	68.64 %	67.12 %
	2018	2017	2016	2015	
County's proportion of the net pension liability	8.56 %	8.45 %	8.90 %	8.76 %	
County's proportionate share of the net pension liability	\$ 382,129	\$ 400,803	\$ 477,872	\$ 458,477	
County's covered payroll ²	\$ 1,124,434	\$ 1,031,025	\$ 1,007,624	\$ 1,000,211	
County's proportionate share of the net pension liability as a percentage of covered payroll	33.98 %	38.87 %	47.43 %	45.84 %	
Plan fiduciary net position as a percentage of the total pension liability	63.22 %	61.24 %	57.03 %	59.10 %	

Schedule of the County's Proportionate Share of the Net Pension (Asset) Liability

Public Employees' Retirement System (PERS) Plan 2/3

Measurement Date of June 30¹

(dollars in thousands)

	2023	2022	2021	2020	2019
County's proportion of the net pension asset/liability	10.44 %	10.31 %	10.53 %	10.85 %	10.06 %
County's proportionate share of the net pension (asset) liability	\$ (427,975)	\$ (382,490)	\$ (1,049,145)	\$ 138,736	\$ 97,735
County's covered payroll ²	\$ 1,443,510	\$ 1,298,630	\$ 1,036,103	\$ 1,219,052	\$ 1,144,724
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	(29.65)%	(29.45)%	(101.26)%	11.38 %	8.54 %
Plan fiduciary net position as a percentage of the total pension liability	101.54 %	106.73 %	120.29 %	97.22 %	97.77 %
	2018	2017	2016	2015	
County's proportion of the net pension asset/liability	10.29 %	10.14 %	10.52 %	10.36 %	
County's proportionate share of the net pension (asset) liability	\$ 175,728	\$ 352,361	\$ 529,855	\$ 370,294	
County's covered payroll ²	\$ 1,072,968	\$ 995,800	\$ 953,254	\$ 949,860	
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	16.38 %	35.38 %	55.58 %	38.98 %	
Plan fiduciary net position as a percentage of the total pension liability	95.77 %	90.97 %	85.82 %	89.20 %	

Schedule of the County's Proportionate Share of the Net Pension (Asset) Liability

Public Safety Employees' Retirement System (PSERS) Plan 2

Measurement Date of June 30¹

(dollars in thousands)

	2023	2022	2021	2020	2019
County's proportion of the net pension asset/liability	7.23 %	7.09 %	7.39 %	8.22 %	8.67 %
County's proportionate share of the net pension (asset) liability	\$ (7,668)	\$ (5,073)	\$ (16,979)	\$ (1,131)	\$ (1,127)
County's covered payroll ²	\$ 55,162	\$ 30,413	\$ 42,155	\$ 57,291	\$ 41,656
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	(13.90)%	(16.68)%	(40.28)%	(1.97)%	(2.71)%
Plan fiduciary net position as a percentage of the total pension liability	107.90 %	105.96 %	123.67 %	101.68 %	101.85 %
	2018	2017	2016	2015	
County's proportion of the net pension asset/liability	9.69 %	9.92 %	11.33 %	9.88 %	
County's proportionate share of the net pension (asset) liability	\$ 120	\$ 1,944	\$ 4,817	\$ 1,803	
County's covered payroll ²	\$ 38,120	\$ 35,210	\$ 35,577	\$ 29,911	
County's proportionate share of the net pension (asset) liability as a percentage of covered payroll	0.31 %	5.52 %	13.54 %	6.03 %	
Plan fiduciary net position as a percentage of the total pension liability	99.79 %	96.26 %	90.41 %	95.08 %	

**Schedule of the County's Proportionate Share of the Net Pension Asset
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1**

Measurement Date of June 30¹

(dollars in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension asset	0.61 %	0.60 %	0.59 %	0.59 %	0.60 %
County's proportionate share of the net pension asset	\$ (17,966)	\$ (17,174)	\$ (20,344)	\$ (11,161)	\$ (11,826)
State's proportionate share of the net pension asset associated with King County	<u>(121,519)</u>	<u>(116,165)</u>	<u>(137,609)</u>	<u>(75,495)</u>	<u>(79,988)</u>
Total	<u>\$ (139,485)</u>	<u>\$ (133,339)</u>	<u>\$ (157,953)</u>	<u>\$ (86,656)</u>	<u>\$ (91,814)</u>
Plan fiduciary net position as a percentage of the total pension asset	175.99 %	169.62 %	187.45 %	146.88 %	148.78 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
County's proportion of the net pension asset	0.60 %	0.60 %	0.60 %	0.60 %	
County's proportionate share of the net pension asset	\$ (10,894)	\$ (9,046)	\$ (6,180)	\$ (7,275)	
State's proportionate share of the net pension asset associated with King County	<u>(73,684)</u>	<u>(61,188)</u>	<u>(41,801)</u>	<u>(49,209)</u>	
Total	<u>\$ (84,578)</u>	<u>\$ (70,234)</u>	<u>\$ (47,981)</u>	<u>\$ (56,484)</u>	
Plan fiduciary net position as a percentage of the total pension asset	144.42 %	135.96 %	123.74 %	127.36 %	

**Schedule of the County's Proportionate Share of the Net Pension Asset
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2**

Measurement Date of June 30¹

(dollars in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension asset	2.96 %	2.77 %	2.93 %	3.15 %	2.63 %
County's proportionate share of the net pension asset	\$ (70,967)	\$ (75,145)	\$ (170,289)	\$ (64,158)	\$ (60,885)
State's proportionate share of the net pension asset associated with King County	<u>(45,319)</u>	<u>(48,678)</u>	<u>(109,855)</u>	<u>(41,024)</u>	<u>(39,872)</u>
Total	<u>\$ (116,286)</u>	<u>\$ (123,823)</u>	<u>\$ (280,144)</u>	<u>\$ (105,182)</u>	<u>\$ (100,757)</u>
County's covered payroll ²	\$ 130,420	\$ 108,009	\$ 112,875	\$ 119,110	\$ 97,381
County's proportionate share of the net pension asset as a percentage of covered payroll	(54.41)%	(69.57)%	(150.87)%	(53.86)%	(62.52)%
Plan fiduciary net position as a percentage of the total pension asset	113.17 %	116.09 %	142.00 %	115.83 %	119.43 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
County's proportion of the net pension asset	2.88 %	2.91 %	3.02 %	2.90 %	
County's proportionate share of the net pension asset	\$ (58,520)	\$ (40,429)	\$ (17,543)	\$ (29,819)	
State's proportionate share of the net pension asset associated with King County	<u>(37,891)</u>	<u>(26,225)</u>	<u>(11,437)</u>	<u>(19,716)</u>	
Total	<u>\$ (96,411)</u>	<u>\$ (66,654)</u>	<u>\$ (28,980)</u>	<u>\$ (49,535)</u>	
County's covered payroll ²	\$ 95,210	\$ 91,137	\$ 87,895	\$ 86,131	
County's proportionate share of the net pension asset as a percentage of covered payroll	(61.46)%	(44.36)%	(19.96)%	(34.62)%	
Plan fiduciary net position as a percentage of the total pension asset	118.50 %	113.36 %	106.04 %	111.67 %	

Schedule of the County's Proportionate Share of the Net Pension Liability

Seattle City Employees' Retirement System (SCERS)

Measurement Date of December 31¹

(dollars in thousands)

	2023	2022	2021	2020	2019
County's proportion of the net pension liability	0.03 %	0.04 %	0.04 %	0.04 %	0.05 %
County's proportionate share of the net pension liability	\$ 477	\$ 271	\$ 368	\$ 503	\$ 760
County's covered payroll ²	\$ 1,281	\$ 1,267	\$ 1,386	\$ 1,807	\$ 2,022
County's proportionate share of the net pension liability as a percentage of covered payroll	37.25 %	21.38 %	26.55 %	27.84 %	37.57 %
Plan fiduciary net position as a percentage of the total pension liability	70.63 %	83.31 %	78.81 %	71.48 %	64.14 %
	2018	2017	2016	2015	
County's proportion of the net pension liability	0.05 %	0.07 %	0.09 %	0.11 %	
County's proportionate share of the net pension liability	\$ 554	\$ 914	\$ 1,169	\$ 1,219	
County's covered payroll ²	\$ 2,429	\$ 3,010	\$ 3,305	\$ 4,332	
County's proportionate share of the net pension liability as a percentage of covered payroll	22.79 %	30.35 %	35.37 %	28.13 %	
Plan fiduciary net position as a percentage of the total pension liability	72.04 %	65.60 %	64.03 %	67.70 %	

Schedule of Contributions

Public Employees' Retirement System (PERS) Plan 1

Fiscal Year Ended December 31¹

(dollars in thousands)

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 53,584	\$ 53,488	\$ 56,706	\$ 60,884	\$ 62,259
Contributions in relation to the contractually required contribution	53,584	53,488	56,708	60,884	62,259
Contribution deficiency (excess)	\$ —	\$ —	\$ (2) ³	\$ —	\$ —
Covered payroll ⁴	\$ 1,590,944	\$ 1,388,530	\$ 1,316,507	\$ 1,306,676	\$ 1,245,598
Contributions as a percentage of covered payroll	3.37 %	3.85 %	4.31 %	4.66 %	5.00 %
	2018	2017	2016	2015	
Contractually required contribution	\$ 59,366	\$ 54,111	\$ 50,154	\$ 25,283	
Contributions in relation to the contractually required contribution	59,366	54,111	50,154	25,283	
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	
Covered payroll ⁴	\$ 1,154,804	\$ 1,082,715	\$ 1,028,598	\$ 507,206	
Contributions as a percentage of covered payroll	5.14 %	5.00 %	4.88 %	4.98 %	

Schedule of Contributions					
Public Employees' Retirement System (PERS) Plan 2/3					
Fiscal Year Ended December 31¹					
(dollars in thousands)					
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 95,119	\$ 86,165	\$ 92,418	\$ 101,390	\$ 93,935
Contributions in relation to the contractually required contribution	95,119	86,165	92,416	101,390	93,935
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u> ³	<u>\$ —</u>	<u>\$ —</u>
Covered payroll ⁴	\$ 1,495,774	\$ 1,336,109	\$ 1,264,018	\$ 1,251,724	\$ 1,188,641
Contributions as a percentage of covered payroll	6.36 %	6.45 %	7.31 %	8.10 %	7.90 %
	2018	2017	2016	2015	
Contractually required contribution	\$ 84,792	\$ 72,763	\$ 62,650	\$ 72,853	
Contributions in relation to the contractually required contribution	84,792	72,763	62,650	72,853	
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
Covered payroll ⁴	\$ 1,103,984	\$ 1,031,418	\$ 977,342	\$ 933,304	
Contributions as a percentage of covered payroll	7.68 %	7.05 %	6.41 %	7.81 %	

Schedule of Contributions					
Public Safety Employees' Retirement System (PSERS) Plan 2					
Fiscal Year Ended December 31¹					
(dollars in thousands)					
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 3,707	\$ 3,362	\$ 3,393	\$ 3,589	\$ 3,518
Contributions in relation to the contractually required contribution	3,707	3,362	3,393	3,589	3,518
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll ⁴	\$ 55,773	\$ 50,041	\$ 48,264	\$ 48,635	\$ 48,039
Contributions as a percentage of covered payroll	6.65 %	6.72 %	7.03 %	7.38 %	7.32 %
	2018	2017	2016	2015	
Contractually required contribution	\$ 2,777	\$ 2,514	\$ 2,319	\$ 2,924	
Contributions in relation to the contractually required contribution	2,777	2,514	2,319	2,924	
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
Covered payroll ⁴	\$ 39,458	\$ 36,728	\$ 34,253	\$ 33,102	
Contributions as a percentage of covered payroll	7.04 %	6.84 %	6.77 %	8.83 %	

Schedule of Contributions

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2

Fiscal Year Ended December 31¹

(dollars in thousands)

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 7,179	\$ 5,775	\$ 6,094	\$ 6,657	\$ 5,329
Contributions in relation to the contractually required contribution	7,179	5,775	6,094	6,657	5,329
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll ⁴	\$ 140,222	\$ 108,896	\$ 114,654	\$ 124,889	\$ 99,067
Contributions as a percentage of covered payroll	5.12 %	5.30 %	5.32 %	5.33 %	5.38 %
	2018	2017	2016	2015	
Contractually required contribution	\$ 5,219	\$ 4,956	\$ 4,735	\$ 4,505	
Contributions in relation to the contractually required contribution	5,219	4,956	4,735	4,505	
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	
Covered payroll ⁴	\$ 96,106	\$ 92,952	\$ 90,526	\$ 86,131	
Contributions as a percentage of covered payroll	5.43 %	5.33 %	5.23 %	5.23 %	

Schedule of Contributions

Seattle City Employees' Retirement System (SCERS)

Fiscal Year Ended Fiscal Year Ended December 31¹

(dollars in thousands)

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 204	\$ 205	\$ 221	\$ 225	\$ 275
Contributions in relation to the contractually required contribution	204	205	221	225	275
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll ⁴	\$ 1,281	\$ 1,267	\$ 1,365	\$ 1,386	\$ 1,807
Contributions as a percentage of covered payroll	15.91 %	16.20 %	16.19 %	16.23 %	15.23 %
	2018	2017	2016	2015	
Contractually required contribution	\$ 309	\$ 371	\$ 458	\$ 520	
Contributions in relation to the contractually required contribution	309	371	458	520	
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	
Covered payroll ⁴	\$ 2,022	\$ 2,429	\$ 3,010	\$ 3,305	
Contributions as a percentage of covered payroll	15.29 %	15.27 %	15.22 %	15.73 %	

Notes to Required Supplementary Information

Actuarially Determined Pension Schedules

Notes Applicable to All Pension Schedules

1) These schedules will be built prospectively until they contain ten years of data.

Notes Applicable to Schedules of the County's Proportionate Share of the Net Pension Asset or Liability

2) Covered payroll is the payroll on which contributions to a pension plan are based. For plans administered by the Washington State Department of Retirement Systems (PERS 1, PERS 2/3, PSERS 2, LEOFF 1, and LEOFF 2) the measurement date of the collective net pension liability is June 30. For the City of Seattle plan, the measurement date of the collective net pension liability is December 31.

Notes Applicable to Schedules of Contributions

3) The excess contribution in PERS 1 and deficiency in PERS 2 resulted from the employer contributions of King County Flood Control District, a component unit of the County.

4) Covered payroll is the payroll on which contributions to a pension plan are based. For all plans, this is measured using the County's fiscal year ending December 31.

Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 currently has no active members. Starting on July 1, 2000, employers and employees contribute zero percent as long as the Plan remains fully funded. The Plan had no required contributions for the fiscal years 2015 - 2023; thus, no schedule is required.

For fiscal years 2015-2023, the annual money-weighted rate of return on plan investments for each pension plan is disclosed in the Washington State Department of Retirement Systems Comprehensive Annual Financial Reports. The Report is available online at <https://www.drs.wa.gov/employer/ch15/>.

KING COUNTY
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios

King County Retiree Health Plan

For the Year Ended December 31, 2023

Last Ten Fiscal Years

(dollars in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability - beginning	\$ 92,158	\$ 106,488	\$ 106,619	\$ 111,272	\$ 111,412
Service cost	2,936	3,044	2,865	2,220	2,155
Interest	3,723	1,960	2,125	4,149	4,138
Changes in benefit terms	—	—	—	—	—
Differences between expected and actual experience	(65)	6,526	—	(8,646)	—
Changes of assumptions	1,728	(19,885)	1,300	3,310	—
Benefit payments	(3,477)	(3,863)	(4,404)	(3,922)	(4,953)
Other changes	(2,889)	(2,112)	(2,017)	(1,764)	(1,480)
Total OPEB liability - ending	<u>\$ 94,114</u>	<u>\$ 92,158</u>	<u>\$ 106,488</u>	<u>\$ 106,619</u>	<u>\$ 111,272</u>
Covered-employee payroll	\$ 1,440,957	\$ 1,395,600	\$ 1,370,460	\$ 1,324,116	\$ 1,219,237
Total OPEB liability as a % of covered-employee payroll	6.53 %	6.60 %	7.77 %	8.05 %	9.13 %
	<u>2018</u>				
Total OPEB liability - beginning	\$ 118,120				
Service cost	2,092				
Interest	4,147				
Changes in benefit terms	—				
Differences between expected and actual experience	3,332				
Changes of assumptions	(9,652)				
Benefit payments	(5,244)				
Other changes	(1,383)				
Total OPEB liability - ending	<u>\$ 111,412</u>				
Covered-employee payroll	\$ 1,217,867				
Total OPEB liability as a % of covered-employee payroll	9.15 %				

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Notes to OPEB Required Supplementary Information

Factors that significantly affect trends in OPEB reported

The County receives a full actuarial valuation of retiree health and welfare benefits biennially. The 2023 fiscal year was based on a roll-forward of the valuation produced for the period ending 12/31/2022 by Healthcare Actuaries.

Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, mortality tables, decrement timing, claims and contributions, salary projections, and participation percentages. For the year ended December 31, 2023, the discount rate was decreased to 3.77 percent from 4.05 percent. There were no ad hoc post employment benefit changes to the plan.

Significant Methods and Assumptions

Basis of Valuation

Actuarial Cost method – Entry-Age Normal, Level Percentage of Salary

Valuation Date – December 31, 2022

Measurement Date – December 31, 2023

Report Date – December 31, 2023

Discount Rate – A discount rate of 3.77 percent is used to measure the total OPEB liability. The County's OPEB plan is an unfunded plan, therefore a discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds as of the valuation date.

Mortality – rates consistent with State of Washington.

- a. PERS Healthy – PUB-2010 General Headcount – Weighted Healthy Mortality Projected Generationally with MP-2021
- b. PERS Disabled – PUB-2010 General Headcount – Weighted Disabled Mortality Projected Generationally with MP-2021
- c. LEOFF Healthy – PUB-2010 Safety Headcount-Weighted Healthy Mortality Projected Generationally with MP-2021 Setback 1 for Males
- d. LEOFF Disabled – PUB-2010 Safety Headcount-Weighted Disabled Mortality Projected Generationally with MP-2021

Termination/Disability/Retirement rates - 2018 State of Washington Study

Salary increases – 3.25% The salary increase is used to determine the growth in the aggregate payroll.

Participation

- a. Current Retirees LEOFF 1 – 100% of current retirees continue until no longer eligible for benefits.
Current Retirees Non-LEOFF 1 – 3% of current retirees voluntarily drop coverage in first year after retirement
- b. Future Retirees LEOFF 1 – 100% of future retirees continue until no longer eligible for benefits.
Future Retirees Non-LEOFF 1 – 34% of future retirees elect coverage at retirement and 3% voluntarily drop coverage in first year after retirement.
- c. Dependent Coverage LEOFF 1 – Spouses not eligible.
Non-LEOFF 1 – 35% of participants cover a spouse at retirement. Actual spouse age is used, when available, otherwise assumes males are 3 years older than females and that spouses are opposite gender.

Future Plan Enrollment – No change in plan enrollment at retirement between plans.

Trend Rates – Medical Long-term trends from Society of Actuaries “Long Term Healthcare Costs Trends Model v2021_b” using baseline assumptions are applied to both claims and premiums.

Aging/Morbidity Factors – Based on Society of Actuaries table.

KING COUNTY
Required Supplementary Information
Schedule of Condition Assessments and Preservation of Infrastructure Under Modified Approach
For the Year Ended December 31, 2023
(dollars in thousands)

Road Condition Ratings

	2022-2020		2019-2017		2016-2014	
	(miles)	%	(miles)	%	(miles)	%
Arterial roads						
Excellent to good	288.3	63.8	293.7	64.4	294.3	65.0
Fair	38.6	8.6	44.1	9.7	61.4	13.5
Poor to substandard	124.9	27.6	118.3	25.9	97.5	21.5
Total	451.8	100.0	456.1	100.0	453.2	100.0
Local access roads						
Excellent to good	585.4	57.8	618.8	60.3	689.2	67.7
Fair	135.8	13.4	148.8	14.5	134.7	13.2
Poor to substandard	291.5	28.8	257.9	25.2	194.2	19.1
Total	1,012.7	100.0	1,025.5	100.0	1,018.1	100.0

Road PCI Score Interval

	2022-2020		2019-2017		2016-2014	
	(miles)	%	(miles)	%	(miles)	%
Arterial roads						
PCI 40 - 100	307.2	68.0	312.8	68.6	323.3	71.3
PCI 0 - 39	144.6	32.0	143.3	31.4	129.9	28.7
Total	451.8	100.0	456.1	100.0	453.2	100.0
Local access roads						
PCI 40 - 100	657.3	64.9	697.6	68.0	759.4	74.6
PCI 0 - 39	355.4	35.1	327.9	32.0	258.7	25.4
Total	1,012.7	100.0	1,025.5	100.0	1,018.1	100.0

Roads Estimated Maintenance and Preservation Costs

	2023	2022	2021	2020	2019
Budgeted	\$ 117,055	\$ 82,530	\$ 80,705	\$ 72,756	\$ 75,333
Expended	50,137	49,935	49,352	53,804	57,632

Bridge Sufficiency Rating	Number of Bridges		
	2023	2022	2021
0 - 20	8	9	10
21 - 30	4	4	7
31 - 49	22	24	24
50 - 100	150	144	140
Totals	184	181	181

Bridge Estimated Maintenance and Preservation Costs

	2023	2022	2021	2020	2019
Budgeted	\$ 43,449	\$ 27,117	\$ 31,079	\$ 13,653	\$ 12,203
Expended	8,166	9,318	7,973	7,236	6,082

Notes to Required Supplementary Information

Condition Assessments and Preservation of Infrastructure Under Modified Approach

1. Roads

The County performs condition assessments on its network of roads through the King County Pavement Management System. This system generates a Pavement Condition Index (PCI) for each segment of arterial and local access road in the network. The PCI is a numerical index from zero to 100 that represents the pavement's functional condition based on the quantity, severity, and type of visual distress, such as pavement cracking. Based on the PCI score, condition ratings are assigned as follows:

- PCI < 30 is defined to be in "poor to substandard" with heavy pavement cracking and potholes
- PCI 30 ≥ 50 is defined to be in "fair condition" with noticeable cracks and utility cuts
- PCI 50 ≥ 100 is defined to be in "excellent condition" with relatively smooth roadway

Bridges

King County currently maintains 188 bridges including co-owned and pedestrian bridges. Physical inspections to determine the condition of bridges and the degree of wear and deterioration are carried out at least every two years to reveal deficiencies in bridges such as steel corrosion, damaged guardrails, rotted timbers, deteriorated bridge decks, bank erosion and cracked concrete. Four bridges that do not carry vehicular traffic are included in the list of bridges being maintained by the County. These are also subject to condition assessments, but are subject to different standards than the more heavily used 184 vehicular bridges.

Each year the County conducts a bridge prioritization process to determine potential candidates for replacement or rehabilitation. A weighted 10-point priority scale (sufficiency rating, seismic rating, geometrics, hydraulics, load limits, traffic safety, serviceability, importance, useful life, and structural concern) ranks the bridges in order. A key element in the priority score is the sufficiency rating, the measure considered by state and federal governments as the basis for establishing eligibility and priority for bridge replacement or rehabilitation funding. The sufficiency rating is a numerical rating of a bridge based on its structural adequacy and safety, essentially for public use, and its serviceability and functional obsolescence. The bridge sufficiency rating scale is defined as:

- $49 \leq 0$ indicates replacement or rehabilitation funding, < 30 are selected for rehabilitation funding
- $50 \geq 100$ indicates a good deal of service life remaining, a bridge capable of carrying traffic

2. Roads

King County's Roads Service Division policy is to maintain at least 50 percent of the road system at a PCI level of 40 or better. Condition assessments are undertaken every three years for local streets and every two years for arterial roads.

Bridges

King County's Road Services Division policy is to maintain bridges in such manner that no more than 12 will have a sufficiency rating of 20 or less. A rating of 20 or less is usually indicative of a bridge with structural deficiency. The most common remedy is full replacement, rehabilitation or closure of the bridge.

3. Roads

The accelerated condition deterioration observed in the 2019-2017 cycle and continuing in the 2022-2020 cycle was primarily the result of weather and system age. Many of the arterial roadways are beyond their cost-effective life cycles, resulting in roadway deterioration. Because of the uncertainty in future funding for roads, the County formally lowered its established condition level to 50 percent of the roads at a PCI of 40 or better.

Bridges

The Roads Service Division (RSD) budgets for bridge maintenance work using best-case scenario assumptions, including that any permitting and environmental requirements will be met on schedule. There are many times that schedules are delayed for a variety of reasons, causing the difference between budgeted and actual spend shown in this schedule.



Governmental Funds

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

NONMAJOR GOVERNMENTAL FUNDS

The County's nonmajor governmental funds fall into three categories: Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Special Revenue Funds - Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt or capital projects. The County's nonmajor special revenue funds are:

Animal Services - This fund is used to support regional animal services and related administration, including animal care services, administering pet licenses and enforcing animal control laws. This fund also accounts for donation-sponsored activities which include housing animals, medical attention for animals, public education, animal shelter improvements and other purposes that further the general welfare of animals.

Arts and Cultural Development - Receives and transfers to the cultural development authority (4Culture) a variety of revenues including, but not limited to, general fund revenues, hotel-motel tax revenues and public art revenues. The fund supports the 1% for Art program, the stewardship of the county art collection, the Building for Culture bond program established in 2016, the Building for Equity program established in 2019, and is a pass-through for hotel-motel revenues distributed from the State.

Automated Fingerprint Identification System - Accounts for the receipt of revenues and disbursement of expenditures related to the acquisition and implementation of a regional Automated Fingerprint Identification System (AFIS) for King County. The system is electronically connected to the Washington State Patrol, California Department of Justice, and the Western Identification Network, an AFIS database shared by seven western states. Included in this system is the electronic fingerprint capture and transmission to AFIS, known as Livescan.

Best Start for Kids Levy - Accounts for tax revenues for the purpose of funding prevention and early intervention strategies to improve the health and well being of children, youth, and their communities. Funded programs include 1) Invest Early (Age 0-5), 2) Sustain the Gain (5-24), 3) Communities of Opportunity 4) Outcomes-Focused and Data Driven.

Community Services Operating - Formerly Children and Family Services Fund, the fund supports a broad array of human services for children and families through direct service expenditures and by providing administrative support to other funds and programs in DCHS's Adult Services Division (ASD). The community services operating fund provides two primary functions: 1) ASD administration which support administrative staff such as finance and clerical staff and overhead costs, and 2) Community Services Contracts which provides sexual assault and domestic violence survivor services, services for older adult programs, civil legal services and homeless shelters.

County Road Operating - This fund finances the construction, maintenance, preservation and inspection of county streets, roads and bridges.

Department of Community and Human Services (DCHS) Administration - Accounts for services associated with the DCHS Director's Office activities with funds coming from a cost allocation formula applied to all funds in DCHS. The fund receives revenue from DCHS funds and programs to cover costs to administer the department. The fund also houses some one-time programs and special projects that do not cleanly fit into one of its five divisions. These programs are funded by grants and other revenue sources.

Department of Local Services (DLS) Administration - This fund accounts for the Department of Local Services (DLS) director's office. The director's office provides oversight to programs within DLS as well as delivery and reporting of services provided to unincorporated King County. These include department leadership, finance and budget preparation, human resources, communications, government relations and legislative coordination, community engagement, and performance measurement and accountability. The director's office also funds a small economic development function and coordinates engagement with regional and local communities.

Department of Natural Resources and Parks (DNRP) Administration - The fund accounts for expenditures to provide leadership, oversight and support to the department's four operational divisions: Parks and Recreation, Solid Waste, Wastewater Treatment and Water and Land Resources. Revenues come from charging costs associated with the Director's Office to the agencies it serves. The Director's Office also leads the County's energy conservation and climate change initiatives in coordination with other departments. A climate cost share allocation is charged across the County based on greenhouse gas emissions. This revenue supports these climate change initiatives.

Developmental Disabilities - Provide services and support to enhance the lives of residents with developmental disabilities and their families. Funded services include an adult employment program, early intervention services for infants and toddlers with development delays, community information and Outreach and Adult Day Services and grant application and capacity building (GACB) to provide technical support for community based organizations (CBO).

Emergency Medical Services - Finances emergency medical programs for developing, implementing and administering various emergency medical services in cooperation with King County fire districts. This fund also provides contract funds for financing paramedic and other emergency medical service programs in the County.

Emergency Telephone Enhanced 911 - Accounts for the receipt of E-911 excise tax revenues and the disbursement of expenditures related to the management of the Enhanced 911 Emergency Telephone system with participating jurisdictions in King County.

Employment and Education Resources - To provide job readiness, education, and employment services to help vulnerable youth and adults increase independence and self-sufficiency and lead more meaningful and productive lives. This fund has two sections, youth and adults, which are primarily supported through grants and other funds.

Environmental Health - Accounts for financial resources to protect and improve the health and well-being of all people in King County, specifically focusing on prevention of disease through sanitation, safe food and water, proper disposal of wastes and toxics, and promoting safe and healthy environmental conditions throughout King County for the benefit of all residents and visitors.

Flood Control District - The Flood Control District was established under chapter 86.15 RCW to be instrumental in acquiring repetitive loss properties, other at-risk floodplain properties, and in addressing and improving countywide flood warning and flood prediction capacity.

Grants Fund - The fund accounts primarily for federal and state grants, though other grants may be received and spent in this fund with prior approval. The fund also houses the funds received from the U.S. Treasury for COVID-19 relief.

Harborview Health and Safety - This fund accounts for the bond proceeds approved by voters in 2020 to be spent on various projects to renovate the Harborview Medical Center campus.

Health Through Housing - Accounts for the one-tenth of one percent sales tax enacted by RCW 82.14.530 to be spent as follows: at least 60 percent of proceeds 1) constructing affordable housing, 2) constructing mental and behavioral health-related facilities, 3) funding operations and maintenance of new affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers. The remaining 40 percent of proceeds are to be used for operation, delivery or evaluation of mental and behavioral health treatment programs and services or housing related services.

Historical Preservation - The Historic Preservation Program (HPP) preserves and protects the County's significant historic and archaeological resources.

King County (KC) Flood Control Contract - This fund is primarily used by King County in providing services to the King County Flood Control District, a special purpose district. The District contracts with King County to carry out the majority of its work to rebuild levees and revetments, acquire flood-prone properties, and in addressing and improving countywide flood warning and flood prediction capacity.

Law Library - This fund accounts for the activities of the Public Law Library of King County. The majority of the resources are received from court filing fees pursuant to RCW 27.24.070.

Local Hazardous Waste - Accounts for financial resources used to support the Local Hazardous Waste Management Program established pursuant to RCW 70A.300.350 and BOH 11.04. This program works to protect and enhance public health and environmental quality in King County by helping citizens, businesses and government reduce the threat posed by the use, storage, and disposal of hazardous materials.

Lodging Tax Fund - This fund accounts for lodging tax or hotel/motel tax proceed which support affordable workforce housing and services for homeless youth, arts and culture and tourism promotion including sports stadiums and events.

Long-term Leases - This fund accounts for long-term leases administered by the Facilities Management Division on behalf of County agencies.

Major Maintenance - This fund accounts for the periodic replacement or repair of major building systems and components at King County facilities maintained by the Facilities Management Division.

Mental Illness and Drug Dependency - Accounts for the one-tenth of one percent local sales and use tax known as the Mental Illness and Drug Dependency (MIDD) tax to support mental health and chemical dependency treatment and therapeutic program and services including therapeutic courts. Major categories of services provided are prevention and intervention, crisis diversion, recovery and reentry, system improvements and therapeutic courts.

Noxious Weed Control - This fund implements the mandates of Washington State noxious weed law and provides services to educate the public about noxious weeds harmful to the economy and environment and to identify and control both terrestrial and aquatic noxious weed infestations.

Parks Operating Levy - Accounts for the 2020-2025 Parks, Recreation, Trails and Open Space Levy, as well as the operation and maintenance of King County's parks and trails, and support of parks in King County cities as well as the Woodland Park Zoo and Seattle Aquarium for the benefit of all King County residents.

Permitting and Abatement - This fund accounts for (1) administration of the King County building, housing, fire, energy, shoreline management, zoning, and subdivision codes; (2) ensuring that development complies with the requirements of the State Environmental Policy Act (SEPA) and King County's environmental code, procedures, and regulations; (3) managing County review of building applications and issuing permits; (4) issuing and inspecting operating permits required by the International Fire Code; (5) reviewing and inspecting proposed land developments; and (6) administering the County's drainage regulation policies through review of land development permit applications; and (7) accounting for the receipt and disbursement of school impact fees.

Puget Sound Emergency Radio Network Levy - Accounts for resources to replace the current Emergency Radio Communication Network jointly owned by King County, the City of Seattle, Valley Communications Center and the East Side Public Safety Communications Agency. The Puget Sound Emergency Radio Network (PSERN) will improve county-wide operations by providing increased system reliability, increased coverage, and better security on the network. It will also be more than double the number of existing (26) radio transmitter sites. The fund receives levy tax collections approved by voters in a special election held April 2015.

Puget Sound Taxpayer Accountability - Accounts for the sales and use tax offset fee of 3.25% of total payments made by Sound Transit on the cost of construction projects from "Sound Transit 3" to improve educational outcomes in early learning, K-12 and higher education including, but not limited to, delivering facilities and programs for children and youth that are low-income, homeless, in foster care, or other vulnerable populations.

Recorder's Operating and Maintenance - Accounts for all revenues collected from an additional recording fee for the sole purpose of acquiring, installing, and maintaining an improved system for copying, preserving, and indexing documents recorded in, or filed with, King County Records and Licensing Services Division.

Road Improvement Districts - This fund accounts for the neighborhood road improvements for Road Improvement District (RID) numbers 107 and 110.

Surface Water Program - This fund accounts for programs specifically addressing impacts from stormwater runoff such as flooding, erosion, pollution, habitat degradation, and low stream flows. The program manages stormwater assets, increase habitat restoration projects, and help recover salmon populations. To pay for these services, a fee is assessed on property owners in unincorporated King County. This fund also accounts for projects to protect public safety, water quality, and property from stormwater runoff and pollution, and land development practices. Project revenues include Pay-As-You-Go Surface Water Management fees, grants from external agencies, critical area mitigation fees, and interlocal funding. The fund also administers the in-lieu fee mitigation reserves program involving the restoration, establishment, enhancement, and/or preservation of aquatic resources through funds paid to satisfy compensatory mitigation requirements.

Treasurer's Operating and Maintenance - Accounts for the revenues received and costs incurred in the foreclosure, distraint and sale of real and personal property for delinquent taxes, and to defray the costs of further foreclosures, distraints and sales for delinquent taxes.

Transfer of Developer Credit - This fund accounts for the purchase and sale of development credits. The program facilitates the relocation of development growth out of the county's rural and resource lands into its designated urban areas, in both the incorporated cities and urban unincorporated areas under a voluntary, incentive-based, and market-driven approach to conserve land.

Veterans Relief - Under the King County Veterans Program (KCVP), this fund accounts for tax revenues collected to provide an array of services to assist veterans and their families on their path toward self-sufficiency. Major services provided include emergency financial assistance, housing assistance and emergency shelter beds, employment guidance and assistance, case management, life stability, mental health referrals and other supportive services.

Veterans, Seniors and Human Services Levy - Formerly Veterans and Human Services Levy, this fund accounts for tax revenues collected for the purpose to connect service members and veterans, residents age 55 or older, and vulnerable populations to programs and services in these five areas 1) Housing Stability, 2) Financial Stability, 3) Social Engagement, 4) Healthy Living, 5) Service System Access and Improvement.

Youth Amateur Sports - Accounts for grants funding youth and amateur sports activities or facilities, debt service payments for debt or refinancing debt issued for those purposes, and program funding obtained from the countywide one-percent rental car sales tax.

Debt Service Funds - Debt service funds account for the accumulation of resources for, and the payment of principal and interest on the County's general obligation bonds and special assessment debt of certain districts. The County's nonmajor debt service funds are:

Limited General Obligation Bond Redemption - Accounts for the accumulation of resources for and the payment of those bonds which have been issued without a vote of the people.

Unlimited General Obligation Bond Redemption - Accounts for the accumulation of resources that are restricted for the payment of bonds which have been issued with a three-fifths approval vote of the people.

Capital Projects Funds - Capital projects funds account for financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, construction, maintenance, and improvement of capital assets. The County's nonmajor capital projects funds are:

Building Repair and Replacement - Accounts for receipts and expenditures related to the repair and replacement of various County buildings such as the Courthouse, Correctional Facility, Regional Justice Center Complex, Administration, and other buildings.

Conservation Futures - This fund was established to account for the Conservation Futures Levy that pays for the program to maintain, preserve, and conserve open space lands. The Conservation Futures program aims to achieve an equitable geographical distribution of funds over the long term.

Department of Local Services (DLS) Capital - This fund accounts for projects to support community needs in unincorporated King County's seven community service areas.

Enhanced 911 Emergency Telephone Capital - This fund was established to support the capital projects of the Enhanced 911 Emergency Telephone system funded by excise taxes.

IT Services Capital - Established to account for equipment replacement and general purpose technology projects managed by King County Information Technology.

King County Information Technology (KCIT) Capital Projects - Accounts for resources of IT projects for King County departments and agencies that do not have their own capital funds. Eleven sub-funds are included in this fund: five capital projects sub-funds where all the project activities are recorded and six bond sub-funds created for the purpose of holding and management of bond proceeds designated for IT capital projects. Money is transferred from the bond funds to the capital projects fund to cover the actual expenditures incurred by the respective projects.

Open Space Acquisitions - The fund is used for open space and farmland acquisitions or open space and farmland easements. Services provided are large scale acquisitions of open space, parks, trails and habitat restoration sites. A stand-alone fund allows a mix of various revenues sources to be collected mostly consisting of state and federal grant funds. Funds are used to preserve and protect open lands throughout the County and preserve wildlife, enhance scenic vistas, provide access to water and provide open spaces in the midst of urban congestion. Trail additions add linkages to individual parks and neighborhoods.

Parks Capital Projects - The fund accounts for the capital portion of the Parks Levy. Other revenues include transfers from Real Estate Excise Tax, bond proceeds, and state and federal grants. Specific uses of these funds include the acquisition of open space and natural lands, growth and connection of regional trails, and grant programs to expand access to recreation, protection of open space. In addition, the fund accounts for major capital maintenance projects including repairs and replacement of County parks facilities, the Parks Central Maintenance Facility, and creation of critical infrastructure to access King County Parks.

Puget Sound Emergency Radio Network Capital - Established to account for the development of the new Puget Sound Emergency Radio Network (IT project) and associated site development projects throughout the county. All funds are transferred from the PSERN Levy Fund per the spending plan.

Real Estate Excise Tax Capital - Accounts for the proceeds of two levies on the sellers of real property in unincorporated King County. Each tax is one-quarter of one percent of the real property value. The tax is dedicated to specific local public works capital projects.

Roads Capital Program - This fund is designed to support capital activities relating to the maintenance of the King County road system and its facilities. Projects include the maintenance of roads, roadsides, bridges/structures, traffic control and drainage, and facilities, such as those for emergencies, material storage, snow and ice storage, and others necessary for the maintenance of the road system.

Youth Services Facilities - This fund accounts for planning and construction of future youth services facilities.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,045,563	\$ 7,341	\$ 384,507	\$ 1,437,411
Taxes receivable-delinquent	14,188	371	985	15,544
Accounts receivable, net	8,404	—	1	8,405
Interest receivable	21	514	—	535
Due from other funds	50,147	24	2,184	52,355
Interfund short-term loans receivable	72,813	—	—	72,813
Due from other governments, net	89,001	—	33,359	122,360
Due from component unit	13,165	121,409	—	134,574
Inventory	145	—	—	145
Prepayments	24,340	—	2,212	26,552
Advances to other funds	9,942	—	—	9,942
Other assets	2,610	—	72	2,682
Total assets	<u>\$ 1,330,339</u>	<u>\$ 129,659</u>	<u>\$ 423,320</u>	<u>\$ 1,883,318</u>
LIABILITIES				
Accounts payable	\$ 43,699	\$ —	\$ 19,101	\$ 62,800
Due to other funds	80,874	—	221	81,095
Interfund short-term loans payable	49,875	—	99,560	149,435
Due to other governments	29,600	—	137	29,737
Due to component unit	736	—	—	736
Wages payable	16,682	—	727	17,409
Taxes payable	11	—	—	11
Unearned revenues	170,225	—	827	171,052
Deposits	5,124	—	1	5,125
Advances from other funds	9,942	106	—	10,048
Total liabilities	<u>406,768</u>	<u>106</u>	<u>120,574</u>	<u>527,448</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on leases	8,800	117,389	—	126,189
Deferred inflows on public-private public-public partnerships	1,483	—	—	1,483
Unavailable revenue-property taxes	10,754	291	733	11,778
Unavailable revenue-other receivables	2,442	—	72	2,514
Total deferred inflows of resources	<u>23,479</u>	<u>117,680</u>	<u>805</u>	<u>141,964</u>
FUND BALANCES				
Nonspendable	24,485	—	2,212	26,697
Restricted	887,795	2,293	365,231	1,255,319
Committed	15,348	—	—	15,348
Assigned	4,838	9,580	7,795	22,213
Unassigned (deficits)	(32,374)	—	(73,297)	(105,671)
Total fund balances	<u>900,092</u>	<u>11,873</u>	<u>301,941</u>	<u>1,213,906</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,330,339</u>	<u>\$ 129,659</u>	<u>\$ 423,320</u>	<u>\$ 1,883,318</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Taxes:				
Property taxes	\$ 698,468	\$ 16,858	\$ 54,008	\$ 769,334
Retail sales and use taxes	232,776	—	—	232,776
Business and other taxes	3,487	4	15,618	19,109
Licenses and permits	22,039	—	—	22,039
Intergovernmental revenues	78,996	598	17,016	96,610
Charges for services	233,608	—	11,170	244,778
Fines and forfeits	468	—	1	469
Investment gains (losses)	51,786	6,781	18,495	77,062
Miscellaneous revenues	14,484	9,416	2,257	26,157
Total revenues	<u>1,336,112</u>	<u>33,657</u>	<u>118,565</u>	<u>1,488,334</u>
EXPENDITURES				
Current:				
General government	21,677	—	6,001	27,678
Law, safety and justice	188,010	—	40,455	228,465
Physical environment	27,448	—	210	27,658
Transportation	90,267	—	20,596	110,863
Economic environment	185,252	—	16,439	201,691
Health and human services	324,588	—	764	325,352
Culture and recreation	103,454	—	26,062	129,516
Debt service:				
Principal	2,852	90,445	575	93,872
Interest and other debt service costs	3,216	32,310	2,247	37,773
Capital outlay	32,336	—	143,922	176,258
Total expenditures	<u>979,100</u>	<u>122,755</u>	<u>257,271</u>	<u>1,359,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>357,012</u>	<u>(89,098)</u>	<u>(138,706)</u>	<u>129,208</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	87,261	92,147	122,042	301,450
Transfers out	(301,287)	—	(29,921)	(331,208)
General government debt issued	92,020	—	55,480	147,500
Refunding bonds issued	—	17,440	—	17,440
Premium on general government bonds issued	14,686	—	6,276	20,962
Premium on refunding bonds issued	—	574	—	574
Payment to refunding bonds escrow agent	—	(17,909)	—	(17,909)
Subscription asset acquisition	1,333	—	—	1,333
Sale of capital assets	1,392	—	1	1,393
Insurance recoveries	236	—	—	236
Total other financing sources (uses)	<u>(104,359)</u>	<u>92,252</u>	<u>153,878</u>	<u>141,771</u>
Net change in fund balances	252,653	3,154	15,172	270,979
Fund balances - beginning (Restated)	647,439	8,719	286,769	942,927
Fund balances - ending	<u>\$ 900,092</u>	<u>\$ 11,873</u>	<u>\$ 301,941</u>	<u>\$ 1,213,906</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	TOTAL
ASSETS	
Cash and cash equivalents	\$ 1,045,563
Taxes receivable-delinquent	14,188
Accounts receivable, net	8,404
Interest receivable	21
Due from other funds	50,147
Interfund short-term loans receivable	72,813
Due from other governments, net	89,001
Due from component unit	13,165
Inventory	145
Prepayments	24,340
Advances to other funds	9,942
Other assets	2,610
Total assets	\$ 1,330,339
LIABILITIES	
Accounts payable	\$ 43,699
Due to other funds	80,874
Interfund short-term loans payable	49,875
Due to other governments	29,600
Due to component unit	736
Wages payable	16,682
Taxes payable	11
Unearned revenues	170,225
Deposits	5,124
Advances from other funds	9,942
Total liabilities	406,768
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on leases	8,800
Deferred inflows on public-private public-public partnerships	1,483
Unavailable revenue-property taxes	10,754
Unavailable revenue-other receivables	2,442
Total deferred inflows of resources	23,479
FUND BALANCES	
Nonspendable	24,485
Restricted	887,795
Committed	15,348
Assigned	4,838
Unassigned (deficits)	(32,374)
Total fund balances (deficits)	900,092
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,330,339

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	ANIMAL SERVICES	ARTS AND CULTURAL DEVELOPMENT	AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM
ASSETS			
Cash and cash equivalents	\$ 2,498	\$ 2,890	\$ 39,626
Taxes receivable-delinquent	—	—	470
Accounts receivable, net	118	—	—
Interest receivable	—	—	—
Due from other funds	7	10	135
Interfund short-term loans receivable	—	—	—
Due from other governments, net	486	—	—
Due from component unit	—	5,823	—
Inventory	—	—	—
Prepayments	—	20,432	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 3,109</u>	<u>\$ 29,155</u>	<u>\$ 40,231</u>
LIABILITIES			
Accounts payable	\$ 59	\$ —	\$ 74
Due to other funds	—	13,603	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	—	—
Due to component unit	—	—	—
Wages payable	252	—	529
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	5	—	—
Advances from other funds	—	5,942	—
Total liabilities	<u>316</u>	<u>19,545</u>	<u>603</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	357
Unavailable revenue-other receivables	100	—	—
Total deferred inflows of resources	<u>100</u>	<u>—</u>	<u>357</u>
FUND BALANCES			
Nonspendable	—	20,432	—
Restricted	2,693	5,880	39,271
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	(16,702)	—
Total fund balances (deficits)	<u>2,693</u>	<u>9,610</u>	<u>39,271</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 3,109</u>	<u>\$ 29,155</u>	<u>\$ 40,231</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	BEST START FOR KIDS LEVY	COMMUNITY SERVICES OPERATING	COUNTY ROAD OPERATING
ASSETS			
Cash and cash equivalents	\$ 60,277	\$ 2,252	\$ 27,761
Taxes receivable-delinquent	2,760	—	2,367
Accounts receivable, net	—	—	512
Interest receivable	—	—	—
Due from other funds	217	474	125
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	140	3,340
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	135
Advances to other funds	—	—	—
Other assets	—	—	1,074
Total assets	<u>\$ 63,254</u>	<u>\$ 2,866</u>	<u>\$ 35,314</u>
LIABILITIES			
Accounts payable	\$ 3,301	\$ 1,018	\$ 981
Due to other funds	—	—	822
Interfund short-term loans payable	—	—	—
Due to other governments	14	38	204
Due to component unit	—	38	—
Wages payable	140	93	2,880
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	299
Advances from other funds	—	—	—
Total liabilities	<u>3,455</u>	<u>1,187</u>	<u>5,186</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	1,358
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	2,092	—	1,780
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>2,092</u>	<u>—</u>	<u>3,138</u>
FUND BALANCES			
Nonspendable	—	—	135
Restricted	57,707	1,679	26,855
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>57,707</u>	<u>1,679</u>	<u>26,990</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 63,254</u>	<u>\$ 2,866</u>	<u>\$ 35,314</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	DEPARTMENT OF COMMUNITY AND HUMAN SERVICES ADMIN	DEPARTMENT OF LOCAL SERVICES ADMINISTRATION	DEPARTMENT OF NATURAL RESOURCES AND PARKS ADMIN
ASSETS			
Cash and cash equivalents	\$ 33	\$ 1,167	\$ 2,580
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	—
Interest receivable	—	—	—
Due from other funds	2,107	1,913	10
Interfund short-term loans receivable	—	—	—
Due from other governments, net	237	—	97
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 2,377</u>	<u>\$ 3,080</u>	<u>\$ 2,687</u>
LIABILITIES			
Accounts payable	\$ 383	\$ 946	\$ 30
Due to other funds	10	—	—
Interfund short-term loans payable	2,845	—	—
Due to other governments	—	3	—
Due to component unit	—	—	—
Wages payable	590	249	340
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>3,828</u>	<u>1,198</u>	<u>370</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	—	1,882	—
Committed	—	—	2,317
Assigned	—	—	—
Unassigned (deficits)	(1,451)	—	—
Total fund balances (deficits)	<u>(1,451)</u>	<u>1,882</u>	<u>2,317</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,377</u>	<u>\$ 3,080</u>	<u>\$ 2,687</u>

NONMAJOR SPECIAL REVENUE FUNDS
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	DEVELOPMENTAL DISABILITIES	EMERGENCY MEDICAL SERVICES	EMERGENCY TELEPHONE ENHANCED 911
ASSETS			
Cash and cash equivalents	\$ 8,079	\$ 119,803	\$ 42,428
Taxes receivable-delinquent	77	2,063	—
Accounts receivable, net	—	108	—
Interest receivable	—	—	—
Due from other funds	35	411	109
Interfund short-term loans receivable	—	—	—
Due from other governments, net	11,705	111	4,751
Due from component unit	—	—	—
Inventory	—	145	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 19,896</u>	<u>\$ 122,641</u>	<u>\$ 47,288</u>
LIABILITIES			
Accounts payable	\$ 4,413	\$ 1,131	\$ 285
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	4,514	8,571	—
Due to component unit	—	—	—
Wages payable	294	1,613	104
Taxes payable	—	—	—
Unearned revenues	1,171	29	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>10,392</u>	<u>11,344</u>	<u>389</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	58	1,517	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>58</u>	<u>1,517</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	145	—
Restricted	9,446	109,635	46,047
Committed	—	—	—
Assigned	—	—	852
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>9,446</u>	<u>109,780</u>	<u>46,899</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 19,896</u>	<u>\$ 122,641</u>	<u>\$ 47,288</u>

NONMAJOR SPECIAL REVENUE FUNDS
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	EMPLOYMENT AND EDUCATION RESOURCES	ENVIRONMENTAL HEALTH	FLOOD CONTROL DISTRICT
ASSETS			
Cash and cash equivalents	\$ 4,177	\$ 17,898	\$ 64,392
Taxes receivable-delinquent	—	—	1,189
Accounts receivable, net	—	1,230	217
Interest receivable	—	—	—
Due from other funds	—	215	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	1,161	561	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	92	—
Advances to other funds	—	—	4,000
Other assets	—	—	—
Total assets	<u>\$ 5,338</u>	<u>\$ 19,996</u>	<u>\$ 69,798</u>
LIABILITIES			
Accounts payable	\$ 2,802	\$ 504	\$ 591
Due to other funds	—	42	41,505
Interfund short-term loans payable	—	—	—
Due to other governments	392	46	—
Due to component unit	—	—	—
Wages payable	356	1,387	—
Taxes payable	—	—	—
Unearned revenues	496	5,028	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>4,046</u>	<u>7,007</u>	<u>42,096</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	905
Unavailable revenue-other receivables	—	507	—
Total deferred inflows of resources	<u>—</u>	<u>507</u>	<u>905</u>
FUND BALANCES			
Nonspendable	—	92	—
Restricted	1,292	12,390	26,797
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>1,292</u>	<u>12,482</u>	<u>26,797</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 5,338</u>	<u>\$ 19,996</u>	<u>\$ 69,798</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	GRANTS FUND	HARBORVIEW HEALTH AND SAFETY	HEALTH THROUGH HOUSING
ASSETS			
Cash and cash equivalents	\$ 79,625	\$ 114,973	\$ 103,795
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	124	—	57
Interest receivable	—	—	1
Due from other funds	592	191	359
Interfund short-term loans receivable	72,813	—	—
Due from other governments, net	12,024	—	11,823
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	269
Total assets	<u>\$ 165,178</u>	<u>\$ 115,164</u>	<u>\$ 116,304</u>
LIABILITIES			
Accounts payable	\$ 116	\$ 828	\$ 2
Due to other funds	23,887	—	21
Interfund short-term loans payable	—	—	—
Due to other governments	1,774	—	—
Due to component unit	—	—	—
Wages payable	449	37	80
Taxes payable	—	—	—
Unearned revenues	133,030	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>159,256</u>	<u>865</u>	<u>103</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	304
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>304</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	5,922	114,299	115,897
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>5,922</u>	<u>114,299</u>	<u>115,897</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 165,178</u>	<u>\$ 115,164</u>	<u>\$ 116,304</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	HISTORICAL PRESERVATION	KC FLOOD CONTROL CONTRACT	LAW LIBRARY
ASSETS			
Cash and cash equivalents	\$ 229	\$ 577	\$ 1,136
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	—
Interest receivable	—	—	—
Due from other funds	1	41,505	4
Interfund short-term loans receivable	—	—	—
Due from other governments, net	2	917	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 232</u>	<u>\$ 42,999</u>	<u>\$ 1,140</u>
LIABILITIES			
Accounts payable	\$ 2	\$ 3,499	\$ 17
Due to other funds	—	80	—
Interfund short-term loans payable	—	29,204	—
Due to other governments	—	5,558	—
Due to component unit	—	—	—
Wages payable	36	558	—
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	4,000	—
Total liabilities	<u>38</u>	<u>42,899</u>	<u>17</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	194	121	1,123
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	(21)	—
Total fund balances (deficits)	<u>194</u>	<u>100</u>	<u>1,123</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 232</u>	<u>\$ 42,999</u>	<u>\$ 1,140</u>

NONMAJOR SPECIAL REVENUE FUNDS
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	LOCAL HAZARDOUS WASTE	LODGING TAX FUND	LONG-TERM LEASES
ASSETS			
Cash and cash equivalents	\$ 19,339	\$ 23,178	\$ 251
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	1,887	—	—
Interest receivable	—	—	—
Due from other funds	76	68	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	1,901	4,196	10,713
Due from component unit	—	—	7,342
Inventory	—	—	—
Prepayments	—	—	3,381
Advances to other funds	—	5,942	—
Other assets	—	—	—
Total assets	<u>\$ 23,203</u>	<u>\$ 33,384</u>	<u>\$ 21,687</u>
LIABILITIES			
Accounts payable	\$ 35	\$ 25	\$ 3,387
Due to other funds	—	—	56
Interfund short-term loans payable	—	—	17,826
Due to other governments	1,416	—	—
Due to component unit	—	—	—
Wages payable	—	—	—
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>1,451</u>	<u>25</u>	<u>21,269</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	7,063
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>7,063</u>
FUND BALANCES			
Nonspendable	—	—	3,381
Restricted	21,752	33,359	—
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	(10,026)
Total fund balances (deficits)	<u>21,752</u>	<u>33,359</u>	<u>(6,645)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 23,203</u>	<u>\$ 33,384</u>	<u>\$ 21,687</u>

NONMAJOR SPECIAL REVENUE FUNDS
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	MAJOR MAINTENANCE	MENTAL ILLNESS AND DRUG DEPENDENCY	NOXIOUS WEED CONTROL
ASSETS			
Cash and cash equivalents	\$ 15,550	\$ 58,658	\$ 1,285
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	161
Interest receivable	—	—	—
Due from other funds	32	191	5
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	15,718	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 15,582</u>	<u>\$ 74,567</u>	<u>\$ 1,451</u>
LIABILITIES			
Accounts payable	\$ 1,703	\$ 4,965	\$ 88
Due to other funds	—	831	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	462	15
Due to component unit	—	698	—
Wages payable	19	519	148
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>1,722</u>	<u>7,475</u>	<u>251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	64
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>64</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	9,874	67,092	1,136
Committed	—	—	—
Assigned	3,986	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>13,860</u>	<u>67,092</u>	<u>1,136</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 15,582</u>	<u>\$ 74,567</u>	<u>\$ 1,451</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
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	PARKS OPERATING LEVY	PERMITTING AND ABATEMENT	PUGET SOUND EMERGENCY RADIO NETWORK LEVY
ASSETS			
Cash and cash equivalents	\$ 54,269	\$ 8,830	\$ 1,218
Taxes receivable-delinquent	3,029	—	724
Accounts receivable, net	334	330	—
Interest receivable	20	—	—
Due from other funds	370	30	27
Interfund short-term loans receivable	—	—	—
Due from other governments, net	119	—	101
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	28	—	—
Advances to other funds	—	—	—
Other assets	1,267	—	—
Total assets	<u>\$ 59,436</u>	<u>\$ 9,190</u>	<u>\$ 2,070</u>
LIABILITIES			
Accounts payable	\$ 644	\$ 120	\$ —
Due to other funds	17	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	155	4,352	—
Due to component unit	—	—	—
Wages payable	2,190	777	48
Taxes payable	8	—	—
Unearned revenues	234	2,034	—
Deposits	54	4,766	—
Advances from other funds	—	—	—
Total liabilities	<u>3,302</u>	<u>12,049</u>	<u>48</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	75	—	—
Deferred inflows on public-private public-public partnerships	1,483	—	—
Unavailable revenue-property taxes	2,324	—	555
Unavailable revenue-other receivables	—	28	—
Total deferred inflows of resources	<u>3,882</u>	<u>28</u>	<u>555</u>
FUND BALANCES			
Nonspendable	28	—	—
Restricted	52,224	984	1,467
Committed	—	303	—
Assigned	—	—	—
Unassigned (deficits)	—	(4,174)	—
Total fund balances (deficits)	<u>52,252</u>	<u>(2,887)</u>	<u>1,467</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 59,436</u>	<u>\$ 9,190</u>	<u>\$ 2,070</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 12 OF 14 - CONTINUED)

	PUGET SOUND TAXPAYER ACCOUNTABILITY	RECORDER'S OPERATING AND MAINTENANCE	ROAD IMPROVEMENT DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 15,758	\$ 3,143	\$ 19
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	—	—	2
Interest receivable	—	—	—
Due from other funds	41	11	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 15,799</u>	<u>\$ 3,154</u>	<u>\$ 21</u>
LIABILITIES			
Accounts payable	\$ 294	\$ 41	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	371	—	—
Due to component unit	—	—	—
Wages payable	36	35	—
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>701</u>	<u>76</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	15,098	3,078	21
Committed	—	—	—
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>15,098</u>	<u>3,078</u>	<u>21</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 15,799</u>	<u>\$ 3,154</u>	<u>\$ 21</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 13 OF 14)

	SURFACE WATER PROGRAM	TREASURER'S OPERATING AND MAINTENANCE	TRANSFER OF DEVELOPER CREDIT
ASSETS			
Cash and cash equivalents	\$ 75,405	\$ 861	\$ 11,533
Taxes receivable-delinquent	—	—	—
Accounts receivable, net	3,324	—	—
Interest receivable	—	—	—
Due from other funds	230	—	39
Interfund short-term loans receivable	—	—	—
Due from other governments, net	8,177	—	—
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	4	—	268
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 87,140</u>	<u>\$ 861</u>	<u>\$ 11,840</u>
LIABILITIES			
Accounts payable	\$ 2,129	\$ 3	\$ 9
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	205	—	—
Due to component unit	—	—	—
Wages payable	2,545	—	9
Taxes payable	3	—	—
Unearned revenues	28,203	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>33,085</u>	<u>3</u>	<u>18</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	1,743	—	—
Total deferred inflows of resources	<u>1,743</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	4	—	268
Restricted	52,308	858	—
Committed	—	—	11,554
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>52,312</u>	<u>858</u>	<u>11,822</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 87,140</u>	<u>\$ 861</u>	<u>\$ 11,840</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 14 OF 14 - CONCLUDED)

	VETERANS RELIEF	VETERANS, SENIORS AND HUMAN SERVICES LEVY	YOUTH AMATEUR SPORTS
ASSETS			
Cash and cash equivalents	\$ 1,621	\$ 48,615	\$ 9,834
Taxes receivable-delinquent	69	1,440	—
Accounts receivable, net	—	—	—
Interest receivable	—	—	—
Due from other funds	5	190	412
Interfund short-term loans receivable	—	—	—
Due from other governments, net	9	54	658
Due from component unit	—	—	—
Inventory	—	—	—
Prepayments	—	—	—
Advances to other funds	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 1,704</u>	<u>\$ 50,299</u>	<u>\$ 10,904</u>
LIABILITIES			
Accounts payable	\$ 98	\$ 8,956	\$ 220
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	40	1,465	5
Due to component unit	—	—	—
Wages payable	81	271	17
Taxes payable	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	—
Advances from other funds	—	—	—
Total liabilities	<u>219</u>	<u>10,692</u>	<u>242</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on leases	—	—	—
Deferred inflows on public-private public-public partnerships	—	—	—
Unavailable revenue-property taxes	52	1,114	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>52</u>	<u>1,114</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	1,433	38,493	9,488
Committed	—	—	1,174
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>1,433</u>	<u>38,493</u>	<u>10,662</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,704</u>	<u>\$ 50,299</u>	<u>\$ 10,904</u>

**NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)**

	TOTAL
ASSETS	
Cash and cash equivalents	\$ 7,341
Taxes receivable - delinquent	371
Interest receivable	514
Due from other funds	24
Due from component unit	121,409
Total assets	\$ 129,659
LIABILITIES	
Advances from other funds	\$ 106
Total liabilities	106
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on leases	117,389
Unavailable revenue-property taxes	291
Total deferred inflows of resources	117,680
FUND BALANCES	
Restricted	2,293
Assigned	9,580
Total fund balances	11,873
Total liabilities, deferred inflows of resources and fund balances	\$ 129,659

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	LIMITED GO BOND REDEMPTION	UNLIMITED GO BOND REDEMPTION
ASSETS		
Cash and cash equivalents	\$ 5,135	\$ 2,206
Taxes receivable - delinquent	—	371
Interest receivable	514	—
Due from other funds	17	7
Due from component unit	121,409	—
Total assets	<u>\$ 127,075</u>	<u>\$ 2,584</u>
LIABILITIES		
Advances from other funds	\$ 106	\$ —
Total liabilities	<u>106</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on leases	117,389	—
Unavailable revenue-property taxes	—	291
Total deferred inflows of resources	<u>117,389</u>	<u>291</u>
FUND BALANCES		
Restricted	—	2,293
Assigned	9,580	—
Total fund balances	<u>9,580</u>	<u>2,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,075</u>	<u>\$ 2,584</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 5)

	TOTAL
ASSETS	
Cash and cash equivalents	\$ 384,507
Taxes receivable—delinquent	985
Accounts receivable, net	1
Due from other funds	2,184
Due from other governments, net	33,359
Prepayments	2,212
Other assets	72
Total assets	\$ 423,320
LIABILITIES	
Accounts payable	\$ 19,101
Due to other funds	221
Interfund short-term loans payable	99,560
Due to other governments	137
Wages payable	727
Unearned revenues	827
Deposits	1
Total liabilities	120,574
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	733
Unavailable revenue-other receivables	72
Total deferred inflows of resources	805
FUND BALANCES	
Nonspendable	2,212
Restricted	365,231
Assigned	7,795
Unassigned (deficits)	(73,297)
Total fund balances (deficits)	301,941
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 423,320

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 5 - CONTINUED)

	BUILDING REPAIR AND REPLACEMENT	CONSERVATION FUTURES	DEPARTMENT OF LOCAL SERVICES CAPITAL
ASSETS			
Cash and cash equivalents	\$ 15,198	\$ 76,646	\$ —
Taxes receivable—delinquent	—	917	—
Accounts receivable, net	—	—	—
Due from other funds	58	261	—
Due from other governments, net	29,782	—	—
Prepayments	200	390	—
Other assets	—	—	—
Total assets	<u>\$ 45,238</u>	<u>\$ 78,214</u>	<u>\$ —</u>
LIABILITIES			
Accounts payable	\$ 7,433	\$ 72	\$ 1
Due to other funds	—	—	3
Interfund short-term loans payable	52,141	—	887
Due to other governments	—	—	—
Wages payable	42	19	10
Unearned revenues	374	—	—
Deposits	1	—	—
Total liabilities	<u>59,991</u>	<u>91</u>	<u>901</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	670	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>670</u>	<u>—</u>
FUND BALANCES			
Nonspendable	200	390	—
Restricted	10,977	77,063	—
Assigned	—	—	—
Unassigned (deficits)	(25,930)	—	(901)
Total fund balances (deficits)	<u>(14,753)</u>	<u>77,453</u>	<u>(901)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 45,238</u>	<u>\$ 78,214</u>	<u>\$ —</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 5)

	ENHANCED 911 EMERGENCY TELEPHONE CAPITAL	IT SERVICES CAPITAL	KCIT CAPITAL PROJECTS
ASSETS			
Cash and cash equivalents	\$ 15,965	\$ 8,414	\$ 7,136
Taxes receivable—delinquent	—	—	—
Accounts receivable, net	—	—	—
Due from other funds	54	63	14
Due from other governments, net	—	—	—
Prepayments	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 16,019</u>	<u>\$ 8,477</u>	<u>\$ 7,150</u>
LIABILITIES			
Accounts payable	\$ 46	\$ 527	\$ 1,088
Due to other funds	—	155	—
Interfund short-term loans payable	—	—	25,000
Due to other governments	—	—	—
Wages payable	—	—	57
Unearned revenues	—	—	—
Deposits	—	—	—
Total liabilities	<u>46</u>	<u>682</u>	<u>26,145</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	15,973	—	5,880
Assigned	—	7,795	—
Unassigned (deficits)	—	—	(24,875)
Total fund balances (deficits)	<u>15,973</u>	<u>7,795</u>	<u>(18,995)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 16,019</u>	<u>\$ 8,477</u>	<u>\$ 7,150</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 5 - CONTINUED)

	OPEN SPACE ACQUISITIONS	PARKS CAPITAL PROJECTS	PUGET SOUND EMERGENCY RADIO NETWORK CAP
ASSETS			
Cash and cash equivalents	\$ 853	\$ 149,242	\$ 53
Taxes receivable—delinquent	—	—	—
Accounts receivable, net	—	—	1
Due from other funds	3	550	—
Due from other governments, net	21	1,043	240
Prepayments	—	1,622	—
Other assets	—	72	—
Total assets	<u>\$ 877</u>	<u>\$ 152,529</u>	<u>\$ 294</u>
LIABILITIES			
Accounts payable	\$ 14	\$ 9,186	\$ 97
Due to other funds	—	—	63
Interfund short-term loans payable	—	—	21,532
Due to other governments	—	136	—
Wages payable	—	245	193
Unearned revenues	—	288	—
Deposits	—	—	—
Total liabilities	<u>14</u>	<u>9,855</u>	<u>21,885</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	—
Unavailable revenue-other receivables	—	72	—
Total deferred inflows of resources	<u>—</u>	<u>72</u>	<u>—</u>
FUND BALANCES			
Nonspendable	—	1,622	—
Restricted	863	140,980	—
Assigned	—	—	—
Unassigned (deficits)	—	—	(21,591)
Total fund balances (deficits)	<u>863</u>	<u>142,602</u>	<u>(21,591)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 877</u>	<u>\$ 152,529</u>	<u>\$ 294</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 5 OF 5 - CONCLUDED)

	REAL ESTATE EXCISE TAX CAPITAL	ROADS CAPITAL PROGRAM	YOUTH SERVICES FACILITIES
ASSETS			
Cash and cash equivalents	\$ 57,825	\$ 53,071	\$ 104
Taxes receivable—delinquent	—	—	68
Accounts receivable, net	—	—	—
Due from other funds	198	983	—
Due from other governments, net	6	2,267	—
Prepayments	—	—	—
Other assets	—	—	—
Total assets	<u>\$ 58,029</u>	<u>\$ 56,321</u>	<u>\$ 172</u>
LIABILITIES			
Accounts payable	\$ —	\$ 637	\$ —
Due to other funds	—	—	—
Interfund short-term loans payable	—	—	—
Due to other governments	—	1	—
Wages payable	—	161	—
Unearned revenues	—	165	—
Deposits	—	—	—
Total liabilities	<u>—</u>	<u>964</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	—	—	63
Unavailable revenue-other receivables	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>63</u>
FUND BALANCES			
Nonspendable	—	—	—
Restricted	58,029	55,357	109
Assigned	—	—	—
Unassigned (deficits)	—	—	—
Total fund balances (deficits)	<u>58,029</u>	<u>55,357</u>	<u>109</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 58,029</u>	<u>\$ 56,321</u>	<u>\$ 172</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 14)

	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 698,468
Retail sales and use taxes	232,776
Business and other taxes	3,487
Licenses and permits	22,039
Intergovernmental revenues	78,996
Charges for services	233,608
Fines and forfeits	468
Investment gains (losses)	51,786
Miscellaneous revenues	14,484
Total revenues	1,336,112
EXPENDITURES	
Current:	
General government	21,677
Law, safety and justice	188,010
Physical environment	27,448
Transportation	90,267
Economic environment	185,252
Health and human services	324,588
Culture and recreation	103,454
Debt service:	
Principal	2,852
Interest and other debt service costs	3,216
Capital outlay	32,336
Total expenditures	979,100
Excess (deficiency) of revenues over (under) expenditures	357,012
OTHER FINANCING SOURCES (USES)	
Transfers in	87,261
Transfers out	(301,287)
General government debt issued	92,020
Premium on general government bonds issued	14,686
Subscription asset acquisition	1,333
Sale of capital assets	1,392
Insurance recoveries	236
Total other financing sources (uses)	(104,359)
Net change in fund balances	252,653
Fund balances (deficits) - beginning (Restated)	647,439
Fund balances (deficits) - ending	\$ 900,092

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 14 - CONTINUED)

	ANIMAL SERVICES	ARTS AND CULTURAL DEVELOPMENT	AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 23,315
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	109
Licenses and permits	2,620	—	—
Intergovernmental revenues	—	526	2
Charges for services	2,013	—	—
Fines and forfeits	108	—	—
Investment gains (losses)	97	71	1,900
Miscellaneous revenues	298	—	—
Total revenues	<u>5,136</u>	<u>597</u>	<u>25,326</u>
EXPENDITURES			
Current:			
General government	1,098	—	—
Law, safety and justice	—	—	18,742
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	7,148	—	—
Health and human services	—	—	—
Culture and recreation	—	13,237	—
Debt service:			
Principal	5	—	—
Interest and other debt service costs	—	—	—
Capital outlay	11	268	34
Total expenditures	<u>8,262</u>	<u>13,505</u>	<u>18,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,126)</u>	<u>(12,908)</u>	<u>6,550</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,641	16,116	—
Transfers out	(6)	—	(33)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	1
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>2,635</u>	<u>16,116</u>	<u>(32)</u>
Net change in fund balances	(491)	3,208	6,518
Fund balances (deficits) - beginning (Restated)	3,184	6,402	32,753
Fund balances (deficits) - ending	<u>\$ 2,693</u>	<u>\$ 9,610</u>	<u>\$ 39,271</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 14)

	BEST START FOR KIDS LEVY	COMMUNITY SERVICES OPERATING	COUNTY ROAD OPERATING
REVENUES			
Taxes:			
Property taxes	\$ 140,775	\$ —	\$ 98,415
Retail sales and use taxes	—	—	—
Business and other taxes	717	—	578
Licenses and permits	—	—	—
Intergovernmental revenues	20	1,468	13,762
Charges for services	—	10	6,974
Fines and forfeits	—	—	—
Investment gains (losses)	2,449	120	1,577
Miscellaneous revenues	15	8	454
Total revenues	<u>143,976</u>	<u>1,606</u>	<u>121,760</u>
EXPENDITURES			
Current:			
General government	—	—	5,740
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	88,522
Economic environment	—	9,461	—
Health and human services	52,048	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	25
Interest and other debt service costs	—	—	71
Capital outlay	—	—	496
Total expenditures	<u>52,048</u>	<u>9,461</u>	<u>94,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,928</u>	<u>(7,855)</u>	<u>26,906</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	8,604	—
Transfers out	(77,102)	(807)	(23,230)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	3	—	705
Insurance recoveries	—	—	236
Total other financing sources (uses)	<u>(77,099)</u>	<u>7,797</u>	<u>(22,289)</u>
Net change in fund balances	14,829	(58)	4,617
Fund balances (deficits) - beginning (Restated)	42,878	1,737	22,373
Fund balances (deficits) - ending	<u>\$ 57,707</u>	<u>\$ 1,679</u>	<u>\$ 26,990</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 14 - CONTINUED)

	DEPARTMENT OF COMMUNITY AND HUMAN SERVICES ADMIN	DEPARTMENT OF LOCAL SERVICES ADMINISTRATION	DEPARTMENT OF NATURAL RESOURCES AND PARKS ADMIN
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	3,953	2,782	411
Charges for services	—	6,760	7,109
Fines and forfeits	—	—	—
Investment gains (losses)	(108)	81	115
Miscellaneous revenues	6	3	—
Total revenues	<u>3,851</u>	<u>9,626</u>	<u>7,635</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	1,745	—
Economic environment	—	7,002	8,785
Health and human services	13,582	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	2	—
Interest and other debt service costs	198	—	—
Capital outlay	—	—	7
Total expenditures	<u>13,780</u>	<u>8,749</u>	<u>8,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,929)</u>	<u>877</u>	<u>(1,157)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	11,766	360	2,707
Transfers out	(204)	(3)	(82)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>11,562</u>	<u>357</u>	<u>2,625</u>
Net change in fund balances	1,633	1,234	1,468
Fund balances (deficits) - beginning (Restated)	(3,084)	648	849
Fund balances (deficits) - ending	<u>\$ (1,451)</u>	<u>\$ 1,882</u>	<u>\$ 2,317</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	DEVELOPMENTAL DISABILITIES	EMERGENCY MEDICAL SERVICES	EMERGENCY TELEPHONE ENHANCED 911
REVENUES			
Taxes:			
Property taxes	\$ 3,840	\$ 118,228	\$ —
Retail sales and use taxes	—	—	26,884
Business and other taxes	18	449	—
Licenses and permits	—	—	—
Intergovernmental revenues	2,203	28	25
Charges for services	75,603	443	—
Fines and forfeits	—	—	—
Investment gains (losses)	522	5,887	2,303
Miscellaneous revenues	2	118	8
Total revenues	<u>82,188</u>	<u>125,153</u>	<u>29,220</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	104,681	23,903
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	89,352	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	104	67
Interest and other debt service costs	—	8	5
Capital outlay	—	2,928	—
Total expenditures	<u>89,352</u>	<u>107,721</u>	<u>23,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,164)</u>	<u>17,432</u>	<u>5,245</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	11,013	—	—
Transfers out	(2,257)	(548)	(2)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	10	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>8,756</u>	<u>(538)</u>	<u>(2)</u>
Net change in fund balances	1,592	16,894	5,243
Fund balances (deficits) - beginning (Restated)	7,854	92,886	41,656
Fund balances (deficits) - ending	<u>\$ 9,446</u>	<u>\$ 109,780</u>	<u>\$ 46,899</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
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	EMPLOYMENT AND EDUCATION RESOURCES	ENVIRONMENTAL HEALTH	FLOOD CONTROL DISTRICT
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 58,400
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	306
Licenses and permits	—	19,397	—
Intergovernmental revenues	2,683	7,859	—
Charges for services	—	6,864	—
Fines and forfeits	—	187	—
Investment gains (losses)	—	1,051	2,695
Miscellaneous revenues	619	13	259
Total revenues	<u>3,302</u>	<u>35,371</u>	<u>61,660</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	18,906	—	51,941
Health and human services	—	35,385	—
Culture and recreation	—	—	—
Debt service:			
Principal	499	315	—
Interest and other debt service costs	19	10	281
Capital outlay	—	641	13,385
Total expenditures	<u>19,424</u>	<u>36,351</u>	<u>65,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,122)</u>	<u>(980)</u>	<u>(3,947)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	16,440	814	—
Transfers out	(228)	(23)	(4,354)
General government debt issued	—	370	—
Premium on general government bonds issued	—	36	—
Subscription asset acquisition	—	619	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>16,212</u>	<u>1,816</u>	<u>(4,354)</u>
Net change in fund balances	90	836	(8,301)
Fund balances (deficits) - beginning (Restated)	1,202	11,646	35,098
Fund balances (deficits) - ending	<u>\$ 1,292</u>	<u>\$ 12,482</u>	<u>\$ 26,797</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
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	<u>GRANTS FUND</u>	<u>HARBORVIEW HEALTH AND SAFETY</u>	<u>HEALTH THROUGH HOUSING</u>
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	70,333
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	9,857	—	—
Charges for services	3,283	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	11,935	689	4,682
Miscellaneous revenues	104	—	63
Total revenues	<u>25,179</u>	<u>689</u>	<u>75,078</u>
EXPENDITURES			
Current:			
General government	1,259	—	—
Law, safety and justice	12,001	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	8	—	2,078
Health and human services	—	8,271	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	—
Interest and other debt service costs	—	535	759
Capital outlay	43	663	—
Total expenditures	<u>13,311</u>	<u>9,469</u>	<u>2,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,868</u>	<u>(8,780)</u>	<u>72,241</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	82	—	—
Transfers out	(6,202)	—	(41,639)
General government debt issued	—	91,650	—
Premium on general government bonds issued	—	14,650	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(6,120)</u>	<u>106,300</u>	<u>(41,639)</u>
Net change in fund balances	5,748	97,520	30,602
Fund balances (deficits) - beginning (Restated)	174	16,779	85,295
Fund balances (deficits) - ending	<u>\$ 5,922</u>	<u>\$ 114,299</u>	<u>\$ 115,897</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
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	HISTORICAL PRESERVATION	KC FLOOD CONTROL CONTRACT	LAW LIBRARY
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	11	927	—
Charges for services	243	1,870	1,258
Fines and forfeits	—	—	—
Investment gains (losses)	15	119	34
Miscellaneous revenues	—	32	—
Total revenues	<u>269</u>	<u>2,948</u>	<u>1,292</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	1,881	—
Health and human services	—	—	—
Culture and recreation	640	—	1,066
Debt service:			
Principal	—	—	—
Interest and other debt service costs	—	3	—
Capital outlay	—	—	—
Total expenditures	<u>640</u>	<u>1,884</u>	<u>1,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(371)</u>	<u>1,064</u>	<u>226</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	232	—	—
Transfers out	(1)	—	—
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>231</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(140)	1,064	226
Fund balances (deficits) - beginning (Restated)	334	(964)	897
Fund balances (deficits) - ending	<u>\$ 194</u>	<u>\$ 100</u>	<u>\$ 1,123</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	LOCAL HAZARDOUS WASTE	LODGING TAX FUND	LONG-TERM LEASES
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	38,297	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	436	—	700
Charges for services	19,670	—	1,433
Fines and forfeits	—	—	—
Investment gains (losses)	1,017	1,096	(395)
Miscellaneous revenues	—	—	9,494
Total revenues	<u>21,123</u>	<u>39,393</u>	<u>11,232</u>
EXPENDITURES			
Current:			
General government	—	—	11,614
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	4,434	—
Health and human services	17,110	—	—
Culture and recreation	—	107	—
Debt service:			
Principal	—	—	1,111
Interest and other debt service costs	—	337	872
Capital outlay	—	—	—
Total expenditures	<u>17,110</u>	<u>4,878</u>	<u>13,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,013</u>	<u>34,515</u>	<u>(2,365)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	—	(29,542)	—
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>(29,542)</u>	<u>—</u>
Net change in fund balances	4,013	4,973	(2,365)
Fund balances (deficits) - beginning (Restated)	17,739	28,386	(4,280)
Fund balances (deficits) - ending	<u>\$ 21,752</u>	<u>\$ 33,359</u>	<u>\$ (6,645)</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
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	MAJOR MAINTENANCE	MENTAL ILLNESS AND DRUG DEPENDENCY	NOXIOUS WEED CONTROL
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	91,910	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	—	—	34
Charges for services	—	—	4,515
Fines and forfeits	—	—	—
Investment gains (losses)	816	2,745	77
Miscellaneous revenues	6	1	—
Total revenues	<u>822</u>	<u>94,656</u>	<u>4,626</u>
EXPENDITURES			
Current:			
General government	47	—	—
Law, safety and justice	10,057	10,538	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	44	—	4,396
Health and human services	—	51,171	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	2	—
Interest and other debt service costs	—	—	—
Capital outlay	—	—	23
Total expenditures	<u>10,148</u>	<u>61,711</u>	<u>4,419</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,326)</u>	<u>32,945</u>	<u>207</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,745	—	—
Transfers out	—	(23,192)	(546)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	9	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>6,745</u>	<u>(23,183)</u>	<u>(546)</u>
Net change in fund balances	(2,581)	9,762	(339)
Fund balances (deficits) - beginning (Restated)	16,441	57,330	1,475
Fund balances (deficits) - ending	<u>\$ 13,860</u>	<u>\$ 67,092</u>	<u>\$ 1,136</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	PARKS OPERATING LEVY	PERMITTING AND ABATEMENT	PUGET SOUND EMERGENCY RADIO NETWORK LEVY
REVENUES			
Taxes:			
Property taxes	\$ 148,074	\$ —	\$ 35,923
Retail sales and use taxes	—	—	—
Business and other taxes	758	—	184
Licenses and permits	—	22	—
Intergovernmental revenues	554	—	5
Charges for services	2,680	12,529	1,040
Fines and forfeits	—	173	—
Investment gains (losses)	1,831	547	357
Miscellaneous revenues	2,864	—	—
Total revenues	<u>156,761</u>	<u>13,271</u>	<u>37,509</u>
EXPENDITURES			
Current:			
General government	—	4	—
Law, safety and justice	—	—	8,088
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	19,729	—
Health and human services	—	—	—
Culture and recreation	85,042	—	—
Debt service:			
Principal	5	360	—
Interest and other debt service costs	85	—	—
Capital outlay	714	714	—
Total expenditures	<u>85,846</u>	<u>20,807</u>	<u>8,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70,915</u>	<u>(7,536)</u>	<u>29,421</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	3,682	—
Transfers out	(40,601)	(9)	(31,800)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	714	—
Sale of capital assets	5	—	1
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(40,596)</u>	<u>4,387</u>	<u>(31,799)</u>
Net change in fund balances	30,319	(3,149)	(2,378)
Fund balances (deficits) - beginning (Restated)	21,933	262	3,845
Fund balances (deficits) - ending	<u>\$ 52,252</u>	<u>\$ (2,887)</u>	<u>\$ 1,467</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
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	PUGET SOUND TAXPAYER ACCOUNTABILITY	RECORDER'S OPERATING AND MAINTENANCE	ROAD IMPROVEMENT DISTRICTS
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	11,265	434	—
Charges for services	—	620	—
Fines and forfeits	—	—	—
Investment gains (losses)	546	197	1
Miscellaneous revenues	—	—	2
Total revenues	<u>11,811</u>	<u>1,251</u>	<u>3</u>
EXPENDITURES			
Current:			
General government	—	1,612	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	4,288	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	—
Interest and other debt service costs	—	—	—
Capital outlay	—	—	—
Total expenditures	<u>4,288</u>	<u>1,612</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,523</u>	<u>(361)</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	(925)	(111)	—
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(925)</u>	<u>(111)</u>	<u>—</u>
Net change in fund balances	6,598	(472)	3
Fund balances (deficits) - beginning (Restated)	8,500	3,550	18
Fund balances (deficits) - ending	<u>\$ 15,098</u>	<u>\$ 3,078</u>	<u>\$ 21</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
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	SURFACE WATER PROGRAM	TREASURER'S OPERATING AND MAINTENANCE	TRANSFER OF DEVELOPER CREDIT
REVENUES			
Taxes:			
Property taxes	\$ 2	\$ —	\$ —
Retail sales and use taxes	—	—	—
Business and other taxes	—	—	—
Licenses and permits	—	—	—
Intergovernmental revenues	17,373	—	—
Charges for services	78,103	353	235
Fines and forfeits	—	—	—
Investment gains (losses)	3,243	—	732
Miscellaneous revenues	94	—	5
Total revenues	<u>98,815</u>	<u>353</u>	<u>972</u>
EXPENDITURES			
Current:			
General government	—	303	—
Law, safety and justice	—	—	—
Physical environment	27,448	—	—
Transportation	—	—	—
Economic environment	49,050	—	389
Health and human services	—	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	24	—	—
Interest and other debt service costs	13	—	—
Capital outlay	10,052	—	2,357
Total expenditures	<u>86,587</u>	<u>303</u>	<u>2,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,228</u>	<u>50</u>	<u>(1,774)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,059	—	—
Transfers out	(5,099)	—	(152)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	656	—	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>1,616</u>	<u>—</u>	<u>(152)</u>
Net change in fund balances	13,844	50	(1,926)
Fund balances (deficits) - beginning (Restated)	38,468	808	13,748
Fund balances (deficits) - ending	<u>\$ 52,312</u>	<u>\$ 858</u>	<u>\$ 11,822</u>

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 14 OF 14 - CONCLUDED)

	<u>VETERANS RELIEF</u>	<u>VETERANS, SENIORS AND HUMAN SERVICES LEVY</u>	<u>YOUTH AMATEUR SPORTS</u>
REVENUES			
Taxes:			
Property taxes	\$ 3,417	\$ 68,079	\$ —
Retail sales and use taxes	—	—	5,352
Business and other taxes	18	350	—
Licenses and permits	—	—	—
Intergovernmental revenues	—	554	1,124
Charges for services	—	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	67	2,252	423
Miscellaneous revenues	3	13	—
Total revenues	<u>3,505</u>	<u>71,248</u>	<u>6,899</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	—
Health and human services	2,731	50,650	—
Culture and recreation	—	—	3,362
Debt service:			
Principal	328	5	—
Interest and other debt service costs	16	—	4
Capital outlay	—	—	—
Total expenditures	<u>3,075</u>	<u>50,655</u>	<u>3,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>430</u>	<u>20,593</u>	<u>3,533</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	(183)	(11,662)	(744)
General government debt issued	—	—	—
Premium on general government bonds issued	—	—	—
Subscription asset acquisition	—	—	—
Sale of capital assets	—	2	—
Insurance recoveries	—	—	—
Total other financing sources (uses)	<u>(183)</u>	<u>(11,660)</u>	<u>(744)</u>
Net change in fund balances	247	8,933	2,789
Fund balances (deficits) - beginning (Restated)	1,186	29,560	7,873
Fund balances (deficits) - ending	<u>\$ 1,433</u>	<u>\$ 38,493</u>	<u>\$ 10,662</u>

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 16,858
Business and other taxes	4
Intergovernmental revenues	598
Investment gains	6,781
Miscellaneous revenues	9,416
Total revenues	33,657
EXPENDITURES	
Debt service:	
Principal	90,445
Interest and other debt service costs	32,310
Total expenditures	122,755
Excess (deficiency) of revenues over (under) expenditures	(89,098)
OTHER FINANCING SOURCES (USES)	
Transfers in	92,147
Refunding bonds issued	17,440
Premium on refunding bonds issued	574
Payment to refunding bonds escrow agent	(17,909)
Total other financing sources (uses)	92,252
Net change in fund balances	3,154
Fund balances - beginning	8,719
Fund balances - ending	\$ 11,873

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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(IN THOUSANDS)
(PAGE 2 OF 2 - CONCLUDED)

	LIMITED GO BOND REDEMPTION	UNLIMITED GO BOND REDEMPTION
REVENUES		
Taxes:		
Property taxes	\$ 6	\$ 16,852
Business and other taxes	—	4
Intergovernmental revenues	596	2
Investment gains	6,676	105
Miscellaneous revenues	9,416	—
Total revenues	<u>16,694</u>	<u>16,963</u>
EXPENDITURES		
Debt service:		
Principal	75,800	14,645
Interest and other debt service costs	31,096	1,214
Total expenditures	<u>106,896</u>	<u>15,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(90,202)</u>	<u>1,104</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	92,147	—
Refunding bonds issued	17,440	—
Premium on refunding bonds issued	574	—
Payment to refunding bonds escrow agent	(17,909)	—
Total other financing sources (uses)	<u>92,252</u>	<u>—</u>
Net change in fund balances	2,050	1,104
Fund balances - beginning	7,530	1,189
Fund balances - ending	<u>\$ 9,580</u>	<u>\$ 2,293</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 5)

	TOTAL
REVENUES	
Taxes:	
Property taxes	\$ 54,008
Business and other taxes	15,618
Intergovernmental revenues	17,016
Charges for services	11,170
Fines and forfeits	1
Investment gains (losses)	18,495
Miscellaneous revenues	2,257
Total revenues	118,565
EXPENDITURES	
Current:	
General government	6,001
Law, safety and justice	40,455
Physical environment	210
Transportation	20,596
Economic environment	16,439
Health and human services	764
Culture and recreation	26,062
Debt service:	
Principal	575
Interest and other debt service costs	2,247
Capital outlay	143,922
Total expenditures	257,271
Excess (deficiency) of revenues over (under) expenditures	(138,706)
OTHER FINANCING SOURCES (USES)	
Transfers in	122,042
Transfers out	(29,921)
General government debt issued	55,480
Premium on general government bonds issued	6,276
Sale of capital assets	1
Total other financing sources (uses)	153,878
Net change in fund balances	15,172
Fund balances - beginning	286,769
Fund balances - ending	\$ 301,941

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 5 - CONTINUED)

	BUILDING REPAIR AND REPLACEMENT	CONSERVATION FUTURES	DEPARTMENT OF LOCAL SERVICES CAPITAL
REVENUES			
Taxes:			
Property taxes	\$ 3	\$ 53,979	\$ —
Business and other taxes	—	273	—
Intergovernmental revenues	4,536	8	135
Charges for services	—	—	—
Fines and forfeits	—	—	—
Investment gains (losses)	483	2,119	—
Miscellaneous revenues	287	52	—
Total revenues	<u>5,309</u>	<u>56,431</u>	<u>135</u>
EXPENDITURES			
Current:			
General government	2,303	—	—
Law, safety and justice	1,287	—	—
Physical environment	210	—	—
Transportation	108	—	—
Economic environment	815	14,454	921
Health and human services	32	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	—
Interest and other debt service costs	1,644	221	13
Capital outlay	9,036	17,264	—
Total expenditures	<u>15,435</u>	<u>31,939</u>	<u>934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,126)</u>	<u>24,492</u>	<u>(799)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,006	—	—
Transfers out	(81)	(11,384)	—
General government debt issued	3,460	31,345	—
Premium on general government bonds issued	563	3,519	—
Sale of capital assets	—	1	—
Total other financing sources (uses)	<u>13,948</u>	<u>23,481</u>	<u>—</u>
Net change in fund balances	3,822	47,973	(799)
Fund balances - beginning	(18,575)	29,480	(102)
Fund balances - ending	<u>\$ (14,753)</u>	<u>\$ 77,453</u>	<u>\$ (901)</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 5)

	ENHANCED 911 EMERGENCY TELEPHONE CAPITAL	IT SERVICES CAPITAL	KCIT CAPITAL PROJECTS
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Business and other taxes	—	—	—
Intergovernmental revenues	—	531	—
Charges for services	—	69	—
Fines and forfeits	—	—	—
Investment gains (losses)	935	—	237
Miscellaneous revenues	—	—	—
Total revenues	<u>935</u>	<u>600</u>	<u>237</u>
EXPENDITURES			
Current:			
General government	—	2,921	777
Law, safety and justice	1,940	—	1,873
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	—	—	168
Health and human services	—	—	732
Culture and recreation	—	—	—
Debt service:			
Principal	42	—	—
Interest and other debt service costs	1	—	—
Capital outlay	—	5,988	11,184
Total expenditures	<u>1,983</u>	<u>8,909</u>	<u>14,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,048)</u>	<u>(8,309)</u>	<u>(14,497)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	6,169	4,602
Transfers out	—	—	(22)
General government debt issued	—	—	3,040
Premium on general government bonds issued	—	—	381
Sale of capital assets	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>6,169</u>	<u>8,001</u>
Net change in fund balances	(1,048)	(2,140)	(6,496)
Fund balances - beginning	17,021	9,935	(12,499)
Fund balances - ending	<u>\$ 15,973</u>	<u>\$ 7,795</u>	<u>\$ (18,995)</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 5 - CONTINUED)

	OPEN SPACE ACQUISITIONS	PARKS CAPITAL PROJECTS	PUGET SOUND EMERGENCY RADIO NETWORK CAP
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ —
Business and other taxes	—	—	—
Intergovernmental revenues	—	3,884	—
Charges for services	—	10,456	—
Fines and forfeits	—	—	—
Investment gains (losses)	9	8,715	598
Miscellaneous revenues	—	1,330	181
Total revenues	<u>9</u>	<u>24,385</u>	<u>779</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	35,355
Physical environment	—	—	—
Transportation	—	—	—
Economic environment	81	—	—
Health and human services	—	—	—
Culture and recreation	—	26,062	—
Debt service:			
Principal	—	—	533
Interest and other debt service costs	7	—	359
Capital outlay	22	71,945	22,764
Total expenditures	<u>110</u>	<u>98,007</u>	<u>59,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101)</u>	<u>(73,622)</u>	<u>(58,232)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	22	49,453	31,800
Transfers out	—	(1,444)	(2)
General government debt issued	860	9,750	—
Premium on general government bonds issued	147	947	—
Sale of capital assets	—	—	—
Total other financing sources (uses)	<u>1,029</u>	<u>58,706</u>	<u>31,798</u>
Net change in fund balances	928	(14,916)	(26,434)
Fund balances - beginning	(65)	157,518	4,843
Fund balances - ending	<u>\$ 863</u>	<u>\$ 142,602</u>	<u>\$ (21,591)</u>

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 5 OF 5 - CONCLUDED)

	REAL ESTATE EXCISE TAX CAPITAL	ROADS CAPITAL PROGRAM	YOUTH SERVICES FACILITIES
REVENUES			
Taxes:			
Property taxes	\$ —	\$ —	\$ 26
Business and other taxes	15,334	—	11
Intergovernmental revenues	—	7,922	—
Charges for services	—	645	—
Fines and forfeits	1	—	—
Investment gains (losses)	3,158	2,238	3
Miscellaneous revenues	—	407	—
Total revenues	<u>18,493</u>	<u>11,212</u>	<u>40</u>
EXPENDITURES			
Current:			
General government	—	—	—
Law, safety and justice	—	—	—
Physical environment	—	—	—
Transportation	—	20,488	—
Economic environment	—	—	—
Health and human services	—	—	—
Culture and recreation	—	—	—
Debt service:			
Principal	—	—	—
Interest and other debt service costs	2	—	—
Capital outlay	—	5,719	—
Total expenditures	<u>2</u>	<u>26,207</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,491</u>	<u>(14,995)</u>	<u>40</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	—	19,990	—
Transfers out	(16,270)	(718)	—
General government debt issued	—	7,025	—
Premium on general government bonds issued	—	719	—
Sale of capital assets	—	—	—
Total other financing sources (uses)	<u>(16,270)</u>	<u>27,016</u>	<u>—</u>
Net change in fund balances	2,221	12,021	40
Fund balances - beginning	55,808	43,336	69
Fund balances - ending	<u>\$ 58,029</u>	<u>\$ 55,357</u>	<u>\$ 109</u>

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 5)

APPROPRIATION UNIT	2023-2024 BUDGET				2023-2024
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	ACTUAL EXPENDITURES
MAJOR FUNDS					
GENERAL FUND					
County Council	\$ 4,259	\$ —	\$ 4,259	\$ 2,211	\$ 2,048
Council Administration	43,157	(783)	42,374	22,843	19,531
Hearing Examiner	1,340	26	1,366	757	609
County Auditor	6,374	21	6,395	3,804	2,591
Ombudsman/Tax Advisor	4,667	(43)	4,624	2,749	1,875
King County Civic Television	1,828	47	1,875	945	930
Board of Appeals	1,852	35	1,887	949	938
Office of Independent Oversight	4,980	103	5,083	3,006	2,077
Districting Committee	—	—	—	(1)	1
Office of Economic and Financial Analysis	1,157	—	1,157	561	596
Flood Control District Administration	—	—	—	(13)	13
County Executive	703	(1)	702	355	347
Office of the Executive	13,796	—	13,796	7,671	6,125
Office of Performance, Strategy and Budget	71,133	5,477	76,610	46,506	30,104
Office of Equity and Racial and Social Justice	15,372	2,405	17,777	10,535	7,242
Office of Climate	2,340	2,144	4,484	3,658	826
Finance GF	—	—	—	(2,239)	2,239
Office of Economic Opportunity and Creative Economy	1,959	500	2,459	1,785	674
Sheriff	514,967	7,838	522,805	271,688	251,117
Drug Enforcement Forfeits	1,767	—	1,767	1,564	203
Office of Emergency Management	8,991	(284)	8,707	4,643	4,064
Office of Inquest	5,273	—	5,273	3,556	1,717
Executive Services Administration	6,789	461	7,250	4,057	3,193
Office of Human Resources	55,474	(402)	55,072	28,942	26,130
Labor Relations	7,609	(205)	7,404	4,657	2,747
Cable Communications	897	100	997	652	345
Real Estate Services	10,004	(305)	9,699	5,771	3,928
Records and Licensing Services	33,035	(466)	32,569	18,134	14,435
Prosecuting Attorney	207,638	4,312	211,950	111,233	100,717
Superior Court	130,358	2,952	133,310	68,680	64,630
District Court	79,204	3,966	83,170	42,795	40,375
Elections	50,758	8,297	59,055	31,866	27,189
Judicial Administration	63,991	(1,143)	62,848	34,077	28,771
State Examiner	2,337	600	2,937	1,552	1,385
Boundary Review	875	—	875	462	413
Government Relations	760	—	760	432	328
Memberships and Dues	1,291	—	1,291	742	549
Jobs and Housing Program	18,838	(118)	18,720	7,610	11,110
Internal Support	38,197	—	38,197	20,241	17,956
External Support	24,099	450	24,549	16,176	8,373
Assessments	67,074	1,127	68,201	34,790	33,411
Transfers: Debt Service	66,138	—	66,138	46,174	19,964
Transfers: Dept. of Local Services	11,088	1,927	13,015	9,254	3,761
Transfers: Dept. of Community and Housing Services	33,931	23,990	57,921	33,769	24,152
Transfers: Dept. of Executive Services	8,678	—	8,678	4,736	3,942
Transfers: Dept of Public Health	62,486	(226)	62,260	31,438	30,822
Transfers: Dept of Natural Resources and Parks	6,078	(400)	5,678	3,533	2,145
Transfers: King County Information Technology	—	1,450	1,450	1,130	320
Transfers: CIP Transfer to DES	3,705	1,999	5,704	3,663	2,041
Transfers: PSB GF IT Cap F3280	2,250	772	3,022	2,692	330
Jail Health Services	118,244	1,874	120,118	63,842	56,276
Medical Examiner	18,644	2,229	20,873	11,226	9,647

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 5 - CONTINUED)

APPROPRIATION UNIT	2023-2024 BUDGET				2023-2024 ACTUAL
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	EXPENDITURES
GENERAL FUND continued					
Adult and Juvenile Detention	381,472	(1,618)	379,854	197,892	181,962
Public Defense	169,528	7,230	176,758	90,827	85,931
TOTAL GENERAL FUND	2,387,385	76,338	2,463,723	1,320,578	1,143,145
ADDITIONAL FUNDS REPORTED WITH GENERAL FUND					
Employee Deferred Comp Admin	1,013	—	1,013	636	377
Community Facilities Projects	—	—	—	(35)	35
Rainy Day Reserve	—	—	—	(1)	1
Parking Facility Management	6,504	—	6,504	3,413	3,091
TOTAL GENERAL FUND AND ADDITIONAL FUNDS	2,394,902	76,338	2,471,240	1,324,626	1,146,614
BEHAVIORAL HEALTH FUND					
Behavioral Health	750,211	45,867	796,078	412,731	383,347
HOUSING AND COMMUNITY DEVELOPMENT FUND					
Federal Housing and Community Development	588,817	27,027	615,844	343,337	272,507
PUBLIC HEALTH					
Public Health	581,874	39,681	621,555	336,883	284,672
TOTAL MAJOR FUNDS WITH BIENNIAL BUDGETS	\$ 4,315,804	\$ 188,913	\$ 4,504,717	\$ 2,417,577	\$ 2,087,140
NONMAJOR SPECIAL REVENUE FUNDS					
ANIMAL SERVICES					
Animal Bequest	\$ 380	\$ —	\$ 380	\$ 190	\$ 190
Regional Animal Services	16,696	—	16,696	8,428	8,268
TOTAL ANIMAL SERVICES	17,076	—	17,076	8,618	8,458
ARTS AND CULTURAL DEVELOPMENT					
Cultural Development Authority	44,002	1,009	45,011	27,234	17,777
AUTOMATED FINGERPRINT IDENTIFICATION					
Automated Fingerprint Identification System	43,270	1,261	44,531	25,722	18,809
BEST START FOR KIDS LEVY					
Best Starts for Kids	283,037	12,218	295,255	166,105	129,150
COMMUNITY SERVICES OPERATING					
Community Services Operating	21,840	(766)	21,074	10,806	10,268
COUNTY ROAD OPERATING					
Roads	237,172	(13)	237,159	129,292	107,867
Roads Construction Transfer	13,211	3,660	16,871	6,606	10,265
TOTAL COUNTY ROAD OPERATING	250,383	3,647	254,030	135,898	118,132
DEPT COMMUNITY AND HUMAN SERVICES ADMIN					
Community and Human Services Administration	29,562	(465)	29,097	15,113	13,984
DEPARTMENT OF LOCAL SERVICES ADMINISTRATION					
Department Local Services	24,462	5,427	29,889	21,138	8,751
DEVELOPMENTAL DISABILITIES					
Developmental Disabilities	168,894	21,734	190,628	99,020	91,608
DEPT NATURAL RESOURCES AND PARKS ADMIN					
Department Natural Resources and Parks Admin	19,632	(1,493)	18,139	9,265	8,874
DEPT OF PUBLIC HEALTH ADMINISTRATION ¹					
Public Health Administration	35,202	(206)	34,996	17,945	17,051

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS)

(PAGE 3 OF 5)

APPROPRIATION UNIT	2023-2024 BUDGET			VARIANCE	2023-2024 ACTUAL
	ORIGINAL	ADJUSTMENTS	FINAL		EXPENDITURES
EMERGENCY MEDICAL SERVICES					
Emergency Medical Services	259,635	—	259,635	151,447	108,188
EMERGENCY TELEPHONE ENHANCED E911					
Enhanced 911	55,020	—	55,020	32,509	22,511
EMPLOYMENT AND EDUCATION RESOURCES					
Employment Education Resources	40,022	810	40,832	21,180	19,652
ENVIRONMENTAL HEALTH					
Environmental Health	78,435	222	78,657	42,933	35,724
FLOOD CONTROL DISTRICT ²					
Flood District Administration	2,339	150	2,489	110	2,379
Maintenance and Operation	15,658	404	16,062	2,169	13,893
Construction and Improvements	83,467	178,283	261,750	208,059	53,691
TOTAL FLOOD CONTROL DISTRICT	101,464	178,837	280,301	210,338	69,963
GRANTS FUND					
Grants	35,470	—	35,470	15,957	19,513
HEALTH THROUGH HOUSING					
Health Through Housing	150,737	879	151,616	107,140	44,476
HISTORICAL PRESERVATION					
Historic Preservation Program	1,342	—	1,342	701	641
KING COUNTY FLOOD CONTROL CONTRACT ³					
Flood Control District	177,989	104,321	282,310	268,050	14,260
LOCAL HAZARDOUS WASTE					
Local Hazardous Waste	43,886	—	43,886	26,776	17,110
LODGING TAX					
Arts And Culture	26,635	—	26,635	14,439	12,196
Building 4Equity Advance	8,865	—	8,865	6,724	2,141
Tourism	14,295	—	14,295	7,632	6,663
Housing And Homeless Programs	43,188	—	43,188	29,768	13,420
TOTAL LODGING TAX	92,983	—	92,983	58,563	34,420
MENTAL ILLNESS AND DRUG DEPENDENCY					
Department Public Defense MIDD	5,528	—	5,528	2,781	2,747
District Court MIDD	4,734	249	4,983	2,699	2,284
Judicial Administration MIDD	4,293	—	4,293	2,729	1,564
Mental Illness and Drug Dependency	185,947	24,934	210,881	136,518	74,363
Prosecuting Attorney MIDD	2,725	—	2,725	1,422	1,303
Superior Court MIDD	5,535	348	5,883	3,241	2,642
TOTAL MENTAL ILLNESS AND DRUG DEPENDENCY	208,762	25,531	234,293	149,390	84,903
NOXIOUS WEED CONTROL					
Noxious Weed Control Program	11,035	—	11,035	6,093	4,942
PARKS OPERATING LEVY					
Parks	139,430	4,733	144,163	77,845	66,318
Parks Rec Trails OS Levy	308,663	—	308,663	218,138	90,525
TOTAL PARKS OPERATING LEVY	448,093	4,733	452,826	295,983	156,843

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 5 - CONTINUED)

APPROPRIATION UNIT	2023-2024 BUDGET			VARIANCE	2023-2024
	ORIGINAL	ADJUSTMENTS	FINAL		ACTUAL
					EXPENDITURES
PERMITTING AND ABATEMENT³					
General Public Services	6,748	26	6,774	3,367	3,407
Permitting and Review Abatement	818	—	818	542	276
Planning and Permitting	31,725	153	31,878	16,240	15,638
TOTAL PERMITTING AND ABATEMENT	39,291	179	39,470	20,149	19,321
PUGET SOUND EMERGENCY RADIO NETWORK LEVY					
Puget Sound Emergency Radio Network Levy	75,636	1,984	77,620	37,732	39,888
PUGET SOUND TAXPAYER ACCOUNTABILITY					
Puget Sound Taxpayer Accountability	15,656	4,786	20,442	15,229	5,213
RECORDER'S OPERATING AND MAINTENANCE					
Recorder's Operation and Maintenance	3,952	—	3,952	2,229	1,723
SURFACE WATER PROGRAM³					
Water and Land Resources	101,213	10,809	112,022	68,441	43,581
Water and Land Resources SWM	93,561	7,502	101,063	49,626	51,437
TOTAL SURFACE WATER PROGRAM	194,774	18,311	213,085	118,067	95,018
VETERANS AND FAMILY LEVY					
Veterans, Seniors and Human Services Levy	66,951	109,425	176,376	114,060	62,316
VETERANS RELIEF					
Veterans Services	6,826	673	7,499	4,241	3,258
YOUTH AMATEUR SPORTS					
Youth and Amateur Sports Fund	13,054	4,505	17,559	13,449	4,110
TOTAL NONMAJOR SPECIAL REVENUE FUNDS	\$ 3,058,373	\$ 497,562	\$ 3,555,935	\$ 2,249,080	\$ 1,306,855
DEBT SERVICE FUNDS					
LIMITED GO BOND REDEMPTION					
HUD Section 108 Loan Repayment	\$ 1,118	\$ —	\$ 1,118	\$ 829	\$ 289
Limited GO Bond Redemption	431,609	—	431,609	284,145	147,464
TOTAL LIMITED GO BOND REDEMPTION	432,727	—	432,727	284,974	147,753
UNLIMITED GO BOND REDEMPTION					
Unlimited GO Bond Redemption	23,559	—	23,559	7,700	15,859
TOTAL DEBT SERVICE FUNDS	\$ 456,286	\$ —	\$ 456,286	\$ 292,674	\$ 163,612
TOTAL GOVERNMENTAL FUNDS	\$ 7,830,463	\$ 686,475	\$ 8,516,938	\$ 4,959,331	\$ 3,557,607

Notes:

The Schedule of Biennial Budgets and Expenditures (Budgetary Basis) by Appropriation Unit is presented in order to disclose budgeted and actual expenditure comparisons classified the same as, and at the same level of detail as, the legally adopted budget.

- 1) The Department of Public Health Administration fund is eliminated for financial reporting purposes and does not appear in the combining statements.
- 2) The Flood Control District, a blended component unit, has an adopted annual budget in accordance with RCW 86.15.140.

GOVERNMENTAL FUNDS WITH BIENNIAL BUDGETS
SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) BY APPROPRIATION UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023
 (IN THOUSANDS)
 (PAGE 5 OF 5 - CONCLUDED)

3) Portions of these nonmajor special revenue funds operate without an approved biennial budget. Funds with non-appropriated expenditures are shown in the table below:

FUNDS WITH NON-APPROPRIATED EXPENDITURES	2023-2024 ACTUAL EXPENDITURES
Harborview Health and Safety	\$ 9,469
KC Flood Control Operation	53,353
Law Library	1,067
Long-Term Leases	39,339
Major Maintenance	10,147
Permitting and Abatement	4
Surface Water Program	25,000
Transfer of Development Credit	2,897
Treasurer's Operating and Maintenance	303
Total Non-appropriated Expenditures	<u>\$ 141,579</u>

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Proprietary Funds

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

NONMAJOR ENTERPRISE FUNDS

King County has established Enterprise Funds to account for organizations intended to be self-supporting through fees charged for services provided predominantly to the public. The County has three nonmajor enterprises that are reported using the accrual basis of accounting. A typical enterprise consists of an operating fund and construction subfund and may also include debt service or other reserve subfunds.

Institutional Network (I-Net) Enterprise - Accounts for the development and operation of a fiber-optic network connecting over 300 public facilities across King County. I-Net provides broadband internet connectivity, allowing data, voice, and video communications for various public, education, and government agencies, including schools, libraries, and cities in King County. Costs are recovered primarily through user fees. In addition, Public Education and Government (PEG) fees collected based on cable franchise agreements have contributed toward future equipment replacement.

King County International Airport (KCIA) Enterprise - Accounts for the operations, maintenance, capital improvements of the King County International Airport/Boeing Field. With its two runways (3,710 feet and 10,000 feet in length) and three fixed-base operators, KCIA provides all the facilities and services necessary to support jet and propeller-driven aircraft and helicopters. KCIA is an FAA-designated Primary, Non-hub, General Aviation Reliever Airport and averages over 150,000 operations per year.

Radio Communications Services Enterprise - Accounts for the operation and maintenance of the 800 MHz trunked King County Emergency Radio Communications System that provides communications for the public safety agencies of the County, as well as other local government agencies. Costs are recovered primarily through user fees, including charges for future equipment replacement.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
ASSETS	
Current assets	
Cash and cash equivalents	\$ 96,649
Restricted cash and cash equivalents	203
Accounts receivable, net	23,979
Due from other funds	820
Due from other governments, net	1,701
Inventory of supplies	588
Prepayments	864
Total current assets	124,804
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	748
Net pension asset	2,413
Total restricted assets	3,161
Capital assets:	
Nondepreciable assets	21,094
Depreciable assets, net	65,312
Total capital assets	86,406
Leases receivable	251,009
Total noncurrent assets	340,576
Total assets	465,380
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows on pension	1,997
Deferred outflows on other post employment benefits	33
Deferred outflows on asset retirement obligations	10
Total deferred outflows of resources	2,040
LIABILITIES	
Current liabilities	
Accounts payable	4,152
Retainage payable	8
Due to other governments	34
Interest payable	1
Wages payable	624
Compensated absences payable	121
Other postemployment benefits	21
Taxes payable	984
Unearned revenue	450
Customer deposits	195
Leases payable	392
Total current liabilities	6,982
Noncurrent liabilities	
Customer deposits	748
Compensated absences payable	957
Other postemployment benefits	279
Net pension liability	1,088
Leases payable	482
Pollution remediation	245
Asset retirement obligation	250
Total noncurrent liabilities	4,049
Total liabilities	11,031
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on pension	1,336
Deferred inflows on leases	254,941
Deferred inflows on other post employment benefits	76
Total deferred inflows of resources	256,353
NET POSITION	
Net investment in capital assets	82,449
Restricted	3,057
Unrestricted	114,530
Total net position	\$ 200,036

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,139	\$ 65,815	\$ 25,695
Restricted cash and cash equivalents	—	197	6
Accounts receivable, net	75	23,455	449
Due from other funds	17	718	85
Due from other governments, net	264	1,248	189
Inventory of supplies	—	497	91
Prepayments	820	44	—
Total current assets	<u>6,315</u>	<u>91,974</u>	<u>26,515</u>
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	—	748	—
Net pension asset	152	1,770	491
Total restricted assets	<u>152</u>	<u>2,518</u>	<u>491</u>
Capital assets:			
Nondepreciable assets	—	21,094	—
Depreciable assets, net	30	63,437	1,845
Total capital assets	<u>30</u>	<u>84,531</u>	<u>1,845</u>
Leases receivable	—	250,261	748
Total noncurrent assets	<u>182</u>	<u>337,310</u>	<u>3,084</u>
Total assets	<u>6,497</u>	<u>429,284</u>	<u>29,599</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	126	1,465	406
Deferred outflows on other post employment benefits	1	27	5
Deferred outflows on asset retirement obligations	—	—	10
Total deferred outflows of resources	<u>127</u>	<u>1,492</u>	<u>421</u>
LIABILITIES			
Current liabilities			
Accounts payable	219	3,639	294
Retainage payable	—	2	6
Due to other governments	—	—	34
Interest payable	—	—	1
Wages payable	35	465	124
Compensated absences payable	—	104	17
Other postemployment benefits	1	17	3
Taxes payable	—	983	1
Unearned revenue	—	450	—
Customer deposits	—	195	—
Leases payable	—	—	392
Total current liabilities	<u>255</u>	<u>5,855</u>	<u>872</u>
Noncurrent liabilities			
Customer deposits	—	748	—
Compensated absences payable	117	666	174
Other postemployment benefits	11	224	44
Net pension liability	69	798	221
Leases payable	—	—	482
Pollution remediation	—	245	—
Asset retirement obligation	—	—	250
Total noncurrent liabilities	<u>197</u>	<u>2,681</u>	<u>1,171</u>
Total liabilities	<u>452</u>	<u>8,536</u>	<u>2,043</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	84	980	272
Deferred inflows on leases	—	253,815	1,126
Deferred inflows on other post employment benefits	3	61	12
Total deferred inflows of resources	<u>87</u>	<u>254,856</u>	<u>1,410</u>
NET POSITION			
Net investment in capital assets	30	81,557	862
Restricted	193	2,242	622
Unrestricted	5,862	83,585	25,083
Total net position	<u>\$ 6,085</u>	<u>\$ 167,384</u>	<u>\$ 26,567</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
OPERATING REVENUES	
I-Net fees	\$ 3,485
Airfield fees	3,402
Hangar, building, and site rentals and leases	28,158
Radio services	5,360
Miscellaneous	323
Total operating revenues	40,728
OPERATING EXPENSES	
Personal services	12,323
Materials and supplies	2,290
Contract services and other charges	8,769
Utilities	3,778
Internal services	12,612
Depreciation and amortization	7,661
Other operating expenses	50
Total operating expenses	47,483
Operating income (loss)	(6,755)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental revenues	40
Investment gains (losses)	4,931
Miscellaneous revenues	16,577
Interest expenses	(11)
Gain (loss) on disposal of capital assets	(129)
Miscellaneous expenses	(1)
Total nonoperating revenues (expenses)	21,407
Income (loss) before contributions and transfers	14,652
Capital grants and contributions	5,910
Transfers out	(31)
Change in net position	20,531
Net position - January 1, 2023	179,505
Net position - December 31, 2023	\$ 200,036

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
OPERATING REVENUES			
I-Net fees	\$ 3,485	\$ —	\$ —
Airfield fees	—	3,402	—
Hangar, building, and site rentals and leases	—	28,158	—
Radio services	—	—	5,360
Miscellaneous	—	321	2
Total operating revenues	<u>3,485</u>	<u>31,881</u>	<u>5,362</u>
OPERATING EXPENSES			
Personal services	713	9,207	2,403
Materials and supplies	245	1,220	825
Contract services and other charges	205	8,113	451
Utilities	—	3,146	632
Internal services	1,436	9,761	1,415
Depreciation and amortization	283	6,690	688
Other operating expenses	—	—	50
Total operating expenses	<u>2,882</u>	<u>38,137</u>	<u>6,464</u>
Operating income (loss)	<u>603</u>	<u>(6,256)</u>	<u>(1,102)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	—	40	—
Investment gains (losses)	251	3,296	1,384
Miscellaneous revenues	—	15,977	600
Interest expenses	—	—	(11)
Gain (loss) on disposal of capital assets	—	(129)	—
Miscellaneous expenses	—	(1)	—
Total nonoperating revenues (expenses)	<u>251</u>	<u>19,183</u>	<u>1,973</u>
Income (loss) before contributions and transfers	854	12,927	871
Capital grants and contributions	—	5,910	—
Transfers out	—	(29)	(2)
Change in net position	854	18,808	869
Net position - January 1, 2023	5,231	148,576	25,698
Net position - December 31, 2023	<u>\$ 6,085</u>	<u>\$ 167,384</u>	<u>\$ 26,567</u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 36,354
Cash received from other funds - internal services	4,661
Cash payments to suppliers	(13,859)
Cash payments to other funds - internal services	(12,413)
Cash payments for employee services	(12,000)
Other receipts	6,306
Other payments	(1)
Net cash provided by operating activities	9,048
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants and other receipts	3,129
Transfers out	(31)
Net cash provided (used) by noncapital financing activities	3,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(9,946)
Principal paid on capital financing	(199)
Interest paid on capital financing	(11)
Capital grants and contributions	5,114
Proceeds from disposal of capital assets	19
Net cash used by capital and related financing activities	(5,023)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment gains (losses)	4,755
Net cash used by investing activities	4,755
Net increase in cash and cash equivalents	11,878
Cash and cash equivalents - January 1, 2023	85,722
Cash and cash equivalents - December 31, 2023	\$ 97,600
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ (6,755)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization - capital assets	7,661
Other nonoperating revenues (expenses)	16,775
(Increases) decreases in assets:	
Accounts receivable, net	(21,119)
Due from other funds	88
Due from other governments, net	(77)
Inventory of supplies	(107)
Prepayments and other assets	(216)
Net pension asset	(203)
Increases in deferred outflows of resources	201
Increases (decreases) in liabilities:	
Accounts payable	1,237
Retainage payable	(72)
Due to other governments	34
Wages payable	12
Taxes payable	102
Unearned revenues	262
Compensated absences	34
Other postemployment benefits	(11)
Net pension liability	1,088
Customer deposits and other liabilities	102
Increases in deferred inflows of resources	10,012
Total adjustments	15,803
Net cash provided by operating activities	\$ 9,048

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 2)

	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,306	\$ 32,425	\$ 1,623
Cash received from other funds - internal services	961	10	3,690
Cash payments to suppliers	(526)	(11,121)	(2,212)
Cash payments to other funds - internal services	(1,436)	(9,761)	(1,216)
Cash payments for employee services	(692)	(8,966)	(2,342)
Other receipts	—	5,728	578
Other payments	—	(1)	—
Net cash provided by operating activities	<u>613</u>	<u>8,314</u>	<u>121</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	—	3,129	—
Transfers out	—	(29)	(2)
Net cash provided (used) by noncapital financing activities	<u>—</u>	<u>3,100</u>	<u>(2)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	—	(9,352)	(594)
Principal paid on capital financing	—	—	(199)
Interest paid on capital financing	—	—	(11)
Capital grants and contributions	—	5,114	—
Proceeds from disposal of capital assets	—	19	—
Net cash used by capital and related financing activities	<u>—</u>	<u>(4,219)</u>	<u>(804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	242	3,172	1,341
Net cash used by investing activities	<u>242</u>	<u>3,172</u>	<u>1,341</u>
Net increase in cash and cash equivalents	855	10,367	656
Cash and cash equivalents - January 1, 2023	4,284	56,393	25,045
Cash and cash equivalents - December 31, 2023	<u>\$ 5,139</u>	<u>\$ 66,760</u>	<u>\$ 25,701</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income	\$ 603	\$ (6,256)	\$ (1,102)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization - capital assets	283	6,690	688
Other nonoperating revenues (expenses)	—	15,976	799
(Increases) decreases in assets:			
Accounts receivable, net	(1)	(20,911)	(207)
Due from other funds	—	88	—
Due from other governments, net	(29)	—	(48)
Inventory of supplies	—	(86)	(21)
Prepayments and other assets	(259)	43	—
Net pension asset	(17)	(195)	9
Increases in deferred outflows of resources	6	66	129
Increases (decreases) in liabilities:			
Accounts payable	183	1,370	(316)
Retainage payable	—	(72)	—
Due to other governments	—	—	34
Wages payable	3	12	(3)
Taxes payable	—	103	(1)
Unearned revenues	(188)	450	—
Compensated absences	2	76	(44)
Other postemployment benefits	1	(9)	(3)
Net pension liability	69	798	221
Customer deposits and other liabilities	—	102	—
Increases in deferred inflows of resources	(43)	10,069	(14)
Total adjustments	<u>10</u>	<u>14,570</u>	<u>1,223</u>
Net cash provided by operating activities	<u>\$ 613</u>	<u>\$ 8,314</u>	<u>\$ 121</u>

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

INTERNAL SERVICE FUNDS

King County has established Internal Service Funds (ISFs) to report activities that provide goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The County must be the predominant participant, and the fund must function on an essentially break-even basis over time. The County's nine ISFs in 2023 are as follows:

Business Resource Center - Accounts for the support, maintenance, and optimization of the County's Enterprise Resource Planning applications including: financial, procurement, human resource, payroll, business intelligence, reporting, and budgetary business applications and solutions.

Construction and Facilities Management - Accounts for building repairs and operating maintenance, including parking facilities management, security services, and construction in progress project management. The fund also provides printing, copying and bindery services.

Employee Benefits Program - Accounts for the activities of employee medical, dental, vision, life, accidental death and dismemberment and long-term disability benefit programs and well-being programs and will account for future modifications to existing well-being and benefit designs or additions of new employee well-being benefit programs.

Financial Management Services - Provides financial services, including: accounting, grant management, treasury and property tax services, contracts and procurement services, accounts payable and receivable, and small business services to King County and other contracting agencies.

Insurance - Accounts for the activities of the Office of Risk Management, which include performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, activities of the Public Records Team, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

King County Geographic Information Systems - Accounts for the activities required to operate, maintain and enhance the geographic information systems that serve both King County agencies and external customers. The fund provides services for the capture, management, analysis, integration and display of geographically referenced information enabling users to view data to reveal spatial relationships, patterns, and trends.

King County Information Technology Services - Accounts for Information Technology services provided to King County and other contracting agencies. The fund is responsible for managing the County's information technology infrastructure, including the County network, digital platforms, and workstations, and sets countywide IT standards and policies. It also provides end-user support services and project management services.

Motor Pool Equipment Rental - Accounts for the purchase and maintenance of a fleet of vehicles, equipment and materials used by County agencies.

Safety and Workers' Compensation - Accounts for the administration of an employee safety and training program designed to provide a safe and healthy workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker's compensation system as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
ASSETS	
Current assets	
Cash and cash equivalents	\$ 283,603
Restricted cash and cash equivalents	103
Receivables, net	799
Due from other funds	9,891
Interfund short-term loans receivable	76,623
Due from other governments, net	14,283
Inventory of supplies	3,624
Prepayments	14,115
Total current assets	403,041
Noncurrent assets	
Restricted net pension asset	35,408
Capital assets:	
Nondepreciable assets	279
Depreciable assets, net	75,878
Total capital assets	76,157
Advances to other funds	106
Noncurrent receivables	3,004
Total noncurrent assets	114,675
Total assets	517,716
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	29,445
Deferred outflows related to other postemployment benefits	448
Total deferred outflows of resources	29,893
LIABILITIES	
Current liabilities	
Accounts payable	20,110
Retainage payable	103
Estimated claim settlements	80,850
Interest payable	71
Wages payable	9,309
Compensated absences payable	953
Other postemployment benefits	286
Unearned revenues	433
General obligation bonds payable	195
Leases payable	4,338
Custodial accounts	2,638
Other liabilities	53
Total current liabilities	119,339
Noncurrent liabilities	
Compensated absences payable	21,502
Other postemployment benefits	3,744
Net pension liability	16,103
General obligation bonds payable	1,515
Lease obligations payable	12,744
Estimated claim settlements	141,095
Total noncurrent liabilities	196,703
Total liabilities	316,042
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	19,635
Deferred inflows related to leases	2,712
Deferred inflows related to other postemployment benefits	1,014
Total deferred inflows of resources	23,361
NET POSITION	
Net investment in capital assets	58,451
Restricted for:	
Pensions	44,840
Unrestricted (deficit)	104,915
Total net position	\$ 208,206

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
ASSETS			
Current assets			
Cash and cash equivalents	\$ 21,348	\$ 7,426	\$ 77,114
Restricted cash and cash equivalents	—	64	—
Receivables, net	—	62	737
Due from other funds	—	73	235
Interfund short-term loans receivable	—	—	—
Due from other governments, net	—	12,439	—
Inventory of supplies	—	852	—
Prepayments	—	794	—
Total current assets	<u>21,348</u>	<u>21,710</u>	<u>78,086</u>
Noncurrent assets			
Restricted net pension asset	2,689	7,069	671
Capital assets:			
Nondepreciable assets	—	—	—
Depreciable assets, net	6	1,259	—
Total capital assets	<u>6</u>	<u>1,259</u>	<u>—</u>
Advances to other funds	—	106	—
Noncurrent receivables	—	3,004	—
Total noncurrent assets	<u>2,695</u>	<u>11,438</u>	<u>671</u>
Total assets	<u>24,043</u>	<u>33,148</u>	<u>78,757</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,226	5,882	555
Deferred outflows related to other postemployment benefits	26	134	7
Total deferred outflows of resources	<u>2,252</u>	<u>6,016</u>	<u>562</u>
LIABILITIES			
Current liabilities			
Accounts payable	361	1,938	6,063
Retainage payable	—	64	—
Estimated claim settlements	—	—	23,768
Interest payable	—	2	—
Wages payable	679	1,799	424
Compensated absences payable	68	190	29
Other postemployment benefits	17	85	5
Unearned revenues	—	20	413
General obligation bonds payable	—	—	—
Leases payable	—	254	—
Custodial accounts	—	—	2,049
Other liabilities	2	50	—
Total current liabilities	<u>1,127</u>	<u>4,402</u>	<u>32,751</u>
Noncurrent liabilities			
Compensated absences payable	1,767	3,062	374
Other postemployment benefits	219	1,117	60
Net pension liability	1,213	3,244	299
General obligation bonds payable	—	—	—
Lease obligations payable	—	884	—
Estimated claim settlements	—	—	—
Total noncurrent liabilities	<u>3,199</u>	<u>8,307</u>	<u>733</u>
Total liabilities	<u>4,326</u>	<u>12,709</u>	<u>33,484</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,489	3,923	371
Deferred inflows related to leases	—	2,712	—
Deferred inflows related to other postemployment benefits	59	302	16
Total deferred inflows of resources	<u>1,548</u>	<u>6,937</u>	<u>387</u>
NET POSITION			
Net investment in capital assets	6	121	—
Restricted for:			
Pensions	3,405	8,952	850
Unrestricted (deficit)	17,010	10,445	44,598
Total net position	<u>\$ 20,421</u>	<u>\$ 19,518</u>	<u>\$ 45,448</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
ASSETS			
Current assets			
Cash and cash equivalents	\$ 10,604	\$ 85,327	\$ 1,974
Restricted cash and cash equivalents	35	4	—
Receivables, net	—	—	—
Due from other funds	—	301	—
Interfund short-term loans receivable	—	—	—
Due from other governments, net	50	—	—
Inventory of supplies	—	—	—
Prepayments	—	7,178	—
Total current assets	<u>10,689</u>	<u>92,810</u>	<u>1,974</u>
Noncurrent assets			
Restricted net pension asset	<u>5,095</u>	<u>904</u>	<u>702</u>
Capital assets:			
Nondepreciable assets	—	—	—
Depreciable assets, net	157	22	—
Total capital assets	<u>157</u>	<u>22</u>	<u>—</u>
Advances to other funds	—	—	—
Noncurrent receivables	—	—	—
Total noncurrent assets	<u>5,252</u>	<u>926</u>	<u>702</u>
Total assets	<u>15,941</u>	<u>93,736</u>	<u>2,676</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	4,217	748	581
Deferred outflows related to other postemployment benefits	67	10	8
Total deferred outflows of resources	<u>4,284</u>	<u>758</u>	<u>589</u>
LIABILITIES			
Current liabilities			
Accounts payable	620	3,621	3
Retainage payable	35	4	—
Estimated claim settlements	—	34,931	—
Interest payable	—	—	—
Wages payable	1,356	222	180
Compensated absences payable	121	18	49
Other postemployment benefits	43	6	5
Unearned revenues	—	—	—
General obligation bonds payable	—	—	—
Leases payable	23	—	—
Custodial accounts	—	553	—
Other liabilities	—	—	—
Total current liabilities	<u>2,198</u>	<u>39,355</u>	<u>237</u>
Noncurrent liabilities			
Compensated absences payable	2,709	441	631
Other postemployment benefits	558	88	66
Net pension liability	2,296	406	317
General obligation bonds payable	—	—	—
Lease obligations payable	93	—	—
Estimated claim settlements	—	79,814	—
Total noncurrent liabilities	<u>5,656</u>	<u>80,749</u>	<u>1,014</u>
Total liabilities	<u>7,854</u>	<u>120,104</u>	<u>1,251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,821	501	389
Deferred inflows related to leases	—	—	—
Deferred inflows related to other postemployment benefits	151	24	18
Total deferred inflows of resources	<u>2,972</u>	<u>525</u>	<u>407</u>
NET POSITION			
Net investment in capital assets	41	22	—
Restricted for:			
Pensions	6,452	1,145	889
Unrestricted (deficit)	2,906	(27,302)	718
Total net position	<u>\$ 9,399</u>	<u>\$ (26,135)</u>	<u>\$ 1,607</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,637	\$ 58,919	\$ 18,254
Restricted cash and cash equivalents	—	—	—
Receivables, net	—	—	—
Due from other funds	159	193	8,930
Interfund short-term loans receivable	—	—	76,623
Due from other governments, net	1,745	49	—
Inventory of supplies	—	2,772	—
Prepayments	6,140	3	—
Total current assets	<u>10,681</u>	<u>61,936</u>	<u>103,807</u>
Noncurrent assets			
Restricted net pension asset	15,634	1,801	843
Capital assets:			
Nondepreciable assets	279	—	—
Depreciable assets, net	30,087	44,347	—
Total capital assets	<u>30,366</u>	<u>44,347</u>	<u>—</u>
Advances to other funds	—	—	—
Noncurrent receivables	—	—	—
Total noncurrent assets	<u>46,000</u>	<u>46,148</u>	<u>843</u>
Total assets	<u>56,681</u>	<u>108,084</u>	<u>104,650</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	13,048	1,490	698
Deferred outflows related to other postemployment benefits	147	30	19
Total deferred outflows of resources	<u>13,195</u>	<u>1,520</u>	<u>717</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,303	1,829	3,372
Retainage payable	—	—	—
Estimated claim settlements	—	—	22,151
Interest payable	69	—	—
Wages payable	3,971	459	219
Compensated absences payable	381	61	36
Other postemployment benefits	94	19	12
Unearned revenues	—	—	—
General obligation bonds payable	195	—	—
Leases payable	4,038	23	—
Custodial accounts	30	6	—
Other liabilities	—	1	—
Total current liabilities	<u>11,081</u>	<u>2,398</u>	<u>25,790</u>
Noncurrent liabilities			
Compensated absences payable	11,368	676	474
Other postemployment benefits	1,231	246	159
Net pension liability	7,138	810	380
General obligation bonds payable	1,515	—	—
Lease obligations payable	11,755	12	—
Estimated claim settlements	—	—	61,281
Total noncurrent liabilities	<u>33,007</u>	<u>1,744</u>	<u>62,294</u>
Total liabilities	<u>44,088</u>	<u>4,142</u>	<u>88,084</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	8,677	997	467
Deferred inflows related to leases	—	—	—
Deferred inflows related to other postemployment benefits	334	67	43
Total deferred inflows of resources	<u>9,011</u>	<u>1,064</u>	<u>510</u>
NET POSITION			
Net investment in capital assets	13,949	44,312	—
Restricted for:			
Pensions	19,799	2,280	1,068
Unrestricted (deficit)	(16,971)	57,806	15,705
Total net position	<u>\$ 16,777</u>	<u>\$ 104,398</u>	<u>\$ 16,773</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
OPERATING REVENUES	
Profit on inventory sales	
Sales of inventory	\$ 3,248
Cost of goods sold	(9,044)
Gross loss on inventory	(5,796)
Information resources management fees	124,821
Geographic information systems fees	6,187
Building operation and maintenance service fees	78,767
Architect/engineering/renovation service fees	2,693
Benefit program contributions and fees	305,524
Business resources management fees	24,213
Financial services	36,482
Insurance services	80,690
Equipment rental fees	27,810
Garage shop services	255
Printing and duplication	1,571
Workers' compensation employer contributions	44,667
Miscellaneous operating revenue	3,148
Total operating revenues	731,032
OPERATING EXPENSES	
Personal services	157,793
Materials and supplies	10,917
Contract services and other charges	523,744
Internal services	31,548
Depreciation and amortization	16,654
Total operating expenses	740,656
Operating income (loss)	(9,624)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	3,253
Investment gains	8,821
Miscellaneous revenues	300
Interest expense	(546)
Gain on disposal of capital assets	972
Miscellaneous expenses	(3,057)
Total nonoperating revenues (expenses)	9,743
Income (loss) before contributions and transfers	119
Capital grants and contributions	2,799
Transfers in	8,770
Transfers out	(37,304)
Change in net position	(25,616)
Net position - January 1, 2023	233,822
Net position - December 31, 2023	\$ 208,206

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
OPERATING REVENUES			
Profit on inventory sales			
Sales of inventory	\$ —	\$ —	\$ —
Cost of goods sold	—	—	—
Gross loss on inventory	—	—	—
Information resources management fees	—	—	—
Geographic information systems fees	—	—	—
Building operation and maintenance service fees	—	78,767	—
Architect/engineering/renovation service fees	—	2,693	—
Benefit program contributions and fees	—	—	305,524
Business resources management fees	24,213	—	—
Financial services	—	—	—
Insurance services	—	—	—
Equipment rental fees	—	—	—
Garage shop services	—	—	—
Printing and duplication	—	1,560	—
Workers' compensation employer contributions	—	—	—
Miscellaneous operating revenue	—	573	126
Total operating revenues	<u>24,213</u>	<u>83,593</u>	<u>305,650</u>
OPERATING EXPENSES			
Personal services	8,391	23,782	4,454
Materials and supplies	10	5,344	97
Contract services and other charges	6,651	18,900	329,292
Internal services	1,375	9,682	604
Depreciation and amortization	5	336	—
Total operating expenses	<u>16,432</u>	<u>58,044</u>	<u>334,447</u>
Operating income (loss)	<u>7,781</u>	<u>25,549</u>	<u>(28,797)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	—	1,856	—
Investment gains	—	151	5,206
Miscellaneous revenues	—	—	—
Interest expense	—	(25)	—
Gain on disposal of capital assets	—	—	—
Miscellaneous expenses	—	(18)	—
Total nonoperating revenues (expenses)	<u>—</u>	<u>1,964</u>	<u>5,206</u>
Income (loss) before contributions and transfers	<u>7,781</u>	<u>27,513</u>	<u>(23,591)</u>
Capital grants and contributions	—	—	—
Transfers in	—	8,100	—
Transfers out	<u>(2,746)</u>	<u>(29,528)</u>	<u>(2)</u>
Change in net position	<u>5,035</u>	<u>6,085</u>	<u>(23,593)</u>
Net position - January 1, 2023	15,386	13,433	69,041
Net position - December 31, 2023	<u>\$ 20,421</u>	<u>\$ 19,518</u>	<u>\$ 45,448</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
OPERATING REVENUES			
Profit on inventory sales			
Sales of inventory	\$ —	\$ —	\$ —
Cost of goods sold	—	—	—
Gross loss on inventory	—	—	—
Information resources management fees	—	—	—
Geographic information systems fees	—	—	5,772
Building operation and maintenance service fees	—	—	—
Architect/engineering/renovation service fees	—	—	—
Benefit program contributions and fees	—	—	—
Business resources management fees	—	—	—
Financial services	36,482	—	—
Insurance services	—	80,690	—
Equipment rental fees	—	—	—
Garage shop services	—	—	—
Printing and duplication	—	—	—
Workers' compensation employer contributions	—	—	—
Miscellaneous operating revenue	17	2	—
Total operating revenues	<u>36,499</u>	<u>80,692</u>	<u>5,772</u>
OPERATING EXPENSES			
Personal services	24,210	4,478	3,536
Materials and supplies	399	10	1
Contract services and other charges	5,609	78,012	1,136
Internal services	5,012	1,136	1,262
Depreciation and amortization	29	4	—
Total operating expenses	<u>35,259</u>	<u>83,640</u>	<u>5,935</u>
Operating income (loss)	<u>1,240</u>	<u>(2,948)</u>	<u>(163)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	688	299	—
Investment gains	—	1	—
Miscellaneous revenues	—	—	—
Interest expense	(12)	—	—
Gain on disposal of capital assets	—	—	—
Miscellaneous expenses	—	—	—
Total nonoperating revenues (expenses)	<u>676</u>	<u>300</u>	<u>—</u>
Income (loss) before contributions and transfers	1,916	(2,648)	(163)
Capital grants and contributions	29	—	—
Transfers in	—	—	—
Transfers out	(861)	(4)	(3)
Change in net position	1,084	(2,652)	(166)
Net position - January 1, 2023	8,315	(23,483)	1,773
Net position - December 31, 2023	<u>\$ 9,399</u>	<u>\$ (26,135)</u>	<u>\$ 1,607</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
OPERATING REVENUES			
Profit on inventory sales			
Sales of inventory	\$ —	\$ 3,248	\$ —
Cost of goods sold	—	(9,044)	—
Gross loss on inventory	—	(5,796)	—
Information resources management fees	124,821	—	—
Geographic information systems fees	415	—	—
Building operation and maintenance service fees	—	—	—
Architect/engineering/renovation service fees	—	—	—
Benefit program contributions and fees	—	—	—
Business resources management fees	—	—	—
Financial services	—	—	—
Insurance services	—	—	—
Equipment rental fees	—	27,810	—
Garage shop services	—	255	—
Printing and duplication	11	—	—
Workers' compensation employer contributions	—	—	44,667
Miscellaneous operating revenue	1,287	689	454
Total operating revenues	<u>126,534</u>	<u>22,958</u>	<u>45,121</u>
OPERATING EXPENSES			
Personal services	74,950	8,653	5,339
Materials and supplies	2,681	2,328	47
Contract services and other charges	34,347	2,060	47,737
Internal services	7,415	2,582	2,480
Depreciation and amortization	7,114	9,166	—
Total operating expenses	<u>126,507</u>	<u>24,789</u>	<u>55,603</u>
Operating income (loss)	<u>27</u>	<u>(1,831)</u>	<u>(10,482)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	410	—	—
Investment gains	1	3,462	—
Miscellaneous revenues	—	95	205
Interest expense	(508)	(1)	—
Gain on disposal of capital assets	—	972	—
Miscellaneous expenses	(3,015)	(24)	—
Total nonoperating revenues (expenses)	<u>(3,112)</u>	<u>4,504</u>	<u>205</u>
Income (loss) before contributions and transfers	<u>(3,085)</u>	<u>2,673</u>	<u>(10,277)</u>
Capital grants and contributions	308	2,462	—
Transfers in	670	—	—
Transfers out	<u>(3,987)</u>	<u>(169)</u>	<u>(4)</u>
Change in net position	<u>(6,094)</u>	<u>4,966</u>	<u>(10,281)</u>
Net position - January 1, 2023	22,871	99,432	27,054
Net position - December 31, 2023	<u>\$ 16,777</u>	<u>\$ 104,398</u>	<u>\$ 16,773</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 4)

	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 8,797
Cash received from other funds - internal services	726,357
Cash payments to suppliers for goods and services	(506,525)
Cash payments to other funds - internal services	(45,094)
Cash payments for employee services	(165,548)
Other receipts	3,148
Net cash provided (used) by operating activities	21,135
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants and other receipts	3,529
Interfund short-term loan principal amounts loaned to other funds	(78,270)
Interfund short-term loan principal amounts repaid from other funds	72,564
Interfund advance principal amounts loaned to other funds	(106)
Transfers in	8,770
Transfers out	(37,304)
Net cash provided (used) by noncapital financing activities	(30,817)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(15,622)
Proceeds from general obligation bonds	1,711
Principal paid on capital financing	(4,992)
Interest paid on capital financing	(261)
Proceeds from disposal of capital assets	1,006
Net cash used by capital and related financing activities	(18,158)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment gains (losses)	8,108
Net cash provided (used) by investing activities	8,108
Net increase (decrease) in cash and cash equivalents	(19,732)
Cash and cash equivalents - January 1, 2023	303,438
Cash and cash equivalents - December 31, 2023	\$ 283,706
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (9,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization - capital assets	16,654
(Increase) decrease in accounts receivable, net	19
(Increase) decrease in due from other funds	(8,381)
(Increase) decrease in due from other governments, net	6,848
(Increase) in inventory	(103)
(Increase) decrease in prepayments	(178)
(Increase) decrease in net pension asset	(2,295)
(Increase) decrease in deferred outflows of resources	4,689
Increase (decrease) in accounts payable	(589)
Increase in retainage payable	(303)
Increase (decrease) in estimated claim settlements	27,407
(Decrease) in due to other funds	(2,604)
Increase (decrease) in wages payable	786
Increase (decrease) in taxes payable	4
(Decrease) in custodial accounts	367
Increase in unearned revenue	(549)
Increase (decrease) in compensated absences payable	1,715
Increase (decrease) in other postemployment benefits	26
Increase (decrease) in net pension liability	1,359
Increase in deferred inflows of resources	(14,113)
Total adjustments	30,759
Net cash provided (used) by operating activities	\$ 21,135
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributions of capital assets from government	\$ (2,799)
Contributions of capital assets to government	3,025
Acquisition of capital assets through financing arrangements	4,521

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 4 - CONTINUED)

	BUSINESS RESOURCE CENTER	CONSTRUCTION AND FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ —	\$ 1,340	\$ —
Cash received from other funds - internal services	24,213	88,175	305,936
Cash payments to suppliers for goods and services	(6,563)	(23,952)	(330,228)
Cash payments to other funds - internal services	(1,723)	(13,865)	(604)
Cash payments for employee services	(12,291)	(31,442)	(4,351)
Other receipts	—	573	126
Net cash provided (used) by operating activities	<u>3,636</u>	<u>20,829</u>	<u>(29,121)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	—	1,856	—
Interfund short-term loan principal amounts loaned to other funds	—	—	—
Interfund short-term loan principal amounts repaid from other funds	—	—	72,564
Interfund advance principal amounts loaned to other funds	—	(106)	—
Transfers in	—	8,100	—
Transfers out	(2,746)	(29,528)	(2)
Net cash provided (used) by noncapital financing activities	<u>(2,746)</u>	<u>(19,678)</u>	<u>72,562</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(1)	(16)	—
Proceeds from general obligation bonds	—	—	—
Principal paid on capital financing	—	(268)	—
Interest paid on capital financing	—	(23)	—
Proceeds from disposal of capital assets	—	—	—
Net cash used by capital and related financing activities	<u>(1)</u>	<u>(307)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	—	126	4,971
Net cash provided (used) by investing activities	<u>—</u>	<u>126</u>	<u>4,971</u>
Net increase (decrease) in cash and cash equivalents	889	970	48,412
Cash and cash equivalents - January 1, 2023	20,459	6,520	28,702
Cash and cash equivalents - December 31, 2023	<u>\$ 21,348</u>	<u>\$ 7,490</u>	<u>\$ 77,114</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 7,781	\$ 25,549	\$ (28,797)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization - capital assets	5	336	—
(Increase) decrease in accounts receivable, net	—	(89)	106
(Increase) decrease in due from other funds	—	195	—
(Increase) decrease in due from other governments, net	—	7,016	—
(Increase) in inventory	—	65	—
(Increase) decrease in prepayments	—	—	—
(Increase) decrease in net pension asset	(166)	(298)	(117)
(Increase) decrease in deferred outflows of resources	770	1,838	(17)
Increase (decrease) in accounts payable	(252)	(2,057)	3,055
Increase in retainage payable	—	(303)	—
Increase (decrease) in estimated claim settlements	—	—	(3,894)
(Decrease) in due to other funds	—	(1,600)	—
Increase (decrease) in wages payable	56	160	3
Increase (decrease) in taxes payable	2	4	—
(Decrease) in custodial accounts	—	—	306
Increase in unearned revenue	—	(549)	—
Increase (decrease) in compensated absences payable	187	254	80
Increase (decrease) in other postemployment benefits	3	4	4
Increase (decrease) in net pension liability	(3,145)	(5,661)	299
Increase in deferred inflows of resources	(1,605)	(4,035)	(149)
Total adjustments	<u>(4,145)</u>	<u>(4,720)</u>	<u>(324)</u>
Net cash provided (used) by operating activities	<u>\$ 3,636</u>	<u>\$ 20,829</u>	<u>\$ (29,121)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ —	\$ —	\$ —
Contributions of capital assets to government	—	18	—
Acquisition of capital assets through financing arrangements	—	29	—

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 4)

	FINANCIAL MANAGEMENT SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,993	\$ —	\$ 26
Cash received from other funds - internal services	29,595	80,419	5,755
Cash payments to suppliers for goods and services	(5,464)	(53,992)	(1,133)
Cash payments to other funds - internal services	(6,364)	(2,674)	(1,536)
Cash payments for employee services	(24,718)	(4,381)	(3,421)
Other receipts	17	2	—
Net cash provided (used) by operating activities	<u>59</u>	<u>19,374</u>	<u>(309)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	688	299	—
Interfund short-term loan principal amounts loaned to other funds	—	—	—
Interfund short-term loan principal amounts repaid from other funds	—	—	—
Interfund advance principal amounts loaned to other funds	—	—	—
Transfers in	—	—	—
Transfers out	(861)	(4)	(3)
Net cash provided (used) by noncapital financing activities	<u>(173)</u>	<u>295</u>	<u>(3)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	—	(15)	—
Proceeds from general obligation bonds	—	—	—
Principal paid on capital financing	(23)	(4)	—
Interest paid on capital financing	(2)	—	—
Proceeds from disposal of capital assets	—	—	—
Net cash used by capital and related financing activities	<u>(25)</u>	<u>(19)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	(10)	1	—
Net cash provided (used) by investing activities	<u>(10)</u>	<u>1</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	(149)	19,651	(312)
Cash and cash equivalents - January 1, 2023	10,788	65,680	2,286
Cash and cash equivalents - December 31, 2023	<u>\$ 10,639</u>	<u>\$ 85,331</u>	<u>\$ 1,974</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,240	\$ (2,948)	\$ (163)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization - capital assets	29	4	—
(Increase) decrease in accounts receivable, net	2	—	—
(Increase) decrease in due from other funds	104	(301)	—
(Increase) decrease in due from other governments, net	—	—	9
(Increase) in inventory	—	—	—
(Increase) decrease in prepayments	—	(344)	—
(Increase) decrease in net pension asset	(358)	(62)	(52)
(Increase) decrease in deferred outflows of resources	560	70	50
Increase (decrease) in accounts payable	196	1,122	(270)
Increase in retainage payable	—	—	—
Increase (decrease) in estimated claim settlements	—	21,714	—
(Decrease) in due to other funds	(1,004)	—	—
Increase (decrease) in wages payable	135	(16)	11
Increase (decrease) in taxes payable	—	—	—
(Decrease) in custodial accounts	—	30	—
Increase in unearned revenue	—	—	—
Increase (decrease) in compensated absences payable	144	(18)	13
Increase (decrease) in other postemployment benefits	19	6	(1)
Increase (decrease) in net pension liability	864	406	317
Increase in deferred inflows of resources	(1,872)	(289)	(223)
Total adjustments	<u>(1,181)</u>	<u>22,322</u>	<u>(146)</u>
Net cash provided (used) by operating activities	<u>\$ 59</u>	<u>\$ 19,374</u>	<u>\$ (309)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ (29)	\$ —	\$ —
Contributions of capital assets to government	—	—	—
Acquisition of capital assets through financing arrangements	—	—	—

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 4 - CONCLUDED)

	KING COUNTY INFORMATION TECHNOLOGY SERVICES	MOTOR POOL EQUIPMENT RENTAL	SAFETY AND WORKERS' COMPENSATION
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 227	\$ 211	\$ —
Cash received from other funds - internal services	125,382	31,145	35,737
Cash payments to suppliers for goods and services	(40,363)	(4,852)	(39,978)
Cash payments to other funds - internal services	(4,702)	(11,146)	(2,480)
Cash payments for employee services	(71,561)	(8,194)	(5,189)
Other receipts	1,287	689	454
Net cash provided (used) by operating activities	<u>10,270</u>	<u>7,853</u>	<u>(11,456)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and other receipts	410	71	205
Interfund short-term loan principal amounts loaned to other funds	(1,647)	—	(76,623)
Interfund short-term loan principal amounts repaid from other funds	—	—	—
Interfund advance principal amounts loaned to other funds	—	—	—
Transfers in	670	—	—
Transfers out	(3,987)	(169)	(4)
Net cash provided (used) by noncapital financing activities	<u>(4,554)</u>	<u>(98)</u>	<u>(76,422)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(692)	(14,898)	—
Proceeds from general obligation bonds	1,711	—	—
Principal paid on capital financing	(4,668)	(29)	—
Interest paid on capital financing	(235)	(1)	—
Proceeds from disposal of capital assets	—	1,006	—
Net cash used by capital and related financing activities	<u>(3,884)</u>	<u>(13,922)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment gains (losses)	(249)	3,269	—
Net cash provided (used) by investing activities	<u>(249)</u>	<u>3,269</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	1,583	(2,898)	(87,878)
Cash and cash equivalents - January 1, 2023	1,054	61,817	106,132
Cash and cash equivalents - December 31, 2023	<u>\$ 2,637</u>	<u>\$ 58,919</u>	<u>\$ 18,254</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 27	\$ (1,831)	\$ (10,482)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization - capital assets	7,114	9,166	—
(Increase) decrease in accounts receivable, net	—	—	—
(Increase) decrease in due from other funds	551	—	(8,930)
(Increase) decrease in due from other governments, net	(219)	42	—
(Increase) in inventory	—	(168)	—
(Increase) decrease in prepayments	166	—	—
(Increase) decrease in net pension asset	(1,051)	(68)	(123)
(Increase) decrease in deferred outflows of resources	1,226	191	1
Increase (decrease) in accounts payable	(788)	186	(1,781)
Increase in retainage payable	—	—	—
Increase (decrease) in estimated claim settlements	—	—	9,587
(Decrease) in due to other funds	—	—	—
Increase (decrease) in wages payable	331	56	50
Increase (decrease) in taxes payable	—	(2)	—
(Decrease) in custodial accounts	30	1	—
Increase in unearned revenue	—	—	—
Increase (decrease) in compensated absences payable	894	102	59
Increase (decrease) in other postemployment benefits	(12)	4	(1)
Increase (decrease) in net pension liability	7,089	810	380
Increase in deferred inflows of resources	(5,088)	(636)	(216)
Total adjustments	<u>10,243</u>	<u>9,684</u>	<u>(974)</u>
Net cash provided (used) by operating activities	<u>\$ 10,270</u>	<u>\$ 7,853</u>	<u>\$ (11,456)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from government	\$ (308)	\$ (2,462)	\$ —
Contributions of capital assets to government	3,007	—	—
Acquisition of capital assets through financing arrangements	4,492	—	—

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiduciary Funds

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

CUSTODIAL FUNDS

The County's custodial funds fall into two categories: External Investment Pool Funds and Other Custodial Funds.

External Investment Pool Funds - External investment pool funds are used by King County to report investment activity engaged in on behalf of legally separate entities. The funds use the economic resources measurement focus and the accrual basis of accounting.

External Impaired Investment Pool - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units that participate in the County's investment pool. Effective September 1, 2008, certain impaired investments were separated from the main pool. The County has completed the restructuring of all the impaired assets in the Impaired Investment Pool Fund.

External Individual Investment Accounts - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units having investments with the County that are not in the County's investment pool.

External Investment Pool - Accounts for the investment activity conducted by King County on behalf of legally separate entities such as special districts and public authorities other than component units that participate in the County's investment pool.

Other Custodial Funds - King County utilized 188 active funds in 2023 to account for the resources of special purpose districts and other governments. The King County Executive, in compliance with the laws of the state of Washington or by contract, is the *ex officio* treasurer of King County and special districts, but not for the cities, towns or the State of Washington. Money received from or for the special districts or other governments is deposited in King County's central bank account; disbursements for both operations and investments are made upon receipt of instructions from governing bodies or administrators of the special districts/other governments. Revenues received for the accounts of the cities, towns, and State of Washington are remitted to their respective treasurers.

Board Deposits and Disbursements - This is a Public Transportation Fund which is used for the Regional Transportation Partnership Planning for three sub-area board: SCATBd (South County Transportation Board), ETP (Eastside Transportation Partnership), and Seashore. Metro Transit serves as the bookkeeper for these groups, recording their annual dues, paying meeting room/catering fees, and reimbursing members for other expenses associated with monthly meetings.

Central Puget Sound Regional Transit Authority - The Central Puget Sound Regional Transit Authority (more commonly known as Sound Transit) provides the region with alternatives to meet its transportation needs. Sound Transit is governed by an 18-member board comprised of 17 local elected officials and the State Transportation Department Secretary.

Cities and Towns - The King County Finance and Business Operations Division utilizes a group of funds for each of the 39 municipalities to account for the collection and remittance of regular, special, and bond property tax levies to their respective treasurers.

Deceased Effects - The fund accounts for the unclaimed effects and assets of deceased individuals.

District Court Partners - Resources in this fund are related to district court collections on behalf of partner cities. Resources are remitted to respective cities after reconciliation occurs.

Employee Charitable Contributions - Accounts for employee donations to charitable causes through the Employee Giving Program. The EGP is overseen and guided by a committee of up to 15 employees from the County and by King County Employee Giving Program staff, who report to the committee.

Fire Protection Districts - In King County, there are 32 fire protection districts. The primary purpose of these districts is to provide fire prevention and suppression services and to offer emergency medical services to protect life and property in areas outside cities and towns, except where the cities and towns have been annexed into a fire protection district. These districts are governed by elected Boards of Fire Commissioners.

Hospital Districts - King County has four public hospital districts. The county is the *ex officio* treasurer for Vashon Health Care District only. These municipal corporations are authorized to own and operate public hospitals and related facilities. Each district is governed by an elected five-member hospital commission.

Jointly Governed Organizations - The following is a brief summary of the entities:

- King County Regional Homelessness Authority (RHA) - The RHA is an independent governmental agency formed by the City of Seattle and King County to unify and coordinate policy, funding, and services for people experiencing homelessness across the County. Their mission is to significantly decrease the incidence of homelessness throughout the region using equity and social justice principles. The RHA is governed by a twelve-member Governing Committee and twelve-member Implementation Board. The Board and Committee include members appointed by people who have personal experience with homelessness, the King County Executive, King County Council, Seattle Mayor, Seattle City Council and the Sound Cities Association.
- Puget Sound Emergency Radio Network Operator - King County, City of Seattle and other major cities created the Puget Sound Emergency Radio Network (PSERN) Operator in December 2020. The PSERN operator is governed by a Board of Directors. The PSERN Operator will undertake the ownership, operations, maintenance, management and on-going upgrading/replacing of the PSERN system. The new PSERN system will provide coverage and capacity, as well as uniformly high-quality emergency radio communication. The PSERN system will be financed through a funding measure approved by voters at the April 2015 election and with user fees (Service Rates) to be assessed against and paid by all User Agencies.

Judicial Administration - Utilized to account for money deposited with King County Superior Court pending outcome of litigation.

King County Directors' Association (KCDA) - The KCDA is a nonprofit cooperative purchasing organization governed by a five-member Board of Directors elected from and by school boards throughout King County. The objectives of this association are to eliminate duplicate purchasing activities, establish product standards, and obtain the lowest possible costs through volume purchasing, centralized warehousing, and consolidated distribution.

King County Library System - This district serves the public through 50 community libraries, Outreach Services, and one institutional library in the King County Juvenile Detention Center. All unincorporated areas of the county are a part of the library district as are all cities in the County except for Seattle, Hunt's Point and Yarrow Point.

Other Special Purpose Districts - The following is a brief summary of the main entities:

- Puget Sound Regional Council - The regional planning and decision-making body for growth and transportation issues in the counties of King, Kitsap, Pierce, and Snohomish. Its primary goal is to plan for the growth and development of the region, including transportation planning, and to seek solutions to problems crossing political boundaries. It is governed by a general assembly and its executive board. Each member of the board is a voting member.
- Puget Sound Clean Air Agency - An air pollution control authority under the Washington Clean Air Act for the counties of King, Kitsap, Pierce, and Snohomish. The agency is governed by a nine-member board composed mainly of elected officials from the four county jurisdictions. Its major responsibility is the implementation of the Washington Clean Air Act. This responsibility has been delegated to the agency by both the State of Washington and the Federal Environmental Protection Agency.
- Drainage Districts - There are six districts in this category. They were established to ditch, dike, and provide pumping facilities for flood-prone or low-lying lands.
- Cemetery District No. 1 - Formed in 1978 to improve and maintain a public cemetery on Vashon Island that was originally established in 1888 by a private association.

Other Tax Distribution - Established for distribution of certain revenues other than property taxes, such as state private harvest timber tax, leasehold excise tax, real estate excise tax, state forest board earnings, and proceeds from sales of tax title property.

Parks and Recreation Districts - This includes park and recreation districts (RCW 36.69) and metropolitan park districts (RCW 35.61). Park and recreation districts include Finn Hill, Northshore and Vashon Maury. Metropolitan park districts include Des Moines Pool, Fall City, Normandy Park, Seattle, Si View and Tukwila Pool.

Port of Seattle - The Port of Seattle is a public enterprise governed by five commissioners elected by the citizens of King County. Its mission is to provide services and facilities to accommodate the transportation of cargo and passengers by air, water, and land. Its marine facilities include one of the largest container ports in the United States. The Port also includes Seattle-Tacoma International Airport and marinas for a commercial fishing fleet and pleasure craft. While King County is not the Port's treasurer, it continues to use a special district fund to account for the collection and remittance of the Port's special tax levies.

Property Taxes - Various property tax funds used to process and distribute real and personal property tax refunds authorized by the County Treasurer; to account for proceeds of foreclosure sales in excess of delinquent taxes, interest, penalties, and costs; and to account for required prepayment of real property taxes when a property owner plats a parcel of property. These funds are also used to record property tax payments in excess of liability and to process related refunds to taxpayers; to suspend tax receipts requiring further identification or additional payment before they can be distributed; and to distribute assessment and interest payments of local improvement districts and to process assessment refunds.

School Districts - Public education in King County from pre-kindergarten through grade 12 is provided by 21 school districts, each governed by an elected Board of Directors and administered by a superintendent. Also reported in this fund is the Puget Sound Educational Service District (PSESD) which serves 35 school districts and more than 200 private schools in King and Pierce Counties plus Bainbridge Island in Kitsap County. The PSESD is governed by a nine-member Board of Directors and administered by a superintendent. The PSESD assists public and private schools in its region through program and staff development, early childhood programs, administrative and instructional support, technical assistance, business, financial and state reporting services, and direct service to children and families. A complete list of services and programs can be found online at www.psesd.org.

Seizures and Forfeitures - Accounts for confiscated and forfeited property that belongs to the State or federal government.

Sewer and Water Districts - There are 11 sewer and water districts in King County. The principal purpose of these districts is to protect public health and to improve water quality by constructing, maintaining, and operating sewer systems. The districts may also provide water, storm drainage, street lighting, lake rehabilitation, and onsite systems management. Each district is governed by an elected three-member Board of Commissioners.

State of Washington - King County utilizes a group of funds to account for state-levied property tax collections, court filing fees, fines, and forfeiture payments due to violations of laws of the State of Washington and their subsequent remittance to the State Treasurer.

Washington Major League Baseball Stadium Public Facilities District (PFD) - The PFD was created by the Metropolitan King County Council (Ordinance 12000) on October 24, 1995. The PFD operates as a municipal corporation of the State of Washington and was formed to site, design, build, and operate a major league baseball park. The PFD had been reported as a component unit of the County prior to 2013. The bonds outstanding, for which the County had an indirect financial burden, have been paid and the PFD no longer qualifies as a component unit. Since the County is the *ex officio* treasurer for the PFD, it is reported as a custodial fund.

Washington Public Stadium Authority - This agency was established in 1997 to oversee the construction of a new football stadium and an exhibition center. The current mission is to represent the public's interest in owning Lumen Field Event Center and overseeing First & Goal Inc.'s operation of the facility for the benefit of all Washington state citizens. It is governed by a seven-member board appointed by the Governor.

Water Districts - There are 20 water districts in King County. The primary purpose of the districts is to provide consumers with the highest quality drinking water at the lowest possible cost. Each district is governed by a board with power to acquire, construct, maintain, and operate water supply systems. Reporting for the Cascade Water Alliance (CWA) is also included with the Water Districts. CWA is a municipal corporation comprised of seven municipalities (five cities and two water and sewer districts) in the Puget Sound Region that joined together to provide safe, clean, reliable water supply to its 350,000 residences and more than 20,000 businesses.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

EXTERNAL INVESTMENT POOL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)

	TOTAL	EXTERNAL IMPAIRED INVESTMENT POOL	EXTERNAL INDIVIDUAL INVESTMENT ACCOUNTS	EXTERNAL INVESTMENT POOL
ASSETS				
Investments at fair value:				
Repurchase agreements	\$ 146,826	\$ —	\$ —	\$ 146,826
Commercial paper	485,883	633	—	485,250
Corporate notes	223,899	—	—	223,899
U.S. Treasury notes	1,054,517	—	32,163	1,022,354
GNMA Collateralized Mortgage Obligations	362,585	—	—	362,585
U.S. agency notes	465,229	—	—	465,229
U.S. agency collateralized mortgage obligations	19,370	—	—	19,370
Supranational coupon notes	590,336	—	—	590,336
State Treasurer's investment pool	729,278	—	—	729,278
Total investments	<u>4,077,923</u>	<u>633</u>	<u>32,163</u>	<u>4,045,127</u>
Interest receivable	13,480	—	256	13,224
Total assets	<u>\$ 4,091,403</u>	<u>\$ 633</u>	<u>\$ 32,419</u>	<u>\$ 4,058,351</u>
LIABILITIES				
Total liabilities	\$ —	\$ —	\$ —	\$ —
NET POSITION				
Restricted for:				
Individuals, organizations and other governments	4,091,403	633	32,419	4,058,351
Total net position	<u>\$ 4,091,403</u>	<u>\$ 633</u>	<u>\$ 32,419</u>	<u>\$ 4,058,351</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
 (IN THOUSANDS)
 (PAGE 1 OF 9)

	TOTAL
ASSETS	
Cash and cash equivalents	\$ 135,702
U.S. Treasury notes	26,183
Taxes receivable for other governments	128,585
Accounts receivable	20,330
Assessments receivable for other governments	922
Notes and contracts receivable	52
Total assets	\$ 311,774
LIABILITIES	
Accounts payable and other liabilities	\$ 110,503
Due to beneficiaries	32,178
Due to other governments	29,339
Total liabilities	172,020
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	151,440
Unrestricted deficit	(11,686)
Total net position	\$ 139,754

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 2 OF 9 - CONTINUED)

	BOARD DEPOSITS AND DISBURSEMENTS	CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY	CITIES AND TOWNS
ASSETS			
Cash and cash equivalents	\$ 22	\$ 456	\$ 8,862
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	2,497	24,395
Accounts receivable	—	—	12,276
Assessments receivable for other governments	—	—	22
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 22</u>	<u>\$ 2,953</u>	<u>\$ 45,555</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ —	\$ 3
Due to beneficiaries	—	—	—
Due to other governments	—	—	8,862
Total liabilities	<u>—</u>	<u>—</u>	<u>8,865</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	22	2,953	36,690
Unrestricted deficit	—	—	—
Total net position	<u>\$ 22</u>	<u>\$ 2,953</u>	<u>\$ 36,690</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 9)

	DECEASED EFFECTS	DISTRICT COURT PARTNERS	EMPLOYEE CHARITABLE CONTRIBUTIONS
ASSETS			
Cash and cash equivalents	\$ 445	\$ 4,296	\$ 1,774
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	—
Accounts receivable	—	3,176	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 445</u>	<u>\$ 7,472</u>	<u>\$ 1,774</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ —	\$ 14
Due to beneficiaries	445	4,296	1,689
Due to other governments	—	3,176	—
Total liabilities	<u>445</u>	<u>7,472</u>	<u>1,703</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	—	—	71
Unrestricted deficit	—	—	—
Total net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 71</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 9 - CONTINUED)

	FIRE PROTECTION DISTRICTS	HOSPITAL DISTRICTS	JOINTLY GOVERNED ORGANIZATIONS
ASSETS			
Cash and cash equivalents	\$ 8,527	\$ 18	\$ 542
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	6,827	1,117	—
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 15,354</u>	<u>\$ 1,135</u>	<u>\$ 542</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 10,141	\$ 18	\$ 553
Due to beneficiaries	—	—	—
Due to other governments	—	—	—
Total liabilities	<u>10,141</u>	<u>18</u>	<u>553</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	5,213	1,117	—
Unrestricted deficit	—	—	(11)
Total net position	<u>\$ 5,213</u>	<u>\$ 1,117</u>	<u>\$ (11)</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 5 OF 9)

	JUDICIAL ADMINISTRATION	KING COUNTY DIRECTOR'S ASSOCIATION	KING COUNTY LIBRARY SYSTEM
ASSETS			
Cash and cash equivalents	\$ 50,736	\$ 2,459	\$ —
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	2,635
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 50,736</u>	<u>\$ 2,459</u>	<u>\$ 2,635</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ 4,032	\$ 1,853
Due to beneficiaries	—	—	—
Due to other governments	—	—	—
Total liabilities	<u>—</u>	<u>4,032</u>	<u>1,853</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	50,736	—	782
Unrestricted deficit	—	(1,573)	—
Total net position	<u>\$ 50,736</u>	<u>\$ (1,573)</u>	<u>\$ 782</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 6 OF 9 - CONTINUED)

	OTHER SPECIAL PURPOSE DISTRICTS	OTHER TAX DISTRIBUTION	PARKS AND RECREATION DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 626	\$ 11,547	\$ 938
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	326	—	2,661
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 952</u>	<u>\$ 11,547</u>	<u>\$ 3,599</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 405	\$ —	\$ 452
Due to beneficiaries	—	11,547	—
Due to other governments	—	—	—
Total liabilities	<u>405</u>	<u>11,547</u>	<u>452</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	547	—	3,147
Unrestricted deficit	—	—	—
Total net position	<u>\$ 547</u>	<u>\$ —</u>	<u>\$ 3,147</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 7 OF 9)

	PORT OF SEATTLE	PROPERTY TAXES	SCHOOL DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 890	\$ 19,706	\$ 45
U.S. Treasury notes	—	—	26,183
Taxes receivable for other governments	1,648	—	44,476
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	—
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 2,538</u>	<u>\$ 19,706</u>	<u>\$ 70,704</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ 5,503	\$ 78,574
Due to beneficiaries	—	14,200	—
Due to other governments	890	—	—
Total liabilities	<u>890</u>	<u>19,703</u>	<u>78,574</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	1,648	3	—
Unrestricted deficit	—	—	(7,870)
Total net position	<u>\$ 1,648</u>	<u>\$ 3</u>	<u>\$ (7,870)</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 8 OF 9 - CONTINUED)

	SEIZURES AND FORFEITURES	SEWER AND WATER DISTRICTS	STATE OF WASHINGTON
ASSETS			
Cash and cash equivalents	\$ 6,678	\$ 2,350	\$ 11,315
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	42,003
Accounts receivable	—	—	4,878
Assessments receivable for other governments	—	254	—
Notes and contracts receivable	52	—	—
Total assets	<u>\$ 6,730</u>	<u>\$ 2,604</u>	<u>\$ 58,196</u>
LIABILITIES			
Accounts payable and other liabilities	\$ —	\$ 3,615	\$ 3
Due to beneficiaries	1	—	—
Due to other governments	218	—	16,193
Total liabilities	<u>219</u>	<u>3,615</u>	<u>16,196</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	6,511	—	42,000
Unrestricted deficit	—	(1,011)	—
Total net position	<u>\$ 6,511</u>	<u>\$ (1,011)</u>	<u>\$ 42,000</u>

OTHER CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 9 OF 9 - CONCLUDED)

	WASHINGTON MAJOR LEAGUE BASEBALL STADIUM PFD	WASHINGTON PUBLIC STADIUM AUTHORITY	WATER DISTRICTS
ASSETS			
Cash and cash equivalents	\$ 9	\$ 22	\$ 3,439
U.S. Treasury notes	—	—	—
Taxes receivable for other governments	—	—	—
Accounts receivable	—	—	—
Assessments receivable for other governments	—	—	646
Notes and contracts receivable	—	—	—
Total assets	<u>\$ 9</u>	<u>\$ 22</u>	<u>\$ 4,085</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 9	\$ 55	\$ 5,273
Due to beneficiaries	—	—	—
Due to other governments	—	—	—
Total liabilities	<u>9</u>	<u>55</u>	<u>5,273</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	—	—	—
Unrestricted deficit	—	(33)	(1,188)
Total net position	<u>\$ —</u>	<u>\$ (33)</u>	<u>\$ (1,188)</u>

EXTERNAL INVESTMENT POOL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)

	TOTAL	EXTERNAL IMPAIRED INVESTMENT POOL	EXTERNAL INDIVIDUAL INVESTMENT ACCOUNTS	EXTERNAL INVESTMENT POOL
ADDITIONS				
Pool participant contributions	\$ 6,385,329	\$ —	\$ 13,940	\$ 6,371,389
Investment earnings:				
Interest, dividends and other	131,916	—	—	131,916
Net increase (decrease) in fair value of investments	90,005	24	401	89,580
Total investment earnings (losses)	221,921	24	401	221,496
Less investment costs:				
Investment activity costs	(2,690)	—	(69)	(2,621)
Net investment earnings (losses)	219,231	24	332	218,875
Total additions	6,604,560	24	14,272	6,590,264
DEDUCTIONS				
Pool participant distributions	6,307,460	255	1,036	6,306,169
Total deductions	6,307,460	255	1,036	6,306,169
Net increase (decrease) in fiduciary net position	297,100	(231)	13,236	284,095
Net position - beginning	3,794,303	864	19,183	3,774,256
Net position - ending	<u>\$ 4,091,403</u>	<u>\$ 633</u>	<u>\$ 32,419</u>	<u>\$ 4,058,351</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 1 OF 9)

	TOTAL
ADDITIONS	
Property taxes collected for other governments	\$ 13,826,581
State apportionment	4,239,932
Real estate excise taxes collected for other governments	571,631
Bond proceeds	589,278
Utility charges	375,831
Local support non-tax receipts	369,009
Member contributions	270,385
Drainage utility charges collected for other governments	265,944
Pool participant contributions	6,307,460
Line of credit receipts	27,500
Investment earnings:	
Interest, dividends and other	30
Net increase in fair value of investments	41
Total investment earnings (losses)	71
Charges for fire protection services	11,073
Receipts from other governments	205,740
Court fees collected for other governments	12,875
Lease contributions	14,638
Regulatory fees	13,710
Recording fees collected for other governments	24,645
Other taxes collected for other governments	686,798
Charges for emergency medical services	10,500
Impact fees collected for other governments	1,789
Food services receipts	5,624
Forest funds	638
Fines and forfeits collected for other governments	822
Licensing fees collected for other governments	205
Other fees collected for other governments	1,223
Miscellaneous receipts	218,684
Total additions	28,052,586
DEDUCTIONS	
Payments to vendors	8,301,987
Taxes distributed to other governments	12,210,122
Principal payments	426,045
Interest and other debt service costs	249,285
Other receipts distributed to other governments	231,771
Pool participant distributions	6,385,329
Line of credit payments	30,500
Election costs	7,653
Payments to escrow	—
Treasurer collection fees	3,377
Cash management fees	63
Miscellaneous payments	181,446
Total deductions	28,027,578
Net increase (decrease) in fiduciary net position	25,008
Net position - beginning (restated)	114,746
Net position - ending	\$ 139,754

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
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(IN THOUSANDS)
(PAGE 2 OF 9 - CONTINUED)

	BOARD DEPOSITS AND DISBURSEMENTS	CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY	CITIES AND TOWNS
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ 121,762	\$ 1,134,685
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	129,545
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	265,944
Pool participant contributions	—	(1)	—
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	2,051
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	614	1
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	480
Licensing fees collected for other governments	—	—	205
Other fees collected for other governments	—	—	97
Miscellaneous receipts	—	1	367
Total additions	—	122,376	1,533,375
DEDUCTIONS			
Payments to vendors	—	—	123,192
Taxes distributed to other governments	—	122,069	1,228,186
Principal payments	—	—	—
Interest and other debt service costs	—	—	—
Other receipts distributed to other governments	—	—	169,141
Pool participant distributions	—	2	—
Line of credit payments	—	—	—
Election costs	—	—	4,569
Payments to escrow	—	—	—
Treasurer collection fees	—	—	2,588
Cash management fees	—	—	—
Miscellaneous payments	—	1	—
Total deductions	—	122,072	1,527,676
Net increase (decrease) in fiduciary net position	—	304	5,699
Net position - beginning (restated)	22	2,649	30,991
Net position - ending	\$ 22	\$ 2,953	\$ 36,690

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 3 OF 9)

	DECEASED EFFECTS	DISTRICT COURT PARTNERS	EMPLOYEE CHARITABLE CONTRIBUTIONS
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ —
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	—	—
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	24
Net increase in fair value of investments	—	—	41
Total investment earnings (losses)	—	—	65
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	—	—
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	—	4,007	2,442
Total additions	—	4,007	2,507
DEDUCTIONS			
Payments to vendors	—	—	—
Taxes distributed to other governments	—	—	—
Principal payments	—	—	—
Interest and other debt service costs	—	—	—
Other receipts distributed to other governments	—	—	—
Pool participant distributions	—	—	—
Line of credit payments	—	—	—
Election costs	—	—	—
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	—	—
Miscellaneous payments	—	4,007	2,442
Total deductions	—	4,007	2,442
Net increase (decrease) in fiduciary net position	—	—	65
Net position - beginning (restated)	—	—	6
Net position - ending	\$ —	\$ —	\$ 71

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 4 OF 9 - CONTINUED)

	FIRE PROTECTION DISTRICTS	HOSPITAL DISTRICTS	JOINTLY GOVERNED ORGANIZATIONS
ADDITIONS			
Property taxes collected for other governments	\$ 312,704	\$ 61,180	\$ —
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	31,871	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	450,395	57,810	143,707
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	11,073	—	—
Receipts from other governments	—	—	162,533
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	309	72	—
Charges for emergency medical services	10,500	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	49	19	—
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	19,711	147	3,908
Total additions	836,612	119,228	310,148
DEDUCTIONS			
Payments to vendors	423,869	277	176,008
Taxes distributed to other governments	19	—	—
Principal payments	6,759	980	—
Interest and other debt service costs	2,855	1,409	—
Other receipts distributed to other governments	—	53,564	—
Pool participant distributions	400,361	61,080	133,617
Line of credit payments	—	—	—
Election costs	413	83	—
Payments to escrow	—	—	—
Treasurer collection fees	703	—	—
Cash management fees	2	—	—
Miscellaneous payments	16	1,728	—
Total deductions	834,997	119,121	309,625
Net increase (decrease) in fiduciary net position	1,615	107	523
Net position - beginning (restated)	3,598	1,010	(534)
Net position - ending	\$ 5,213	\$ 1,117	\$ (11)

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 5 OF 9)

	JUDICIAL ADMINISTRATION	KING COUNTY DIRECTOR'S ASSOCIATION	KING COUNTY LIBRARY SYSTEM
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ 147,068
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	—	181,446	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	151,283	108,859
Line of credit receipts	—	27,000	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	2,475
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	—	521
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	25
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	135,077	—	5,329
Total additions	135,077	359,729	264,277
DEDUCTIONS			
Payments to vendors	—	176,087	126,381
Taxes distributed to other governments	—	—	—
Principal payments	—	—	14,745
Interest and other debt service costs	—	42	1,217
Other receipts distributed to other governments	—	—	—
Pool participant distributions	—	153,164	120,677
Line of credit payments	—	30,500	—
Election costs	—	—	—
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	1	7
Miscellaneous payments	127,569	—	9
Total deductions	127,569	359,794	263,036
Net increase (decrease) in fiduciary net position	7,508	(65)	1,241
Net position - beginning (restated)	43,228	(1,508)	(459)
Net position - ending	\$ 50,736	\$ (1,573)	\$ 782

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 6 OF 9 - CONTINUED)

	OTHER SPECIAL PURPOSE DISTRICTS	OTHER TAX DISTRIBUTION	PARKS AND RECREATION DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ 9,751	\$ —	\$ 127,045
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	—
Local support non-tax receipts	—	—	—
Member contributions	2,458	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	26,110	—	14,105
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	11,228	—	—
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	13,710	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	—	632,481	903
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	368	—	3,849
Total additions	63,625	632,481	145,902
DEDUCTIONS			
Payments to vendors	40,195	—	131,244
Taxes distributed to other governments	—	632,481	—
Principal payments	—	—	555
Interest and other debt service costs	—	—	583
Other receipts distributed to other governments	—	—	—
Pool participant distributions	23,368	—	11,764
Line of credit payments	—	—	—
Election costs	—	—	89
Payments to escrow	—	—	—
Treasurer collection fees	85	—	—
Cash management fees	1	—	—
Miscellaneous payments	1	—	—
Total deductions	63,650	632,481	144,235
Net increase (decrease) in fiduciary net position	(25)	—	1,667
Net position - beginning (restated)	572	—	1,480
Net position - ending	\$ 547	\$ —	\$ 3,147

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 7 OF 9)

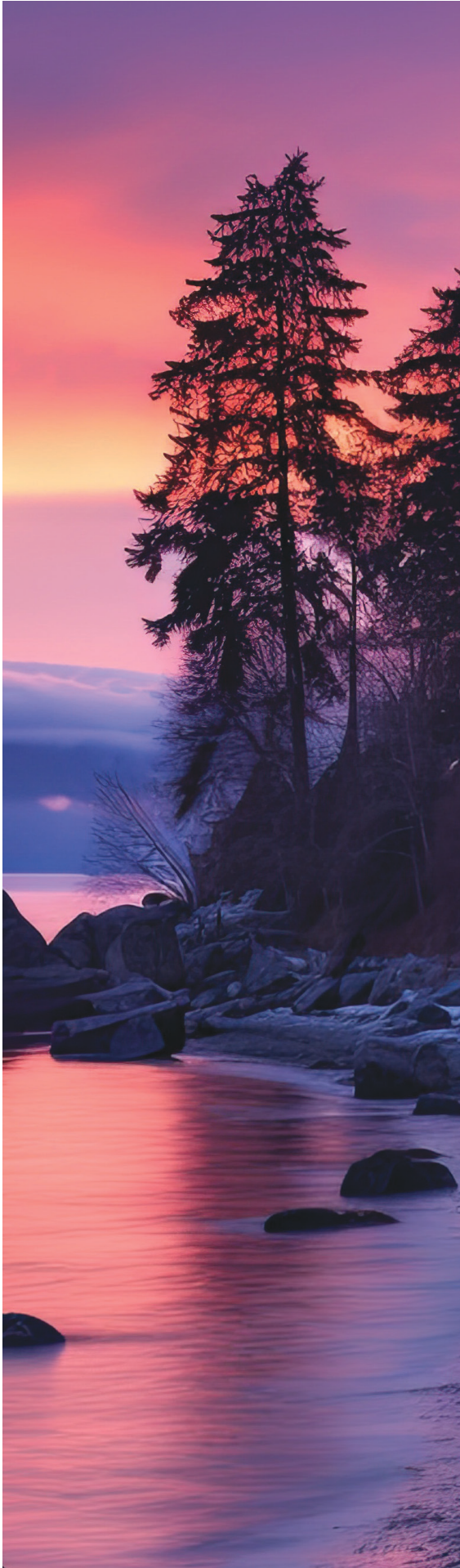
	PORT OF SEATTLE	PROPERTY TAXES	SCHOOL DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ 82,072	\$ 7,706,532	\$ 2,116,203
State apportionment	—	—	4,239,932
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	588,778
Utility charges	—	—	—
Local support non-tax receipts	—	—	369,009
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	—	4,868,112
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	26,924
Court fees collected for other governments	—	—	—
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	418	—	392
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	1,789
Food services receipts	—	—	5,624
Forest funds	9	—	320
Fines and forfeits collected for other governments	—	—	—
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	5	5,830	13,506
Total additions	82,504	7,712,362	12,230,589
DEDUCTIONS			
Payments to vendors	—	—	6,652,060
Taxes distributed to other governments	73,302	7,706,532	—
Principal payments	—	—	387,635
Interest and other debt service costs	—	—	234,773
Other receipts distributed to other governments	9,066	—	—
Pool participant distributions	—	—	4,953,110
Line of credit payments	—	—	—
Election costs	—	—	1,622
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	—	18
Miscellaneous payments	—	5,830	187
Total deductions	82,368	7,712,362	12,229,405
Net increase (decrease) in fiduciary net position	136	—	1,184
Net position - beginning (restated)	1,512	3	(9,054)
Net position - ending	\$ 1,648	\$ 3	\$ (7,870)

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 8 OF 9 - CONTINUED)

	SEIZURES AND FORFEITURES	SEWER AND WATER DISTRICTS	STATE OF WASHINGTON
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ 2,007,579
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	442,086
Bond proceeds	—	500	—
Utility charges	—	181,876	—
Local support non-tax receipts	—	—	—
Member contributions	—	—	—
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	—	191,145	—
Line of credit receipts	—	500	—
Investment earnings:			
Interest, dividends and other	6	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	<u>6</u>	<u>—</u>	<u>—</u>
Charges for fire protection services	—	—	—
Receipts from other governments	—	—	—
Court fees collected for other governments	—	—	10,824
Lease contributions	—	—	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	24,645
Other taxes collected for other governments	—	—	21,670
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	216
Fines and forfeits collected for other governments	—	18	290
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	1,126
Miscellaneous receipts	9,490	10,574	686
Total additions	<u>9,496</u>	<u>384,613</u>	<u>2,509,122</u>
DEDUCTIONS			
Payments to vendors	—	175,736	58,492
Taxes distributed to other governments	—	—	2,447,533
Principal payments	—	2,343	—
Interest and other debt service costs	—	4,077	—
Other receipts distributed to other governments	—	—	—
Pool participant distributions	—	192,345	—
Line of credit payments	—	—	—
Election costs	—	68	—
Payments to escrow	—	—	—
Treasurer collection fees	—	—	—
Cash management fees	—	7	—
Miscellaneous payments	7,251	10,082	—
Total deductions	<u>7,251</u>	<u>384,658</u>	<u>2,506,025</u>
Net increase (decrease) in fiduciary net position	2,245	(45)	3,097
Net position - beginning (restated)	4,266	(966)	38,903
Net position - ending	<u>\$ 6,511</u>	<u>\$ (1,011)</u>	<u>\$ 42,000</u>

OTHER CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)
(PAGE 9 OF 9 - CONCLUDED)

	WASHINGTON MAJOR LEAGUE BASEBALL STADIUM PFD	WASHINGTON PUBLIC STADIUM AUTHORITY	WATER DISTRICTS
ADDITIONS			
Property taxes collected for other governments	\$ —	\$ —	\$ —
State apportionment	—	—	—
Real estate excise taxes collected for other governments	—	—	—
Bond proceeds	—	—	—
Utility charges	—	—	193,955
Local support non-tax receipts	—	—	—
Member contributions	—	—	54,610
Drainage utility charges collected for other governments	—	—	—
Pool participant contributions	19,672	11,817	264,446
Line of credit receipts	—	—	—
Investment earnings:			
Interest, dividends and other	—	—	—
Net increase in fair value of investments	—	—	—
Total investment earnings (losses)	—	—	—
Charges for fire protection services	—	—	—
Receipts from other governments	2,580	—	—
Court fees collected for other governments	—	—	—
Lease contributions	8,636	6,002	—
Regulatory fees	—	—	—
Recording fees collected for other governments	—	—	—
Other taxes collected for other governments	7,865	21,552	—
Charges for emergency medical services	—	—	—
Impact fees collected for other governments	—	—	—
Food services receipts	—	—	—
Forest funds	—	—	—
Fines and forfeits collected for other governments	—	—	34
Licensing fees collected for other governments	—	—	—
Other fees collected for other governments	—	—	—
Miscellaneous receipts	5	1	3,381
Total additions	38,758	39,372	516,426
DEDUCTIONS			
Payments to vendors	919	10,654	206,873
Taxes distributed to other governments	—	—	—
Principal payments	—	—	13,028
Interest and other debt service costs	—	—	4,329
Other receipts distributed to other governments	—	—	—
Pool participant distributions	21,653	28,750	285,438
Line of credit payments	—	—	—
Election costs	—	—	809
Payments to escrow	—	—	—
Treasurer collection fees	—	—	1
Cash management fees	—	—	27
Miscellaneous payments	16,186	1	6,136
Total deductions	38,758	39,405	516,641
Net increase (decrease) in fiduciary net position	—	(33)	(215)
Net position - beginning (restated)	—	—	(973)
Net position - ending	\$ —	\$ (33)	\$ (1,188)



Statistical Section

ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
January 1 through December 31, 2023**

King County, Washington

STATISTICAL SECTION

CONTENTS

This part of King County’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County’s overall financial health.

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Information to help the reader assess the County’s most significant local revenue source - the property tax.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 2,212,727	\$ 2,138,608	\$ 2,243,494	\$ 2,414,425	\$ 2,613,414	\$ 2,807,372	\$ 2,942,708	\$ 3,010,293	\$ 3,212,819	\$ 3,248,873
Restricted	735,149	566,544	875,297	948,107	969,485	984,605	1,169,765	1,578,767	2,065,082	2,220,939
Unrestricted	(569,652)	(188,016)	(323,006)	(255,666)	(189,220)	(94,092)	(143,390)	124,652	(57,580)	51,175
Total governmental activities net position	<u>\$ 2,378,224</u>	<u>\$ 2,517,136</u>	<u>\$ 2,795,785</u>	<u>\$ 3,106,866</u>	<u>\$ 3,393,679</u>	<u>\$ 3,697,885</u>	<u>\$ 3,969,083</u>	<u>\$ 4,713,712</u>	<u>\$ 5,220,321</u>	<u>\$ 5,520,987</u>
Business-type activities:										
Net investment in capital assets	\$ 1,607,754	\$ 1,642,168	\$ 1,778,134	\$ 1,893,240	\$ 2,258,823	\$ 2,384,935	\$ 2,301,448	\$ 2,194,694	\$ 2,118,470	\$ 2,144,248
Restricted	216,803	243,658	244,689	278,438	286,406	269,056	247,267	325,505	420,389	510,058
Unrestricted	434,686	568,395	805,073	924,568	1,009,923	1,076,151	1,697,145	2,295,578	2,446,678	2,398,222
Total business-type activities net position	<u>\$ 2,259,243</u>	<u>\$ 2,454,221</u>	<u>\$ 2,827,896</u>	<u>\$ 3,096,246</u>	<u>\$ 3,555,152</u>	<u>\$ 3,730,142</u>	<u>\$ 4,245,860</u>	<u>\$ 4,815,777</u>	<u>\$ 4,985,537</u>	<u>\$ 5,052,528</u>
Primary government:										
Net investment in capital assets	\$ 3,820,481	\$ 3,780,776	\$ 4,021,628	\$ 4,307,665	\$ 4,872,237	\$ 5,192,307	\$ 5,244,156	\$ 5,204,987	\$ 5,331,289	\$ 5,393,121
Restricted	951,952	810,202	1,119,986	1,226,545	1,255,891	1,253,661	1,417,032	1,904,272	2,485,471	2,730,997
Unrestricted	(134,966)	380,379	482,067	668,902	820,703	982,059	1,553,755	2,420,230	2,389,098	2,449,397
Total primary government net position	<u>\$ 4,637,467</u>	<u>\$ 4,971,357</u>	<u>\$ 5,623,681</u>	<u>\$ 6,203,112</u>	<u>\$ 6,948,831</u>	<u>\$ 7,428,027</u>	<u>\$ 8,214,943</u>	<u>\$ 9,529,489</u>	<u>\$10,205,858</u>	<u>\$10,573,515</u>

Restatements:

Each type of governmental activities net position has been restated for 2022; see *Note 18 - Components of Net Position and Fund Balance, Restatements, and Restrictions* for additional detail.

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)
 (PAGE 1 OF 2 - CONTINUED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 218,211	\$ 254,186	\$ 217,400	\$ 233,039	\$ 176,599	\$ 196,843	\$ 251,895	\$ 203,142	\$ 224,965	\$ 197,763
Law, safety and justice	866,983	667,361	572,925	574,938	697,250	726,568	819,211	725,732	903,385	1,166,451
Physical environment	162,969	110,864	21,046	20,784	25,468	22,788	22,253	25,590	28,030	29,397
Transportation	112,928	84,139	88,393	103,203	93,562	102,634	105,292	99,902	109,900	106,610
Economic environment	116,721	95,640	217,135	180,707	231,448	152,185	229,144	199,899	267,174	291,268
Health and human services	607,407	508,706	602,843	632,257	702,015	746,148	973,277	1,136,316	1,211,092	1,076,216
Culture and recreation	64,876	50,699	93,599	59,726	64,763	77,434	93,454	89,839	124,164	137,999
Interest and other debt service costs	36,098	34,207	29,714	25,987	25,629	23,606	18,400	24,435	33,163	34,826
Total governmental activities expenses	<u>2,186,193</u>	<u>1,805,802</u>	<u>1,843,055</u>	<u>1,830,641</u>	<u>2,016,734</u>	<u>2,048,206</u>	<u>2,512,926</u>	<u>2,504,855</u>	<u>2,901,873</u>	<u>3,040,530</u>
Business-type activities:										
Airport	32,786	21,392	26,304	23,830	22,869	25,475	30,816	30,980	35,559	38,155
Public Transportation	1,027,368	785,432	855,965	891,685	832,713	1,042,150	1,063,782	1,001,312	1,240,368	1,229,092
Solid Waste	149,906	113,751	132,386	105,597	155,026	234,164	136,081	125,740	165,131	193,989
Water Quality	569,324	445,793	464,915	463,176	482,946	471,400	477,359	468,551	471,087	502,532
Other	12,284	6,587	7,430	7,148	7,341	7,533	7,771	7,173	8,118	9,376
Total business-type activities expenses	<u>1,791,668</u>	<u>1,372,955</u>	<u>1,487,000</u>	<u>1,491,436</u>	<u>1,500,895</u>	<u>1,780,722</u>	<u>1,715,809</u>	<u>1,633,756</u>	<u>1,920,263</u>	<u>1,973,144</u>
Total primary government expenses	<u>\$ 3,977,861</u>	<u>\$ 3,178,757</u>	<u>\$ 3,330,055</u>	<u>\$ 3,322,077</u>	<u>\$ 3,517,629</u>	<u>\$ 3,828,928</u>	<u>\$ 4,228,735</u>	<u>\$ 4,138,611</u>	<u>\$ 4,822,136</u>	<u>\$ 5,013,674</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 33,229	\$ 98,363	\$ 201,040	\$ 144,956	\$ 138,906	\$ 151,874	\$ 174,374	\$ 253,235	\$ 234,715	\$ 215,542
Law, safety and justice	160,874	169,829	105,833	158,375	167,975	179,797	160,285	127,945	139,230	158,732
Physical environment	75,191	65,445	49,120	37,316	35,596	49,151	43,632	66,663	68,025	74,076
Transportation	49,311	12,233	8,946	3,123	10,413	11,997	12,257	8,942	9,112	11,730
Economic environment	28,440	35,963	34,628	71,750	69,302	80,993	62,912	62,478	57,559	68,996
Health and human services	335,188	357,367	393,430	391,338	413,469	368,686	435,966	538,071	525,577	489,091
Culture and recreation	457	8,684	8,897	9,079	9,527	9,835	4,522	4,277	5,689	17,185
Interest and other debt service costs	14,995	15,744	—	—	—	—	—	—	—	—
Operating grants and contributions	182,500	189,325	218,760	234,877	220,680	211,658	304,901	654,846	774,187	463,843
Capital grants and contributions	30,274	18,113	29,709	17,169	30,461	20,556	17,527	41,176	27,446	51,368
Total governmental activities	<u>910,459</u>	<u>971,066</u>	<u>1,050,363</u>	<u>1,067,983</u>	<u>1,096,329</u>	<u>1,084,547</u>	<u>1,216,376</u>	<u>1,757,633</u>	<u>1,841,540</u>	<u>1,550,563</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (IN THOUSANDS)
 (PAGE 2 OF 2 - CONCLUDED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities:										
Charges for services:										
Airport	\$ 17,457	\$ 19,081	\$ 20,289	\$ 20,965	\$ 31,532	\$ 27,805	\$ 28,053	\$ 29,841	\$ 43,211	\$ 47,858
Public Transportation	291,707	303,016	345,232	358,226	374,968	390,264	250,065	225,729	270,899	312,733
Solid Waste	114,270	121,858	131,234	143,524	137,943	137,158	145,702	146,677	165,526	158,613
Water Quality	434,882	434,154	598,173	519,564	522,907	539,385	534,934	554,656	569,111	597,182
Other	7,200	7,081	8,240	8,597	8,492	10,569	9,359	9,956	9,574	9,447
Operating grants and contributions	37,816	30,643	58,374	36,387	41,488	26,168	533,111	434,058	147,797	18,632
Capital grants and contributions	40,204	92,242	89,336	46,741	138,057	64,081	28,087	31,469	63,171	42,615
Total business-type activities	<u>943,536</u>	<u>1,008,075</u>	<u>1,250,878</u>	<u>1,134,004</u>	<u>1,255,387</u>	<u>1,195,430</u>	<u>1,529,311</u>	<u>1,432,386</u>	<u>1,269,289</u>	<u>1,187,080</u>
Total primary government	<u>\$ 1,853,995</u>	<u>\$ 1,979,141</u>	<u>\$ 2,301,241</u>	<u>\$ 2,201,987</u>	<u>\$ 2,351,716</u>	<u>\$ 2,279,977</u>	<u>\$ 2,745,687</u>	<u>\$ 3,190,019</u>	<u>\$ 3,110,829</u>	<u>\$ 2,737,643</u>
Net (Expenses) Revenues										
Governmental activities	\$(1,275,734)	\$(834,736)	\$(792,692)	\$(762,658)	\$(920,405)	\$(963,659)	\$(1,296,550)	\$(747,222)	\$(1,060,333)	\$(1,489,967)
Business-type activities	(848,132)	(364,880)	(236,122)	(357,432)	(245,508)	(585,292)	(186,498)	(201,370)	(650,974)	(786,064)
Total primary government	<u>\$(2,123,866)</u>	<u>\$(1,199,616)</u>	<u>\$(1,028,814)</u>	<u>\$(1,120,090)</u>	<u>\$(1,165,913)</u>	<u>\$(1,548,951)</u>	<u>\$(1,483,048)</u>	<u>\$(948,592)</u>	<u>\$(1,711,307)</u>	<u>\$(2,276,031)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities	\$ 939,619	\$ 973,648	\$ 1,071,341	\$ 1,073,739	\$ 1,207,218	\$ 1,267,865	\$ 1,567,748	\$ 1,491,851	\$ 1,566,942	\$ 1,790,633
Business-type activities	516,293	559,858	609,797	625,782	704,414	760,282	702,216	771,287	820,734	853,055
Total primary government	<u>\$ 1,455,912</u>	<u>\$ 1,533,506</u>	<u>\$ 1,681,138</u>	<u>\$ 1,699,521</u>	<u>\$ 1,911,632</u>	<u>\$ 2,028,147</u>	<u>\$ 2,269,964</u>	<u>\$ 2,263,138</u>	<u>\$ 2,387,676</u>	<u>\$ 2,643,688</u>
Change in Net Position										
Governmental activities	\$ (336,115)	\$ 138,912	\$ 278,649	\$ 311,081	\$ 286,813	\$ 304,206	\$ 271,198	\$ 744,629	\$ 506,609	\$ 300,666
Business-type activities	(331,839)	194,978	373,675	268,350	458,906	174,990	515,718	569,917	169,760	66,991
Total primary government	<u>\$(667,954)</u>	<u>\$ 333,890</u>	<u>\$ 652,324</u>	<u>\$ 579,431</u>	<u>\$ 745,719</u>	<u>\$ 479,196</u>	<u>\$ 786,916</u>	<u>\$ 1,314,546</u>	<u>\$ 676,369</u>	<u>\$ 367,657</u>

Economic environment expenses, health and human services expenses and program revenues, and operating grants and contribution program revenues for governmental activities has been restated for 2022; see Note 18 - Components of Net Position and Fund Balance, Restatements, and Restrictions for additional detail.

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 300	\$ 300	\$ —	\$ —	\$ —	\$ 6	\$ 44	\$ 43	\$ 725	\$ 28
Restricted	2,914	1,936	1,834	2,220	1,332	1,975	1,600	2,497	4,086	10,195
Committed	20,212	20,310	20,497	25,161	26,310	27,038	28,942	24,617	26,626	28,426
Assigned	8,151	12,125	35,128	19,181	28,578	13,435	37,147	11,948	1,009	11,128
Unassigned	71,742	68,113	68,195	98,412	107,845	141,561	133,225	222,255	282,091	263,322
Total General Fund	<u>\$ 103,319</u>	<u>\$ 102,784</u>	<u>\$ 125,654</u>	<u>\$ 144,974</u>	<u>\$ 164,065</u>	<u>\$ 184,015</u>	<u>\$ 200,958</u>	<u>\$ 261,360</u>	<u>\$ 314,537</u>	<u>\$ 313,099</u>
All Other Governmental Funds										
Nonspendable	\$ 171,603	\$ 179,668	\$ 183,594	\$ 192,755	\$ 201,735	\$ 245,380	\$ 270,557	\$ 325,568	\$ 367,562	\$ 406,363
Restricted	191,893	446,210	697,641	782,219	783,204	830,726	828,329	1,269,339	1,338,577	1,774,138
Committed	88,996	38,373	37	43	55	170	175	19,385	16,385	15,599
Assigned	286,300	117,729	33,468	45,905	43,799	41,918	56,254	28,173	26,494	38,855
Unassigned	(7,462)	(14,674)	(20,232)	(18,414)	(20,744)	(48,877)	(94,949)	(57,797)	(68,310)	(105,671)
Total all other governmental funds	<u>\$ 731,330</u>	<u>\$ 767,306</u>	<u>\$ 894,508</u>	<u>\$ 1,002,508</u>	<u>\$ 1,008,049</u>	<u>\$ 1,069,317</u>	<u>\$ 1,060,366</u>	<u>\$ 1,584,668</u>	<u>\$ 1,680,708</u>	<u>\$ 2,129,284</u>

Restricted and Unassigned fund balances for General Fund, and Restricted fund balances for all other governmental funds have been restated for 2022; see *Note 18 - Components of Net Position and Fund Balance, Restatements, and Restrictions* for details.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 930,096	\$ 980,047	\$1,066,173	\$1,081,121	\$1,162,734	\$1,203,183	\$1,271,932	\$1,430,197	\$1,555,722	\$1,639,135
Licenses and permits	23,633	26,536	23,525	28,253	29,254	28,999	25,379	25,377	28,384	29,663
Intergovernmental revenues	656,830	634,367	230,123	234,074	216,514	208,625	534,604	624,158	781,848	516,657
Charges for services	271,237	302,925	776,068	757,879	783,391	792,741	819,267	993,526	979,576	980,056
Fines and forfeits	6,357	7,334	8,989	26,369	27,663	27,794	23,214	32,147	26,839	25,010
Investment gains (losses)	5,008	4,837	8,047	14,611	30,240	53,413	37,122	3,277	(13,687)	143,201
Miscellaneous revenues	75,419	75,123	68,129	48,197	45,456	52,622	53,686	72,229	59,053	53,460
Total revenues	1,968,580	2,031,169	2,181,054	2,190,504	2,295,252	2,367,377	2,765,204	3,180,911	3,417,735	3,387,182
Expenditures										
General government	196,977	267,134	281,682	254,398	186,151	199,198	251,856	238,414	237,097	216,146
Law, safety and justice	619,161	642,723	592,779	604,713	719,701	763,842	837,473	825,932	939,129	1,063,997
Physical environment	190,979	165,260	59,074	24,470	21,278	24,920	23,072	21,085	24,301	28,003
Transportation	99,991	83,810	89,074	106,776	96,878	107,319	107,624	104,620	113,374	111,053
Economic environment	100,061	96,616	107,590	182,384	193,656	183,752	230,812	215,133	265,597	288,974
Health and human services	521,960	522,650	677,657	646,839	716,004	764,352	982,076	1,184,387	1,223,174	1,099,350
Culture and recreation	46,665	48,003	81,317	57,508	62,573	75,422	79,369	87,044	118,791	129,516
Debt service:										
Redemption of long-term debt	71,998	64,407	57,641	63,702	66,422	67,990	68,672	73,416	116,778	108,388
Interest	31,504	28,822	35,665	33,143	33,060	30,454	28,988	28,684	38,284	38,072
Other debt service costs	260	20,445	8,417	419	291	1,061	1,011	4,416	1,196	2,567
Capital outlay	78,595	92,895	80,682	155,501	226,035	171,852	218,337	368,826	295,799	211,868
Total expenditures	1,958,151	2,032,765	2,071,578	2,129,853	2,322,049	2,390,162	2,829,290	3,151,957	3,373,520	3,297,934
Excess (deficiency) of revenues over (under) expenditures	10,429	(1,596)	109,476	60,651	(26,797)	(22,785)	(64,086)	28,954	44,215	89,248
Other Financing Sources (Uses)										
Transfers in	175,619	218,212	301,289	368,617	409,346	429,016	426,388	490,740	562,235	483,420
Transfers out	(167,519)	(204,986)	(294,109)	(348,857)	(386,334)	(404,417)	(398,057)	(463,630)	(538,014)	(449,901)
General government debt issued	15,395	27,355	25,025	33,325	5,845	62,340	32,090	512,710	18,790	281,225
Premium on general government bonds issued	1,967	3,911	3,764	5,037	863	13,125	8,979	11,411	2,258	21,671
Refunding bonds issued	34,815	198,290	—	—	—	55,877	54,065	30,410	15,815	17,440
Premium on refunding bonds issued	4,403	29,888	—	—	—	8,248	—	3,134	1,070	574
Right-to-use lease acquisition	—	—	—	—	—	—	—	—	58,758	18,164
Subscription asset acquisition	—	—	—	—	—	—	—	—	—	1,563
Insurance recoveries	—	—	—	3,538	6,952	—	—	1,840	149	236
Sale of capital assets	1,157	4,323	4,627	5,009	14,757	3,466	3,133	2,597	694	1,407
Payment to refunded bonds escrow agent	(38,958)	(227,200)	—	—	—	(63,652)	(54,520)	(33,462)	(16,753)	(17,909)
Total other financing sources (uses)	26,879	49,793	40,596	66,669	51,429	104,003	72,078	555,750	105,002	357,890
Special item	—	(12,756)	—	—	—	—	—	—	—	—
Net change in fund balances	\$ 37,308	\$ 35,441	\$ 150,072	\$ 127,320	\$ 24,632	\$ 81,218	\$ 7,992	\$ 584,704	\$ 149,217	\$ 447,138
Debt service as a percentage of noncapital expenditures	5.51 %	4.81 %	4.69 %	4.91 %	4.75 %	4.44 %	3.74 %	3.67 %	5.04 %	4.75 %

Intergovernmental revenues, miscellaneous revenues and health and human services expenditures have been restated for 2022. See Note 18 - Components of Net Position and Fund Balance, Restatements, and Restrictions for more information.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)**

YEAR	TAXABLE REAL PROPERTY				TAXABLE PERSONAL PROPERTY		TOTAL TAXABLE PROPERTY		PERCENTAGE OF ASSESSED VALUE TO ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	MANUFACTURING PROPERTY	OTHER	MACHINERY & EQUIPMENT	OTHER	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2014	\$ 243,285,020	\$ 59,878,692	\$ 8,817,579	\$ 10,443,602	\$ 9,768,484	\$ 8,450,240	\$ 340,643,617	\$ 373,068,501	91.3 %	1.94
2015	285,252,943	63,574,962	9,211,109	11,760,682	9,544,869	8,774,291	388,118,856	413,683,277	93.8	1.74
2016	315,624,341	69,742,685	9,636,149	12,349,296	9,616,099	9,367,036	426,335,606	459,811,075	92.7	1.69
2017	340,810,182	78,150,750	9,864,864	22,874,016	10,346,738	9,409,738	471,456,288	507,652,528	92.9	1.72
2018	395,931,088	92,276,902	10,806,811	15,171,572	8,686,537	11,789,525	534,662,435	579,466,224	92.3	1.63
2019	445,967,636	100,773,081	11,814,481	26,906,766	9,704,396	11,457,339	606,623,699	680,382,916	89.2	1.49
2020	475,171,965	113,344,511	13,117,286	18,980,633	11,191,173	10,684,923	642,490,491	739,867,831	86.8	1.55
2021	478,890,363	122,148,032	15,022,735	20,973,227	11,462,470	11,038,055	659,534,882	741,115,763	89.0	1.55
2022	477,820,200	122,126,830	15,022,735	85,320,391	10,178,131	12,059,617	722,527,904	781,175,379	92.5	1.51
2023	683,870,942	131,076,837	18,149,927	22,341,057	11,761,859	12,694,798	879,895,420	1,034,221,300	85.1	1.33

Source: King County Department of Assessments.

Ratios for real property and personal property were provided by Washington Department of Revenue.

Total Direct Tax Rate is per \$1,000 of assessed value.

**DIRECT AND OVERLAPPING GOVERNMENTS
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County Direct Rates										
General	\$ 1.52	\$ 1.34	\$ 1.33	\$ 1.37	\$ 1.32	\$ 1.21	\$ 1.24	\$ 1.25	\$ 1.23	\$ 1.08
Emergency Medical Services	0.21	0.19	0.17	0.16	0.14	0.13	0.16	0.16	0.15	0.14
Road District	0.21	0.21	0.19	0.19	0.17	0.15	0.15	0.14	0.13	0.11
Total County Direct Rates	<u>\$ 1.94</u>	<u>\$ 1.74</u>	<u>\$ 1.69</u>	<u>\$ 1.72</u>	<u>\$ 1.63</u>	<u>\$ 1.49</u>	<u>\$ 1.55</u>	<u>\$ 1.55</u>	<u>\$ 1.51</u>	<u>\$ 1.33</u>
State School Fund Rate	2.47	2.29	2.17	2.03	2.92	2.63	3.03	3.09	2.82	2.31
Port of Seattle Rate	0.22	0.19	0.17	0.15	0.14	0.12	0.12	0.12	0.11	0.09
Ferry District Rate	0.003	0.003	0.003	0.012	0.011	0.010	0.010	0.010	0.009	0.008
King County Library System Rate	0.56	0.50	0.48	0.45	0.41	0.37	0.36	0.36	0.33	0.26
Cities and Towns Rate	0.36-3.15	0.32-3.16	0.30-3.00	0.28-3.06	0.26-2.92	0.23-2.82	0.24-2.73	0.25-2.68	0.22-2.72	0.16-2.45
School Districts Rate	1.94-7.28	1.83-6.42	1.86-6.75	1.94-6.74	1.82-6.30	0.61-4.49	0.90-5.20	0.91-5.20	0.83-4.99	0.69-4.41
Fire Districts Rate ⁴	0.14-2.42	0.11-2.17	0.10-2.09	0.10-2.01	0.09-2.00	0.00-2.06	0.00-2.01	0.00-3.76	0.00-3.30	0.00-1.83
Hospital Districts Rate	0.47-0.50	0.40-0.50	0.38-0.50	0.36-0.50	0.33-0.46	0.29-0.42	0.28-0.40	0.28-0.59	0.25-0.50	0.14-0.39
Flood Control Zone Districts Rate	0.15	0.14	0.13	0.12	0.11	0.10	0.09	0.09	0.08	0.08
Park and Recreation Districts Rate	0.02-0.53	0.01-0.40	0.15-0.50	0.09-0.58	0.08-0.52	0.08-0.50	0.04-0.47	0.04-0.54	0.04-0.47	0.03-0.39
Miscellaneous Districts Rate	0.04-0.50	0.04-0.50	0.03-0.50	0.03-0.47	0.04-0.43	0.04-0.50	0.04-0.47	0.04-0.44	0.03-0.39	0.02-0.33

Source: King County Department of Assessments

Notes:

(1) Limitations on levies: Article 7, § 2 (as amended) of the Washington State Constitution and the Revised Code of Washington (RCW) 84.52.050 limit the total "regular" property tax levy to a maximum of \$10 per \$1,000 of true and fair value of real and personal property valuation. This "1 percent of value" limitation does not include tax levies for port and public utility districts. This limit is subject to further reduction since RCW 84.52.043(2) limits the overlapping levy rate excluding the State (school), port districts, and public utility districts to \$5.90 per \$1,000 of assessed value. RCW 84.55.010, as amended by Ch. 1, Laws of 2002 (approved as Initiative 747 by State voters in November 2001) also limits the total dollar amount of regular property taxes levied by individual taxing districts to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an amount applicable to new construction. The limit factor is defined as the lesser of 101 percent or 100 percent plus inflation, but if the inflation rate is less than one percent, the limit factor can be increased to 101 percent, if approved by a majority plus one vote of the governing body of the municipality upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the municipality upon a finding of substantial need and is also approved by the voters at a general or special election within the municipality. These limitations are not applicable to "excess" or special levies approved by the electorate of districts.

(2) Real and personal property taxes are payable on or after February 15. Unpaid taxes become delinquent after April 30, unless tax is \$50 or more and one-half is paid before April 30. In this case, the second half is not delinquent until after October 31.

(3) Tax rates are in per \$1,000 of assessed value. Rates include excess and special levies not subject to the limitations discussed in footnote (1) above.

(4) Fire District 24 - Angle Lake has the only 0.00 rate. This District is governed by a three-person Board of Commissioners, and all three positions are vacant. If not filled, the district will be dissolved.

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(DOLLARS IN THOUSANDS)

YEAR	TAXES LEVIED FOR THE YEAR		TOTAL ADJUSTED TAX LEVY	COLLECTED WITHIN THE YEAR OF THE LEVY		COLLECTIONS SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE		TOTAL UNCOLLECTED TAXES	
	(ORIGINAL LEVY)	ADJUSTMENTS		AMOUNT	PERCENTAGE OF ORIGINAL LEVY		AMOUNT	PERCENTAGE OF ADJUSTED LEVY	AMOUNT	PERCENTAGE OF ADJUSTED LEVY
2014	\$ 706,912	\$ (182)	\$ 706,730	\$ 696,423	98.52 %	\$ 9,725	\$ 706,148	99.92 %	\$ 582	0.08 %
2015	726,319	(136)	726,183	716,418	98.64	9,490	725,908	99.96	275	0.04
2016	837,123	(220)	836,903	825,870	98.66	10,900	836,770	99.98	133	0.02
2017	864,070	(246)	863,824	852,835	98.70	10,539	863,374	99.95	450	0.05
2018	927,807	(128)	927,679	915,691	98.69	11,600	927,291	99.96	388	0.04
2019	961,179	(170)	961,009	949,763	98.81	10,612	960,375	99.93	634	0.07
2020	1,043,698	(427)	1,043,271	1,026,741	98.38	14,816	1,041,557	99.84	1,714	0.16
2021	1,068,619	(631)	1,067,988	1,046,296	97.91	12,691	1,058,987	99.16	9,001	0.84
2022	1,138,839	(246)	1,138,593	1,122,467	98.56	11,266	1,133,733	99.57	4,860	0.43
2023	1,219,328	—	1,219,328	1,201,070	98.50	—	1,201,070	98.50	18,258	1.50

Source: King County Treasury Property Tax Year End Reports for 2014-2023

Note: The levy of any given fiscal year is based on the assessed values from the tax roll of the preceding calendar year. The amounts in the total uncollected taxes column are cumulative totals of all taxes levied at the end of the year.

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(DOLLARS IN THOUSANDS)**

TAXPAYER	2023			2014		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Microsoft	\$ 5,398,519	1	0.65 %	\$ 2,736,628	2	0.71 %
Amazon.com	3,570,566	2	0.43	—		—
Boeing	2,883,146	3	0.35	3,153,954	1	0.81
Essex Property Trust	2,380,649	4	0.29	—		—
C/O Prologis - Re Tax	1,443,362	5	0.17	—		—
Puget Sound Energy/Elec	1,437,355	6	0.17	2,370,278	3	0.61
Smith Kendra	1,166,840	7	0.14	—		—
Puget Sound Energy/Gas	987,103	8	0.12	—		—
Avalonbay Communities Inc	955,822	9	0.11	—		—
Kemper Development	951,473	10	0.11	606,557	6	0.16
Alaska Airlines	—		—	778,081	4	0.20
AT&T Mobility LLC	—		—	645,729	5	0.17
Union Square LLC	—		—	593,709	7	0.15
Qwest Corporation Inc.	—		—	493,826	8	0.13
Urban Renaissance Prop Co (formerly W2007)	—		—	460,466	9	0.12
1201 Tab Owner LLC	—		—	457,615	10	0.12
Total	21,174,835		2.54	12,296,843		3.18
Total assessed valuation of other taxpayers	811,861,429		97.46	375,822,013		96.82
Total 2023 assessed valuation for taxes due in 2024	<u>\$ 833,036,264</u>		<u>100.00 %</u>			
Total 2014 assessed valuation for taxes due in 2015				<u>\$ 388,118,856</u>		<u>100.00 %</u>

Source: King County Department of Assessments

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING					PERCENTAGE ESTIMATED VALUE OF ACTUAL TAXABLE PROPERTY ^(d)	PER CAPITA ^(e)
	GENERAL OBLIGATION BONDS ^(a)	GENERAL OBLIGATION LEASE REVENUE BONDS ^(b)	GENERAL OBLIGATION CAPITAL LEASES ^(b)	LESS: AMOUNT AVAILABLE IN DEBT SERVICE FUND TOTAL ^{(c)(f)}	TOTAL ^(g)		
2014	\$ 1,847,679	\$ 217,900	\$ —	\$ 60,149	\$ 2,005,430	0.54%	964
2015	2,024,822	20,965	—	11,760	2,034,027	0.49%	960
2016	1,931,866	12,765	—	11,968	1,932,663	0.42%	899
2017	1,860,134	—	8,843	12,222	1,856,755	0.37%	848
2018	1,732,731	—	8,291	20,622	1,720,400	0.30%	770
2019	1,878,311	—	8,156	4,805	1,881,662	0.28%	835
2020	1,821,041	—	7,793	4,963	1,823,871	0.25%	804
2021	2,372,302	—	7,402	2,397	2,377,307	0.32%	1,054
2022	2,196,748	—	—	1,122	2,195,626	0.28%	967
2023	2,412,604	—	—	2,213	2,410,391	0.23%	1,061

Additional details regarding the County's outstanding debt can be found in Note 15 - "Liabilities"

(a) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(b) Project lease agreements - NJB properties. Under the lease agreements, the County's obligation to pay rent to NJB Properties is a limited tax general obligation.

(c) This is the amount restricted for debt service payments.

(d) Property value data can be found in the table "Assessed and Estimated Actual Value of Taxable Property."

(e) Population data can be found in the table "Demographic and Economic Indicators."

(f) 2021 Amount available in debt service fund has been restated.

(g) Total net general bonded debt restated for year 2014-2015 and 2017 due to adjustment of bond discounts and premiums.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
(IN THOUSANDS)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED^(a) PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	ESTIMATED SHARE OF OVERLAPPING DEBT
DEBT REPAID WITH PROPERTY TAXES			
King County – net overlapping debt:			
Port of Seattle	\$ 315,360	100.00 %	\$ 315,360
School Districts:			
Bellevue School District	671,794	100.00 %	671,794
Issaquah School District	623,788	100.00 %	623,788
Highline School District	554,950	100.00 %	554,950
Renton School District	538,178	100.00 %	538,178
Northshore School District	525,054	59.36 %	311,662
Federal Way School District	472,296	100.00 %	472,296
Lake Washington School District	457,355	100.00 %	457,355
Auburn School District	432,712	92.23 %	399,070
Shoreline School District	340,267	100.00 %	340,267
Snoqualmie School District	190,531	100.00 %	190,531
Other school districts	511,017	100.00 %	511,017
Total school districts	<u>5,317,942</u>		<u>5,070,908</u>
Cities and towns ^(b) :			
City of Seattle	927,420	100.00 %	927,420
City of Bellevue	218,506	100.00 %	218,506
City of Tukwila	119,526	100.00 %	119,526
City of Bothell	104,259	54.35 %	56,663
City of Shoreline	83,817	100.00 %	83,817
City of Kirkland	60,205	100.00 %	60,205
City of Kent	54,920	100.00 %	54,920
City of Redmond	47,145	100.00 %	47,145
City of Renton	42,249	100.00 %	42,249
City of Des Moines	32,776	100.00 %	32,776
Other cities and towns	124,372	100.00 %	124,372
Total cities and towns	<u>1,815,195</u>		<u>1,767,599</u>
Hospital districts	23,957	100.00 %	23,957
King County Library System	13,938	98.11 %	13,675
Fire protection districts	58,308	100.00 %	58,308
Park districts	16,848	100.00 %	16,848
TOTAL KING COUNTY – NET OVERLAPPING DEBT	<u>7,561,548</u>		<u>7,266,655</u>
KING COUNTY – DIRECT DEBT^(c)	<u>1,413,818</u>	100.00 %	<u>1,413,818</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 8,975,366</u>		<u>\$ 8,680,473</u>

Source: Assessed value data used to estimate percentages applicable to this governmental unit are provided by King County Department of Assessments.

Note: Within King County, other municipal governments incur general obligation debt. Debts incurred by other governmental units, although overlapping, have no claim on any County revenues.

(a) Determined by ratio of assessed valuation of property in overlapping unit subject to taxation in reporting unit to total valuation of property subject to taxation in overlapping unit.

(b) Outstanding debts are provided by the cities and towns.

(c) Direct debt calculation:

\$ 1,349,060	General long-term debt
<u>64,758</u>	Unamortized premiums/discounts
<u>\$ 1,413,818</u>	DIRECT DEBT

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

GOVERNMENTAL ACTIVITIES						
FISCAL YEAR	GENERAL OBLIGATION (GO) BONDS^(a)	LEASES AND SBITA PAYABLE^(c)	GO LEASE REVENUE BONDS	GO NOTES PAYABLE	GO CAPITAL LEASES	
2014	\$ 780,966	\$ —	\$ 217,900	\$ —	\$ —	
2015	911,066	—	20,965	—	—	
2016	854,952	—	12,765	—	—	
2017	805,702	—	—	—	—	8,843
2018	729,835	—	—	—	—	8,291
2019	721,035	—	—	—	—	8,156
2020	684,499	—	—	—	—	7,793
2021	1,124,074	—	—	—	—	7,402
2022	1,032,457	202,777	—	—	1,733	—
2023	1,237,582	174,903	—	—	1,333	—

BUSINESS-TYPE ACTIVITIES						
FISCAL YEAR	GENERAL OBLIGATION (GO) BONDS^(a)	SEWER REVENUE BONDS^(a)	LEASES AND SBITA PAYABLE^(c)	CAPITAL LEASES	STATE REVOLVING LOANS	
2014	\$ 1,066,713	\$ 2,968,412	\$ —	\$ 2,874	\$ 159,053	
2015	1,113,756	3,030,451	—	2,760	179,388	
2016	1,076,914	3,170,448	—	2,640	205,989	
2017	1,054,432	3,155,850	—	2,514	218,044	
2018	1,002,896	3,072,496	—	2,381	229,474	
2019	1,157,276	2,811,584	—	2,241	227,543	
2020	1,136,542	2,817,399	—	2,094	247,287	
2021	1,248,228	2,719,976	—	1,940	104,183	
2022	1,164,291	2,591,920	55,724	—	144,319	
2023	1,175,022	2,380,969	115,059	—	272,306	

PRIMARY GOVERNMENT					
FISCAL YEAR	TOTAL	PERCENTAGE OF PERSONAL INCOME^(b)	POPULATION	DEBT PER CAPITA^(b)	
2014	\$ 5,195,918	3.48 %	2,079,967	\$ 2,498	
2015	5,258,386	3.29 %	2,117,125	2,484	
2016	5,323,708	3.21 %	2,149,970	2,476	
2017	5,245,385	2.87 %	2,188,649	2,397	
2018	5,045,373	2.50 %	2,233,163	2,259	
2019	4,927,835	2.30 %	2,252,782	2,187	
2020	4,895,614	2.23 %	2,269,675	2,157	
2021	5,205,803	2.14 %	2,252,305	2,311	
2022	5,193,221	2.13 %	2,266,789	2,291	
2023	5,357,174	2.08 %	2,271,380	2,359	

Note: Details regarding the County's outstanding debt can be found in *Note 15 - Liabilities*.

^(a) Presented net of original issuance discounts and premiums.

^(b) Personal income and population can be found in the table "Demographic and Economic Indicators." Since personal income data is not yet available for 2023, the percentage uses the personal income amount in 2022.

^(c) Due to the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), Leases payable column has been reclassified to include SBITA.

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Valuation ^(a)	\$388,118,856	\$426,335,606	\$471,456,288	\$534,662,435	\$606,623,698	\$642,490,492	\$659,534,881	\$722,527,904	\$879,895,419	\$833,036,264
Limited Tax General Obligations (LTGO) for Metropolitan Functions										
Debt Limit - 0.75% of Assessed Value	\$ 2,910,891	\$ 3,197,517	\$ 3,535,922	\$ 4,009,968	\$ 4,549,678	\$ 4,818,679	\$ 4,946,512	\$ 5,418,959	\$ 6,599,216	\$ 6,247,772
Debt applicable to limit	1,126,570	1,030,577	981,943	931,848	877,083	1,040,574	1,033,218	1,216,042	1,137,730	1,171,151
Less: Amounts set aside to repay LTGO debts	(42,336)	(42,062)	(53,429)	(51,768)	(48,093)	(36,901)	(51,254)	(81,190)	(59,782)	(30,382)
Total net debt applicable to the limit	1,084,234	988,515	928,514	880,080	828,990	1,003,673	981,964	1,134,852	1,077,948	1,140,769
Legal Debt Margin ^(b) of LTGO	\$ 1,826,657	\$ 2,209,002	\$ 2,607,408	\$ 3,129,888	\$ 3,720,688	\$ 3,815,006	\$ 3,964,548	\$ 4,284,107	\$ 5,521,268	\$ 5,107,003
Total net debt applicable to the limit as a percentage of the debt limit	37.25 %	30.92 %	26.26 %	21.95 %	18.22 %	20.83 %	19.85 %	20.94 %	16.33 %	18.26 %
LTGOs for General County Purposes and Metropolitan Functions										
Debt Limit - 1.5% of Assessed Value	\$ 5,821,783	\$ 6,395,034	\$ 7,071,844	\$ 8,019,937	\$ 9,099,355	\$ 9,637,357	\$ 9,893,023	\$10,837,919	\$13,198,431	\$12,495,544
Debt applicable to limit ^(c)	2,110,601	1,768,043	1,667,527	1,588,678	1,479,047	1,662,672	1,657,590	1,665,726	1,540,360	1,932,569
Less: Amounts set aside to repay LTGO debts	(54,910)	(53,491)	(62,968)	(64,825)	(55,690)	(44,895)	(57,508)	(87,661)	(65,059)	(35,533)
Total net debt applicable to the limit	2,055,691	1,714,552	1,604,559	1,523,853	1,423,357	1,617,777	1,600,082	1,578,065	1,475,301	1,897,036
Legal Debt Margin ^(b) of LTGO	\$ 3,766,092	\$ 4,680,482	\$ 5,467,285	\$ 6,496,084	\$ 7,675,998	\$ 8,019,580	\$ 8,292,941	\$ 9,259,854	\$11,723,130	\$10,598,508
Total net debt applicable to the limit as a percentage of the debt limit	35.31 %	26.81 %	22.69 %	19.00 %	15.64 %	16.79 %	16.17 %	14.56 %	11.18 %	15.18 %
Total GO for Metropolitan Functions										
Debt Limit - 2.5% of Assessed Value	\$ 9,702,971	\$ 10,658.39	\$11,786,407	\$13,366,561	\$15,165,592	\$16,062,262	\$16,488,372	\$18,063,198	\$21,997,385	\$20,825,907
Debt applicable to limit	1,126,570	1,030,577	981,943	931,848	877,083	1,040,574	1,033,218	1,216,042	1,137,730	1,171,151
Less: Amounts set aside to repay GO debts	(42,336)	(42,062)	(53,429)	(51,768)	(48,093)	(36,901)	(51,254)	(81,190)	(59,782)	(30,382)
Total net debt applicable to the limit	1,084,234	988,515	928,514	880,080	828,990	1,003,673	981,964	1,134,852	1,077,948	1,140,769
Legal Debt Margin ^(b) of total GO	\$ 8,618,737	\$ 9,669,875	\$10,857,893	\$12,486,481	\$14,336,602	\$15,058,589	\$15,506,408	\$16,928,346	\$20,919,437	\$19,685,138
Total net debt applicable to the limit as a percentage of the debt limit	11.17 %	9.27 %	7.88 %	6.58 %	5.47 %	6.25 %	5.96 %	6.28 %	4.90 %	5.48 %
Total GO for County Purposes										
Debt Limit - 2.5% of Assessed Value	\$ 9,702,971	\$10,658,390	\$11,786,407	\$13,366,561	\$15,165,592	\$16,062,262	\$16,488,372	\$18,063,198	\$21,997,385	\$20,825,907
Debt applicable to limit ^(c)	1,097,286	839,316	775,719	734,620	666,394	671,923	663,157	495,439	435,045	870,838
Less: Amounts set aside to repay GO debts	(19,723)	(13,377)	(11,582)	(15,164)	(9,851)	(10,474)	(8,825)	(9,173)	(6,753)	(7,735)
Total net debt applicable to the limit	1,077,563	825,939	764,137	719,456	656,543	661,449	654,332	486,266	428,292	863,103
Legal Debt Margin ^(b) of total GO	\$ 8,625,408	\$ 9,832,451	\$11,022,270	\$12,647,105	\$14,509,049	\$15,400,813	\$15,834,040	\$17,576,932	\$21,569,093	\$19,962,804
Total net debt applicable to the limit as a percentage of the debt limit	11.11 %	7.75 %	6.48 %	5.38 %	4.33 %	4.12 %	3.97 %	2.69 %	1.95 %	4.14 %

Source: Assessed Valuation data are from King County Department of Assessments.

(a) In compliance with the Washington State Budgeting, Accounting and Reporting System, the most current assessed value - the assessed value for the following calendar year's tax roll - is used for a given fiscal year.

(b) "Legal debt margin" is the County's available borrowing authority under state statutes.

(c) 2021 Debt applicable to limit has been restated to increase Metropolitan Functions debt and subtract self supporting debt issued in 2021 for General County purposes.

DEBT SERVICE COVERAGE FOR THE WATER QUALITY ENTERPRISE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average residential customer and residential customer equivalents (RCEs)	725,844	736,090	756,430	756,916	760,571	763,436	767,265	738,286	749,117	766,688
Percentage annual change	1.07 %	1.41 %	2.76 %	0.06 %	0.48 %	0.38 %	0.50 %	(3.78)%	1.47 %	2.35 %
Operating revenues										
Sewage disposal fees ^(a)	\$346,591	\$371,253	\$381,513	\$401,650	\$403,589	\$415,279	\$417,361	\$419,672	\$442,908	\$479,425
Rate stabilization	18,000	(12,000)	—	—	—	—	—	—	—	—
Capacity charge revenues	59,522	62,479	71,200	82,615	86,836	102,146	92,622	90,814	98,193	90,847
Other operating revenues	11,675	11,674	11,828	18,308	19,125	19,024	19,956	24,010	26,227	24,332
Total operating revenues	435,788	433,406	464,541	502,573	509,550	536,449	529,939	534,496	567,328	594,604
Operating and Maintenance Expenses ^(a)	122,014	127,211	138,698	142,263	139,585	143,834	154,513	138,166	158,816	191,217
Add: GAAP adjustments ^(b)	2,187	1,715	(2,377)	5,936	13,004	10,438	3,505	18,198	14,191	(4,392)
Net operating and maintenance expenses	124,201	128,926	136,321	148,199	152,589	154,272	158,018	156,364	173,007	186,825
Net operating revenue	311,587	304,480	328,220	354,374	356,961	382,177	371,921	378,132	394,321	407,779
Interest income ^(c)	2,822	2,863	4,549	6,055	8,956	10,765	7,971	4,833	7,601	16,790
Net revenue available for debt service	<u>\$314,409</u>	<u>\$307,343</u>	<u>\$332,769</u>	<u>\$360,429</u>	<u>\$365,917</u>	<u>\$392,942</u>	<u>\$379,892</u>	<u>\$382,965</u>	<u>\$401,922</u>	<u>\$424,569</u>
Debt service										
Parity bonds	\$175,463	\$167,694	\$160,957	\$159,761	\$163,967	\$171,321	\$162,385	\$153,818	\$141,421	\$138,211
Parity lien obligations	42,876	40,348	53,164	52,650	49,121	41,529	50,755	77,079	59,269	56,968
Subordinate debt service	17,477	18,318	21,316	26,277	33,139	35,174	30,367	12,714	33,501	44,957
Total debt service	<u>\$235,816</u>	<u>\$226,360</u>	<u>\$235,437</u>	<u>\$238,688</u>	<u>\$246,227</u>	<u>\$248,024</u>	<u>\$243,507</u>	<u>\$243,611</u>	<u>\$234,191</u>	<u>\$240,136</u>
Debt service coverage										
On parity bonds	1.79	1.83	2.07	2.26	2.23	2.29	2.34	2.49	2.84	3.07
On parity bonds and parity lien obligations	1.44	1.48	1.55	1.70	1.72	1.85	1.78	1.66	2.00	2.18
On all sewer system obligations	1.33	1.36	1.41	1.51	1.49	1.58	1.56	1.57	1.72	1.77

Notes:

(a) 2014 operating and maintenance expenses were restated as part of GASB Statement Nos. 68 and 71 implementation.

(b) Non-cash GAAP adjustments consist primarily of pension, other post-employment benefits and compensated absence accruals.

(c) Interest Income excludes unrealized gains and losses in the fair value adjustment of investments.

**WATER QUALITY ENTERPRISE
ADDITIONAL COVERAGE RATIOS
DECEMBER 31, 2023**

The Water Quality Enterprise is obligated by applicable bond ordinances to set sewage disposal rates at a level adequate to provide net revenue equal to at least 1.15 times the annual debt service requirements for sewer revenue and general obligation bonds payable from revenues of Water Quality. It is an adopted policy of Water Quality to achieve a debt service coverage ratio of 1.25.

Coverage (1.15 required by covenant, adopted policy 1.25) 2.18

In 2001, the County adopted a new debt service coverage target of 1.15 times the annual debt service for bonds, obligations, notes and loans of the Enterprise.

Coverage (1.15 adopted target) 1.77

The Enterprise is required to generate revenues sufficient to pay all costs of operation of the sewage treatment system and debt service on obligations of the Enterprise.

Coverage (1.00 required by covenant) 1.52

In 2001, Water Quality issued an additional tier of revenue bonds. The bond covenants of the Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2001A and Series 2001B, require that sewage disposal rates provide net revenue equal to at least 1.10 times the annual debt service requirements for all Junior Lien obligations after payment of senior lien requirements. All of Water Quality's Junior Lien Variable Rate Sewer Revenue Bonds and Multi-Modal Limited Tax General Obligation Sewer Revenue Bonds incorporate the identical requirement stated in the 2001 bond covenant requirements. Beyond the continuation of low interest rates, improved coverage in 2020 and 2021 resulted from early calls and refinancing of higher interest rate 2011 and 2012 put bonds.

Coverage (1.10 required by covenant) 27.65

**OPERATING AND CAPITAL INDICATORS BY FUNCTION
LAST TEN YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Works										
Miles of paved roads	1,442	1,418	1,418	1,415	1,415	1,415	1,415	1,481	1,465	1,418
Miles of unpaved roads	51	51	51	51	51	51	51	51	51	51
Bridges ¹	181	181	181	182	182	182	185	185	185	188
Building Permits										
Permits	1,309	1,459	3,172	1,294	1,501	1,406	835	1,217	1,282	1,163
Value of buildings (in thousands)	\$ 292,863	\$ 276,607	\$ 272,327	\$ 323,987	\$ 279,194	\$ 252,807	\$ 234,386	\$ 291,620	\$ 239,232	\$ 323,785
Justice and Law Enforcement - Sheriff's Office										
Number of employees - commissioned	671	679	721	724	728	739	747	711	687	702
Number of employees - civilian	378	340	412	411	360	374	367	345	360	284
Motor Pool fleet - vehicles	602	640	646	646	681	695	687	695	702	751
Motor Pool fleet - boats	8	8	10	12	11	10	10	10	15	14
Motor Pool fleet - helicopters ²	4	5	5	5	5	7	7	7	7	6
Adult Detention										
Average daily adult custodial population	2,076	2,027	2,011	2,186	2,107	2,691	1,668	1,530	1,495	1,413
Average stay (in days)	22	22	22	22	22	25	29	37	32	40
Bookings	34,724	34,939	36,135	37,125	35,631	32,864	18,324	14,208	14,876	14,726
Parks and Land Use										
Number of parks	221	220	223	229	229	234	239	242	244	249
Acres of parks	171,659	172,281	172,615	173,203	173,825	174,063	174,599	174,890	175,688	175,988
Public Transportation										
Size of fleet - buses	1,423	1,472	1,396	1,429	1,491	1,527	1,404	1,363	1,355	1,332
Size of fleet - active commuter vans	1,421	1,476	1,791	1,817	1,877	1,894	1,864	1,257	729	887
Annual bus trips (in thousands)	129,081	130,648	130,800	130,093	130,617	128,641	59,869	50,088	63,079	74,337
Annual commuter van trips (in thousands)	3,416	3,560	3,555	3,626	3,497	3,465	1,085	512	703	1,104
Wastewater Treatment										
Total sewer customers (residences and residential customer equivalents)	725,844	736,090	756,430	756,916	760,571	763,436	767,265	738,286	749,117	766,688
New sewer connections equivalents	10,767	11,676	10,743	12,484	12,906	12,513	6,522	6,720	8,759	4,699
Monthly sewer rate	\$ 39.79	\$ 42.03	\$ 42.03	\$ 44.22	\$ 44.22	\$ 45.33	\$ 45.33	\$ 47.37	\$ 49.27	\$ 52.11
Residential connection charge (monthly for 15 years)	\$ 55.35	\$ 57.00	\$ 58.70	\$ 60.80	\$ 62.60	\$ 64.50	\$ 66.35	\$ 68.34	\$ 70.39	\$ 72.50
Total sewer revenues (in thousands)	\$ 364,591	\$ 371,252	\$ 381,513	\$ 401,650	\$ 403,589	\$ 415,279	\$ 417,361	\$ 419,672	\$ 442,908	\$ 479,425
Number of treatment plants	5	5	5	5	5	5	5	5	5	5
Total treatment capacity (MGD ³)	895	895	862	862	868	868	868	868	868	868
Average daily flow (MGD)	186	178	188	194	177	161	178	183	185	182
Peak daily flow (MGD)	541	556	505	605	482	752	596	580	720	731

Source: Various King County agencies

¹Total number reported includes vehicular and pedestrian bridges.²King County currently has six helicopters available for use. Only two of these are owned by the County. The remaining four are on loan from the Defense Reutilization Marketing Office program.³MGD = Millions of gallons per day

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

Year	FUNCTION/PROGRAM							Total
	General Government	Law, Safety and Justice	Physical Environment	Transportation	Economic Environment	Health and Human Services	Culture and Recreation	
2014	1,704	3,828	1,069	4,581	476	1,492	193	13,343
2015	1,680	3,822	1,121	4,472	471	1,394	200	13,160
2016	1,680	3,822	1,121	4,472	471	1,394	200	13,160
2017	1,759	3,878	1,153	5,137	490	1,486	224	14,127
2018	1,759	3,878	1,153	5,137	490	1,486	224	14,127
2019	1,819	3,992	1,199	5,820	526	1,621	241	15,218
2020	1,823	3,998	1,199	5,820	526	1,623	260	15,249
2021	1,909	4,143	1,275	5,909	546	1,749	289	15,820
2022	1,971	4,115	1,280	5,914	548	1,756	295	15,879
2023	2,006	4,093	1,409	6,471	696	1,979	340	16,994

Source: 2023-2024 King County Biennial Budget

Notes:

A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,088 hours are scheduled per year (including holidays, vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

FTEs are stated using a beginning-of-year convention.

DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

CALENDAR YEAR	POPULATION	PERSONAL INCOME (IN THOUSANDS)	PER CAPITA PERSONAL INCOME	AVERAGE EARNINGS PER JOB	UNEMPLOYMENT RATE		POPULATION 65 YEARS OLD AND OVER	MEDIAN HOUSEHOLD INCOME ESTIMATES	BIRTHS	DEATHS	STUDENTS ENROLLED IN PUBLIC SCHOOLS	STUDENTS ENROLLED IN PRIVATE SCHOOLS
					COUNTY	STATE						
2014	2,079,967	\$ 149,434,812	\$ 71,882	\$ 70,484	4.7 %	6.1 %	247,516	71,500	26,343	13,784	278,409	41,047
2015	2,117,125	159,665,109	75,518	75,302	4.3	5.6	258,289	73,035	26,063	13,795	287,145	41,199
2016	2,149,970 *	166,006,277	77,213	81,484	3.9	5.4	266,596	75,302 +	30,508	16,162	292,066	42,256
2017	2,188,649 *	182,495,475	83,383	87,898	3.7	4.8	277,958	78,800 +	25,274	14,725	296,519	41,771
2018	2,233,163 *	201,962,200	90,438	92,596	3.5	4.5	290,311	83,571 +	24,337	13,179	302,450	41,860
2019	2,252,782 *	213,956,690	94,974	98,000	2.8	4.3	297,367	89,418 +	24,090	13,463	306,397	42,794
2020	2,269,675 *	219,805,809	96,647	108,844	7.6	8.4	304,125	94,974 +	23,638	14,353	292,651	34,758
2021	2,252,305 *	243,727,550	108,212	117,050	4.3	5.3	304,061	99,158 +	23,390	15,030	285,899	38,717
2022	2,266,789 *	258,004,537	113,819	116,792	2.9	4.2	312,817	106,326 +	23,012	15,606	288,725	39,672
2023	2,271,380 *	N/A	N/A	N/A	3.4	4.1	322,536	116,340 +	N/A	N/A	289,330	37,053

N/A = Not yet available

Population*, personal income, per capita personal income and average earnings per job are from Washington Regional Economic Analysis Project - King County, Washington and United States Department of Commerce, Bureau of Economic Analysis, Regional Income Division.

*Estimate for 2016-2023 population from the United States Census Bureau, State and County QuickFacts.

Unemployment rates are from Washington Employment Security Department, Labor Market and Economic Analysis Branch. Reported unemployment rates are the average for the year, and are not seasonally-adjusted.

Population statistics are from the US Census Bureau.

+ Median household income estimates are from the Puget Sound Regional Council 2014-2015 and the United States Census Bureau 2016-2023.

Birth and death statistics are from Washington State Department of Health Data & Statistical Reports.

Public school student enrollment data from the Washington State Office of Superintendent of Public Instruction.

2014-2018; 2021 private school enrollment data from the Washington State Office of the Superintendent of Public Instruction.

2019-2020; 2022-2023 private school enrollment data from the Washington State Board of Education.

**PRINCIPAL EMPLOYERS OF KING COUNTY BY MAJOR INDUSTRY
CURRENT YEAR AND TEN YEARS AGO**

TYPE OF INDUSTRY	2023			2014		
	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Professional and business services	317,000	1	21.26 %	222,617	1	17.52 %
Trade, transportation, and utilities	236,808	2	15.88	220,925	2	17.39
Educational and health services	195,908	3	13.14	164,225	4	12.93
Government	172,550	4	11.57	169,533	3	13.34
Leisure and hospitality	135,783	5	9.11	124,575	5	9.80
Information	135,600	6	9.09	85,925	7	6.76
Manufacturing	93,883	7	6.30	107,008	6	8.42
Construction	79,092	8	5.30	60,683	9	4.78
Financial activities	74,525	9	5.00	68,808	8	5.42
Total	<u>1,441,149</u>		<u>96.65 %</u>	<u>1,224,299</u>		<u>96.36 %</u>
Total employment	<u>1,491,183</u>			<u>1,270,575</u>		

Source: Washington State Employment Security Department, Labor Market and Economic Analysis

Notes:

The State of Washington is legally prohibited from disclosing the names of individual employers. The information in this table is intended to assist readers in understanding the degree of concentration in the County's employment base.

The number of employees is an annual average based on total non-farm employment and is not seasonally adjusted.



King County

Finance and
Business Operations Division

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