Executive Board:

Toni Call
City of Bellevue

Beth Anne Wroe
City of Des Moines

Susy Haugen
City of Everett

Paula Painter
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Glen Lee, Chair
City of Seattle

Andy Cherullo, Vice Chair
City of Tacoma

Executive Board Meeting Agenda

May 27, 2021

CONFERENCE CALL
SEATTLE, WA

1. **CALL TO ORDER**
   a. Introductions
      Welcome Paula Painter, City of Kent

2. **PUBLIC COMMENT***

3. **APPROVAL OF 3-18-21 MEETING SUMMARY**
   a. 3-18-21 Meeting Summary

4. **REVIEW OF JANUARY 2021, DECEMBER 2020 AND NOVEMBER 2020 FINANCIAL STATEMENTS**
   a. April 2021 Financial Statements
   b. March 2021 Financial Statements
   c. February 2021 Financial Statements

5. **ACTION ITEMS**
   a. Resolution **FL2021-03 Draft Budget 2022-2026 (**Supermajority Vote)
      i. Briefing Paper: **FL2021-03**
      ii. Resolution: **FL2021-03**
      iii. Attachment A: **Draft Budget 2022-2026**

6. **OPERATIONAL UPDATES**
   a. Monthly Business Report (MBR)
   b. Annual Financial Statements 2020
   c. New Cities Update
   d. Vendor warrants

7. **ADJOURNMENT**

Executive Board Meeting Summary

Executive Board:

Toni Call, Chair
City of Bellevue

Beth Anne Wroe
City of Des Moines

Susy Haugen
City of Everett

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Glen Lee, Chair
City of Seattle

Andy Cherullo, Vice-Chair
City of Tacoma

March 18, 2021

CONFERENCE CALL

KEY: Underlined text indicates actions/decisions.
Bold/italicized text indicates follow up items.

Standing Items

1. CALL TO ORDER

The 03-18-21 meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:01a.m. and conducted by conference call.

ROLL CALL

Board Members Present: Toni Call (phone) Beth Ann Wroe (phone), Susy Haugen (phone), Lindsey Vaughn (phone), Nate Malone (phone) for Kari Roller, Glen Lee (phone), Andy Cherullo (phone)

Staff and Guests: David Linehan (phone) Kevin Fitzpatrick (phone), Wendy Thomaston (phone) and Julie Panick (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Andy Cherullo and seconded by Toni Call, the board approved the 12-17-20 meeting summary.

4. REVIEW OF FINANCIAL STATEMENT

Kevin Fitzpatrick summarized the January 2021 and December 2020 financial statements and cash status. There were no questions or comments.

5. ACTION ITEMS

A. Resolution FL2021-01 ILA Amendment – Extension of Use of 2012 Historical Count Allocation Percentages

a. Kevin Fitzpatrick reviewed the resolution. The Amendment continues the use of 2012 Historical Transaction Counts as basis for allocating cost percentages to Principal Cities 2022-2024. Normalizes transaction counts until Seattle's actions fully take effect. Glen Lee

stated the policy intent is to not have other cities take on added expense due to Seattle's transaction count not up to level expected.

i. Motion to accept: Andy Cherullo
ii. Motion seconded: Toni Call
iii. Supermajority vote: Passed

VOTE FL2021-01	City	Member
YES	Bellevue	Toni Call
YES	Des Moines	Beth Ann Wroe
YES	Everett	Susy Haugen
YES	Lake Forest Park	Lindsey Vaughn
YES	Renton	Nate Malone (for Kari Roller)
YES	Seattle	Glen Lee
YES	Tacoma	Andy Cherullo

B. Resolution FL2021-02: City of Kent Admission

a. Kevin Fitzpatrick reviewed the resolution. Kent is joining as a Principal City. There were no questions or comments.

i. Motion to accept: Andy Cherullo
ii. Motion seconded: Susy Haugen
iii. Supermajority vote: Passed

VOTE FL2021-02	City	Member
YES	Bellevue	Toni Call
YES	Des Moines	Beth Ann Wroe
YES	Everett	Susy Haugen
YES	Lake Forest Park	Lindsey Vaughn
ABSENT	Renton	Nate Malone (for Kari Roller)
YES	Seattle	Glen Lee
YES	Tacoma	Andy Cherullo

6. DISCUSSION ITMS:

A. January Monthly Business Review

Kevin Fitzpatrick reviewed the Monthly Business Review. There were no comments or questions.

B. January 2020 Postmortem

The Agency focus areas are process review, process improvements, and monitoring.

Monitoring

Help Desk - Weekly meetings with Avenu to review problem tickets. Bi-weekly meetings with FileLocal Program Manager and Avenu Vice President.

Kevin Fitzpatrick shared that at the Operations Committee meeting Tacoma suggested, and will lead, a task force of Avenu and member cities to identify pain points/issues and work on improving Help Desk calls.

Software - Avenu will automate Daily Reconciliation Reports in April and cities will start receiving individual reports. Try to stay ahead of potential problems. Recognize more work needs to be done.

Hardware - Receiving daily reports for RAM, Storage, and CPU since December 2020. This enabled us to catch a RAM issue in January.

Kevin stated that this will be the last update to the January 2020 issues. There were no question or comments.

C. Draft Budget 2022-2026

Kevin Fitzpatrick reviewed the draft budget for 2022-2026. The draft budget reflects a reduction in the overall transaction count and lower Incremental costs. Unknown how COVID year 2020 may have impact. There .were no questions or comments.

D. New Cities Update

City of Bremerton has elected not to renew their Subscriber Agreement. Opt-out scheduled for June 30, 2021.

The City of Auburn has contacted the Agency about joining FileLocal as a tax only city.

Board members expressed support for adding new cities to FileLocal.

E. Vendor Warrants

Kevin reviewed the Fourth Quarter 2020 vendor warrant list. There were no questions or comments.

7. ADJOURNMENT

On a motion made by Andy Cherullo and seconded by Beth Anne Wroe, the meeting of the Executive Board adjourned at 11:57 a.m.

Respectfully Submitted,

Julie Panick
Secretary, FileLocal

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

FileLocal
Financial Statements
April 30, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2021

ASSETS		
Cash	$	765,721
LGIP Investment		714,628
Dues from cities		200,093
Prepaid		119,443
Total Current Assets		1,799,885
TOTAL ASSETS	**$**	**1,799,885**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	189,957
Accrued liabilities		58,022
Total Current Liabilities		247,979
TOTAL LIABILITIES		247,979
NET ASSETS		
Net assets, unrestricted		858,162
Change in net assets		693,744
TOTAL NET ASSETS		1,551,906
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,799,885**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED APRIL 30, 2021

	February	March	April	YTD
REVENUES				
User fees	$ 49,148	$ 15,536	$ 71,880	**$ 247,128**
Reimbursable cost/Capital cost recovery charges				
City of Seattle				**495,593**
City of Bellevue				**76,142**
City of Tacoma				**120,633**
City of Everett				**35,572**
City of Lake Forest Park				**8,664**
City of Bremerton				**37,508**
City of Renton				**37,946**
City of Des Moines				**17,095**
City of Snoqualmie				**18,495**
City of Shoreline				**14,151**
Total direct reimbursable costs	-	-	-	**861,799**
Interest income	77	73	60	**298**
Total revenues	$ 49,225	$ 15,609	$ 71,940	**$ 1,109,225**
EXPENSES				
Accounting fees	$ 14,636	$ 6,545	$ 6,545	**34,271**
Agency IT costs				**-**
Bank fees	34	15	-	**89**
Capital Recovery Payment				**-**
Conference cost				**-**
Consulting				**-**
Insurance	430	430	430	**1,722**
Labor costs	35,399	35,399	23,906	**130,103**
Legal fees	900	1,470	750	**3,120**
License and membership fees		300	-	**410**
Meals and entertainment				**-**
Office and operation supplies				**-**
Printing and copying				**-**
Technology costs	73,062	17,150	14,950	**105,162**
Transaction fees	49,220	8,808	46,563	**140,604**
Travel Expense	-			**-**
Other Expense	-			**-**
Total expenses	173,681	70,117	93,144	**415,481**
CHANGE IN NET ASSETS	**$ (124,456)**	**$ (54,508)**	**$ (21,204)**	**$ 693,744**

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Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED APRIL 30, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 496,025	$ 124,006	$ 247,128	$ 123,122
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,593	495,593	495,593	-
City of Bellevue	76,142	76,142	76,142	-
City of Tacoma	120,633	120,633	120,633	-
City of Everett	35,572	35,572	35,572	-
City of Lake Forest Park	8,664	8,664	8,664	-
City of Bremerton	37,508	37,508	37,508	-
City of Renton	37,946	37,946	37,946	-
City of Des Moines	17,095	17,095	17,095	-
City of Snoqualmie	18,495	18,495	18,495	-
City of Shoreline	14,151	14,151	14,151	-
Total direct reimbursable costs	861,799	861,799	861,799	-
Interest income	-	-	298	298
Fund carryover		-	-	-
Total sources	$ 1,357,824	$ 985,805	$ 1,109,225	$ 123,420
EXPENSES				
Labor costs	$ 446,005	$ 111,501	$ 130,103	$ (18,602)
Contracts	69,730	17,433	36,082	(18,649)
Overhead	57,622	14,406	3,530	10,876
Technology costs	762,926	190,732	245,766	(55,034)
Operating reserve	13,384	3,346	-	3,346
Capital cost recovery payments	15,500	3,875	-	3,875
Total operating expenses	$ 1,365,167	$ 341,293	$ 415,481	$ (74,188)
CHANGE IN NET ASSETS			693,744	
NET ASSETS, AS OF JANUARY 1, 2021			858,162	
NET ASSETS, AS OF APRIL 30, 2021			$ 1,551,906	
Schedule I - Contracts				
Accounting	$ 50,000	$ 12,500	$ 34,271	$ (21,771)
Auditing	11,689	2,922	-	2,922
Insurance	6,430	1,608	1,722	(114)
Bank fees	1,611	403	89	314
Total Contracts	$ 69,730	$ 17,433	$ 36,082	$ (18,649)
Schedule II - Overhead				
Legal	$ 41,093	$ 10,273	$ 3,120	$ 7,153
Office and operating supplies	2,440	610	-	610
Printing	2,440	610	-	610
Licenses/Memberships	2,440	610	410	200
Agency IT costs	2,758	690	-	690
Marketing	6,451	1,613	-	1,613
Total Overhead	$ 57,622	$ 14,406	$ 3,530	$ 10,876

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FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED APRIL 30, 2021

		April 30, 2021
Change in Net Assets		$ 693,744
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Dues from Cities	(128,899)
	Prepaid	(114,168)
	Accounts Payable and Accrued Liabilities	106,878
Cash provided by operating activities		557,555
	Contributions to LGIP	
	Net interest earned	(288)
Cash (used) for investing activities		(288)
Net cash increase (decrease)		557,267
Cash at January 1, 2021		208,454
Cash at April 30, 2021		**765,721**
Less Operating Reserve		**3,346**
Cash Available		**$ 762,375**

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700 5th Avenue, Suite 4350
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Seattle, WA 98124-4669

FileLocal
Financial Statements
March 31, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021

ASSETS		
Cash	$	727,550
LGIP Investment		714,568
Dues from cities		152,603
Prepaid		134,373
Total Current Assets		1,729,094
TOTAL ASSETS	**$**	**1,729,094**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	33,709
Accrued liabilities		122,275
Total Current Liabilities		155,984
TOTAL LIABILITIES		155,984
NET ASSETS		
Net assets, unrestricted		858,162
Change in net assets		714,948
TOTAL NET ASSETS		1,573,110
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,729,094**

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FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED MARCH 31, 2021

	January	February	March	YTD
REVENUES				
User fees	$ 110,564	$ 49,148	$ 15,536	**$ 175,248**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,593			**495,593**
City of Bellevue	76,142			**76,142**
City of Tacoma	120,633			**120,633**
City of Everett	35,572			**35,572**
City of Lake Forest Park	8,664			**8,664**
City of Bremerton	37,508			**37,508**
City of Renton	37,946			**37,946**
City of Des Moines	17,095			**17,095**
City of Snoqualmie	18,495			**18,495**
City of Shoreline	14,151			**14,151**
Total direct reimbursable costs	861,799	-	-	**861,799**
Interest income	88	77	73	**238**
Total revenues	$ 972,451	$ 49,225	$ 15,609	**$ 1,037,285**
EXPENSES				
Accounting fees	$ 6,545	$ 14,636	$ 6,545	**27,726**
Agency IT costs	-			**-**
Bank fees	41	34	15	**90**
Capital Recovery Payment				**-**
Conference cost	-			**-**
Consulting	-			**-**
Insurance	430	430	430	**1,290**
Labor costs	35,399	35,399	35,399	**106,197**
Legal fees		900	1,470	**2,370**
License and membership fees	110		300	**410**
Meals and entertainment	-			**-**
Office and operation supplies	-			**-**
Printing and copying	-			**-**
Technology costs		73,062	17,150	**90,212**
Transaction fees	36,014	49,220	8,808	**94,042**
Travel Expense	-	-		**-**
Other Expense	-	-		**-**
Total expenses	78,539	173,681	70,117	**322,337**
CHANGE IN NET ASSETS	**$ 893,912**	**$ (124,456)**	**$ (54,508)**	**$ 714,948**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED MARCH 31, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 496,025	$ 124,006	$ 175,248	$ 51,242
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,593	495,593	495,593	-
City of Bellevue	76,142	76,142	76,142	-
City of Tacoma	120,633	120,633	120,633	-
City of Everett	35,572	35,572	35,572	-
City of Lake Forest Park	8,664	8,664	8,664	-
City of Bremerton	37,508	37,508	37,508	-
City of Renton	37,946	37,946	37,946	-
City of Des Moines	17,095	17,095	17,095	-
City of Snoqualmie	18,495	18,495	18,495	-
City of Shoreline	14,151	14,151	14,151	-
Total direct reimbursable costs	861,799	861,799	861,799	-
Interest income	-	-	238	238
Fund carryover		-	-	-
Total sources	$ 1,357,824	$ 985,805	$ 1,037,285	$ 51,480
EXPENSES				
Labor costs	$ 446,005	$ 111,501	$ 106,197	$ 5,304
Contracts	69,730	17,433	29,106	(11,673)
Overhead	57,622	14,406	2,780	11,626
Technology costs	762,926	190,732	184,254	6,478
Operating reserve	13,384	3,346	-	3,346
Capital cost recovery payments	15,500	3,875	-	3,875
Total operating expenses	$ 1,365,167	$ 341,293	$ 322,337	$ 18,956
CHANGE IN NET ASSETS			714,948	
NET ASSETS, AS OF JANUARY 1, 2021			858,162	
NET ASSETS, AS OF MARCH 31, 2021			$ 1,573,110	
Schedule I - Contracts				
Accounting	$ 50,000	$ 12,500	$ 27,726	$ (15,226)
Auditing	11,689	2,922	-	2,922
Insurance	6,430	1,608	1,290	318
Bank fees	1,611	403	90	313
Total Contracts	$ 69,730	$ 17,433	$ 29,106	$ (11,673)
Schedule II - Overhead				
Legal	$ 41,093	$ 10,273	$ 2,370	$ 7,903
Office and operating supplies	2,440	610	-	610
Printing	2,440	610	-	610
Licenses/Memberships	2,440	610	410	200
Agency IT costs	2,758	690	-	690
Marketing	6,451	1,613	-	1,613
Total Overhead	$ 57,622	$ 14,406	$ 2,780	$ 11,626

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED MARCH 31, 2021

		February 28, 2021
Change in Net Assets		$ 714,948
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Dues from Cities	(129,490)
	Prepaid	(129,099)
	Accounts Payable and Accrued Liabilities	62,965
Cash provided by operating activities		519,324
	Contributions to LGIP	
	Net interest earned	(228)
Cash (used) for investing activities		(228)
Net cash increase (decrease)		519,096
Cash at January 1, 2021		208,454
Cash at March 31, 2021		**727,550**
Less Operating Reserve		**3,346**
Cash Available		**$ 724,204**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

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FileLocal
Financial Statements
February 28, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
FEBRUARY 28, 2021

ASSETS		
Cash	$	695,951
LGIP Investment		714,499
Dues from cities		228,745
Prepaid		149,304
Total Current Assets		1,788,499
TOTAL ASSETS	**$**	**1,788,499**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	80,550
Accrued liabilities		80,331
Total Current Liabilities		160,881
TOTAL LIABILITIES		160,881
NET ASSETS		
Net assets, unrestricted		858,161
Change in net assets		769,457
TOTAL NET ASSETS		1,627,618
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,788,499**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED FEBRUARY 28, 2021

	January	February	YTD
REVENUES			
User fees	$ 110,564	$ 49,148	**$ 159,712**
Reimbursable cost/Capital cost recovery charges			
City of Seattle	495,593		**495,593**
City of Bellevue	76,142		**76,142**
City of Tacoma	120,633		**120,633**
City of Everett	35,572		**35,572**
City of Lake Forest Park	8,664		**8,664**
City of Bremerton	37,508		**37,508**
City of Renton	37,946		**37,946**
City of Des Moines	17,095		**17,095**
City of Snoqualmie	18,495		**18,495**
City of Shoreline	14,151		**14,151**
Total direct reimbursable costs	861,799	-	**861,799**
Interest income	88	77	**165**
Total revenues	$ 972,451	$ 49,225	**$ 1,021,676**
EXPENSES			
Accounting fees	$ 6,545	$ 14,636	**21,181**
Agency IT costs	-		**-**
Bank fees	41	34	**75**
Capital Recovery Payment			**-**
Conference cost	-		**-**
Consulting	-		**-**
Insurance	430	430	**860**
Labor costs	35,399	35,399	**70,798**
Legal fees		900	**900**
License and membership fees	110		**110**
Meals and entertainment	-		**-**
Office and operation supplies	-		**-**
Printing and copying	-		**-**
Technology costs		73,062	**73,062**
Transaction fees	36,014	49,219	**85,233**
Travel Expense	-	-	**-**
Other Expense	-	-	**-**
Total expenses	78,539	173,680	**252,219**
CHANGE IN NET ASSETS	**$ 893,912**	**$ (124,455)**	**$ 769,457**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED FEBRUARY 28, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 496,025	$ 82,671	$ 159,712	$ 77,041
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,593	495,593	495,593	-
City of Bellevue	76,142	76,142	76,142	-
City of Tacoma	120,633	120,633	120,633	-
City of Everett	35,572	35,572	35,572	-
City of Lake Forest Park	8,664	8,664	8,664	-
City of Bremerton	37,508	37,508	37,508	-
City of Renton	37,946	37,946	37,946	-
City of Des Moines	17,095	17,095	17,095	-
City of Snoqualmie	18,495	18,495	18,495	-
City of Shoreline	14,151	14,151	14,151	-
Total direct reimbursable costs	861,799	861,799	861,799	-
Interest income	-	-	165	165
Fund carryover		-	-	-
Total sources	$ 1,357,824	$ 944,470	$ 1,021,676	$ 77,206
EXPENSES				
Labor costs	$ 446,005	$ 74,334	$ 70,798	$ 3,536
Contracts	69,730	11,622	22,116	(10,494)
Overhead	57,622	9,605	1,010	8,595
Technology costs	762,926	127,154	158,295	(31,141)
Operating reserve	13,384	2,231	-	2,231
Capital cost recovery payments	15,500	2,583	-	2,583
Total operating expenses	$ 1,365,167	$ 227,529	$ 252,219	$ (24,690)
CHANGE IN NET ASSETS			769,457	
NET ASSETS, AS OF JANUARY 1, 2021			858,161	
NET ASSETS, AS OF FEBRUARY 28, 2021			$ 1,627,618	
Schedule I - Contracts				
Accounting	$ 50,000	$ 8,333	$ 21,181	$ (12,848)
Auditing	11,689	1,948	-	1,948
Insurance	6,430	1,072	860	212
Bank fees	1,611	269	75	194
Total Contracts	$ 69,730	$ 11,622	$ 22,116	$ (10,494)
Schedule II - Overhead				
Legal	$ 41,093	$ 6,849	$ 900	$ 5,949
Office and operating supplies	2,440	407	-	407
Printing	2,440	407	-	407
Licenses/Memberships	2,440	407	110	297
Agency IT costs	2,758	460	-	460
Marketing	6,451	1,075	-	1,075
Total Overhead	$ 57,622	$ 9,605	$ 1,010	$ 8,595

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED FEBRUARY 28, 2021

		February 28, 2021
Change in Net Assets		$ 769,457
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Dues from Cities	(157,551)
	Prepaid	(144,029)
	Accounts Payable and Accrued Liabilities	19,778
Cash provided by operating activities		487,655
	Contributions to LGIP	
	Net interest earned	(158)
Cash (used) for investing activities		(158)
Net cash increase (decrease)		487,497
Cash at January 1, 2021		208,454
Cash at February 28, 2021		**695,951**
Less Operating Reserve		**2,231**
Cash Available		**$ 693,720**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Sustancially all disclosures required by accounting principles generally accepted in the United States are not included.

FileLocal Resolution FL2021-03
Briefing Paper
Resolution Adopting a Draft Budget for 2022-2026

Date: May 27, 2021

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the draft 2022-2026 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2021-03 approving the draft 2022-2026 budget.

Rationale: The Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement Section 13 sets a process for approving the annual budget. The process steps are as follows:

- The draft budget is to be approved by the Operating Committee and presented to the Executive Board with the Operating Committee's recommendation by May 1, 2021.
- No later than June 15 the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget by Supermajority Vote, and (3) forward the same to the principals no later than July 1.
- A final budget must be approved by December 31.

The Operations Committee discussed the draft budget at their March 3, 2021 meeting and approved the draft budget included as Attachment A to Resolution FL2021-03. The Executive Board reviewed the draft budget at their March 18, 2021 board meeting.

RESOLUTION NO. FL2021-03

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Adopting a Draft Budget for 2022-2026.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement, Section 13.b., requires the Executive Board to adopt a draft Portal Agency budget for the years 2022-2026 by June 15, 2021; and

Whereas, the Program Manager shall present a proposed budget to the Executive Board no later than May 1 prior to the commencement of the budget period, together with the Operation Committee's recommendations with respect to the proposed budget; and

Whereas, the Portal Agency Manager developed a draft 2022-2026 budget; and

Whereas, the Operations Committee reviewed and recommended a draft 2022-2026 budget on March 3, 2021, and transmitted the draft budget to the Executive Board on March 18, 2021; and

Whereas, the draft budget must be approved by a supermajority vote by June 15, 2021, and forwarded to the Principal Cities by no later than July 1, 2021;

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The Executive Board hereby adopts the draft 2022-2026 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

SECTION 2. The Executive Board directs the Portal Agency Program Manager to forward the approved draft budget to the Principals by July 1, 2021.

ADOPTED this ____ day of May, 2021.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

Draft Budget FY2022-FY2026

May, 2021

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
May 2021 Draft FY2022-FY2026

		Actual (A), Projection (P), Budget (B)							B/(W)					
		2020 (A)	2021 Budget Approved - Dec 2020	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
Revenue:														
Fund Carryover	T4	-	-	-	-	-	-	-	-	-	-	-	-	-
User Fees	T1	437,628	497,196	549,300	575,481	587,091	598,833	610,806	59,568	52,104	26,181	11,610	11,742	11,973
Reimbursable Costs	T3	839,331	849,041	779,159	810,486	840,532	874,949	910,631	9,710	(69,883)	31,327	30,046	34,416	35,683
Capital Cost Recovery Charges	T2	21,000	16,000	18,500	18,500	25,000	25,000	25,000	(5,000)	2,500	-	6,500	-	-
Total Revenue B/(W)		1,297,959	1,362,237	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	64,278	(15,279)	57,508	48,156	46,158	47,656
Expenditures														
Regular Expenditures:														
Labor	T4.1	416,739	390,610	416,665	437,499	459,374	482,342	506,460	26,128	(26,055)	(20,833)	(21,875)	(22,969)	(24,117)
Contracts	T4.2	52,175	62,387	71,762	73,341	74,998	76,895	78,841	(10,212)	(9,375)	(1,579)	(1,657)	(1,897)	(1,945)
Overhead	T4.3	20,379	48,820	50,243	51,348	52,509	53,837	55,200	(28,441)	(1,423)	(1,105)	(1,160)	(1,328)	(1,362)
Technology Costs	T4.4	429,723	741,761	783,438	808,191	825,712	844,943	864,625	(312,038)	(41,677)	(24,754)	(17,521)	(19,231)	(19,682)
Operating Reserve	T4.5	12,972	13,894	(507)	7,435	6,403	6,856	7,110	(922)	14,401	(7,942)	1,032	(453)	(254)
Capital Cost Recovery Payments	T4.6	21,000	16,000	18,500	18,500	25,000	25,000	25,000	5,000	(2,500)	-	(6,500)	-	-
Total Regular Expenditures		952,988	1,273,472	1,340,101	1,396,314	1,443,996	1,489,874	1,537,236	(320,485)	(66,629)	(56,213)	(47,682)	(45,878)	(47,361)
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	-	56,314	2,288	2,754	2,967	3,115	3,272	(56,314)	54,026	(466)	(213)	(148)	(157)
Incremental Overhead	T4.3	-	8,917	276	323	339	348	357	(8,917)	8,641	(47)	(16)	(9)	(9)
Incremental Technology Cost	T4.4	-	23,535	4,293	5,075	5,321	5,444	5,573	(23,535)	19,241	(782)	(245)	(123)	(129)
Total Incremental Expenditures		-	88,765	6,857	8,153	8,627	8,907	9,202	(88,765)	81,908	(1,295)	(474)	(280)	(294)
Total Expenditures B/(W)		952,988	1,362,237	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	(409,250)	15,279	(57,508)	(48,156)	(46,158)	(47,656)
Excess (Deficit)		344,971	-	-	-	-	-	-	(344,971)	(0)	-	(0)	-	0

Washington Cities Business License and Tax Portal Agency
Key Assumptions for Budget
FY2022-FY2026
May 2021 Draft FY2022-FY2026

Assumptions and Notes

Revenue

Fund Carryover	T4	Fund Carryover is the process by which unobligated funds remaining at the end of the budget period may be carried over to the next budget period. This is typically approved during the December Board Meeting
User Fees	T1	User Fees are fees charged to the business user for each city specific transaction net of zero dollar returns. The allocation methodology is based on projected transaction amounts.
Reimbursable Costs	T3	Costs to be reimbursed by participating cities.
Capital Cost Recovery Charges	T2/T4.6	Capital Cost Recovery Charge is an annual fee charged to all participating cities other than Seattle, for the purposes of reimbursing Seattle for a portion of the funding provided to pay for the start up of the Portal Agency. See Section 13.j in the Interlocal Agreement for further information.

Expense

Labor	T4.1	Labor is broken into two primary categories. Agency employees which are budgeted based on City of Seattle estimates and Incremental Labor which is based on new city additions with the calculation determined in the Interlocal Agreement.
Contracts	T4.2	Consulting and Service Fees - is comprised of Outside Accounting, State Auditor, Insurance and Bank Fees.
Overhead	T4.3	Overhead is comprised of Legal, City of Seattle Technology Fees, Office and Operating Supplies, Printing, Licenses, Travel, Marketing, Incrementa
Technology Costs	T4.4	Technology Costs are outside IT Costs and comprised of ASP Hosting, Software as a Service, USPS Address Lists, Transaction Fees, IT and Security Audit, Misc. Technology, Software Development and Incremental IT.
Operating Reserve	T4.5	Operating Reserve is an unrestricted fund balance set aside to provide a cushion against unexpected events. The current operating reserve is 15% of total operating expenditures.
Incremental Labor	T4.1	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.
Incremental Overhead	T4.3	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.
Incremental Technology Cos	T4.4	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
May 2021 Draft FY2022-FY2026

			Actual (A), Projection (P), Budget (B)							B/(W)					
			2020 (A)	2021 Budget Approved - Dec 2020	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
Revenue:															
	Fund Carryover	T4	-	-	-	-	-	-	-	-	-	-	-	-	-
	User Fees	T1	437,628	497,196	549,300	575,481	587,091	598,833	610,806	59,568	52,104	26,181	11,610	11,742	11,973
	Reimbursable Costs	T3	839,331	849,041	779,159	810,486	840,532	874,949	910,631	9,710	(69,883)	31,327	30,046	34,416	35,683
	Capital Cost Recovery Charges	T2	21,000	16,000	18,500	18,500	25,000	25,000	25,000	(5,000)	2,500	-	6,500	-	-
	Total Revenue B/(W)		1,297,959	1,362,237	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	64,278	(15,279)	57,508	48,156	46,158	47,656
Expenditures															
Regular Expenditures:															
	Labor	T4.1	416,739	390,610	416,665	437,499	459,374	482,342	506,460	26,128	(26,055)	(20,833)	(21,875)	(22,969)	(24,117)
	Contracts	T4.2	52,175	62,387	71,762	73,341	74,998	76,895	78,841	(10,212)	(9,375)	(1,579)	(1,657)	(1,897)	(1,945)
	Overhead	T4.3	20,379	48,820	50,243	51,348	52,509	53,837	55,200	(28,441)	(1,423)	(1,105)	(1,160)	(1,328)	(1,362)
	Technology Costs	T4.4	429,723	741,761	783,438	808,191	825,712	844,943	864,625	(312,038)	(41,677)	(24,754)	(17,521)	(19,231)	(19,682)
	Operating Reserve	T4.5	12,972	13,894	(507)	7,435	6,403	6,856	7,110	(922)	14,401	(7,942)	1,032	(453)	(254)
	Capital Cost Recovery Payments	T4.6	21,000	16,000	18,500	18,500	25,000	25,000	25,000	5,000	(2,500)	-	(6,500)	-	-
	Total Regular Expenditures		952,988	1,273,472	1,340,101	1,396,314	1,443,996	1,489,874	1,537,236	(320,485)	(66,629)	(56,213)	(47,682)	(45,878)	(47,361)
Incremental Expenses from The New Partners:															
	Incremental Labor	T4.1	-	56,314	2,288	2,754	2,967	3,115	3,272	(56,314)	54,026	(466)	(213)	(148)	(157)
	Incremental Overhead	T4.3	-	8,917	276	323	339	348	357	(8,917)	8,641	(47)	(16)	(9)	(9)
	Incremental Technology Cost	T4.4	-	23,535	4,293	5,075	5,321	5,444	5,573	(23,535)	19,241	(782)	(245)	(123)	(129)
	Total Incremental Expenditures		-	88,765	6,857	8,153	8,627	8,907	9,202	(88,765)	81,908	(1,295)	(474)	(280)	(294)
	Total Expenditures B/(W)		952,988	1,362,237	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	(409,250)	15,279	(57,508)	(48,156)	(46,158)	(47,656)
Excess (Deficit)			344,971	-	-	-	-	-	-	(344,971)	(0)	(0)	(0)	0	0

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2021-FY2025
11/20/2020 FY2021-FY2025 Final Budget adding New City - Kent (2/2021)

		Actual (A), Projection (P), Budget (B)											
		2020 (B)	2021 (P)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2024 (B)
Revenue:														
Fund Carryover	T4	36,292	-	-	-	-	-		(36,292)	-	-	-	-	-
User Fees	T1	398,010	497,585	623,269	653,070	686,138	723,497		99,575	125,684	29,801	33,068	37,359	(723,497)
Reimbursable Costs	T3	818,386	848,653	822,882	831,070	845,939	859,645		30,266	(25,771)	8,189	14,868	13,707	(859,645)
Capital Cost Recovery Charges	T2	21,000	16,000	19,000	19,500	26,000	26,000		(5,000)	3,000	500	6,500	-	(26,000)
Total Revenue B/(W)		1,273,688	1,362,237	1,465,150	1,503,640	1,558,077	1,609,143		88,549	102,913	38,490	54,437	51,066	(1,609,143)
Expenditures														
Regular Expenditures:														
Labor	T4.1	377,037	390,610	404,672	419,241	434,333	449,969		(13,573)	(14,062)	(14,568)	(15,093)	(15,636)	449,969
Contracts	T4.2	61,044	62,387	63,759	65,098	66,465	67,861		(1,343)	(1,373)	(1,339)	(1,367)	(1,396)	67,861
Overhead	T4.3	47,770	48,820	49,895	50,942	52,012	53,104		(1,051)	(1,074)	(1,048)	(1,070)	(1,092)	53,104
Technology Costs	T4.4	678,603	741,761	818,952	844,968	873,018	903,592		(63,158)	(77,191)	(26,016)	(28,050)	(30,574)	903,592
Operating Reserve	T4.5	12,972	13,894	14,844	6,891	7,152	7,594		(922)	(950)	7,953	(260)	(442)	7,594
Capital Cost Recovery Payments	T4.6	21,000	16,000	19,000	19,500	26,000	26,000		5,000	(3,000)	(500)	(6,500)	-	26,000
Total Regular Expenditures		1,198,425	1,273,472	1,371,122	1,406,640	1,458,979	1,508,120		(75,047)	(97,650)	(35,518)	(52,340)	(49,140)	1,508,120
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	50,976	56,314	58,569	60,124	61,411	62,653		(5,338)	(2,255)	(1,555)	(1,287)	(1,242)	62,653
Incremental Overhead	T4.3	8,191	8,917	9,237	9,466	9,664	9,857		(726)	(320)	(230)	(198)	(193)	9,857
Incremental Technology Cost	T4.4	16,096	23,535	26,222	27,410	28,022	28,513		(7,439)	(2,688)	(1,187)	(613)	(490)	28,513
Total Incremental Expenditures		75,263	88,765	94,028	97,000	99,097	101,023		(13,503)	(5,263)	(2,972)	(2,097)	(1,925)	101,023
Total Expenditures B/(W)		1,273,688	1,362,237	1,465,150	1,503,640	1,558,077	1,609,143		(88,549)	(102,913)	(38,490)	(54,437)	(51,066)	1,609,143
Excess (Deficit)		-	-	-	-	-	-		(0)	0	-	-	0	-

Washington Cities Business License and Tax Portal Agency
Summary of Budget
5/27/2021
May 2021 Draft vs Dec 2020 final w Kent

		Actual (A), Projection (P), Budget (B)							B/(W)					
		2020 (A)	2021 Budget Approved - Dec 2020	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
Revenue:														
Fund Carryover	T4	(36,292)	-	-	-	-	-	-	36,292	-	-	-	-	-
User Fees	T1	39,618	(389)	(73,969)	(77,589)	(99,047)	(124,664)	610,806	(40,007)	(73,580)	(3,620)	(21,458)	(25,617)	735,470
Reimbursable Costs	T3	20,945	389	(43,723)	(20,584)	(5,406)	15,303	910,631	(20,556)	(44,111)	23,138	15,178	20,710	895,328
Capital Cost Recovery Charges	T2	-	-	(500)	(1,000)	(1,000)	(1,000)	25,000	-	(500)	(500)	-	-	26,000
Total Revenue B/(W)		24,271	0	(118,191)	(99,173)	(105,453)	(110,361)	1,546,437	(24,271)	(118,192)	19,018	(6,281)	(4,907)	1,656,798
Expenditures														
Regular Expenditures:														
Labor	T4.1	39,702	-	11,993	18,258	25,041	32,373	506,460	39,702	(11,993)	(6,265)	(6,782)	(7,333)	(474,086)
Contracts	T4.2	(8,869)	-	8,003	8,243	8,533	9,035	78,841	(8,869)	(8,003)	(240)	(290)	(502)	(69,806)
Overhead	T4.3	(27,390)	-	349	406	497	733	55,200	(27,390)	(349)	(58)	(91)	(236)	(54,466)
Technology Costs	T4.4	(248,880)	0	(35,514)	(36,776)	(47,306)	(58,649)	864,625	(248,880)	35,514	1,262	10,529	11,343	(923,274)
Operating Reserve	T4.5	-	0	(15,351)	544	(748)	(738)	7,110	(0)	15,351	(15,895)	1,292	(11)	(7,848)
Capital Cost Recovery Payments	T4.6	-	-	(500)	(1,000)	(1,000)	(1,000)	25,000	-	500	500	-	-	(26,000)
Total Regular Expenditures		(245,438)	0	(31,021)	(10,326)	(14,983)	(18,245)	1,537,236	(245,438)	31,021	(20,695)	4,658	3,262	(1,555,481)
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	(50,976)	-	(56,281)	(57,370)	(58,444)	(59,538)	3,272	(50,976)	56,281	1,089	1,074	1,094	(62,810)
Incremental Overhead	T4.3	(8,191)	-	(8,961)	(9,143)	(9,325)	(9,509)	357	(8,191)	8,961	183	182	185	(9,866)
Incremental Technology Cost	T4.4	(16,096)	-	(21,929)	(22,334)	(22,702)	(23,068)	5,573	(16,096)	21,929	405	367	367	(28,641)
Total Incremental Expenditures		(75,263)	-	(87,171)	(88,847)	(90,470)	(92,115)	9,202	(75,263)	87,171	1,677	1,623	1,645	(101,317)
Total Expenditures B/(W)		(320,700)	0	(118,191)	(99,173)	(105,453)	(110,361)	1,546,437	(320,701)	118,192	(19,018)	6,281	4,907	(1,656,798)
Excess (Deficit)		344,971	-	-	-	-	-	-	(344,971)	-	(0)	(0)	0	-

Washington Cities Business License and Tax Portal Agency
Reimbursement
May 2021 Draft FY2022-FY2026

	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
	2020 (A)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (A)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement	$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683
Bellevue	$ 71,951	$ 70,910	$ 67,987	$ 70,720	$ 73,342	$ 76,345	$ 79,458	(1,041)	(2,924)	2,733	2,622	3,003	3,114
Bremerton	$ 36,825	$ 36,376	$ -	$ -	$ -	$ -	$ -	(449)	(36,376)	-	-	-	-
Des Moines	$ 10,662	$ 15,821	$ 15,168	$ 15,778	$ 16,363	$ 17,033	$ 17,728	5,159	(652)	610	585	670	695
Everett	$ 33,426	$ 32,998	$ 31,638	$ 32,910	$ 34,130	$ 35,527	$ 36,976	(428)	(1,361)	1,272	1,220	1,397	1,449
Kent	$ -	$ 17,196	$ 16,487	$ 17,150	$ 17,786	$ 18,514	$ 19,269	17,196	(709)	663	636	728	755
Lake Forest Park	$ 8,093	$ 8,025	$ 7,694	$ 8,003	$ 8,300	$ 8,640	$ 8,992	(68)	(331)	309	297	340	352
Renton	$ 35,773	$ 35,332	$ 33,876	$ 35,238	$ 36,544	$ 38,040	$ 39,592	(441)	(1,457)	1,362	1,306	1,496	1,551
Seattle	$ 493,538	$ 487,128	$ 467,043	$ 485,821	$ 503,831	$ 524,461	$ 545,850	(6,410)	(20,085)	18,778	18,010	20,630	21,389
Shoreline	$ 13,597	$ 13,418	$ 12,864	$ 13,382	$ 13,878	$ 14,446	$ 15,035	(179)	(553)	517	496	568	589
Snoqualmie	$ 19,325	$ 17,196	$ 16,487	$ 17,150	$ 17,786	$ 18,514	$ 19,269	(2,129)	(709)	663	636	728	755
Tacoma	$ 116,141	$ 114,641	$ 109,915	$ 114,334	$ 118,573	$ 123,428	$ 128,461	(1,500)	(4,727)	4,419	4,239	4,855	5,034
Total	$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2021-FY2025
11/20/2020 FY2021-FY2025 Final Budget adding New City - Kent (2/2021)

	Reimbursable Costs						Actual (A), Projection (P), Budget (B)					
	2020 (B)	2021 (P)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement	$ 818,386	$ 848,653	$ 822,882	$ 831,070	$ 845,939	$ 859,645	30,266	(25,771)	8,189	14,868	13,707	(859,645)
Bellevue	$ 69,763	$ 70,878	$ 68,725	$ 69,409	$ 70,651	$ 71,796	1,115	(2,152)	684	1,242	1,145	(71,796)
Bremerton	$ 35,787	$ 36,359	$ 35,255	$ 35,606	$ 36,243	$ 36,830	572	(1,104)	351	637	587	(36,830)
Des Moines	$ 15,565	$ 15,813	$ 15,333	$ 15,486	$ 15,763	$ 16,018	249	(480)	153	277	255	(16,018)
Everett	$ 32,464	$ 32,983	$ 31,982	$ 32,300	$ 32,878	$ 33,411	519	(1,002)	318	578	533	(33,411)
Kent		$ 17,188	$ 16,666	$ 16,832	$ 17,133	$ 17,411	17,188	(522)	166	301	278	(17,411)
Lake Forest Park	$ 7,895	$ 8,021	$ 7,778	$ 7,855	$ 7,996	$ 8,125	126	(244)	77	141	130	(8,125)
Renton	$ 34,761	$ 35,316	$ 34,244	$ 34,585	$ 35,203	$ 35,774	555	(1,072)	341	619	570	(35,774)
Seattle	$ 479,246	$ 486,905	$ 472,119	$ 476,817	$ 485,347	$ 493,211	7,659	(14,786)	4,698	8,531	7,864	(493,211)
Shoreline	$ 13,201	$ 13,411	$ 13,004	$ 13,134	$ 13,369	$ 13,585	211	(407)	129	235	217	(13,585)
Snoqualmie	$ 16,918	$ 17,188	$ 16,666	$ 16,832	$ 17,133	$ 17,411	270	(522)	166	301	278	(17,411)
Tacoma	$ 112,787	$ 114,589	$ 111,109	$ 112,215	$ 114,222	$ 116,073	1,802	(3,480)	1,106	2,008	1,851	(116,073)
Total	$ 818,386	$ 848,653	$ 822,882	$ 831,070	$ 845,939	$ 859,645	30,266	(25,771)	8,189	14,868	13,707	(859,645)

Washington Cities Business License and Tax Portal Agency
Reimbursement
5/27/2021
May 2021 Draft vs Dec 2020 final

	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement	$ 20,945	$ 389	$ (43,723)	$ (20,584)	$ (5,406)	$ 15,303	$ 910,631	(20,556)	(44,111)	23,138	15,178	20,710	895,328
Bellevue	$ 2,188	$ 32	$ (739)	$ 1,311	$ 2,691	$ 4,549	$ 79,458	(2,156)	(771)	2,050	1,380	1,858	74,909
Bremerton	$ 1,038	$ 17	$ (35,255)	$ (35,606)	$ (36,243)	$ (36,830)	$ -	(1,021)	(35,272)	(351)	(637)	(587)	36,830
Des Moines	$ (4,903)	$ 7	$ (165)	$ 292	$ 600	$ 1,015	$ 17,728	4,910	(172)	457	308	415	16,713
Everett	$ 962	$ 15	$ (344)	$ 610	$ 1,252	$ 2,117	$ 36,976	(946)	(359)	954	642	865	34,859
Kent	$ -	$ 8	$ (179)	$ 318	$ 653	$ 1,103	$ 19,269	8	(187)	497	335	451	18,166
Lake Forest Park	$ 198	$ 4	$ (84)	$ 148	$ 305	$ 515	$ 8,992	(194)	(87)	232	156	210	8,477
Renton	$ 1,012	$ 16	$ (368)	$ 653	$ 1,341	$ 2,267	$ 39,592	(996)	(384)	1,021	688	926	37,325
Seattle	$ 14,292	$ 223	$ (5,076)	$ 9,004	$ 18,484	$ 31,250	$ 545,850	(14,069)	(5,299)	14,080	9,480	12,766	514,600
Shoreline	$ 396	$ 6	$ (140)	$ 248	$ 509	$ 861	$ 15,035	(390)	(146)	388	261	352	14,174
Snoqualmie	$ 2,407	$ 8	$ (179)	$ 318	$ 653	$ 1,103	$ 19,269	(2,399)	(187)	497	335	451	18,166
Tacoma	$ 3,354	$ 52	$ (1,195)	$ 2,119	$ 4,350	$ 7,354	$ 128,461	(3,302)	(1,247)	3,314	2,231	3,004	121,107
Total	$ 20,945	$ 389	$ (43,723)	$ (20,584)	$ (5,406)	$ 15,303	$ 910,631	(20,556)	(44,111)	23,138	15,178	20,710	895,328

Appendix

May, 2021

Washington Cities Business License and Tax Portal Agency
Supplemental Schedules
FY2022-FY2026
May 2021 Draft FY2022-FY2026

	Reimbursement %	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
		2020 (A)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (A)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement		$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683
Bellevue	9%	$ 71,951	$ 70,910	$ 67,987	$ 70,720	$ 73,342	$ 76,345	$ 79,458	(1,041)	(2,924)	2,733	2,622	3,003	3,114
Bremerton	0%	$ 36,825	$ 36,376	$ -	$ -	$ -	$ -	$ -	(449)	(36,376)	-	-	-	-
Des Moines	2%	$ 10,662	$ 15,821	$ 15,168	$ 15,778	$ 16,363	$ 17,033	$ 17,728	5,159	(652)	610	585	670	695
Everett	4%	$ 33,426	$ 32,998	$ 31,638	$ 32,910	$ 34,130	$ 35,527	$ 36,976	(428)	(1,361)	1,272	1,220	1,397	1,449
Kent	2%	$ -	$ 17,196	$ 16,487	$ 17,150	$ 17,786	$ 18,514	$ 19,269	17,196	(709)	663	636	728	755
Lake Forest Park	1%	$ 8,093	$ 8,025	$ 7,694	$ 8,003	$ 8,300	$ 8,640	$ 8,992	(68)	(331)	309	297	340	352
Renton	4%	$ 35,773	$ 35,332	$ 33,876	$ 35,238	$ 36,544	$ 38,040	$ 39,592	(441)	(1,457)	1,362	1,306	1,496	1,551
Seattle	60%	$ 493,538	$ 487,128	$ 467,043	$ 485,821	$ 503,831	$ 524,461	$ 545,850	(6,410)	(20,085)	18,778	18,010	20,630	21,389
Shoreline	2%	$ 13,597	$ 13,418	$ 12,864	$ 13,382	$ 13,878	$ 14,446	$ 15,035	(179)	(553)	517	496	568	589
Snoqualmie	2%	$ 19,325	$ 17,196	$ 16,487	$ 17,150	$ 17,786	$ 18,514	$ 19,269	(2,129)	(709)	663	636	728	755
Tacoma	14%	$ 116,141	$ 114,641	$ 109,915	$ 114,334	$ 118,573	$ 123,428	$ 128,461	(1,500)	(4,727)	4,419	4,239	4,855	5,034
Total	100%	$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683

Washington Cities Business License and Tax Portal Agency
Key Assumptions for Budget
FY2022-FY2026
March 2021 Draft FY2022-FY2026

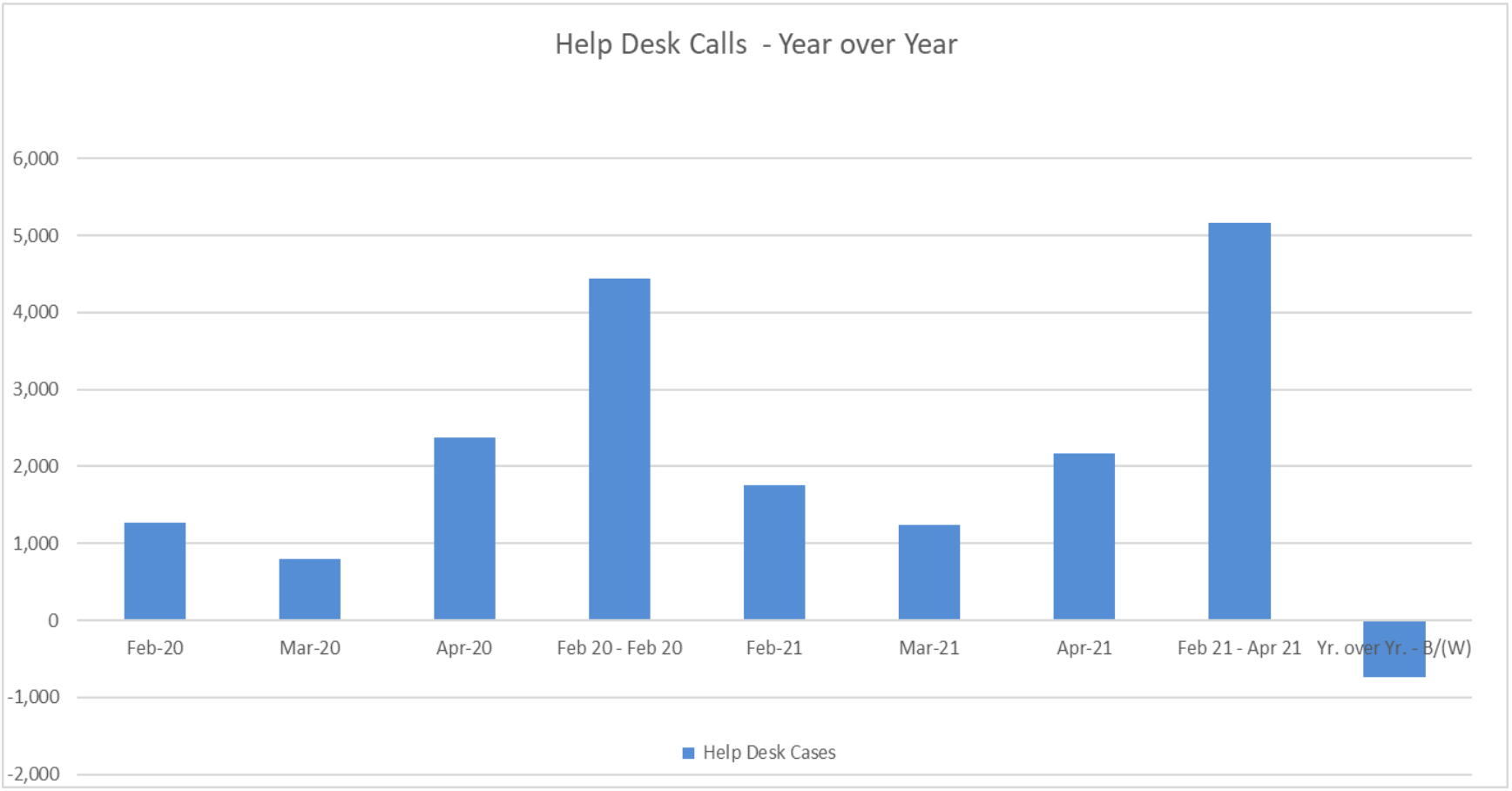
	Reimbursement %	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
		2020 (A)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (A)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement		$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683
Bellevue	8%	$ 71,951	$ 70,910	$ 65,074	$ 67,690	$ 70,200	$ 73,074	$ 76,054	(1,041)	(5,836)	2,616	2,509	2,874	2,980
Bremerton	4%	$ 36,825	$ 36,376	$ 33,382	$ 34,724	$ 36,011	$ 37,486	$ 39,014	(449)	(2,994)	1,342	1,287	1,475	1,529
Des Moines	2%	$ 10,662	$ 15,821	$ 14,518	$ 15,102	$ 15,662	$ 16,303	$ 16,968	5,159	(1,302)	584	560	641	665
Everett	4%	$ 33,426	$ 32,998	$ 30,282	$ 31,500	$ 32,668	$ 34,005	$ 35,392	(428)	(2,716)	1,218	1,168	1,338	1,387
Kent	2%	$ -	$ 17,196	$ 15,781	$ 16,415	$ 17,024	$ 17,721	$ 18,444	17,196	(1,415)	634	609	697	723
Lake Forest Park	1%	$ 8,093	$ 8,025	$ 7,364	$ 7,660	$ 7,944	$ 8,270	$ 8,607	(68)	(661)	296	284	325	337
Renton	4%	$ 35,773	$ 35,332	$ 32,424	$ 33,728	$ 34,978	$ 36,411	$ 37,896	(441)	(2,908)	1,304	1,250	1,432	1,485
Seattle	57%	$ 493,538	$ 487,128	$ 447,033	$ 465,007	$ 482,245	$ 501,991	$ 522,464	(6,410)	(40,094)	17,974	17,239	19,746	20,472
Shoreline	2%	$ 13,597	$ 13,418	$ 12,313	$ 12,808	$ 13,283	$ 13,827	$ 14,391	(179)	(1,104)	495	475	544	564
Snoqualmie	2%	$ 19,325	$ 17,196	$ 15,781	$ 16,415	$ 17,024	$ 17,721	$ 18,444	(2,129)	(1,415)	634	609	697	723
Tacoma	14%	$ 116,141	$ 114,641	$ 105,206	$ 109,435	$ 113,492	$ 118,140	$ 122,958	(1,500)	(9,436)	4,230	4,057	4,647	4,818
Total	100%	$ 839,331	$ 849,041	$ 779,159	$ 810,486	$ 840,532	$ 874,949	$ 910,631	9,710	(69,883)	31,327	30,046	34,416	35,683

Washington Cities Business License and Tax Portal Agency
Reimbursement
5/27/2021
May 2021 Draft vs March 2021 Draft

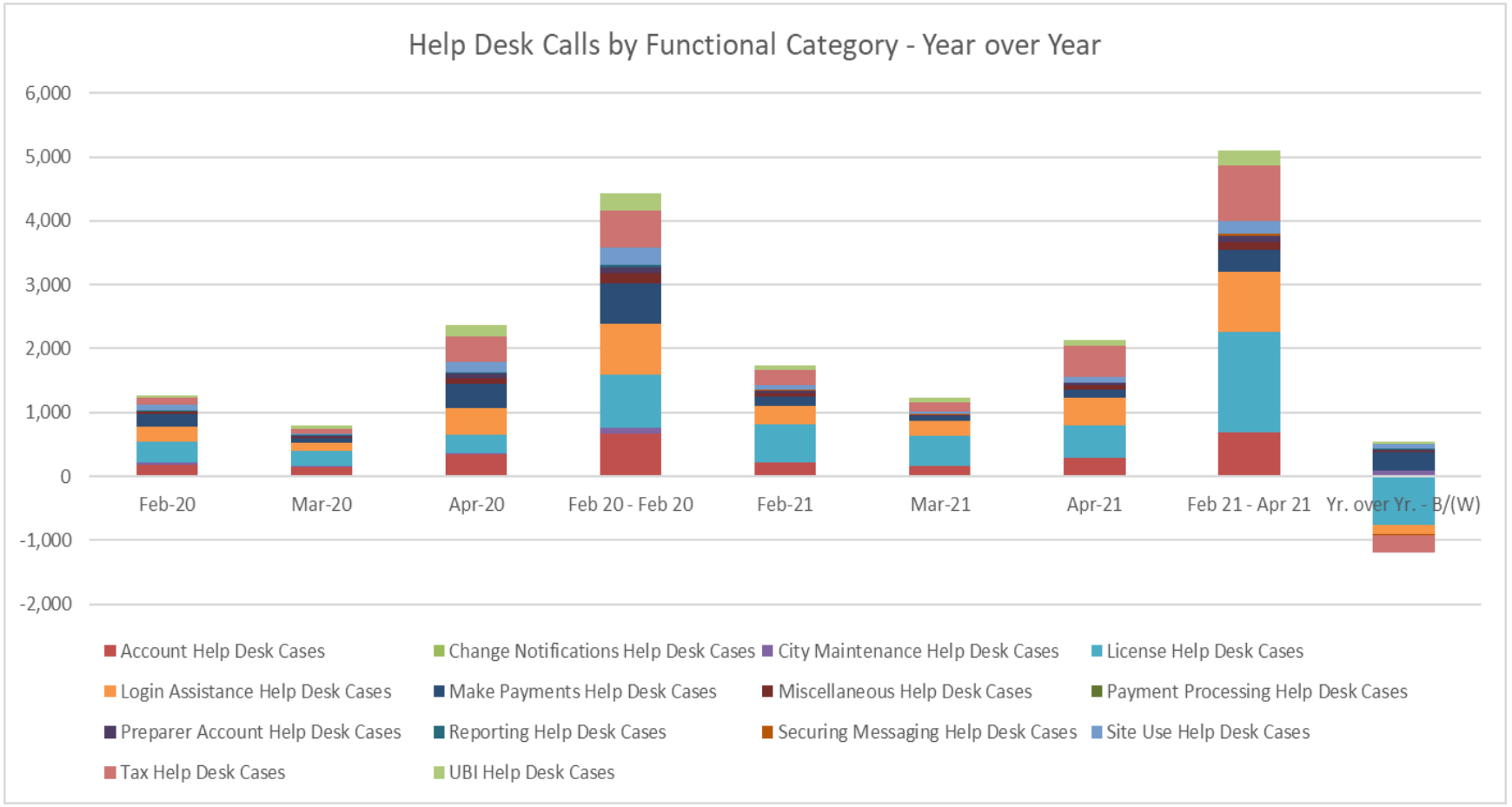
	Reimbursement %	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
		2020 (A)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2021 (B) vs. 2020 (A)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)	2026 (B) vs. 2025 (B)
T3. Reimbursement		$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	0	(0)	-
Bellevue	0.37%	$ -	$ -	$ 2,913	$ 3,030	$ 3,142	$ 3,271	$ 3,404	-	2,913	117	112	129	133
Bremerton	-4.28%	$ -	$ -	$ (33,382)	$ (34,724)	$ (36,011)	$ (37,486)	$ (39,014)	-	(33,382)	(1,342)	(1,287)	(1,475)	(1,529)
Des Moines	0.08%	$ -	$ -	$ 650	$ 676	$ 701	$ 730	$ 760	-	650	26	25	29	30
Everett	0.17%	$ -	$ -	$ 1,355	$ 1,410	$ 1,462	$ 1,522	$ 1,584	-	1,355	54	52	60	62
Kent	0.09%	$ -	$ -	$ 706	$ 735	$ 762	$ 793	$ 826	-	706	28	27	31	32
Lake Forest Park	0.04%	$ -	$ -	$ 330	$ 343	$ 356	$ 370	$ 385	-	330	13	13	15	15
Renton	0.19%	$ -	$ -	$ 1,451	$ 1,510	$ 1,566	$ 1,630	$ 1,696	-	1,451	58	56	64	66
Seattle	2.57%	$ -	$ -	$ 20,010	$ 20,814	$ 21,586	$ 22,470	$ 23,386	-	20,010	805	772	884	916
Shoreline	0.07%	$ -	$ -	$ 551	$ 573	$ 595	$ 619	$ 644	-	551	22	21	24	25
Snoqualmie	0.09%	$ -	$ -	$ 706	$ 735	$ 762	$ 793	$ 826	-	706	28	27	31	32
Tacoma	0.60%	$ -	$ -	$ 4,709	$ 4,898	$ 5,080	$ 5,288	$ 5,504	-	4,709	189	182	208	216
Total	100%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	(0)	0	0	(0)	0

FileLocal: Monthly Business Review

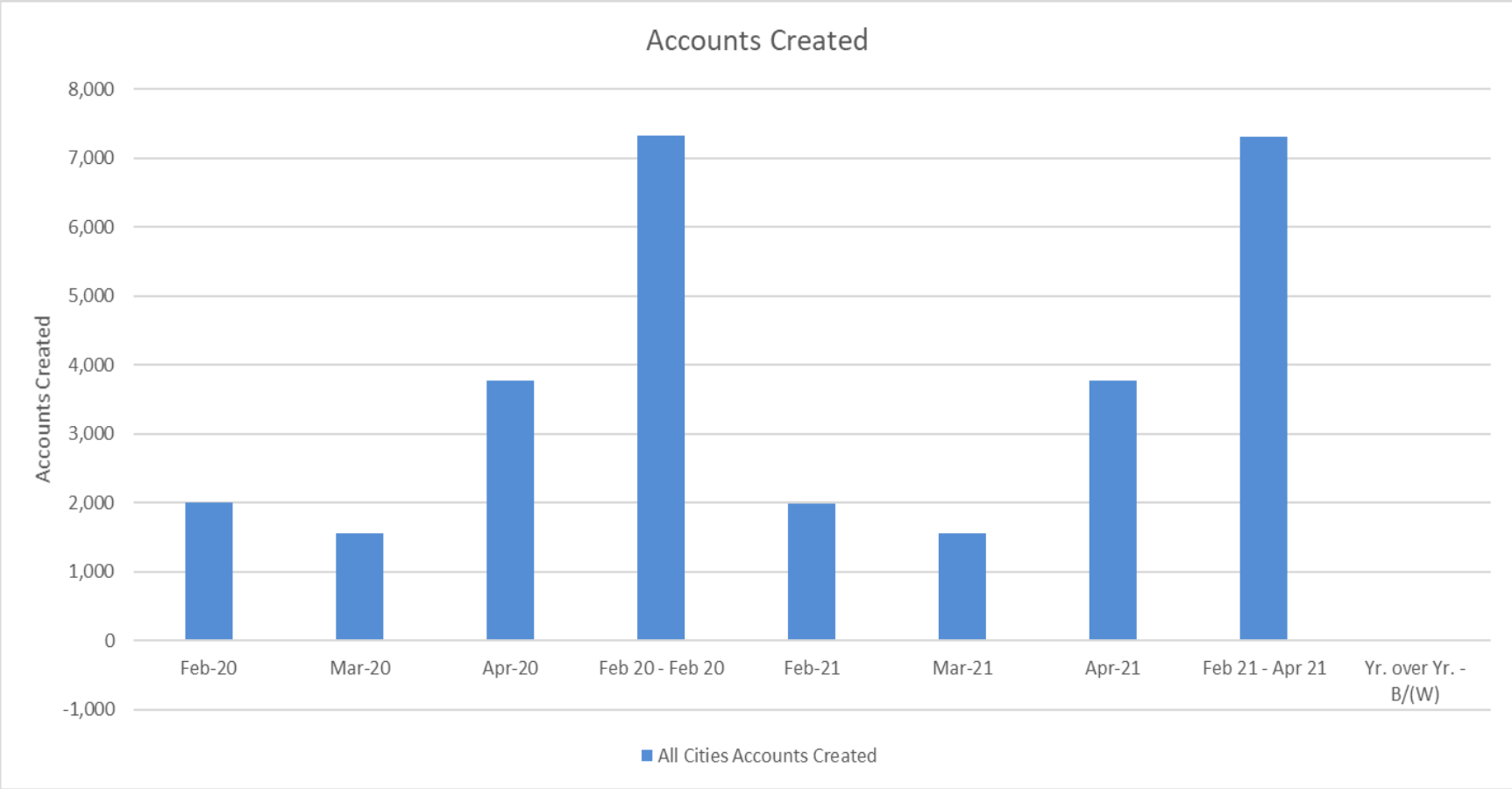
April 2021



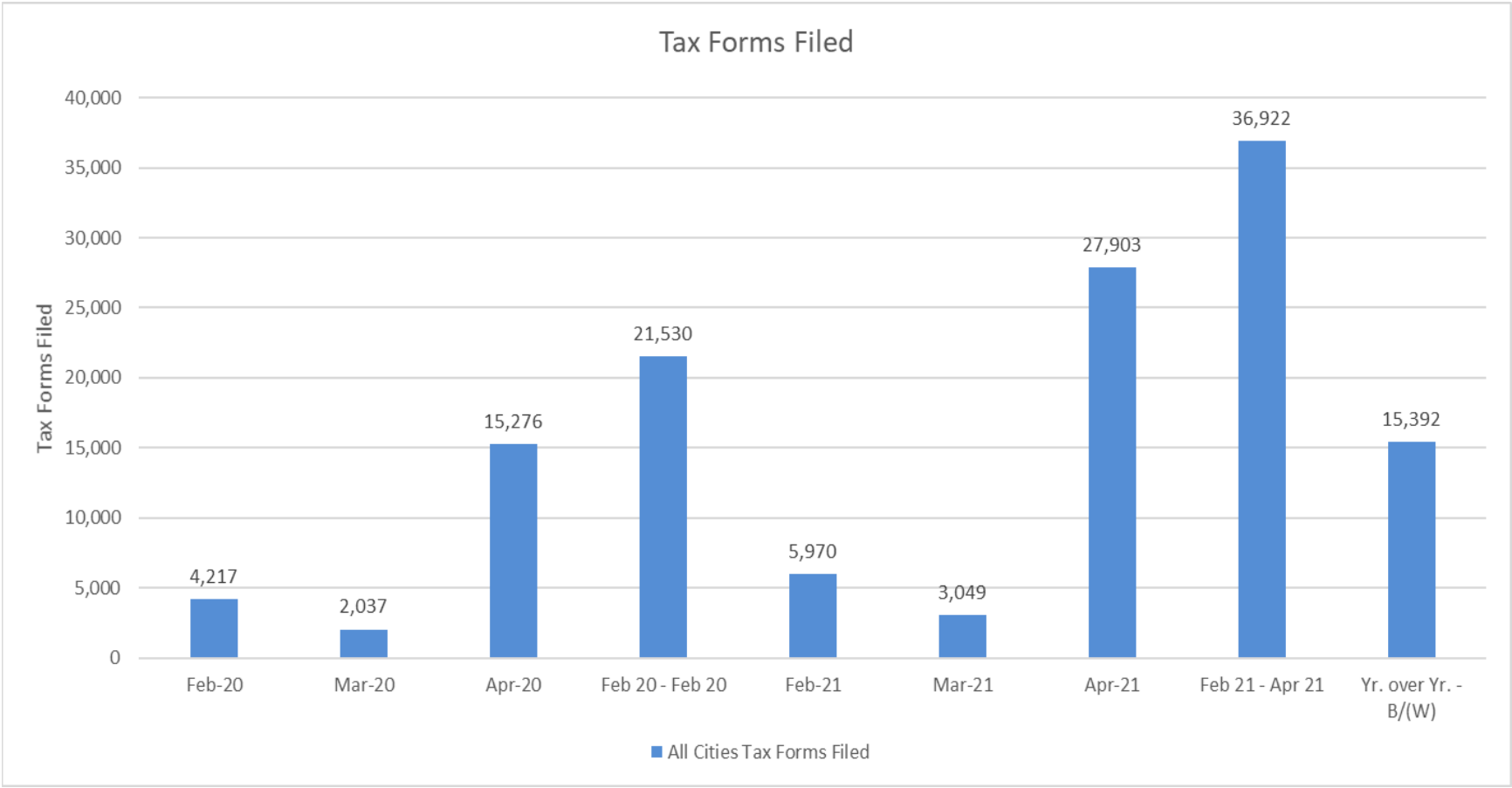
Help Desk Calls by Functional Category	Help desk calls totaled 5,166 for the three months ending April 2021. This is 9.5% of the accounts created and transactions processed which is 3.0% lower than the three months in the prior year. Three items make up 65% of the calls. Licenses (30%), Login Assistance (18%)and Tax Help (17%).



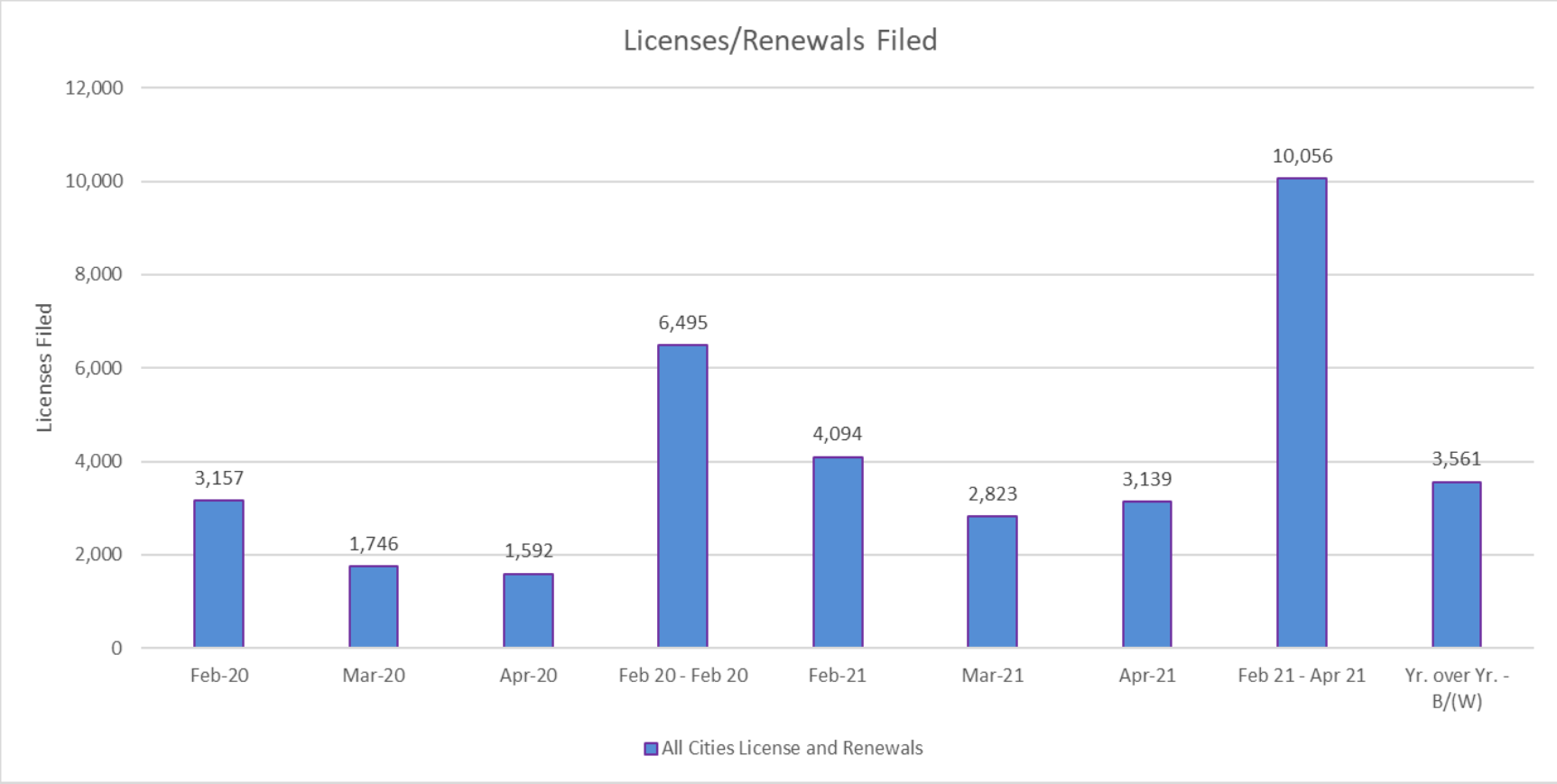
Help Desk Calls by Functional Category	Help desk calls totaled 5,166 for the three months ending April 2021. This is 9.5% of the accounts created and transactions processed which is 3.0% lower than the three months in the prior year. Three items make up 65% of the calls. Licenses (30%), Login Assistance (18%)and Tax Help (17%).



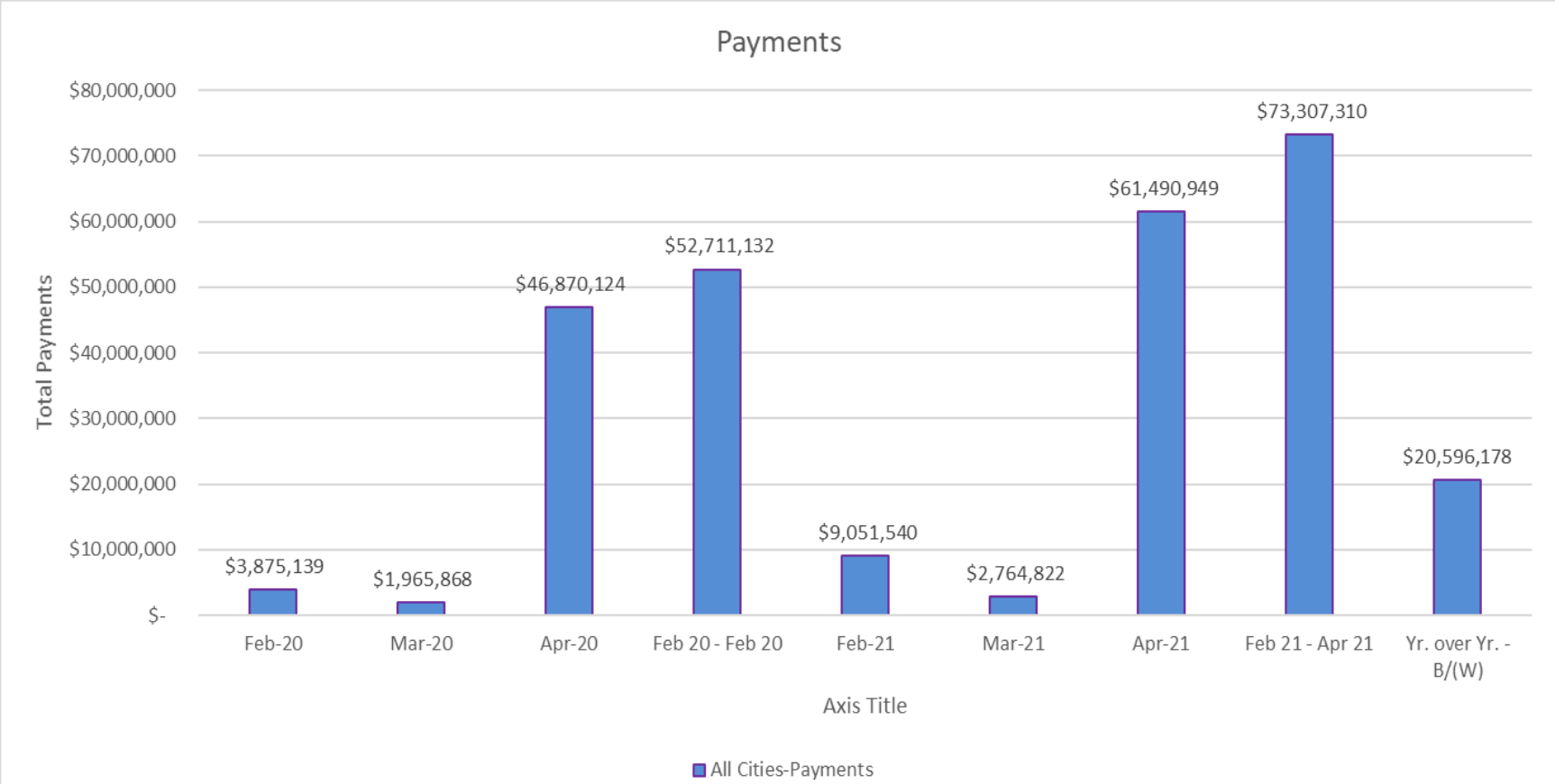
Accounts Created	Accounts created for the 3 months ended April 2021 were 7,306 which is down 21 accounts compared to the same 3 months in the prior year. 5 of the cities were up and 5 cities were down - Bellevue down 267, Bremerton down 38, Des Moines up 99, Everett down 116, Lake Forest Park down 6, Renton up 93, Seattle up 233, Shoreline up 2, Snoqualmie up 80 and Tacoma down 101.



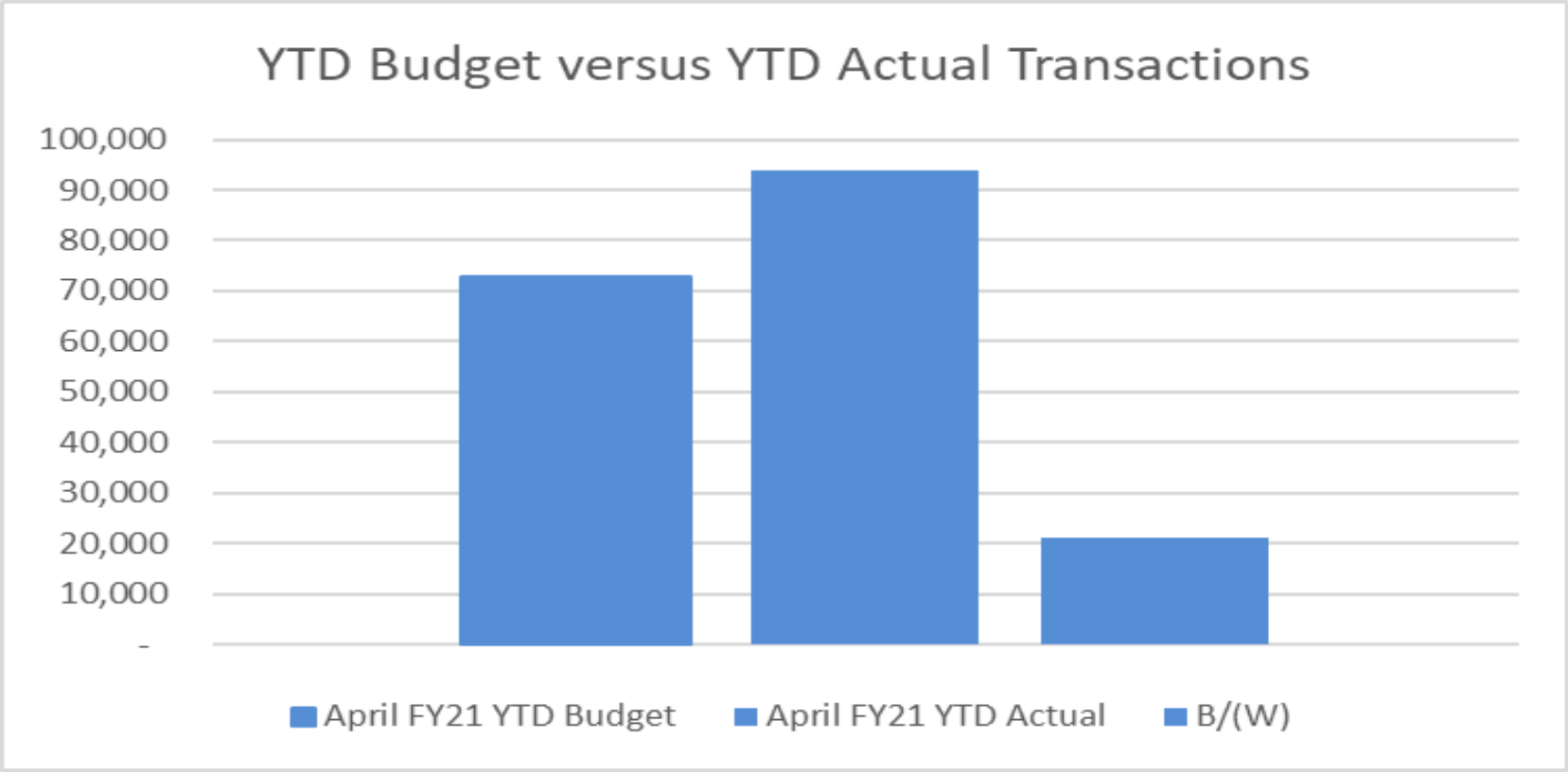
Tax Forms Filed	Tax Forms filed for the 3 months ended April 2021 were 36,922 which is up 15,392 filings compared to the same 3 months from the prior year. All ten cities were up - Bellevue was up 1,327, Bremerton up 45, Des Moines up 312, Everett up 747, Lake Forest Park up 148, Renton up 540, Seattle up 10,503, Shoreline up 93, Snoqualmie up 488 and Tacoma up 1189.



Licenses/Renewals Filed	License/Renewals created for the 3 months ended April 2021 were 10,056 which is up 3,561 filings compared to the same 3 months from the prior year. Nine cities were up and one city was down - Bellevue up 137, Bremerton down 44, Des Moines up 272, Everett up 325, Lake Forest Park up 35, Renton up 618, Seattle up 1,342, Shoreline up 253, Snoqualmie up 89 and Tacoma up 534.



Payments Made by City	Payments made for the 3 months ended April 2021 were $73,307k which is up $20,596k compared to the same 3 months from the prior year. 9 cities were up and 1 city was down. Bellevue up $1,616k Bremerton down $115k, Des Moines up 86k, Everett up $175k, Lake Forest Park up $6k, Renton up $735k, Seattle up $16,239k, Shoreline up $65k, Snoqualmie up $126k and Tacoma up $1,663k.



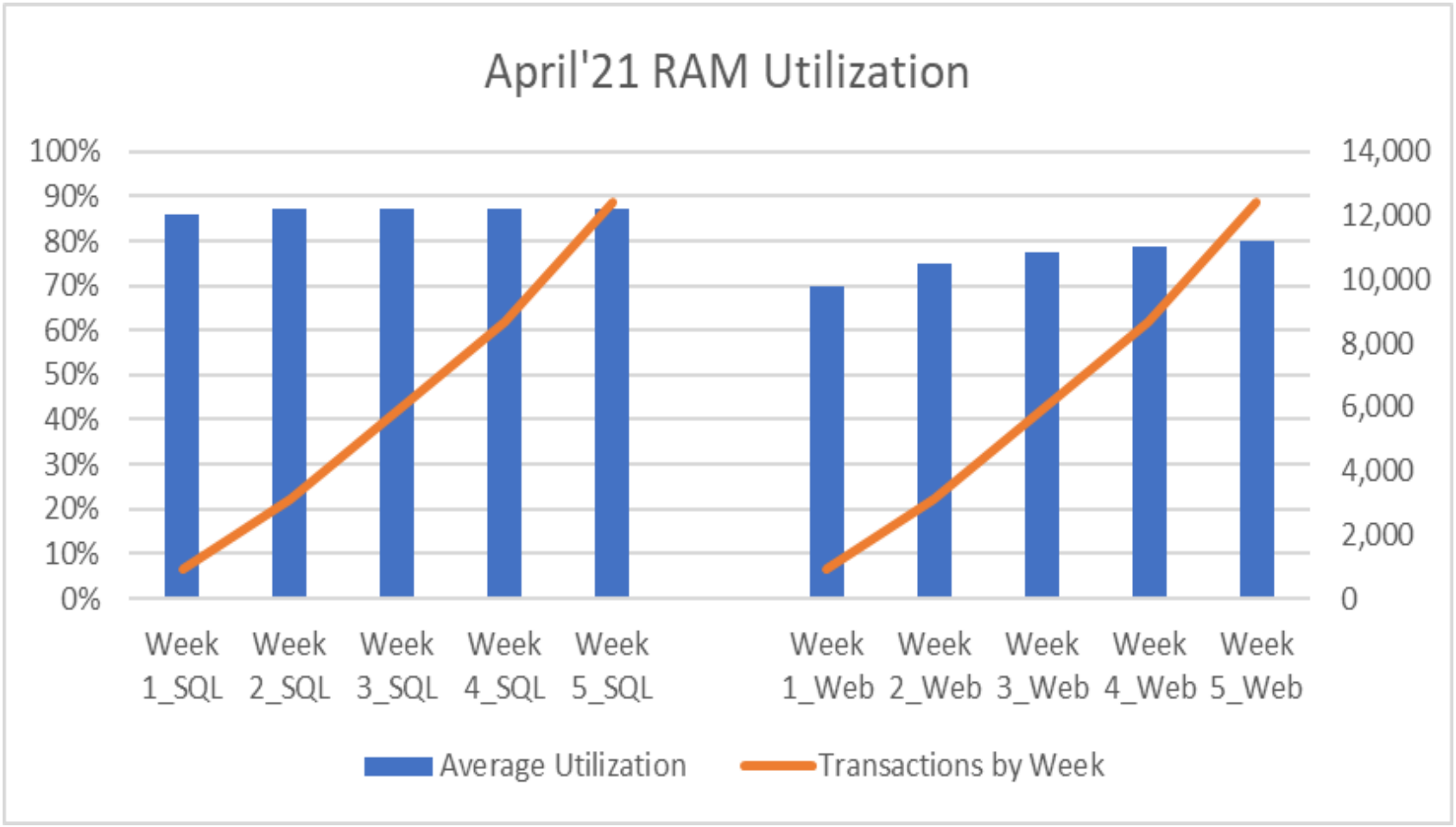
Transactions YTD Budget versus YTD Actual	Transactions FY21 Budget versus Actual is 72,755 (B) compared to 93,736 (A) which is favorable by 20,981 or 29%. This projects to 213,022 which is up 47% from the prior year actuals. Payments are $132,582k YTD and projects to $301,301k.

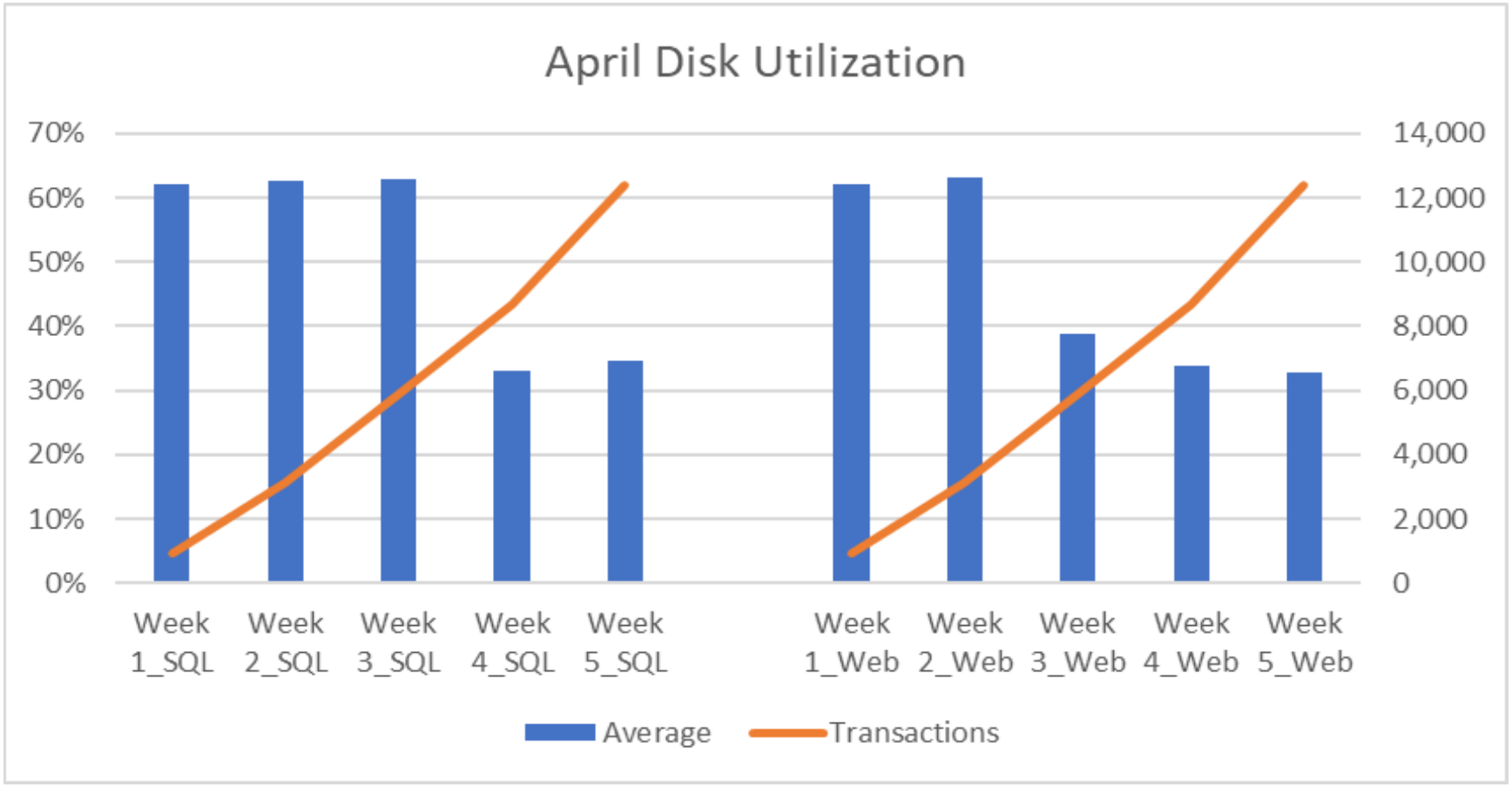
User Account Sign-Up Metrics

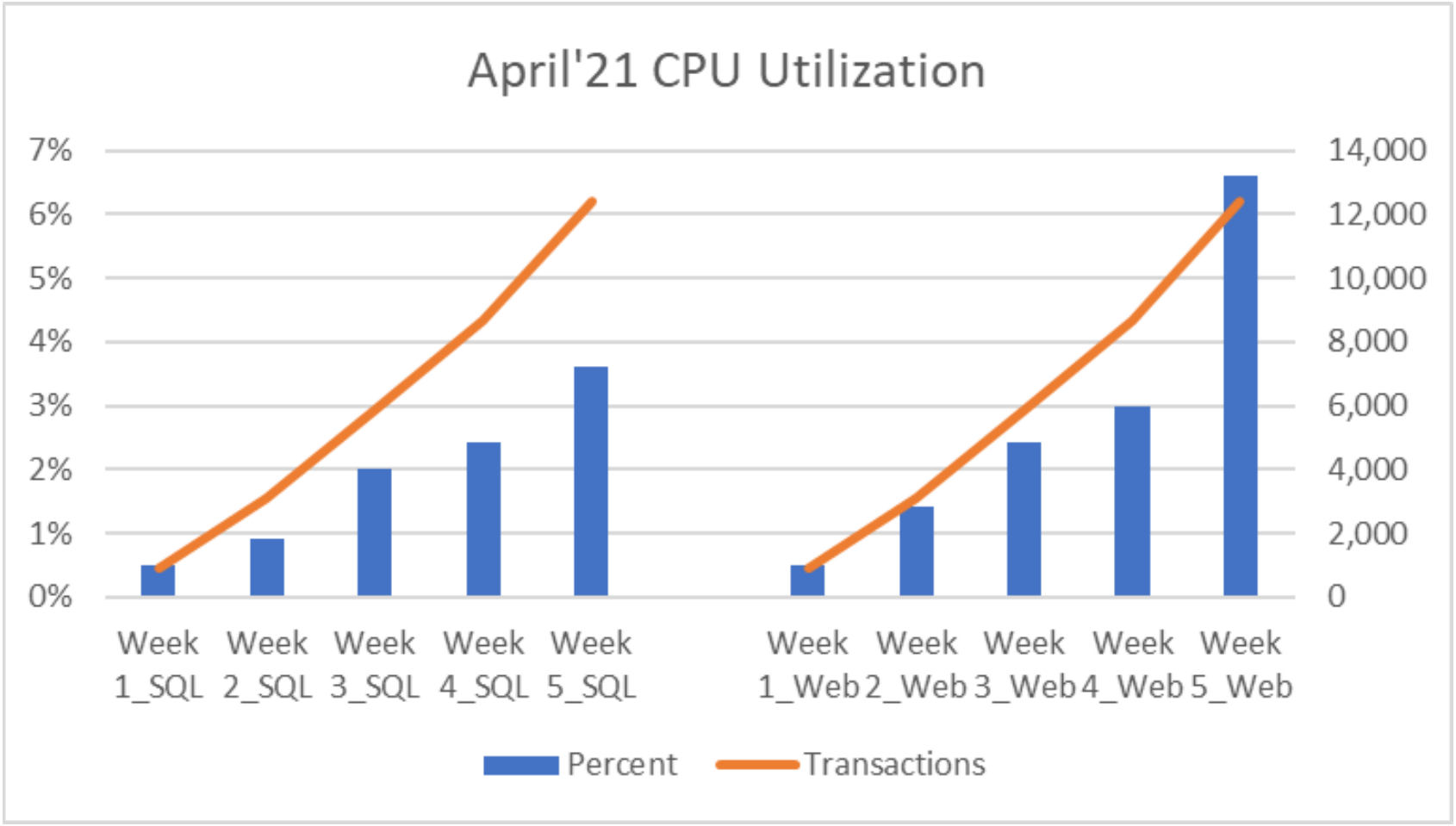
Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Users that completed email validation	5,544	1,766	1,395	3,165	1,242	1,155	1,680	1,015	1,073	1,742	2,028	2,616	3,168	1,799	1,680	2,531
% of users that completed email validation	95%	98%	98%	98%	97%	98%	97%	97%	98%	96%	98%	98%	98%	97%	98%	97%
Users that completed email validation and assigned a license	3,549	1,095	899	2,364	898	796	1,173	722	728	1,220	1,363	1,665	2,116	1,184	1,142	1,678
% of users that completed email validation and assigned a license	64%	62%	64%	75%	72%	69%	70%	71%	68%	70%	67%	64%	67%	66%	68%	66%
Filed a Tax Return for the First Time	1,793	602	459	1,522	485	430	662	332	350	662	649	768	1,246	625	633	1,014

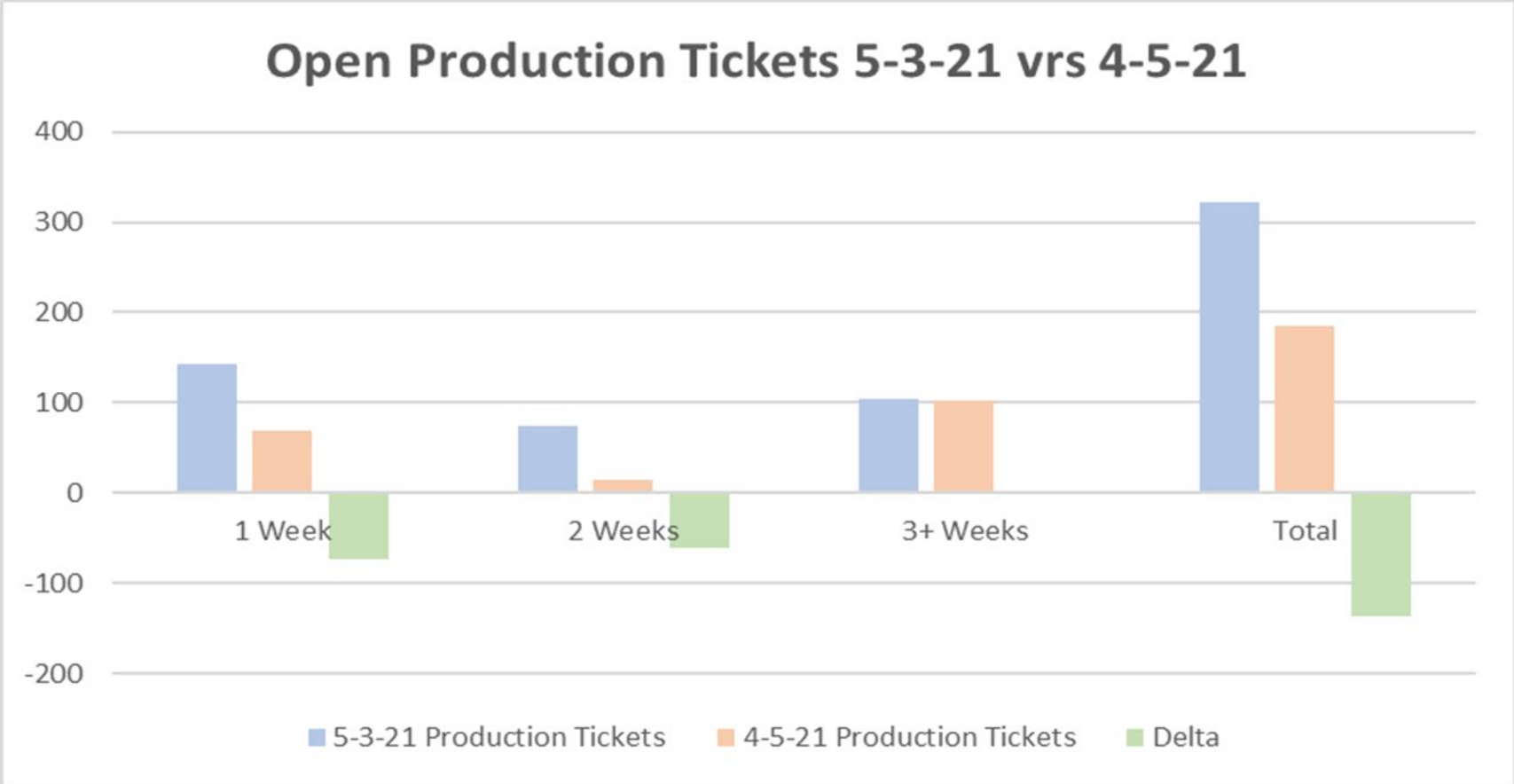
Seattle Import Account Sign-Up Metrics

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Seattle Import Started	166	34	24	139	28	14	36	9	12	42	31	53	70	39	16	58
Seattle Import Completed	142	31	22	132	24	13	34	7	10	37	27	43	66	35	13	52
Seattle - % that started and completed import	86%	91%	92%	95%	86%	93%	94%	78%	83%	88%	87%	81%	94%	90%	81%	90%

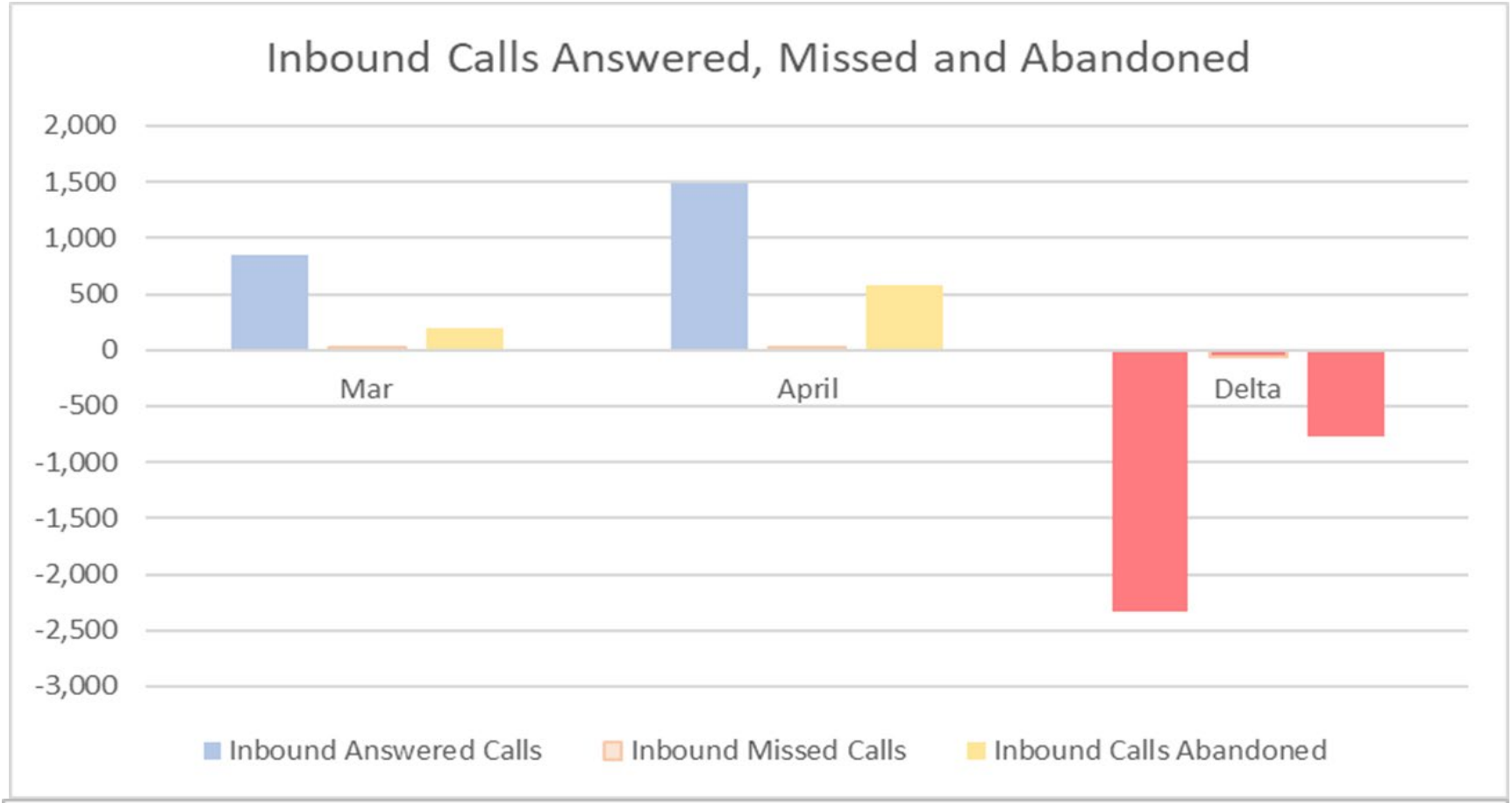

April'21 RAM Utilization
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Week 1_SQL
Week 2_SQL
Week 3_SQL
Week 4_SQL
Week 5_SQL
Week 1_Web
Week 2_Web
Week 3_Web
Week 4_Web
Week 5_Web
Average Utilization
Transactions by Week


April Disk Utilization
70%
60%
50%
40%
30%
20%
10%
0%
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Week 1_SQL
Week 2_SQL
Week 3_SQL
Week 4_SQL
Week 5_SQL
Week 1_Web
Week 2_Web
Week 3_Web
Week 4_Web
Week 5_Web
Average
Transactions

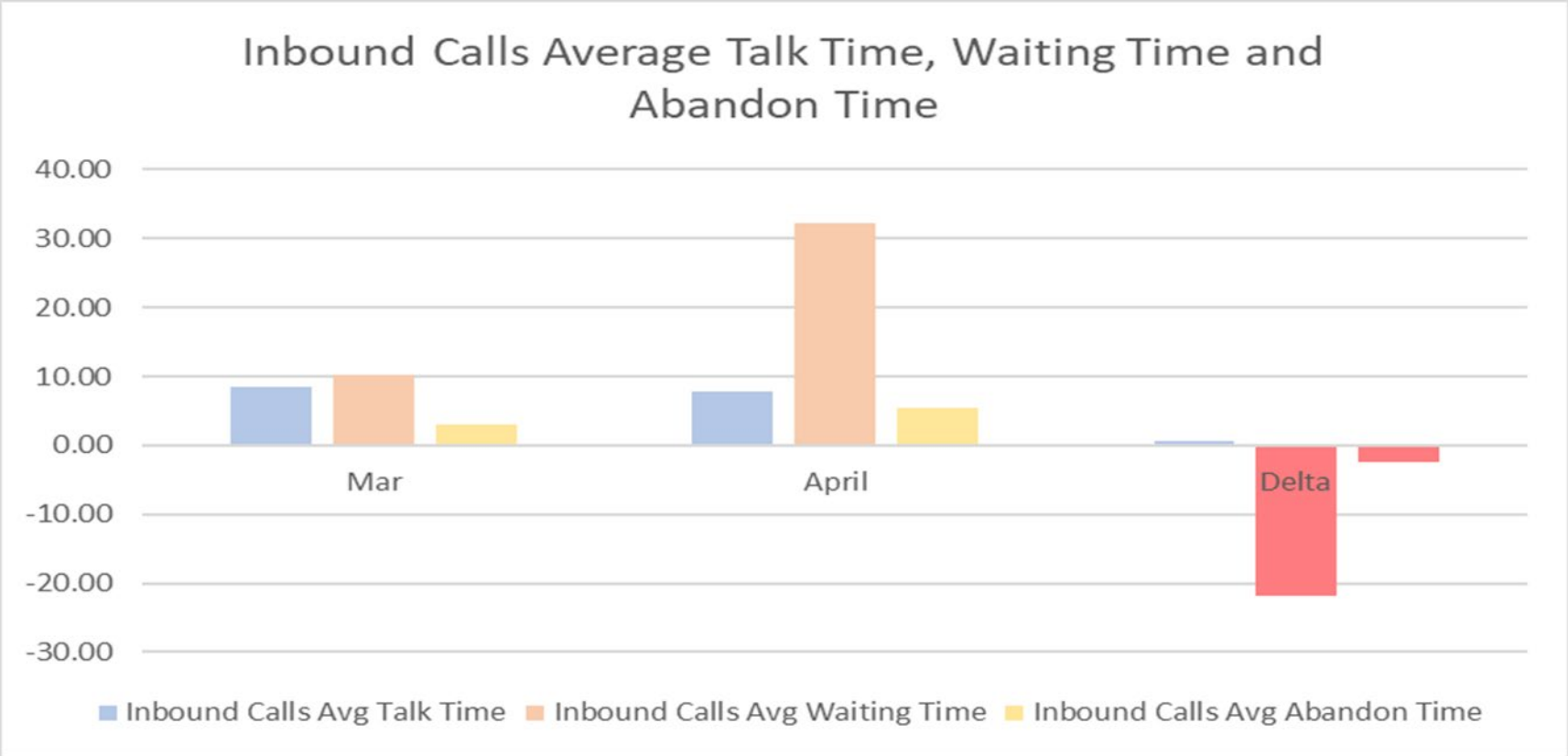

April'21 CPU Utilization
7%
6%
5%
4%
3%
2%
1%
0%
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Week 1_SQL
Week 2_SQL
Week 3_SQL
Week 4_SQL
Week 5_SQL
Week 1_Web
Week 2_Web
Week 3_Web
Week 4_Web
Week 5_Web
Percent
Transactions



Production tickets are up significantly from April to May. The growth in numbers is primarily in the 1 and 2 week buckets but we are seeing a shift in the 3+ week bucket which is concerning. In progress has improved by 23 tickets while the escalated buckets has gotten worse by 37 tickets. Avenu has assigned two full-time programmers to address the escalated ticket bucket so this should improve in the near future.



Inbound calls answered, missed and abandoned almost doubled in April versus March. This is materially lower than the number of transactions (~31k versus ~6k) and as a percent of accounts created and tax forms filed (6.2% versus 16.8%).



Inbound calls average talk time decreased April versus March.

Inbound average waiting time (~21.92) and call abandoned time (~2.38) materially increased in April versus March. Avenu believes two things led to the increases. Inefficientcies related to the telephone routing system and call center employee turnover.

-Avenu will be replacing the call routing software in the next quarter.
-2nd tier hiring is complete.

Annual Financial Statements 2020

May 2021

FRANCIS & COMPANY PLLC

Washington Multi-City Business Licenses and Tax Portal Agency

Financial Statements for the Year Ended December 31, 2020

FRANCIS & COMPANY PLLC

ACCOUNTANT'S COMPILATION REPORT

Washington Multi-City Business Licenses and Tax Portal Agency
Seattle, Washington

Management is responsible for the accompanying financial statements of Washington Multi-City Business Licenses and Tax Portal Agency (a public agency formed as a nonprofit corporation), which comprise the statement of net position as of December 31, 2020, and the related statements of revenues, expenses and changes in fund net position and of cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 3 be presented to supplement the basic financial statements. Such information, 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. This information is the responsibility of management. The required supplementary information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to Washington Multi-City Business Licenses and Tax Portal Agency.

Seattle, Washington
May 7, 2021

WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) presents a narrative overview and analysis of the financial activities of the Washington Multi-City Business Licenses and Tax Portal Agency (FileLocal) for the fiscal year ended December 31, 2020. As this information is presented in summary form, it should be read in conjunction with the financial statements and footnotes as a whole.

FileLocal is a public agency formed as a nonprofit corporation on March 1, 2014 as authorized by the state Interlocal Cooperation Act (Ch. 39.34.RCW) and Chapter 24.06 RCW. FileLocal's primary purpose is to offer a web-based service that will make it easier for businesses to obtain business licenses and pay local licenses and taxes to its member cities. In 2014, the cities of Bellevue, Everett, Seattle and Tacoma came together to form FileLocal. The four founding cities are the "Principals" and have representation on the Executive Board which governs FileLocal. Additional Washington cities may apply to join FileLocal, either as a principal or as a subscriber. Principals have voting rights on the Executive Board; Subscribers have nonvoting representation on the Executive Board. In 2017, City of Lake Forest Park joined FileLocal as a principal member. In 2018, City of Renton joined Filelocal as a principal member while cities of Shoreline and Bremerton joined FileLocal as subscribers. In 2020, the cities of Des Moines and Snoqualmie joined FileLocal as subscribers. FileLocal is treated as a quasi-government entity and prepares its annual financial statements in accordance with the Governmental Accounting Standards.

Financial Highlights

- In 2020, ten cities contributed a total of $839,331 to Filelocal.
- As of December 31, 2020, FileLocal reported a total net position of $858,161, all of which was unrestricted.

Overview of the Financial Statements

FileLocal is considered a stand-alone enterprise fund, and the financial statements are presented using the economic resource measurement focus and accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recognized in the period in which they are incurred.

The Statement of Net Position presents information about all of FileLocal's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. When net position is compared for several years, increases and decreases may serve as a useful indicator of whether FileLocal's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information on how FileLocal's net position changed during the year. All changes in net position are reported as soon as the event occurs, regardless of the timing of related cash flows.

The Statement of Cash Flows presents information on FileLocal's cash receipts, cash payments, and changes in cash during the year.

The basic financial statements can be found following this MD&A.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found following the basic financial statements.

Condensed Statement of Net Position

	2020	2019
Current and other assets	$ 998,807	$ 686,524
Total assets	998,807	686,524
Deferred outflows of resources	-	-
Other liabilities	140,646	187,282
Total liabilities	140,646	187,282
Deferred inflows of resources	-	-
Unrestricted	858,161	499,242
Total net position	$ 858,161	$ 499,242

Financial Analysis

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

	2020	2019
User fees	$ 437,628	$ 350,568
Reimbursable costs	860,331	811,216
Investment income	589	-
Total revenue	1,298,548	1,161,784
Technology costs	212,154	438,092
Contract labor costs	418,788	398,257
Transaction fees	217,541	173,250
Accounting fees	45,561	54,010
Capital recovery payment	21,000	18,000
Insurance	5,459	5,196
Legal fees	13,133	7,237
Other operating costs	5,993	19,421
Total expenses	939,629	1,113,463
Change in net position	358,919	48,321
Ending net position	$ 858,161	$ 499,242

The Statement of Net Position represents assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Current and other assets were $998,807 at December 31, 2020, increased by $312,283, primarily due to the increase in cash from revenue generated during the year. The amount of net position is the total assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and over time may serve as a useful indicator of FileLocal's financial position. The total net position as of December 31, 2020 was $858,161, which was an increase of $358,919 from the previous year. The increase in net

position reflects FileLocal's ability to meet current and future obligations in the course of its activities.

Filelocal began operations in July 2015. The user fees in 2020 were $437,628, increased by $87,060 or 25% from the previous year. The continuing increase in user fees demonstrates the improved stability of the business resulting from both the growth of the existing member cities and the addition of new member cities joining FileLocal. Filelocal received $860,331 of cost reimbursement from the ten participating cities in 2020, an increase of $49,115 from the prior year. As user fee revenue increases, the need for cost reimbursement support from participating cities is expected to decrease.

Total expenditures decreased $173,834, primarily due to a $225,939 decrease in technology costs. Transaction fees increased by $44,291 in 2020 as a result of higher user volume. There was a decrease of $13,429 in other operating costs.

The change in the total net position resulted from revenues exceeding expenses. The overall financial position of FileLocal has improved in 2020 and indicated its ability to meet its ongoing obligations.

Request for Information

This financial report is designed to provide a general overview of FileLocal's finances for all those with an interest in FileLocal's finances. Questions concerning any information provided in this report should be addressed to: FileLocal, 700 Fifth Avenue, Suite 4350 PO Box 94669, Seattle, Washington 98124-4669.

Statement of Net Position

WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS		
CURRENT ASSETS		
Cash	$	207,997
Due from other governments		71,194
Short-term investments		714,341
Prepaid		5,275
Total current assets	$	998,807
TOTAL ASSETS		**998,807**
DEFERRED OUTFLOWS OF RESOURCES	**$**	**-**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$	131,113
Accrued liabilities		9,533
Total current liabilities		140,646
TOTAL LIABILITIES	**$**	**140,646**
DEFERRED INFLOWS OF RESOURCES	**$**	**-**
NET POSITION		
Unrestricted	$	858,161
TOTAL NET POSITION	**$**	**858,161**

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

Statement of Revenues, Expenses, and Changes in Fund Net Position

WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES		
User fees	$	437,628
Total operating revenues		437,628
OPERATING EXPENSES		
Technology costs		212,154
Contract labor costs		418,788
Transaction fees		217,541
Accounting fees		45,561
Agency IT Costs		-
Capital recovery payment		21,000
Insurance		5,459
Legal fees		13,133
Other operating costs		5,993
Total operating expenses		939,629
Operating (loss)		(502,001)
NONOPERATING REVENUES (EXPENSES)		
Reimbursable costs		839,331
Capital Cost Recovery charges		21,000
Investment income, net of investment expenses		589
Total non-operating revenues (expenses)		860,920
CHANGE IN NET POSITION		**358,919**
NET POSITION - BEGINNING OF YEAR		**499,242**
NET POSITION - ENDING OF YEAR	**$**	**858,161**

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

Statement of Cash Flows

WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	$	(963,148)
User fees		445,232
Net cash (used) by operating activities		(517,916)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITES		
Reimbursable costs		839,331
Capital Cost Recovery charges		21,000
Net cash provided by non-capital financing activities		860,331
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Investment income, net of investment expenses		589
Net cash provided by capital and related financing activities		589
CASH FLOWS FROM INVESTING ACTITIVITES		
Net cash provided by investing activities		-
NET (DECREASE) IN CASH		343,004
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		579,334
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$	922,338
Reconciliation of Operating Loss to Net Cash Flows (Used) By Operating Activities		
Operating (loss)	$	(502,001)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities		
Decrease in receivable		7,604
(Increase) in due from other governments		28,096
Decrease in prepaid		(4,980)
(Decrease) in accounts payable		79,633
Increase in accrued liabilities		(126,268)
Net cash (used) by operating activities	$	(517,916)

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

Notes to the Financial Statements

WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Washington Multi-City Business Licenses and Tax Portal Agency (FileLocal) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

Reporting Entity

As authorized under the state InterLocal Cooperation Act (Ch.39.34.RCW) and Chapter 24.06 RCW, the Washington Multi-City Business and Tax Portal Agency (FileLocal) was established on March 1, 2014 and began offering its services to businesses in July 2015. FileLocal is an instrumentality of its member cities, formed to carry out exclusively governmental activities to offer a web-based service that will make it easier for businesses to obtain business licenses and pay local licenses and taxes to its member cities. There are four founding cities: Bellevue, Everett, Seattle, and Tacoma. In 2017, City of Lake Forest Park joined FileLocal as the fifth founding city. In 2018, cities of Shoreline, Renton and Bremerton jointed FileLocal as members. In 2020, the cities of Des Moines and Snoqualmie joined FileLocal as members. During 2020, the Executive Board from the five founding cities was the primary governing body of FileLocal. FileLocal did not have any component units as of December 31, 2020.

Basis of Accounting and Reporting

FileLocal is considered a single enterprise fund which is accounted for on an economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with its activities are included on the statement of net position. Net position is reported in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Statement of revenues, expenses, and fund net position presents increases (revenues and gains) and decreases (expenses and losses) in net position. FileLocal discloses changes in cash flows by a separate statement that presents its operating, noncapital financing, capital and related financing, and investing activities.

FileLocal uses the full accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred.

FileLocal distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services in connection with the FileLocal's principal ongoing operations. The operating expenses include contract labor cost, professional fees, office supplies and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

GASB Statement No. 87, *Leases*. This new GASB statement establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. It is effective for reporting periods beginning after December 15, 2020. FileLocal is currently evaluating the impact of this new GASB statement.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This new GASB statement establishes accounting requirements for interest cost incurred before the end of a construction period. It is effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. FileLocal is currently evaluating of the impact of this new GASB statement.

GASB Statement No. 91, Conduit Debt Obligations. This new GASB statement defines conduit debt obligation and requires issuers to disclose information about the conduit debt obligations organized by type of commitment and improve comparability by removing the diversity in current practice. This statement also includes note disclosures that help inform users of the potential impact of commitments on financial resources. It is effective for reporting beginning after December 15, 2020. Earlier application is encouraged. FileLocal is currently evaluating of the impact of this new GASB statement.

Budgetary Information

Annual budget is adopted by FileLocal on the accrual basis of accounting. Any revisions that alter the total budgeted expenses that would require modifications on reimbursable costs from member cities must be approved by the Executive Board.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 3 - CASH

FileLocal maintains all of its cash balance in one financial institution which is covered by Federal Deposit Insurance (FDIC) up to $250,000. As of December 31, 2020, the bank statement balance was $235,021.

NOTE 4 - ACCOUNTS RECEIVABLE

Customer accounts receivable consist of amounts owned from individuals or organizations for tax portal services, including amounts paid but in transit from

merchant service companies. As of December 31, 2020 the accounts receivable balance was 0.

NOTE 5 - RISK MANAGEMENT

FileLocal is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, natural disasters, etc.

Filelocal is a member of the Washington Cities Insurance Authority (WCIA) and manages the risks through its participation in a risk pool provided by WCIA.

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has approximately 161 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are $4 million per occurrence self-insured layer, and $16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are $20 million per occurrence subject to aggregate sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

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

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

NOTE 5 - RISK MANAGEMENT (continued)

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

NOTE 6 - RELATED PARTY

During 2020, FileLocal had 10 participating cities and each city was required to reimburse operating costs in excess of user fees received, based on the methodologies defined in the Inter-local Government Agreement. A total contribution of $839,331 was made by these participating cities in 2020. In addition, FileLocal pays certain technology costs on behalf of these participating cities and is reimbursed by the cities. There was an outstanding balance of $71,194 due from the cities as of December 31, 2020.

City of Seattle provides labor and technology services to Filelocal and these costs are billed to FileLocal for reimbursement. During 2020, City of Seattle charged total contract labor cost and technology services of $437,501 to FileLocal. An outstanding balance of $108,176 was payable to City of Seattle as of December 31, 2020, which is included in accounts payable in the accompanying statement of net position.

New Cities Update

May 2021

Kent – on track for Q2'2021 launch.

Bremerton - going with the State Licensing System effective end of Q2'2021.

Vendor Warrant List

May 2021

FileLocal
Quarterly Warrant List
3/31/2021

Vendor Name	Payment for Current Quarter	Payments Year-To-Date
Association of Washington Cities	300.00	300.00
City of Seattle Treasury Dept	108,175.59	108,175.59
e.Gov Systems	324,667.25	324,667.25
Francis & Company	1,736.25	1,736.25
Kevin Fitzpatrick	400.00	400.00
Leviathan	1,775.00	1,775.00
Madrona Law Group, PLLC	900.00	900.00