FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

Executive Board:

Jamie Thomas
City of Auburn

Jamie Robinson
City of Bellevue

Jeff Friend
City of Des Moines

Heide Brillantes
City of Everett

Paula Painter
City of Kent, Chair

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Jamie Carnell, Vice-Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Agenda

June 6, 2024

700 5TH AVE, ROOM 4096
SEATTLE, WA
TEAMS CONFERENCE CALL

1. **CALL TO ORDER**
   a. Roll Call

2. **PUBLIC COMMENT***

3. **APPROVAL OF 05-06-2024 AND 03-21-2024 MEETING SUMMARIES**
   a. 05-06-2024 Special Meeting Summary
   b. 03-21-2024 Meeting Summary

4. **REVIEW OF APRIL 2024 AND MARCH 2024 FINANCIAL STATEMENTS**
   a. April 2024 Financial Statements
   b. March 2024 Financial Statements

5. **ACTION ITEMS**
   a. Resolution **FL2024-03 Draft Budget 2025-2029** (Supermajority Vote)
      i. Briefing Paper: **FL2024-03**
      ii. Resolution: **FL2024-03**
      iii. Attachment A: **Draft Budget 2025-2029**
   b. Resolution **FL2024-04 Tamazari Contract Amendment** (Majority Vote)
      i. Briefing Paper: **FL2024-04**
      ii. Resolution: **FL2024-04**
      iii. Attachment A:**Tamazari Contract Amendment**
   c. Resolution **FL2024-05 Leviathan Contract Amendment** (Majority Vote)
      i. Briefing Paper: **FL2024-05**
      ii. Resolution: **FL2024-05**
      iii. Attachment A: **Leviathan Contract Amendment**
   d. Resolution **FL2024-06 Inslee Best Doezie & Ryder Contract Amendment** (Majority Vote)
      i. Briefing Paper: **FL2024-05**
      ii. Resolution: **FL2024-05**
      iii. Attachment A: **Inslee Best Doezie & Ryder Contract Amendment**

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

6. DISCUSSION ITEMS

a. Operational Performance Report
b. 2023 Annual Financial Statements
c. Vendor warrants

7. ADJOURNMENT

FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

Executive Board:

Jamie Thomas
City of Auburn

Jamie Robinson
City of Bellevue

Jeff Friend
City of Des Moines

Heidi Brillantes
City of Everett

Paula Painter, Chair
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Jamie Carnell, Vice Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Summary

May 6, 2024

700 5TH AVE, ROOM 4080
TEAMS CONFERENCE CALL
SEATTLE, WA

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

Standing Items

1. CALL TO ORDER

The 05-06-24 special meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 1:02 p.m. and conducted by Teams meeting.

ROLL CALL

Board Members Present: Jamie Robinson (phone), Jeff Friend (phone), Heidi Brillantes(phone), Molly Bartlemay for Paula Painter (phone), Kari Roller (phone), Jamie Carnell (phone), and Andy Cherullo (phone)

Staff and Guests: Scott Hitchcock (phone), Julie Panick (phone) and David Linehan (phone)

2. PUBLIC COMMENT

There were no public comments.

3. ACTION ITEMS

A. Resolution FL2024-02 Admission City of Poulsbo

a. Scott Hitchcock reviewed the resolution.

i. Motion to accept: Andy Cherullo
ii. Motion seconded: Kari Roller
Supermajority vote: passed

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VOTE FL2024-02	City	Member
	Auburn	Jamie Thomas (absent)
YES	Bellevue	Jamie Robinson
YES	Des Moines	Jeff Friend
YES	Everett	Heidi Brillantes
YES	Kent	Molly Bartlemay for Paula Painter
	Lake Forest Park	Lindsey Vaughn (absent)
YES	Renton	Kari Roller
YES	Seattle	Jamie Carnell
YES	Tacoma	Andy Cherullo

4. ADJOURNMENT

On a motion made by Andy Cherullo and seconded by Kari Roller, the meeting of the Executive Board adjourned at 1:17 p.m.

Respectfully submitted,

Julie Panick
Secretary, FileLocal

FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

Executive Board:

Jamie Thomas
City of Auburn

Jamie Robinson
City of Bellevue

Jeff Friend
City of Des Moines

Susy Haugen, Vice-Chair
City of Everett

Paula Painter
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Jamie Carnell
City of Seattle

Andy Cherullo, Chair
City of Tacoma

Executive Board Meeting Summary

March 21, 2024

700 5TH AVE, ROOM 4096
TEAMS CONFERENCE CALL
SEATTLE, WA

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

Standing Items

1. CALL TO ORDER

The 03-21-24 meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:03 a.m. and conducted by Teams meeting.

ROLL CALL

Board Members Present: Jamie Robinson (phone), Jeff Friend (phone), Susy Haugen (phone), Paula Painter (phone), Kari Roller (phone), Jamie Carnell (phone), and Andy Cherullo (phone)

Staff and Guests: Scott Hitchcock (phone), Julie Panick (phone) David Linehan (phone), and Horace Francis (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Kari Roller and seconded by Susy Haugen, the board approved the 12-14-2023 meeting summary.

4. REVIEW OF FINANCIAL STATEMENTS

Scott Hitchcock summarized the February 2024 financial statements and cash status. There were no questions or comments.

5. ACTION ITEMS

A. Resolution FL2024-01 Election of Officers 2024-2026

a. Scott Hitchcock reviewed the resolution.

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i. Motion to accept: Susy Haugen
ii. Motion seconded: Paula Painter
iii. Majority vote: passed

VOTE FL2024-01	City	Member
	Auburn	Jamie Thomas (absent)
YES	Bellevue	Jamie Robinson
YES	Des Moines	Jeff Friend
YES	Everett	Susy Haugen
YES	Kent	Paula Painter
	Lake Forest Park	Lindsey Vaughn (absent)
YES	Renton	Kari Roller
YES	Seattle	Jamie Carnell
YES	Tacoma	Andy Cherullo

6. DISCUSSION ITEMS:

A. Operational Performance Report

Scott Hitchcock reviewed the Operational Performance Report (previously titled Monthly Business Review). Scott is working with the Operating Committee on changes to the report content. There were no questions or comments.

B. Draft Budget 2025-2029

Scott Hitchcock briefly reviewed the draft budget for 2025-2029 included in the meeting package for board members to review before the Resolution vote at the June meeting. User fees collected in 2023 were lower than projected. The growth rate for User Fees was projected at 10% for 2023 and the actual was closer to 3%. The Operating Reserves has been increased from 15% to 25% which covers roughly 3 months of FileLocal operating expenses.

C. Vendor Warrant List

Scott Hitchcock reviewed the 4th Quarter Vendor Warrant List. There were no questions or comments.

7. ADJOURNMENT

On a motion made by Jamie Carnell and seconded by Paula Painter, the meeting of the Executive Board adjourned at 11:40 a.m.

Respectfully submitted,

Julie Panick
Secretary, FileLocal

3. **OPERATIONAL UPDATES**
   A. Operational Performance Report
   B. Annual Financial Statement 2023
   C. Vendor Warrants

4. **NEXT STEPS/MEETING AGENDA/KEY DATES**
   A. Executive Board Meeting, June 6, 2024

5. **ADJOURNMENT**

Your one stop for local business licensing and tax filing

Finance Statements – April 2024

FileLocal

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

FileLocal
Financial Statements
April 30, 2024

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FileLocal
Statements of Financial Position
April 30, 2024

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 191,820	$ 135,176	$ 56,644
Short term investments	2,256,710	2,343,589	(86,879)
Accounts receivable	28,204	4,904	23,300
Due from other governments	68,409	68,409	-
Prepaid	-	-	-
Total current assets	2,545,143	2,552,078	(6,935)
TOTAL ASSETS	**2,545,143**	**2,552,078**	**(6,935)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	139,351	87,500	51,851
Accrued expenses	68,723	91,929	(23,206)
Credit card payable	-	-	-
Total current liabilities	208,074	179,429	28,645
TOTAL LIABILITIES	**208,074**	**179,429**	**28,645**
NET ASSETS			
Capital reserve	385,726	385,726	-
Fund carryover reserve	991,192	1,002,772	(11,580)
Operating reserve	291,825	291,825	-
Platform replacement reserve	668,326	692,326	(24,000)
TOTAL NET ASSETS	**2,337,069**	**2,372,649**	**(35,580)**
TOTAL LIABILITIES AND NET ASSETS	**$2,545,143**	**$2,552,078**	**$ (6,935)**
	-	-	-

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
Statements of Activities
April 30, 2024

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 111,576	$ 26,436	$ 30,228
Total revenues		**111,576**	**26,436**	**30,228**
OPERATING EXPENSES				
Contract labor	1	40,945	40,658	42,023
Contracts	2	4,500	12,651	2,624
Overhead	3	335	2,097	368
Technology costs	4	111,500	92,500	87,500
Total operating expenses		**157,280**	**147,906**	**132,515**
NET OPERATING SURPLUS/DEFICIT		**(45,704)**	**(121,470)**	**(102,287)**
OTHER REVENUE				
Investment income	5	10,124	10,027	8,093
Reimbursable costs	6	-	-	-
Total Other Revenue		**10,124**	**10,027**	**8,093**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(35,580)	(111,443)	(94,194)
Total Other Expenditures		**(35,580)**	**(111,443)**	**(94,194)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual
April 30, 2024

	Sch	Budget 2024	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,749	$ 375,607	$ 349,808	$ (25,799)
Total revenues		**791,749**	**375,607**	**349,808**	**(25,799)**
OPERATING EXPENSES					
Contract labor	1	484,120	161,373	163,970	(2,597)
Contracts	2	70,659	29,159	25,069	4,090
Overhead	3	41,023	23,272	7,227	16,045
Technology costs	4	1,349,584	436,527	379,000	57,527
Total operating expenses		**1,945,386**	**650,331**	**575,266**	**75,065**
NET OPERATING SURPLUS/DEFICIT		**(1,153,637)**	**(274,724)**	**(225,458)**	**49,266**
OTHER REVENUE					
Investment income	5	(112)	(38)	35,313	35,351
Reimbursable costs	6	812,793	812,793	812,793	-
Total Other Revenue		**812,681**	**812,755**	**848,106**	**35,351**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(75,272)	538,031	622,648	(84,617)
Total Other Expenditures		**(75,272)**	**538,031**	**622,648**	**(84,617)**
CHANGE IN NET ASSETS		**$ (265,684)**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
April 30, 2024

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 201,600	$ 67,200	$ 69,195	$ (1,995)
Contract labor - Seattle	282,520	94,173	94,775	(602)
1. Contract labor	**484,120**	**161,373**	**163,970**	**(2,597)**
Accounting fees	65,000	23,500	19,775	3,725
Bank fees	364	364	125	239
Insurance	5,295	5,295	5,169	126
State Auditor fees	-	-	-	-
2. Contracts	**70,659**	**29,159**	**25,069**	**4,090**
Agency IT costs	12,802	12,802	3,589	9,213
Legal fees	22,802	7,601	2,801	4,800
License and membership fees	1,761	1,761	300	1,461
Meals and entertainment	1,332	333	-	333
Office and operating supplies	620	206	537	(331)
Travel expense	1,706	569	-	569
3. Overhead	**41,023**	**23,272**	**7,227**	**16,045**
Platform replacement	100,000	20,000	29,000	(9,000)
Project management	85,000	28,333	-	28,333
SAAS fees	1,050,000	350,000	350,000	-
Software development	100,000	33,333	-	33,333
Software development recovery	-	-	-	-
Web security	14,584	4,861	-	4,861
4. Technology costs	**1,349,584**	**436,527**	**379,000**	**57,527**
Interest income	-	-	35,350	35,350
Investment expense	(112)	(37)	(39)	(2)
5. Investment income	**(112)**	**(37)**	**35,311**	**35,348**
Reimbursable costs - Auburn	10,978	10,978	10,978	-
Reimbursable costs - Bellevue	74,716	74,716	74,716	-
Reimbursable costs - Des Moines	7,192	7,192	7,192	-
Reimbursable costs - Everett	34,769	34,769	34,769	-
Reimbursable costs - Kent	10,234	10,234	10,234	-
Reimbursable costs - Lake Forest Park	6,134	6,134	6,134	-
Reimbursable costs - Renton	25,640	25,640	25,640	-
Reimbursable costs - Seattle	513,272	513,272	513,272	-
Reimbursable costs - Shoreline	9,064	9,064	9,064	-
Reimbursable costs - Tacoma	120,794	120,794	120,794	-
6. Reimbursable costs	**812,793**	**812,793**	**812,793**	**-**
Capital cost collected	(27,000)	(27,000)	(27,000)	-
Capital cost paid	27,000	27,000	27,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	(35,726)	-	-	-
Fund carryover reserve adjustment	-	497,577	591,194	(93,617)
Operating reserve adjustment	60,454	60,454	60,454	-
Platform replacement adjustment	(100,000)	(20,000)	(29,000)	9,000
8. Net reserve adjustment	**$ (75,272)**	**$ 538,031**	**$ 622,648**	**$ (84,617)**

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FileLocal
Statement of Cash Flow
April 30, 2024

OPERATING ACTIVITIES	
Change in Net Assets	(35,581)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	(23,300)
Accounts Payable	51,851
Accrued Expenses	(23,206)
Net cash provided by operating activities	**(30,236)**
Net cash increase for period	(30,236)
Cash at beginning of period	2,478,766
Cash at end of period	**2,448,530**

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Finance Statements – March 2024

FileLocal

700 5th Avenue, Suite 4350
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FileLocal
Financial Statements
March 31, 2024

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FileLocal
Statements of Financial Position
March 31, 2024

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 135,176	$ 236,127	$ (100,951)
Short term investments	2,343,589	2,112,022	231,567
Accounts receivable	4,904	5,608	(704)
Due from other governments	68,409	286,222	(217,813)
Prepaid	-	-	-
Total current assets	2,552,078	2,639,979	(87,901)
TOTAL ASSETS	**2,552,078**	**2,639,979**	**(87,901)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	87,500	87,500	-
Accrued expenses	91,929	68,386	23,543
Credit card payable	-	-	-
Total current liabilities	179,429	155,886	23,543
TOTAL LIABILITIES	**179,429**	**155,886**	**23,543**
NET ASSETS			
Capital reserve	385,726	385,726	-
Fund carryover reserve	1,002,772	1,109,216	(106,444)
Operating reserve	291,825	291,825	-
Platform replacement reserve	692,326	697,326	(5,000)
TOTAL NET ASSETS	**2,372,649**	**2,484,093**	**(111,444)**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,552,078**	**$ 2,639,979**	**$ (87,901)**
	-	-	-

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FileLocal
Statements of Activities
March 31, 2024

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 26,436	$ 30,228	$ 181,568
Total revenues		**26,436**	**30,228**	**181,568**
OPERATING EXPENSES				
Contract labor	1	40,658	42,023	40,343
Contracts	2	12,651	2,624	9,794
Overhead	3	2,097	368	4,426
Technology costs	4	92,500	87,500	87,500
Total operating expenses		**147,906**	**132,515**	**142,063**
NET OPERATING SURPLUS/DEFICIT		**(121,470)**	**(102,287)**	**39,505**
OTHER REVENUE				
Investment income	5	10,027	8,093	7,068
Reimbursable costs	6	-	-	812,793
Total Other Revenue		**10,027**	**8,093**	**819,861**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(111,443)	(94,194)	859,366
Total Other Expenditures		**(111,443)**	**(94,194)**	**859,366**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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 Budget and Actual
March 31, 2024

	Sch	Budget 2024	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,749	$ 262,270	$ 238,232	$ (24,038)
Total revenues		**791,749**	**262,270**	**238,232**	**(24,038)**
OPERATING EXPENSES					
Contract labor	1	484,120	121,030	123,025	(1,995)
Contracts	2	70,659	19,159	25,069	(5,910)
Overhead	3	41,023	21,178	6,892	14,286
Technology costs	4	1,349,584	322,396	267,500	54,896
Total operating expenses		**1,945,386**	**483,763**	**422,486**	**61,277**
NET OPERATING SURPLUS/DEFICIT		**(1,153,637)**	**(221,493)**	**(184,254)**	**37,239**
OTHER REVENUE					
Investment income	5	(112)	(27)	25,189	25,216
Reimbursable costs	6	812,793	812,793	812,793	-
Total Other Revenue		**812,681**	**812,766**	**837,982**	**25,216**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(75,272)	591,273	653,728	(62,455)
Total Other Expenditures		**(75,272)**	**591,273**	**653,728**	**(62,455)**
CHANGE IN NET ASSETS		**$ (265,684)**	**$ -**	**$ -**	**$ -**

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 Budget and Actual - Supporting Schedule
March 31, 2024

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 201,600	$ 50,400	$ 52,395	$ (1,995)
Contract labor - Seattle	282,520	70,630	70,630	-
1. Contract labor	**484,120**	**121,030**	**123,025**	**(1,995)**
Accounting fees	65,000	13,500	19,775	(6,275)
Bank fees	364	364	125	239
Insurance	5,295	5,295	5,169	126
State Auditor fees	-	-	-	-
2. Contracts	**70,659**	**19,159**	**25,069**	**(5,910)**
Agency IT costs	12,802	12,802	3,589	9,213
Legal fees	22,802	5,701	2,466	3,235
License and membership fees	1,761	1,761	300	1,461
Meals and entertainment	1,332	333	-	333
Office and operating supplies	620	154	537	(383)
Travel expense	1,706	427	-	427
3. Overhead	**41,023**	**21,178**	**6,892**	**14,286**
Platform replacement	100,000	10,000	5,000	5,000
Project management	85,000	21,250	-	21,250
SAAS fees	1,050,000	262,500	262,500	-
Software development	100,000	25,000	-	25,000
Software development recovery	-	-	-	-
Web security	14,584	3,646	-	3,646
4. Technology costs	**1,349,584**	**322,396**	**267,500**	**54,896**
Interest income	-	-	25,216	25,216
Investment expense	(112)	(28)	(28)	-
5. Investment income	**(112)**	**(28)**	**25,188**	**25,216**
Reimbursable costs - Auburn	10,978	10,978	10,978	-
Reimbursable costs - Bellevue	74,716	74,716	74,716	-
Reimbursable costs - Des Moines	7,192	7,192	7,192	-
Reimbursable costs - Everett	34,769	34,769	34,769	-
Reimbursable costs - Kent	10,234	10,234	10,234	-
Reimbursable costs - Lake Forest Park	6,134	6,134	6,134	-
Reimbursable costs - Renton	25,640	25,640	25,640	-
Reimbursable costs - Seattle	513,272	513,272	513,272	-
Reimbursable costs - Shoreline	9,064	9,064	9,064	-
Reimbursable costs - Tacoma	120,794	120,794	120,794	-
6. Reimbursable costs	**812,793**	**812,793**	**812,793**	**-**
Capital cost collected	(27,000)	(27,000)	(27,000)	-
Capital cost paid	27,000	27,000	27,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	(35,726)	-	-	-
Fund carryover reserve adjustment	-	540,819	598,274	(57,455)
Operating reserve adjustment	60,454	60,454	60,454	-
Platform replacement adjustment	(100,000)	(10,000)	(5,000)	(5,000)
8. Net reserve adjustment	**$ (75,272)**	**$ 591,273**	**$ 653,728**	**$ (62,455)**

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 Cash Flow
March 31, 2024

OPERATING ACTIVITIES	
Change in Net Assets	(111,444)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	704
Due from other governments	217,813
Accounts Payable	-
Accrued Expenses	23,543
Credit card payable	-
Net cash provided by operating activities	**130,616**
Net cash increase for period	130,616
Cash at beginning of period	2,348,149
Cash at end of period	**2,478,765**

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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.

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FL2024-03 Draft Budget 2025-2029

June 6, 2024

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

FileLocal Resolution FL2024-03
Briefing Paper
Draft Budget 2025-2029

Date: June 6, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the draft 2025-2029 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2024-03 approving the draft 2025-2029 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:

- No later than May 1 present a proposed budget to the Executive Board. The draft budget was presented to the Executive Board during the March 21, 2024, Board Meeting.
- 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 received the draft budget on March 6, 2024, and a revision including the Admission of the City of Poulsbo (FL2024-02) on April 30th The Executive Board approved FL2024-02 on May 6, 2024. The committee is recommending approval of the draft budget included in Attachment A to Resolution FL2024-03.

RESOLUTION NO. FL2024-03

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Adopting a Draft Budget for 2025-2029.

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 2025-2029 by June 15, 2024; and

Whereas, the Program Manager shall present a proposed budget to the Executive Board no later than May 1 before 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 2025-2029 budget; and

Whereas, the Operations Committee received a draft 2025-2029 budget on March 6, 2024, and transmitted the draft budget to the Executive Board on March 21, 2024; and

Whereas, the draft 2025-2029 budget was revised in Attachment A to FL2024-02 on May 6, 2024, for the addition of the City of Poulsbo as a subscriber member; and

Whereas, the draft budget must be approved by a supermajority vote by June 15, 2024, and forwarded to the Principal Cities by no later than July 1, 2024;

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 2025-2029 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, 2024.

ADOPTED this 6th day of June 2024.

ATTEST:

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

Board Secretary

Board Chair

Washington Cities Business License and Tax Portal Agency
Draft 2025- 2029 Budget (May 2024)
Summary

Budget		Actual (A), Projection (P), Budget (B) 2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	2023 (A) vs 2024 (P)	2024 (P) vs 2025 (B)	2025 (B) vs 2026 (B)	2026 (B) vs 2027 (B)	2027 (B) vs 2028 (B)	2028 (B) vs 2029 (B)
User Fees	1	767,588	746,330	771,893	783,472	793,265	797,231	801,189	(21,258)	25,564	11,578	9,793	3,966	3,957
Revenue		**767,588**	**746,330**	**771,893**	**783,472**	**793,265**	**797,231**	**801,189**	**(21,258)**	**25,564**	**11,578**	**9,793**	**3,966**	**3,957**
Contract Labor	2	(532,687)	(494,409)	(503,992)	(517,446)	(531,304)	(545,578)	(560,279)	38,278	(9,583)	(13,454)	(13,858)	(14,274)	(14,701.73)
Contracts	3	(68,867)	(70,771)	(87,447)	(74,280)	(76,159)	(93,086)	(80,062)	(1,905)	(16,676)	13,167	(1,879)	(16,927)	13,024
Overhead	4	(26,654)	(30,254)	(32,935)	(33,768)	(34,623)	(35,499)	(36,397)	(3,600)	(2,681)	(833)	(854)	(876)	(898)
Technology Costs	5	(588,509)	(1,349,584)	(1,416,310)	(1,734,626)	(1,711,890)	(1,657,279)	(1,814,044)	(761,075)	(66,726)	(318,316)	22,736	54,611	(156,766)
Transaction Fees	6	(246,983)	-	-	-	-	-	-	246,983	-	-	-	-	-
Operating Costs		**(1,463,699)**	**(1,945,018)**	**(2,040,684)**	**(2,360,121)**	**(2,353,976)**	**(2,331,441)**	**(2,490,782)**	**(481,319)**	**(95,666)**	**(319,436)**	**6,145**	**22,535**	**(159,341)**
Operating Deficit		**(696,111)**	**(1,198,689)**	**(1,268,791)**	**(1,576,649)**	**(1,560,711)**	**(1,534,210)**	**(1,689,594)**	**(502,577)**	**(70,102)**	**(307,858)**	**15,938**	**26,501**	**(155,384)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	(31,519)	340,956	70,468	271,641	198,863	(114,366)	(159,835)	372,475	(270,488)	201,173	(72,778)	(313,229)	(45,469)
Investment income	9	88,269	46,440	-	-	-	-	-	(41,830)	(46,440)	-	-	-	-
Cost Reimbursement	10	778,175	812,793	1,198,323	1,305,008	1,361,848	1,648,576	1,849,429	34,618	385,530	106,685	56,840	286,728	200,853
Surplus/ (Deficit)		**138,814**	**1,500**	**-**	**-**	**-**	**-**	**-**	**(137,314)**	**(1,500)**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft 2025 - 2029 Budget (May 2024)
Notes and key assumptions

Revenue

User Fees	1	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.

Operating Costs

Contract Labor	2	Labor is broken into two primary categories. Agency employees are budgeted based on the City of Seattle estimates and Incremental Labor is based on new city additions with the calculation determined in the Interlocal Agreement.
Contracts	3	Contracts are comprised of Outside Accounting, State Auditor, Insurance, and Bank Fees.
Overhead	4	Overhead comprise of Legal, City of Seattle Technology Fees, Office and Operating Supplies, Licensing and Membership and Travel.
Technology Costs	5	Technology Costs comprise of Software as a Services (SAAS), Software Development, Platform Replacement, Web Security and Project Management.
Transaction Fees	6	Transaction fees historically represented the per transaction fee charged by the Platform software provider. Under the new agreement these costs have been converted into a fixed SAAS fee included in Technology costs above.

Operating Deficit		The amount by which the User Fees are less than the amount necessary to pay all Operating Expenses.
Capital Cost Recovery	7	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. Funds are collected on and paid to Seattle on their behalf.
Reserves	8	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.
Investment income	9	Income generated by bank deposits and interest-bearing assets.
Cost Reimbursement	10	An annual amount paid by participating cities to cover the operating deficit. From 2025 the charge is based on budgeted transitions.

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) vs Final Budget 2024-2028 (Dec 2023)

		Draft 2025- 2029 Budget (May 2024)							Final 2024- 2028 Budget (December 2023)					
		Actual (A), Projection (P), Budget (B)							Actual (A), Projection (P), Budget (B)					
Budget		**2023 (A)**	**2024 (P)**	**2025 (B)**	**2026 (B)**	**2027 (B)**	**2028 (B)**	**2029 (B)**	**2023 (P)**	**2024 (B)**	**2025 (B)**	**2026 (B)**	**2027 (B)**	**2028 (B)**
User Fees	1	767,588	746,330	771,893	783,472	793,265	797,231	801,189	757,594	791,749	870,924	958,016	1,053,818	1,159,200
Revenue		**767,588**	**746,330**	**771,893**	**783,472**	**793,265**	**797,231**	**801,189**	**757,594**	**791,749**	**870,924**	**958,016**	**1,053,818**	**1,159,200**
Contract Labor	2	(532,687)	(494,409)	(503,992)	(517,446)	(531,304)	(545,578)	(560,279)	(521,783)	(484,120)	(490,930)	(497,944)	(505,169)	(512,610)
Contracts	3	(68,867)	(70,771)	(87,447)	(74,280)	(76,159)	(93,086)	(80,062)	(78,098)	(70,771)	(87,562)	(74,398)	(76,280)	(93,210)
Overhead	4	(26,654)	(30,254)	(32,935)	(33,768)	(34,623)	(35,499)	(36,397)	(40,011)	(41,023)	(42,061)	(43,125)	(44,216)	(45,335)
Technology Costs	5	(588,509)	(1,349,584)	(1,416,310)	(1,734,626)	(1,711,890)	(1,657,279)	(1,814,044)	(655,599)	(1,349,584)	(1,368,840)	(1,503,931)	(1,641,435)	(1,784,315)
Transaction Fees	6	(246,983)	-	-	-	-	-	-	(246,983)	-	-	-	-	-
Operating Costs		**(1,463,699)**	**(1,945,018)**	**(2,040,684)**	**(2,360,121)**	**(2,353,976)**	**(2,331,441)**	**(2,490,782)**	**(1,542,472)**	**(1,945,499)**	**(1,989,393)**	**(2,119,398)**	**(2,267,101)**	**(2,435,470)**
Operating Deficit		**(696,111)**	**(1,198,689)**	**(1,268,791)**	**(1,576,649)**	**(1,560,711)**	**(1,534,210)**	**(1,689,594)**	**(784,878)**	**(1,153,749)**	**(1,118,469)**	**(1,161,381)**	**(1,213,283)**	**(1,276,270)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	(31,519)	340,956	70,468	271,641	198,863	(114,366)	(159,835)	(231,371)	340,956	(6,584)	(19,501)	(22,155)	(25,255)
Investment income	9	88,269	46,440	-	-	-	-	-	79,607	-	-	-	-	-
Cost Reimbursement	10	778,175	812,793	1,198,323	1,305,008	1,361,848	1,648,576	1,849,429	778,175	812,793	1,125,053	1,180,882	1,235,438	1,301,526
Surplus/ (Deficit)		**138,814**	**1,500**	**-**	**-**	**-**	**-**	**-**	**(158,467)**	**-**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025- 2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Budget Delta

		Delta					
Budget		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
User Fees	1	9,994	(45,419)	(99,031)	(174,545)	(260,553)	(361,968)
Revenue		**9,994**	**(45,419)**	**(99,031)**	**(174,545)**	**(260,553)**	**(361,968)**
Contract Labor	2	(10,904)	(10,289)	(13,062)	(19,502)	(26,135)	(32,967)
Contracts	3	9,231	-	115	118	121	124
Overhead	4	13,357	10,769	9,126	9,357	9,594	9,836
Technology Costs	5	67,089	-	(47,470)	(230,695)	(70,454)	127,036
Transaction Fees	6	-	-	-	-	-	-
Operating Costs		**78,773**	**480**	**(51,292)**	**(240,723)**	**(86,875)**	**104,029**
Operating Deficit		**88,767**	**(44,939)**	**(150,322)**	**(415,267)**	**(347,428)**	**(257,939)**
Capital Cost Recovery	7	-	-	-	-	-	-
Reserves	8	199,852	(0)	77,052	291,142	221,018	(89,111)
Investment income	9	8,663	46,440	-	-	-	-
Cost Reimbursement	10	-	-	73,270	124,126	126,410	347,050
Surplus/ (Deficit)		**297,281**	**1,500**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025 - 2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Cost Reimbursement

	Draft 2025 - 2029 Budget (May 2024)						
	Actual (A), Projection (P), Budget (B)						
	2023 (A)	2024 (F)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)
Auburn	9,850	10,978	8,741	9,519	9,934	12,026	13,424
Bellevue	67,041	74,716	137,979	150,263	156,807	189,822	212,957
Bremerton	-	-	-	-	-	-	-
Des Moines	14,957	7,192	21,036	22,908	23,906	28,939	32,466
Everett	31,198	34,769	106,714	116,214	121,276	146,810	164,702
Kent	16,258	10,234	13,236	14,415	15,043	18,210	20,429
Lake Forest Park	7,587	6,134	15,005	16,340	17,052	20,642	23,158
Poulsbo	-	-	9,315	10,144	10,586	12,815	14,376
Renton	33,405	25,640	71,138	77,471	80,846	97,867	109,795
Seattle	460,549	513,272	603,703	657,450	686,086	830,537	931,758
Shoreline	12,686	9,064	21,582	23,503	24,527	29,691	33,310
Snoqualmie	16,258	-	-	-	-	-	-
Tacoma	108,386	120,794	189,875	206,779	215,786	261,218	293,054
Total	**778,175**	**812,793**	**1,198,323**	**1,305,008**	**1,361,848**	**1,648,576**	**1,849,429**

	Final 2024- 2028 Budget (December 2023)					
	Actual (A), Projection (P), Budget (B)					
	2023 (P)	2024 (B)	2025 (B)	2026 (B)	2027 (B)	2028 (B)
Auburn	9,850	10,978	6,718	7,052	7,378	7,772
Bellevue	67,041	74,716	135,471	142,194	148,763	156,721
Bremerton	-	-	-	-	-	-
Des Moines	14,957	7,192	17,957	18,849	19,719	20,774
Everett	31,198	34,769	100,243	105,217	110,078	115,967
Kent	16,258	10,234	12,445	13,063	13,667	14,398
Lake Forest Park	7,587	6,134	14,165	14,868	15,555	16,387
Poulsbo	-	-	-	-	-	-
Renton	33,405	25,640	60,584	63,590	66,528	70,087
Seattle	460,549	513,272	579,513	608,271	636,372	670,414
Shoreline	12,686	9,064	17,493	18,361	19,209	20,237
Snoqualmie	16,258	-	-	-	-	-
Tacoma	108,386	120,794	180,462	189,417	198,168	208,769
Total	**778,175**	**812,793**	**1,125,053**	**1,180,882**	**1,235,438**	**1,301,526**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024- 2028 (Dec 2023)
Cost Reimbursement Delta

	Delta					
	2023	**2024**	**2025**	**2026**	**2027**	**2028**
Auburn	-	-	2,023	2,468	2,556	4,253
Bellevue	-	-	2,507	8,069	8,044	33,101
Bremerton	-	-	-	-	-	-
Des Moines	-	-	3,078	4,060	4,187	8,165
Everett	-	-	6,471	10,997	11,198	30,843
Kent	-	-	791	1,352	1,376	3,812
Lake Forest Park	-	-	840	1,473	1,497	4,255
Poulsbo	-	-	9,315	10,144	10,586	12,815
Renton	-	-	10,554	13,881	14,318	27,780
Seattle	-	-	24,190	49,179	49,713	160,122
Shoreline	-	-	4,089	5,142	5,318	9,454
Snoqualmie	-	-	-	-	-	-
Tacoma	-	-	9,413	17,362	17,617	52,449
Total	**-**	**-**	**73,270**	**124,126**	**126,410**	**347,050**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Capital Cost

	Draft 2025 - 2029 Budget (May 2024)							Final 2024- 2028 Budget (December 2023)					
	Actual (A), Projection (P), Budget (B)							Actual (A), Projection (P), Budget (B)					
	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	2023 (P)	2024 (B)	2025 (B)	2026 (B)	2027 (B)	2028 (B)
Collected from Cities													
Auburn	2,500	1,000	1,000	1,000	1,000	1,000	1,000	2,500	1,000	1,000	1,000	1,000	1,000
Bellevue	4,000	6,000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000
Bremerton	-	-	-	-	-	-	-	-	-	-	-	-	-
Des Moines	1,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	2,000	2,000	2,000	2,000	2,000
Everett	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000
Kent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000
Lake Forest Park	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000
Poulsbo	-	-	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-
Renton	2,000	4,000	4,000	4,000	4,000	4,000	4,000	2,000	4,000	4,000	4,000	4,000	4,000
Seattle	-	-	-	-	-	-	-	-	-	-	-	-	-
Shoreline	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Snoqualmie	1,000	-	-	-	-	-	-	1,000	-	-	-	-	-
Tacoma	4,000	6,000	6,000	6,000	6,000	6,000	6,000	4,000	6,000	6,000	6,000	6,000	6,000
Total Charged to Cities	**22,500**	**27,000**	**26,000**	**26,000**	**26,000**	**26,000**	**26,000**	**22,500**	**27,000**	**27,000**	**28,000**	**31,000**	**31,000**
Paid to Seattle													
Capital Recovery Payment	(22,500)	(27,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(22,500)	(27,000)	(27,000)	(28,000)	(31,000)	(31,000)
Total Capital Recovery	**(22,500)**	**(27,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(22,500)**	**(27,000)**	**(27,000)**	**(28,000)**	**(31,000)**	**(31,000)**
Capital cost Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-

	Per InterLocal Agreement				
Transactions	**<1000**	**<4001**	**<14401**	**<31001**	**>31001**
Capital Cost	**$500**	**$1,000**	**$2,000**	**$4,000**	**$6,000**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 202
Capital Cost Delta

	Delta					
	2023	**2024**	**2025**	**2026**	**2027**	**2029**
Auburn	-	-	-	-	-	-
Bellevue	-	-	(2,000)	(2,000)	(2,000)	(2,000)
Bremerton	-	-	-	-	-	-
Des Moines	-	-	-	-	-	-
Everett	-	-	-	-	(2,000)	(2,000)
Kent	-	-	-	-	(1,000)	(1,000)
Lake Forest Park	-	-	-	(1,000)	(1,000)	(1,000)
Poulsbo	-	-	1,000	1,000	1,000	1,000
Renton	-	-	-	-	-	-
Seattle	-	-	-	-	-	-
Shoreline	-	-	-	-	-	-
Snoqualmie	-	-	-	-	-	-
Tacoma	-	-	-	-	-	-
Total	**-**	**-**	**(1,000)**	**(2,000)**	**(5,000)**	**(5,000)**

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FL2024-04 Tamazari Contract Amendment

June 6, 2024

FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-04 Briefing Paper Tamazari Contract Amendment 2024-2025

Date: June 6, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board authorize the Program Manager to amend the contract for Project Manager Services with Tamazari ("Consultant") to extend the duration through July 31, 2025 and increase the maximum permissible compensation payable under the contract?

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL2024-04 approving an amendment to the Consultant Services Contract with Tamazari, Inc., extending the term of services to be provided from August 1, 2024 – July 31, 2025, and increasing the maximum compensation to amount not to exceed $228.800.00

Rationale: In 2023, the Agency was informed the City of Seattle Human Resources put a hold on filing the Project Manager Position under the Loan Staff Agreement for an indefinite period. A contract for Project Manager Services was executed with Tamazari, Inc., covering the period from July 1, 2023, to July 31, 2024, which the Agency now wants to extend for an additional year. With the contract extension, additional compensation will need to be authorized to cover the additional year of services.

RESOLUTION NO. FL2024-04

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing an Amendment to Consultant Services Contract with Tamazari, Inc.

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles of integrity and accountability were established for the FileLocal Agency; and

Whereas, Pursuant to Section 6 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, the Executive Board of the FileLocal Agency has the power to enter into agreements with third parties for the provision of services necessary to fully implement the purposes of the Agency and the Interlocal Agreement; and

Whereas FileLocal contracted with Tamazari, Inc. to provide Project Manager services for the period July 2023 – July 2024, and now wants to extend these services for an additional twelve-month period from August 1, 2024 – July 31, 2025, and to authorize an increase in the total annual compensation payable to Tamazari, Inc. for the additional year of services.

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

SECTION 1. The Executive Board authorizes the Program Manager to execute an Amendment to the contract with Tamazari, Inc. to cover the period August 1, 2024 – July 31, 2025, and to increase the total annual compensation limit to $228,800, substantially in the form as set forth in Attachment A to this Resolution.

ADOPTED this 6th day of June 2024.

ATTEST:

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

Board Secretary

Board Chair

AMENDMENT NO. 1 TO CONTRACT

Tamazari, Inc.

(Contract No. 2023-01)

This Amendment No. 1 to Contract amends the Consultant Services Contract between the Washington Multi-City Business License and Tax Portal Agency d/b/a FileLocal ("Agency") and Tamazari, Inc. ("Tamazari" or "Consultant") for Project Manager services, which was executed July 14, 2023 ("Agreement").

Whereas the Agreement provides in Section II.A ("Payment") that the hourly rate to be paid by Agency to Consultant for services provided under the Agreement shall be $105 per hour, and that total compensation to be paid to Consultant under the Agreement shall not exceed $208,320 except upon advance written approval; and

Whereas the Agreement provides in Section IV ("Duration of Agreement") that it shall remain in effect through July 31, 2024, and that any extension of the term must be in a written amendment signed by both parties; and

Whereas Agency and Consultant now desire to extend the duration and increase the total compensation to be paid to Consultant for services provided under the Agreement;

Now, therefore, Agency and Consultant agree to the following:

1. Effective as of August 1, 2024, the hourly rate payable by Agency to Consultant, as set forth in Section II.A of the Agreement, shall increase to $110.00 per hour, for a maximum total annual compensation of $228,800.00 (calculated based on 40 hours/week).

2. The duration of the Agreement, as set forth in Section IV of the Agreement, is hereby extended to July 31, 2025, unless terminated sooner by written notice in accordance with Section V of the Agreement.

Except as set forth in this Amendment No. 1, all other provisions of the Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED TO BY:

AGENCY	CONSULTANT
Scott Hitchcock Program Manager FileLocal	Leigh Stylos Partner Tamazari, Inc.
Dated: _____	Dated: _____

FL2024-05 Leviathan Contract Extension

June 6, 2024

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-05 Briefing Paper Leviathan Security Group Contract Amendment

Date: June 6, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board authorize the Program Manager to execute an amendment to the existing contract for Tax Portal Security Services with Leviathan?

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL2024-05 approving the continued use of Leviathan as the Agency's Security Services vendor.

Rationale: Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles for Agency Security was established to ensure the integrity of the FileLocal product and City and Taxpayer Data. The Agency contracted with Leviathan during the implementation phase and after the go-live of the originating cities and Lake Forest Park. The Agency signed a new contract with Leviathan in 2022, and that contract is set to expire on July 15, 2024. The Agency believes the vendor provides a unique service due to their history and familiarity with the existing system and key suppliers. Accordingly, Agency staff recommend extending the contract with Leviathan for an additional year, through July 31, 2025.

RESOLUTION NO. FL2024-05

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing a Contract Amendment with Leviathan Security Group for 2024-2025.

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles for Security was established to ensure the integrity of the FileLocal product and City and Taxpayer Data; and

Whereas, The Agency contracted with Leviathan Security Group during the implementation phase and during the subsequent launch periods for the member cities, and the Agency would like to retain Leviathan as its Security Vendor to ensure the product and data remain safe and secure for users and Participating Cities;

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

SECTION 1. The Executive Board authorizes the Program Manager to execute a contract Amendment with Leviathan Security Group to extend the term of the contract through July 31, 2025, in a form substantially as set forth in Attachment A to this Resolution.

ADOPTED this 6th day of June 2024.

ATTEST:

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

Board Secretary

Board Vice-Chair

AMENDMENT NO. 1 TO CONTRACT

Leviathan Security Group, Inc.

(Contract FL LSG 2022-2024)

This Amendment No. 1 to Contract amends the Professional Services Contract between the Washington Multi-City Business License and Tax Portal Agency d/b/a FileLocal ("Agency") and Leviathan Security Group, Inc. ("Consultant") for information security consulting services, which was executed by the Agency's duly authorized agent on July 19, 2022 ("Agreement").

Whereas the Agreement provides in Section IV ("Duration of Agreement") that it shall remain in effect until July 15, 2024, unless extended by mutual written agreement of the parties; and

Whereas Agency and Consultant now desire to extend the duration of the Agreement;

Now, therefore, Agency and Consultant agree to the following:

1. The duration of the Agreement, as set forth in Section IV of the Agreement, is hereby extended to July 31, 2025, unless terminated sooner by written notice in accordance with Section V of the Agreement.
2. The contact information for "Consultant" found in 25. Notices is changed to:
   Leviathan Security Group
   Attn: Noah Beddome, CISO in Residence
   2925 1ST AVE S
   Seattle, WA 98134

Except as set forth in this Amendment No. 1, all other provisions of the Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED TO BY:

AGENCY	CONSULTANT
Scott Hitchcock Program Manager FileLocal	Kelly Gardner Chief Operating Officer Leviathan Security Group, Inc.
Dated: _____	Dated: _____

FL2024-06 Inslee Best Doezie & Ryder Contract Amendment

June 6, 2024

FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-06 Briefing Paper Inslee Best Doezie & Ryder

Date: June 6, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board authorize the Program Manager to amend the contract for legal services with Inslee Best Doezie & Ryder ("Consultant") ?

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL2024-06 approving an amendment to increase the total compensation to be paid to the Consultant for services provided under the Agreement in 2023 and 2024 to a total amount not to exceed $7,345.50.

Rationale: The Agency contracted with Consultant to provide legal services related to the exit of the Subscriber Member City of Snoqualmie. Consultant provided recommended updates to agency documentation for future addition of new subscriber cities. The services rendered exceeded the original contract authorization of $5,000, so an amendment is requested to authorize payment for the services rendered by Consultant to the Agency.

RESOLUTION NO. FL2024-06

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing an Amendment to Contract with Inslee Best Doezie & Ryder

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles of integrity and accountability were established for the FileLocal Agency; and

Whereas, Pursuant to Section 6 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, the Executive Board of the FileLocal Agency has the power to enter into agreements with third parties for the provision of services necessary to fully implement the purposes of the Agency and the Interlocal Agreement; and

Whereas FileLocal contracted with Inslee Best Doezie & Ryder to provide certain legal services related to the termination of the City of Snoqualmie as a Subscriber to FileLocal, and now needs to amend the initial contractual compensation limit of $5,000.00 to cover the legal services actually rendered to the Agency;

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

SECTION 1. The Executive Board authorizes the Program Manager to execute an Amendment to the contract with Inslee Best Doezie & Ryder to increase the compensation limit to a total of $7,345.50, substantially in the form as set forth in Attachment A to this Resolution.

ADOPTED this 6th day of June 2024.

ATTEST:

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

Board Secretary

Board Chair

AMENDMENT TO CONTRACT
Inslee Best Doezie & Ryder, P.S.

This Amendment to Contract amends the Agreement for Professional Services between the Washington Multi-City Business License and Tax Portal Agency d/b/a FileLocal ("Client") and Inslee Best Doezie & Ryder, P.S. (hereinafter "Consultant") for legal services ("Agreement"), which was executed August 17, 2023.

Whereas the Agreement provides in Paragraph 4 ("Compensation") that the total compensation to be paid by Client to Consultant for services provided under the Agreement shall not exceed $5,000; and

Whereas Client and Consultant now desire to increase the total compensation to be paid to Consultant for services provided under the Agreement to cover all work performed for Client by Consultant to date;

Now, therefore, Client and Consultant agree as follows:

1. Paragraph 4 of the Agreement, entitled "Compensation", is hereby amended to state that the total amount to be paid to Consultant shall not exceed Seven Thousand Three Hundred Forty-Five Dollars and 50/100ths ($7,345.50) (inclusive of all amounts paid prior to the execution of this Amendment).

Except as set forth in this Amendment, all other provisions of the Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED TO BY:

CLIENT	CONSULTANT
Scott Hitchcock Program Manager FileLocal	Charlotte Archer Shareholder Inslee Best Doezie & Ryder, P.S.
Dated: _____	Dated: _____

FileLocal

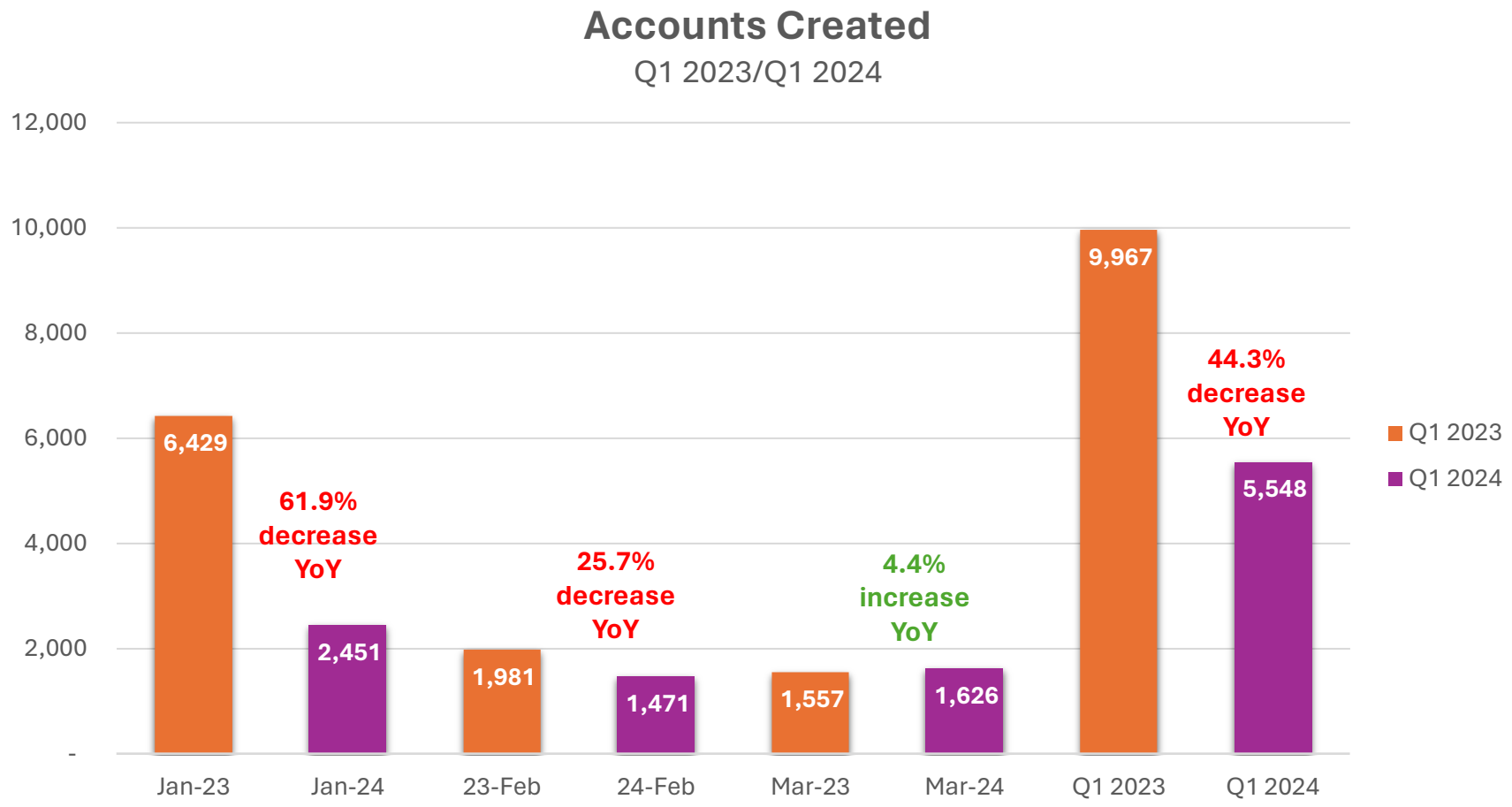
Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

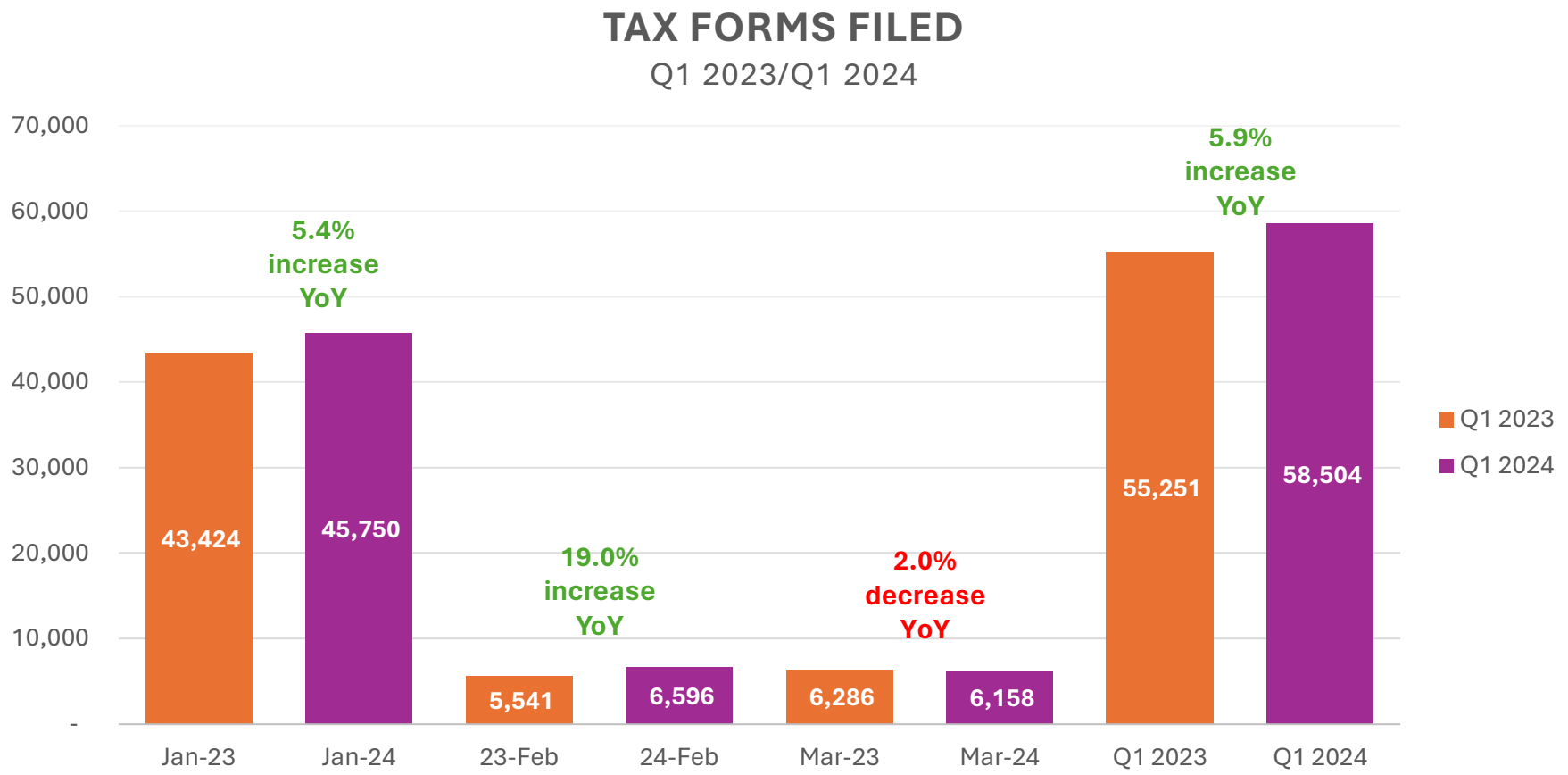
Operational Performance Report

June 6, 2024

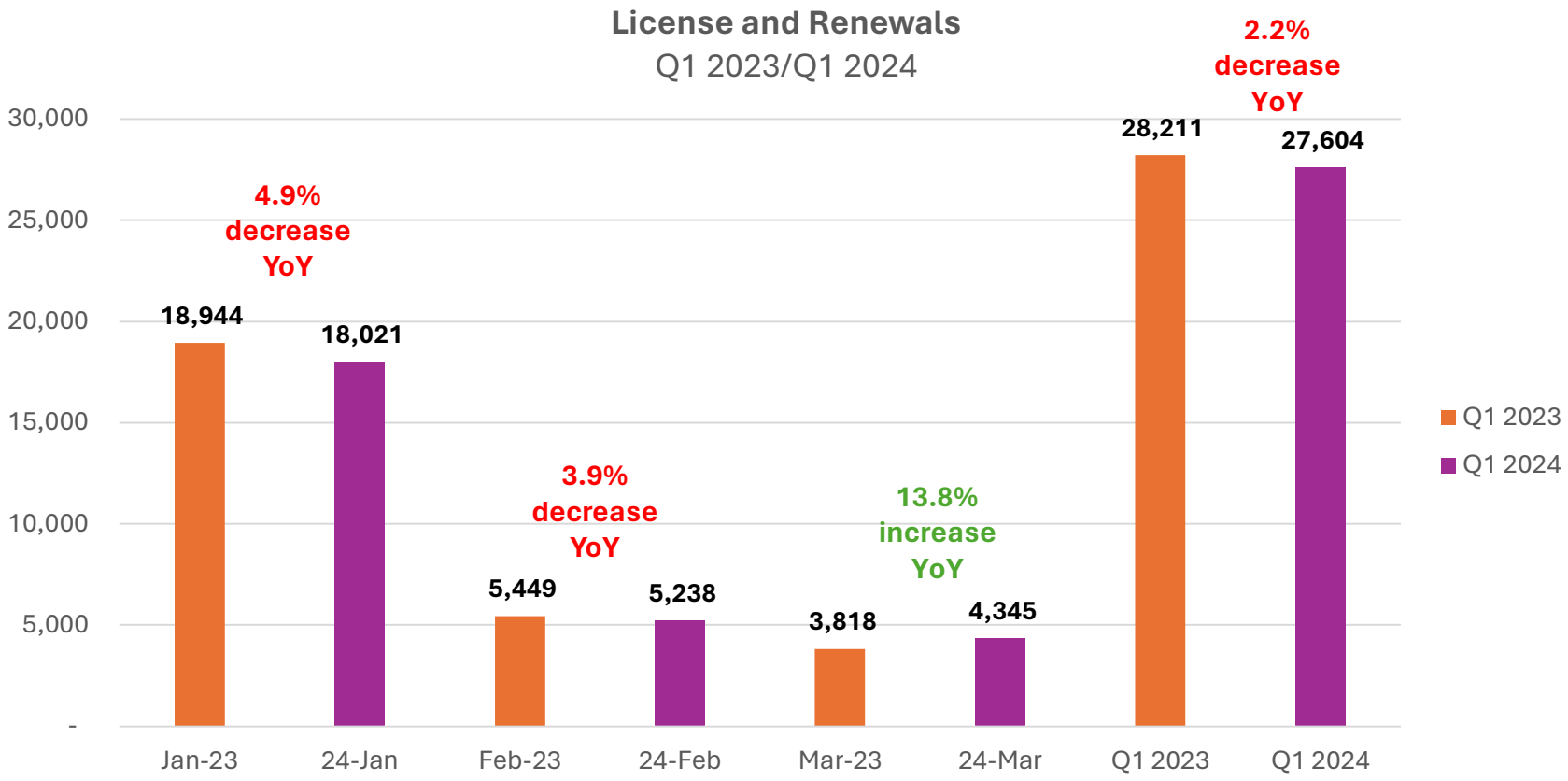
Accounts Created



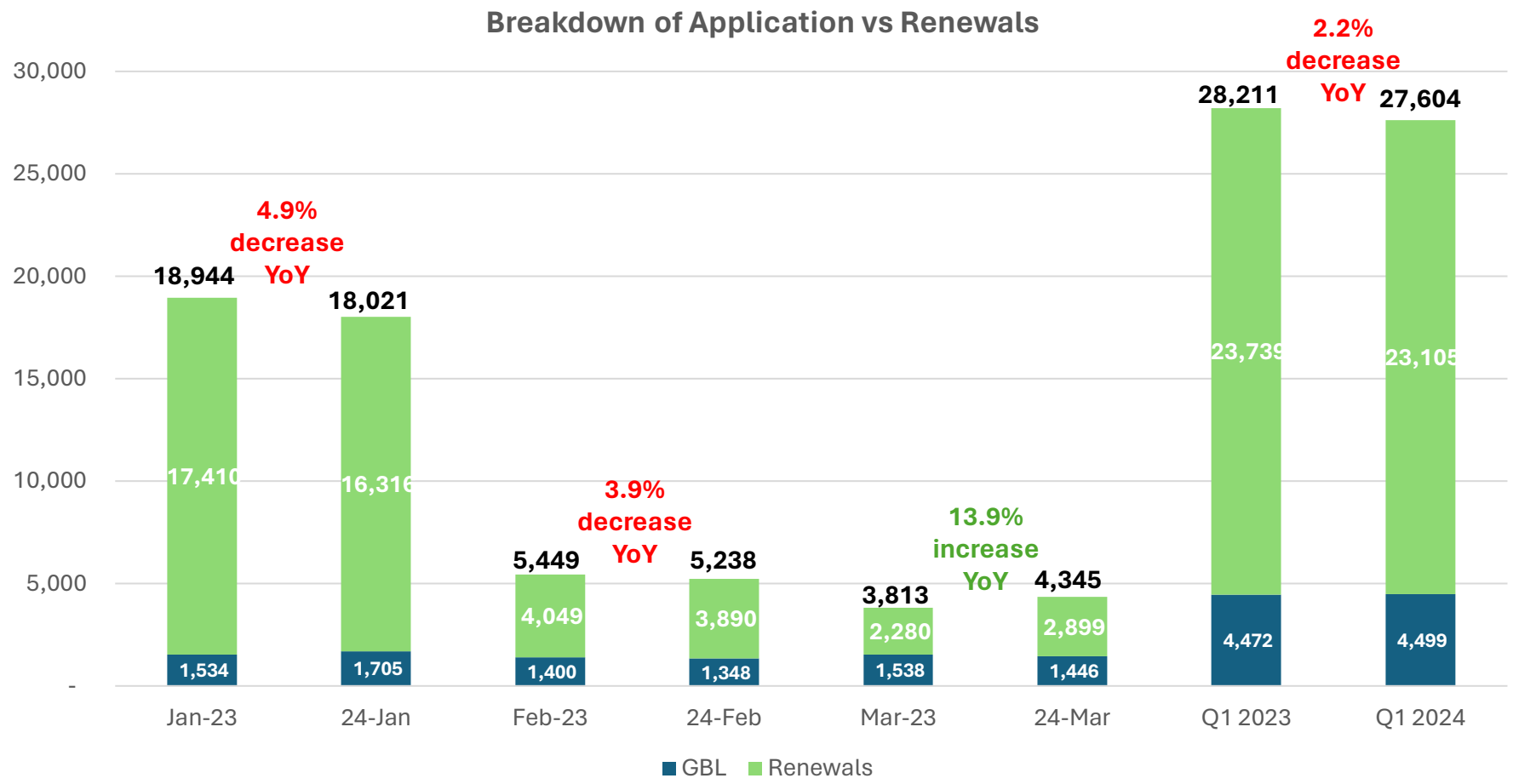
Tax Form Filed



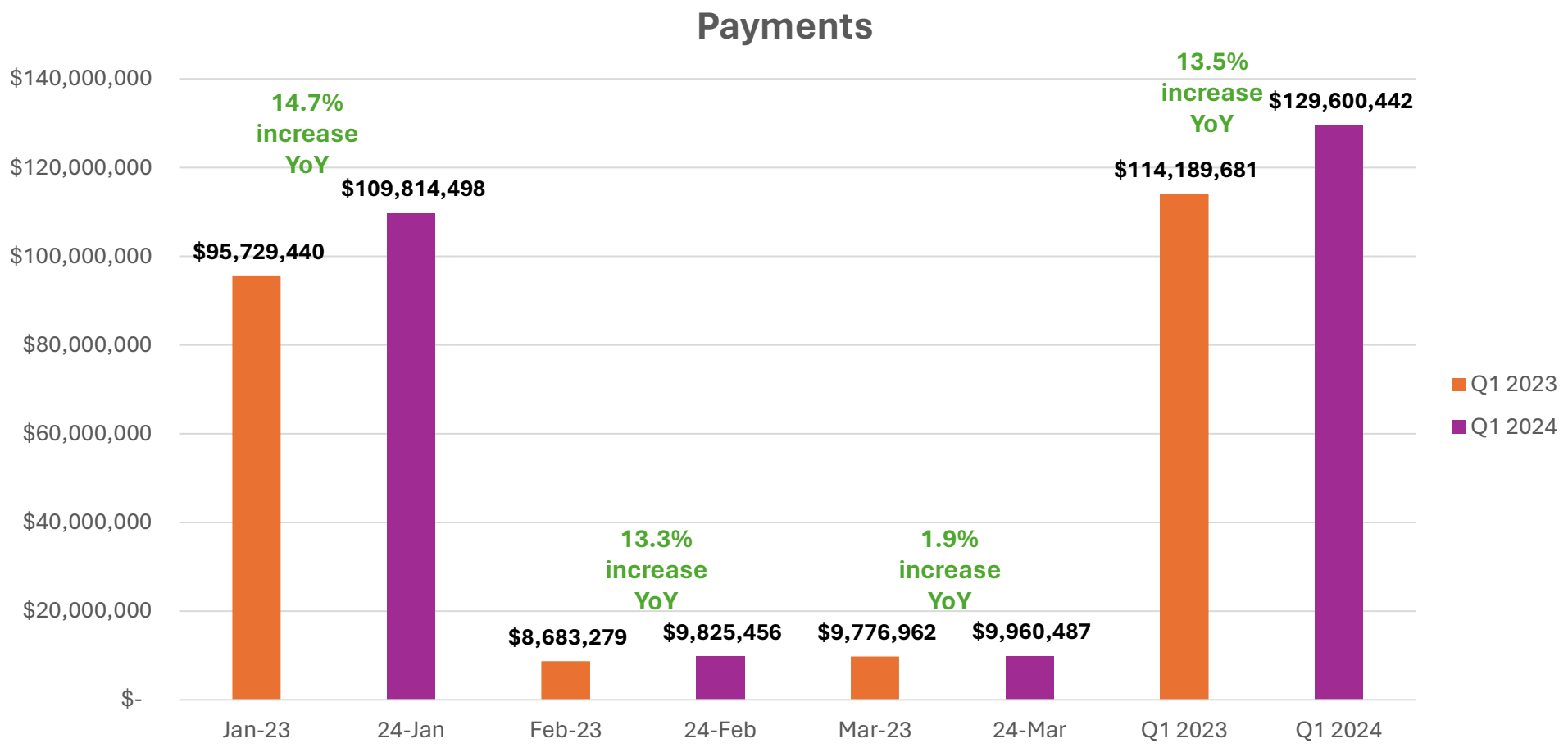
Licenses and Renewals



Licenses and Renewals



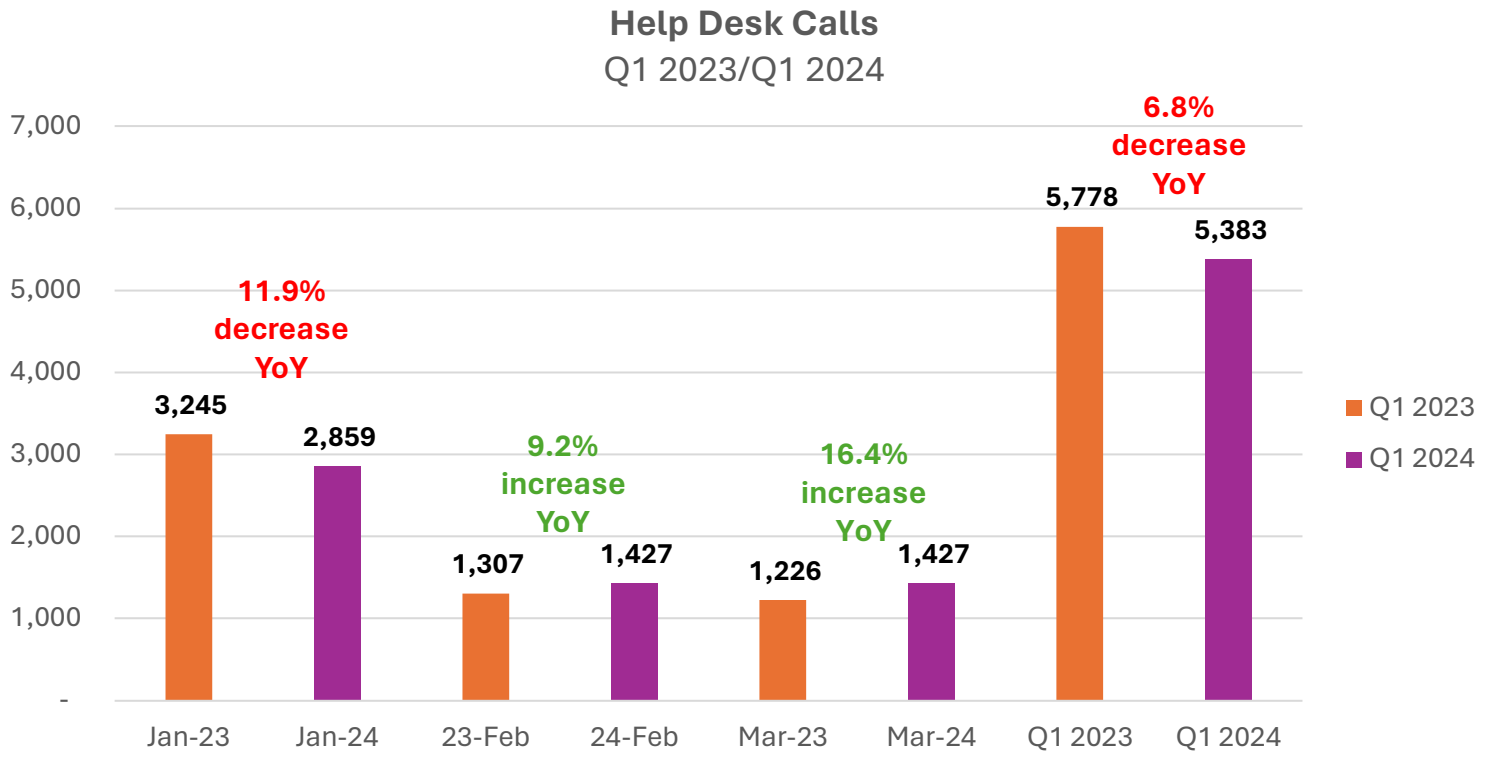
Payments


Payments
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
14.7% increase YoY
$95,729,440
$109,814,498
13.3% increase YoY
$8,683,279
$9,825,456
1.9% increase YoY
$9,776,962
$9,960,487
13.5% increase YoY
$114,189,681
$129,600,442
Jan-23
24-Jan
Feb-23
24-Feb
Mar-23
24-Mar
Q1 2023
Q1 2024
Q1 2023
Q1 2024

Help Desk Calls

Top 5 Categories

1. License
2. Login Assistance
3. Payments
4. Account
5. Tax



Help Desk Calls

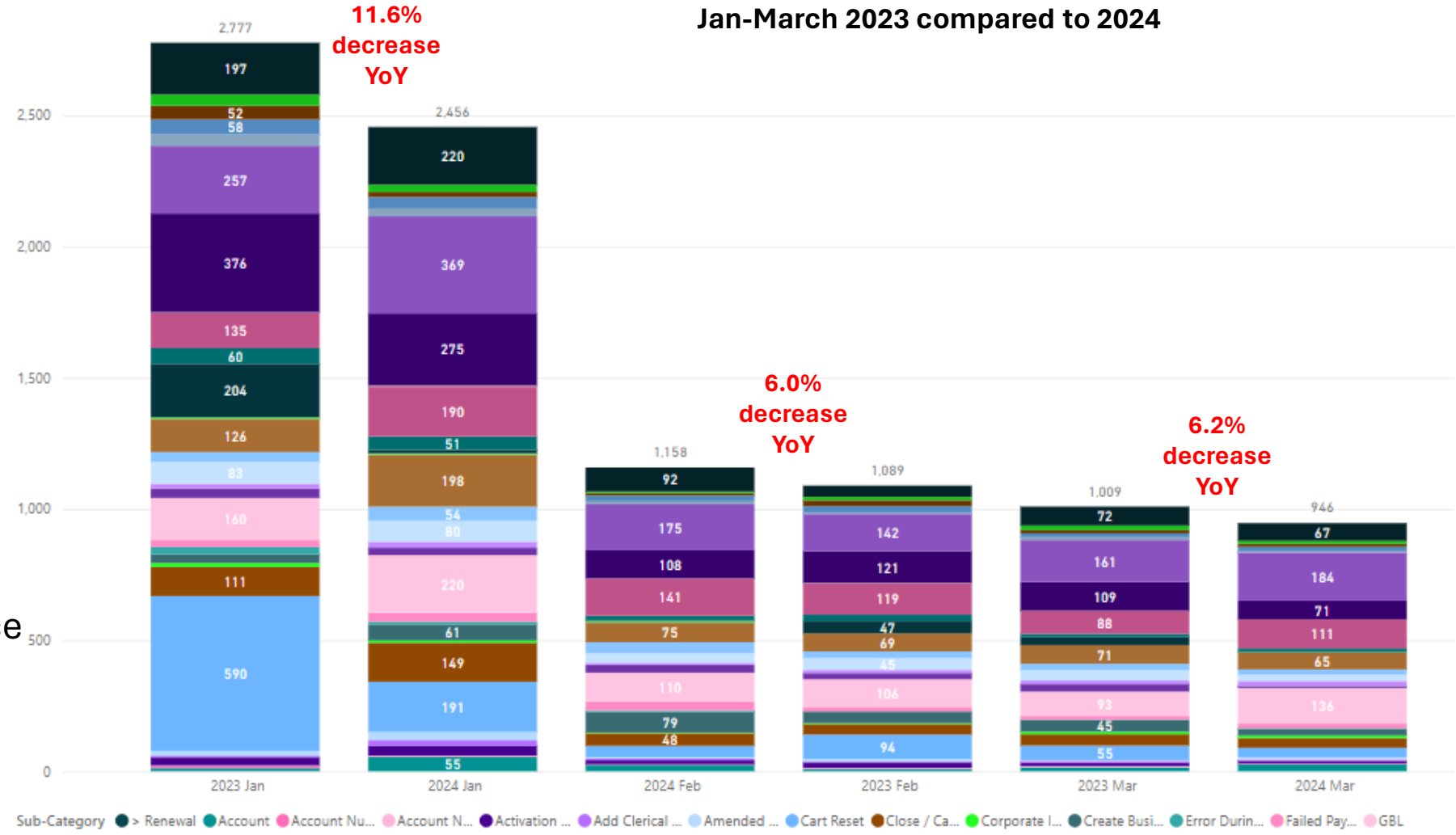
Top Functional Categories

Q1 2023:
1. Cart Reset
2. Renewal
3. Reset Password
4. GBL
5. Printing Assistance

Q1 2024:
1. Reset Password
2. GBL
3. Renewal
4. Printing Assistance
5. Worksheet Assistance

Help Desk Calls by Functional Category

Jan-March 2023 compared to 2024



Annual Financial Statements 2023

June 6, 2024

FRANCIS & COMPANY PLLC

Washington Multi-City Business Licenses and Tax Portal Agency

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Financial Statements for the Year Ended December 31, 2023

Accountant's
Compilation Report

FRANCIS & COMPANY PLLC
CERTIFIED PUBLIC ACCOUNTANTS | MANAGEMENT CONSULTANTS

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, 2023, 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 2 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 8, 2024

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WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS Page

MANAGEMENT'S DISCUSSION AND ANALYSIS	1
STATEMENT OF NET POSITION	3
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

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, 2023. As this information is presented in summary form, it should be read in conjunction with the financial statements and footnotes.

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, the City of Lake Forest Park joined FileLocal as a principal member.
- In 2018, the City of Renton joined FileLocal as a principal member while cities of Shoreline and Bremerton joined FileLocal as subscribers.
- In 2021, the cities of Des Moines and Snoqualmie joined FileLocal as subscribers.
- In 2022, the City of Auburn joined FileLocal as a subscriber, and the City of Bremerton dropped its membership.
- In 2023, the City of Snoqualmie dropped its membership.

FileLocal is treated as a quasi-government entity and prepares its annual financial statements in accordance with the Governmental Accounting Standards.

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 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.

Financial Analysis

In 2023, FileLocal renegotiated its contract with Avenu insights and Analytics LLC which runs until December 31, 2026. This new contract was deemed to be a subscription-based information technology arrangement (SBITA) as defined and, as such, a subscription asset of $3,116,612 and a subscription liability of $3,261,662 was recognized. FileLocal generated a net surplus of $20,783 in 2023 (2022 - 265,684). This was driven primarily by higher User Fees than planned. As of December 31, 2023, FileLocal reported a total net position of $1,569,369. Of this amount $1,169,373 was temporarily restricted by the Board and the remaining balance of $399,996 was unrestricted. A comparison of FileLocal's Statement of Net Position over time serves as a useful indicator of its overall financial performance.

Condensed Statement of Net Position	**2023**	**2022**
Assets	$ 5,040,819	$ 1,822,902
Deferred outflows of resources	-	-
Liabilities	(3,471,450)	(274,316)
Deferred inflows of resources	-	-
Total net position	**$ 1,569,369**	**$ 1,548,586**

User fees increased by $130,036 (20.40%) to $767,588 and cost reimbursement decreased by $3,669 (0.2%) to $778,175 during the year ended December 31, 2023. Total expenditure increased $287,877 (24.4%) to $1,438,200 which was primarily driven by the increased technology costs. The continuing growth in transaction volumes demonstrates FileLocal's ongoing value proposition to member cities.

Condensed Statement of Revenues, Expenses and Net Position

	2023	**2022**
User fees	$ 767,588	$ 637,552
Reimbursable costs	778,175	781,844
Investment income	88,270	26,610
Total revenue	**1,634,033**	**1,446,006**
Amortization of subscription asset	145,050	-
Contract labor costs	532,687	415,137
Contracts	73,367	77,159
Overhead	26,654	26,096
Technology costs	588,509	339,233
Transaction fees	246,983	322,697
Total expenses	**1,613,250**	**1,180,322**
Change in net position	20,783	265,684
Net position at beginning of year	1,548,586	1,282,902
Net position at end of year	**$ 1,569,369**	**$ 1,548,586**

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, 2023

ASSETS	
CURRENT ASSETS	
Cash	$ 252,601
Short-term investments	1,534,806
Accounts receivable	15,304
Due from other governments	121,496
Total current assets	1,924,207
NONCURRENT ASSETS	
Subscription asset	3,116,612
Total noncurrent assets	3,116,612
TOTAL ASSETS	**$ 5,040,819**
DEFERRED OUTFLOWS OF RESOURCES	**$ -**
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 120,313
Accrued liabilities	89,475
Subscription liability	936,580
Total current liabilities	1,146,368
NONCURRRENT LIABILITIES	
Subscription liability	2,325,082
Total noncurrent liabilities	2,325,082
TOTAL LIABILITIES	**$ 3,471,450**
DEFERRED INFLOWS OF RESOURCES	**$ -**
NET POSITION	
Temporarily Restricted	1,169,373
Unrestricted	399,996
TOTAL NET POSITION	**$ 1,569,369**

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, 2023

OPERATING REVENUES	
User fees	$ 767,588
Total operating revenues	**767,588**
OPERATING EXPENSES	
Contract labor costs	532,687
Contracts	73,367
Overhead	26,654
Technology costs	588,509
Transaction fees	246,983
Total operating expenses	**1,468,200**
Total operating surplus (deficit)	**$ (700,612)**
NONOPERATING REVENUES (EXPENSES)	
Reimbursable costs	778,175
Investment income, net of investment expenses	88,270
Capital Cost Recovery	-
Amortization of subscription asset	(145,050)
Total non-operating surplus	**$ 721,395**
CHANGE IN NET POSITION	**$ 20,783**
NET POSITION - BEGINNING OF YEAR	1,548,586
NET POSITION - ENDING OF YEAR	**$ 1,569,369**

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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	739,697
Payments to suppliers	$ (1,532,728)
Net cash (used) by operating activities	**(793,031)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITES	
Reimbursable costs	778,175
Net cash provided by non-capital financing activities	**$ 778,175**
CASH FLOWS FROM INVESTING ACTITIVITES	
Investment income, net of investment expenses	88,270
Net cash provided by investing activities	**$ 88,270**
NET INCREASE IN CASH	**73,414**
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,713,993
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**$ 1,787,407**

Reconciliation of Operating Loss to Net Cash Flows (Used) By Operating Activities

Operating (loss)	$ (700,612)
Adjustments to reconcile operating (loss) to Net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Decrease in account receivables	(15,304)
(Increase) in due from other governments	(12,587)
(Decrease) in accounts payable	(146,503)
Increase in accrued liabilities	81,975
Net cash (used) by operating activities	**$ (793,031)**

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

Notes to
Financial Statements

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 member city. In 2018, cities of Shoreline, Renton and Bremerton joined FileLocal as members. In 2021, the cities of Des Moines and Snoqualmie joined FileLocal as members. In 2022, the City of Auburn joined FileLocal as a member, and the City of Bremerton dropped its membership. During 2023, 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, 2023.

Basis of Accounting and Reporting

FileLocal is considered a single enterprise fund which is accounted for on an economic resource's 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 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 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

The 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.

Subscription Assets

Capital assets, which include Subscription Based Information Technology Arrangements (SBITA) are reported in the financial statements. SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The right to use the subscription assets are recorded as an intangible asset and a corresponding liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Amortization of the subscription asset has been recognized as an outflow of resources over the subscription term.

Additional information on Subscription Assets is provided in Note 7.

New Accounting Pronouncements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The statement requires that Public-Private and Public-Public Partnerships that meet the definition of a lease apply the guidance in Statement No. 87 *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator are the only underlying assets and the partnership does not meet the definition of a service concession arrangement. The statement also requires a government engaged in an availability payment arrangement that contains multiple components to recognize each component as a separate arrangement. It is effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged. FileLocal determined no impact of this new GASB statement.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement defines a Subscription-Based Information Technology Arrangement (SBITA) as a contract that conveys control of the right to use a vendor's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. It is effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged. FileLocal implemented this GASB statement in the current year. See Notes 1 and 7 Capital Assets for details.

GASB Statement No. 99, Omnibus 2023. This Statement addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement have various effective dates. FileLocal has implemented this new GASB statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement is an amendment of GASB Statement No. 62; it defines accounting changes and prescribes accounting and financial reporting as well as required disclosures in the notes to financial statements. The requirements of this Statement for changes in accounting principles apply to implementation of a new pronouncement in the absence of specific transition provisions in the new pronouncement. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. FileLocal determined no impact of this new GASB statement.

GASB Statement No. 101, *Compensated Absences*. This Statement aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. FileLocal determined no impact of this new GASB statement.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact. Additionally, the Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of the financial statements to understand the nature and vulnerability to the risk of substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter. Earlier application is encouraged. Filelocal is currently evaluating the impact of this new GASB statement.

NOTE 2 - CASH AND CASH EQUIVALENTS

FileLocal maintains its cash balance in one financial institution which is covered by Federal Deposit Insurance (FDIC) up to $250,000. As of December 31, 2023, the bank statement balance was $252,601.

FileLocal invests its temporary cash surpluses in the Washington State Treasurer's Local Government Investment Pool (the Pool). Investments in the Pool are available on demand in the amount of the original investment plus interest earnings and are treated as a money market investment in FileLocal's records. Accordingly, the fair value of FileLocal's position in the Pool is the same as the value of FileLocal's shares in the investment pool.

Funds in the Pool are reported as short-term investments and are considered a cash equivalent for cash flow reporting purposes.

NOTE 3 - ACCOUNTS RECEIVABLE

Customer accounts receivable consist of amounts owed from individuals or organizations for tax portal services, including amounts paid but in transit from merchant service companies. As of December 31, 2023 the accounts receivable balance was $15,304.

NOTE 4 - 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 162 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.

NOTE 4 - RISK MANAGEMENT (continued)

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. 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 5 - RELATED PARTY

During 2023, FileLocal had 11 participating cities and each city was required to reimburse operating costs more than user fees received, based on the methodologies defined in the Inter-local Government Agreement. A total contribution of $778,175 was made by these participating cities in 2023. 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 $121,496 due from the cities as of December 31, 2023.

The City of Seattle provides labor and technology services to FileLocal, and these costs are billed to FileLocal for reimbursement. During 2023, the City of Seattle charged total contract labor cost and technology services of $532,687 to FileLocal.

NOTE 6 - SUBSEQUENT EVENT

Management evaluated all activities of the Agency through May 8, 2024, the date financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.

NOTE 7 - SUBSCRIPTION LIABILITIES

FileLocal entered into a Subscription Based Information Technology Arrangement (SBITA) with Avenu Insights and Analytics LLC on September 6, 2023 for a period of 40 months end December 31, 2026. As of December 31, 2023, the principal and interest requirements to maturity are as follows:

Year ended December 31	Principal	Interest
2024	823,161	113,420
2025	1,008,369	73,315
2026	1,216,291	27,104
	3,047,821	**213,839**

The following is a summary of the long-term liability for the year ended December 31, 2023

Year ended December 31	Beginning Balance 1/1/2023	Increase	Decrease	Ending Balance 13/31/2023	Due Within One Year
Subscription liability	-	3,441,670	(180,008)	3,261,662	936,580
	-	**3,441,670**	**(180,008)**	**3,261,662**	**936,580**

FileLocal

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Vendor Warrant List – 1st Quarter 2024

FileLocal
Quarterly Warrant List
3/31/2024

Vendor Name	Payments for Current Quarter	Payments Year-To-Date
Avenu	305,140.62	305,140.62
City of Seattle Treasury Dept	107,136.29	107,136.29
Francis & Company	18,141.00	18,141.00
Kubra	450.00	450.00
Madrona Law Group, PLLC	2,257.00	2,257.00
Tamazari, Inc.	50,268.75	50,268.75
TokuSaku Incorporated	5,000.00	5,000.00
Washington Cities Insurance Authority	5,169.00	5,169.00
Wells Fargo Credit Card	662.00	662.00