FileLocal

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

Executive Board:

Jamie Thomas
City of Auburn

Michael Chandler
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 Agenda

September 18, 2025

700 5TH AVE, ROOM 4086
SEATTLE, WA
TEAMS CONFERENCE CALL

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

2. **PUBLIC COMMENT***

3. **APPROVAL OF 06-05-25 MEETING SUMMARY**
   a. 06-05-25 Meeting Summary

4. **REVIEW OFAUGUST 2025, JULY 2025, JUNE 2025 AND MAY 2025 FINANCIAL STATEMENTS**
   a. August 2025 Financial Statements
   b. July 2025 Financial Statements
   c. June 2025 Financial Statements
   d. May 2025 Financial Statements

5. **ACTION ITEMS**
   a. No new resolutions

6. **DISCUSSION ITEMS**
   a. Operational Performance Report (OPR)
   b. Platform Replacement Update
   c. Annual Financial Statements 2024
   d. Vendor warrants

7. **ADJOURNMENT**

*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.

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City of Renton

Jamie Carnell, Vice Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Summary

June 5, 2025

700 5TH AVE, ROOM 4086
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 06-05-25 meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:02 a.m. and conducted by Teams meeting.

ROLL CALL

Board Members Present: Michael Chandler (phone), Jeff Friend (phone), Paula Painter (phone), Kari Roller (phone), Joseph Cunha for Jamie Carnell (phone), and Danielle Larson for Andy Cherullo (phone)

Staff and Guests: Jamielee Graves (phone), Scott Hitchcock (phone), Julie Panick (phone), John Costello (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 Joseph Cunha, the board approved the 03-20-25 meeting summary.

4. REVIEW OF FINANCIAL STATEMENTS

Scott Hitchcock summarized the April 2025 financial statements and cash status. There were no questions or comments.

5. ACTION ITEMS

A. Resolution FL2025-01 Draft Budget 2026-2030.

*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.

a. Scott Hitchcock reviewed the resolution. There were no questions or comments.

i. Motion to accept: Kari Roller
ii. Motion seconded Danielle Larson
iii. Supermajority vote passed

VOTE FL2025-01	City	Member
	Auburn	Jamie Thomas (absent)
YES	Bellevue	Michael Chandler
YES	Des Moines	Jeff Friend
	Everett	Heide Brillantes (absent)
YES	Kent	Paula Painter
YES	Lake Forest Park	Lindsey Vaughn
YES	Renton	Kari Roller
YES	Seattle	Joseph Cunha for Jamie Carnell
YES	Tacoma	Danielle Larson for Andy Cherullo

B. Resolution FL2025-02 Tamazari Contract Amendment 2

a. Scott Hitchcock reviewed the resolution

i. Motion to accept: Kari Roller
ii. Motion seconded: Joseph Cunha
iii. Majority vote: passed

VOTE FL2025-02	City	Member
	Auburn	Jamie Thomas (absent)
YES	Bellevue	Michael Chandler
YES	Des Moines	Jeff Friend
	Everett	Heide Brillantes (absent)
YES	Kent	Paula Painter
YES	Lake Forest Park	Lindsey Vaughn
YES	Renton	Kari Roller
YES	Seattle	Joseph Cunha for Jamie Carnell
YES	Tacoma	Danielle Larson for Andy Cherullo

6. DISCUSSION ITEMS:

A. Operational Performance Report (OPR)

Scott Hitchcock reviewed the April Operational Performance Report. There were no questions or comments.

B. State Audit

Scott Hitchcock reported that the Agency received a clean state audit. A copy of the final report was emailed to board members. There were no questions or comments.

C. Leviathan Security Contract

Scott Hitchcock reported that the Leviathan Security Group Contract has been extended to 7-31-26 with new pricing and deliverables. Leviathan will do due diligence on the Platform Replacement candidate vendors and their payment processors. There were no questions or comments.

D. Vendor Warrant List

Scott Hitchcock reviewed the 1st Quarter Vendor Warrant List. There were no questions or comments.

7. ADJOURNMENT

The Chair, Paula Painter adjourned the meeting at 11:32 a.m.

Respectfully submitted,

Julie Panick
Secretary, FileLocal

Finance Statements – August 2025

FileLocal

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

FileLocal
Financial Statements
August 31, 2025

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FileLocal
Statements of Financial Position
August 31, 2025

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 242,584	$ 304,963	$ (62,379)
Short term investments	2,096,102	2,225,318	(129,216)
Accounts receivable	11,356	26,348	(14,992)
Due from other governments	8,290	8,290	-
Prepaid	-	-	-
Total current assets	2,358,332	2,564,919	(206,587)
TOTAL ASSETS	**2,358,332**	**2,564,919**	**(206,587)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	28,361	97,862	(69,501)
Accrued expenses	213,167	216,600	(3,433)
Credit card payable	-	-	-
Total current liabilities	241,528	314,462	(72,934)
TOTAL LIABILITIES	**241,528**	**314,462**	**(72,934)**
NET ASSETS			
Capital reserve	250,000	250,000	-
Fund carryover reserve	674,398	808,051	(133,653)
Operating reserve	491,080	491,080	-
Platform replacement reserve	701,326	701,326	-
TOTAL NET ASSETS	**2,116,804**	**2,250,457**	**(133,653)**
TOTAL LIABILITIES AND NET ASSETS	**$2,358,332**	**$2,564,919**	**$ (206,587)**
	-	-	-

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
August 31, 2025

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 14,848	$ 100,300	$ 15,947
Total revenues		**14,848**	**100,300**	**15,947**
OPERATING EXPENSES				
Contract labor	1	36,853	39,420	33,273
Contracts	2	337	23,801	5,417
Overhead	3	669	158	1,792
Technology costs	4	118,742	92,033	117,955
Total operating expenses		**156,601**	**155,412**	**158,437**
NET OPERATING SURPLUS/DEFICIT		**(141,753)**	**(55,112)**	**(142,490)**
OTHER REVENUE				
Investment income	5	8,101	8,424	8,558
Reimbursable costs	6	-	-	-
Total Other Revenue		**8,101**	**8,424**	**8,558**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(133,652)	(46,688)	(133,932)
Total Other Expenditures		**(133,652)**	**(46,688)**	**(133,932)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual
August 31, 2025

	Sch	Budget 2025	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,799	$ 532,611	$ 513,893	$ (18,718)
Total revenues		**791,799**	**532,611**	**513,893**	**(18,718)**
OPERATING EXPENSES					
Contract labor	1	536,920	357,946	330,418	27,528
Contracts	2	85,700	63,933	74,571	(10,638)
Overhead	3	71,700	48,940	10,780	38,160
Technology costs	4	1,520,000	890,000	811,015	78,985
Total operating expenses		**2,214,320**	**1,360,819**	**1,226,784**	**134,035**
NET OPERATING SURPLUS/DEFICIT		**(1,422,521)**	**(828,208)**	**(712,891)**	**115,317**
OTHER REVENUE					
Investment income	5	-	-	66,408	66,408
Reimbursable costs	6	1,198,322	1,198,322	1,198,322	-
Total Other Revenue		**1,198,322**	**1,198,322**	**1,264,730**	**66,408**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(224,199)	370,114	551,839	(181,725)
Total Other Expenditures		**(224,199)**	**370,114**	**551,839**	**(181,725)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
August 31, 2025

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 228,800	$ 152,533	$ 144,719	$ 7,814
Contract labor - Seattle	308,120	205,413	185,699	19,714
1. Contract labor	**536,920**	**357,946**	**330,418**	**27,528**
Accounting fees	65,000	43,333	58,412	(15,079)
Bank fees	400	300	1	299
Insurance	5,300	5,300	5,169	131
State Auditor fees	15,000	15,000	10,989	4,011
2. Contracts	**85,700**	**63,933**	**74,571**	**(10,638)**
Agency IT costs	4,000	4,000	3,753	247
Legal fees	63,000	42,000	5,136	36,864
License and membership fees	1,000	300	300	-
Meals and entertainment	1,000	667	189	478
Office and operating supplies	1,000	840	1,402	(562)
Travel expense	1,700	1,133	-	1,133
3. Overhead	**71,700**	**48,940**	**10,780**	**38,160**
Platform replacement	250,000	50,000	-	50,000
Project management	100,000	60,000	-	60,000
SAAS fees	1,155,000	770,000	770,000	-
Software development	-	-	1,035	(1,035)
Software development recovery	-	-	1,820	(1,820)
Web security	15,000	10,000	38,160	(28,160)
4. Technology costs	**1,520,000**	**890,000**	**811,015**	**78,985**
Interest income	-	-	66,556	66,556
Investment expense	-	-	(148)	(148)
5. Investment income	**-**	**-**	**66,408**	**66,408**
Reimbursable costs - Auburn	10,124	10,124	10,124	-
Reimbursable costs - Bellevue	149,637	149,637	149,637	-
Reimbursable costs - Des Moines	20,142	20,142	20,142	-
Reimbursable costs - Everett	93,546	93,546	93,546	-
Reimbursable costs - Kent	11,516	11,516	11,516	-
Reimbursable costs - Lake Forest Park	16,848	16,848	16,848	-
Reimbursable costs - Poulsbo	5,230	5,230	5,230	-
Reimbursable costs - Renton	69,003	69,003	69,003	-
Reimbursable costs - Seattle	620,935	620,935	620,935	-
Reimbursable costs - Shoreline	21,304	21,304	21,304	-
Reimbursable costs - Tacoma	180,037	180,037	180,037	-
6. Reimbursable costs	**1,198,322**	**1,198,322**	**1,198,322**	**-**
Capital cost collected	(28,000)	(28,000)	(28,000)	-
Capital cost paid	28,000	28,000	28,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	-	(26,092)	-	(26,092)
Fund carryover adjustment	(173,454)	246,951	352,584	(105,633)
Operating reserve adjustment	199,255	199,255	199,255	-
Platform replacement adjustment	(250,000)	(50,000)	-	(50,000)
8. Net reserve adjustment	**$ (224,199)**	**$ 370,114**	**$ 551,839**	**$ (181,725)**

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FileLocal
Statement of Cash Flow
August 31, 2025

OPERATING ACTIVITIES	
Change in Net Assets	(133,652)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	14,992
Due from other governments	-
Accounts Payable	(69,502)
Accrued Expenses	(3,434)
Credit card payable	-
Net cash provided by operating activities	**(191,596)**
Net cash increase for period	(191,596)
Cash at beginning of period	2,530,282
Cash at end of period	**2,338,686**

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Financial Statements – July 2025

FileLocal

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FileLocal
Financial Statements
July 31, 2025

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FileLocal
Statements of Financial Position
July 31, 2025

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 304,963	$ 261,126	$ 43,837
Short term investments	2,225,318	2,297,123	(71,805)
Accounts receivable	26,348	10,668	15,680
Due from other governments	8,290	-	8,290
Prepaid	-	-	-
Total current assets	2,564,919	2,568,917	(3,998)
TOTAL ASSETS	**2,564,919**	**2,568,917**	**(3,998)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	97,863	76,221	21,642
Accrued expenses	216,600	195,550	21,050
Credit card payable	-	-	-
Total current liabilities	314,463	271,771	42,692
TOTAL LIABILITIES	**314,463**	**271,771**	**42,692**
NET ASSETS			
Capital reserve	250,000	250,000	-
Fund carryover reserve	808,050	854,740	(46,690)
Operating reserve	491,080	491,080	-
Platform replacement reserve	701,326	701,326	-
TOTAL NET ASSETS	**2,250,456**	**2,297,146**	**(46,690)**
TOTAL LIABILITIES AND NET ASSETS	**$2,564,919**	**$2,568,917**	**$ (3,998)**
	-	-	-

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FileLocal
Statements of Activities
July 31, 2025

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 100,300	$ 15,947	$ 18,308
Total revenues		**100,300**	**15,947**	**18,308**
OPERATING EXPENSES				
Contract labor	1	39,420	33,273	44,927
Contracts	2	23,801	5,417	5,417
Overhead	3	158	1,792	455
Technology costs	4	92,033	117,955	96,250
Total operating expenses		**155,412**	**158,437**	**147,049**
NET OPERATING SURPLUS/DEFICIT		**(55,112)**	**(142,490)**	**(128,741)**
OTHER REVENUE				
Investment income	5	8,424	8,558	9,651
Reimbursable costs	6	-	-	-
Total Other Revenue		**8,424**	**8,558**	**9,651**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(46,688)	(133,932)	(119,090)
Total Other Expenditures		**(46,688)**	**(133,932)**	**(119,090)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual
July 31, 2025

	Sch	Budget 2025	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,799	$ 511,844	$ 499,045	$ (12,799)
Total revenues		**791,799**	**511,844**	**499,045**	**(12,799)**
OPERATING EXPENSES					
Contract labor	1	536,920	313,204	293,565	19,639
Contracts	2	85,700	58,492	74,234	(15,742)
Overhead	3	71,700	43,425	10,111	33,314
Technology costs	4	1,520,000	732,500	692,273	40,227
Total operating expenses		**2,214,320**	**1,147,621**	**1,070,183**	**77,438**
NET OPERATING SURPLUS/DEFICIT		**(1,422,521)**	**(635,777)**	**(571,138)**	**64,639**
OTHER REVENUE					
Investment income	5	-	-	58,307	58,307
Reimbursable costs	6	1,198,322	1,198,322	1,198,322	-
Total Other Revenue		**1,198,322**	**1,198,322**	**1,256,629**	**58,307**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(224,199)	562,545	685,491	(122,946)
Total Other Expenditures		**(224,199)**	**562,545**	**685,491**	**(122,946)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
July 31, 2025

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 228,800	$ 133,467	$ 128,916	$ 4,551
Contract labor - Seattle	308,120	179,737	164,649	15,088
1. Contract labor	**536,920**	**313,204**	**293,565**	**19,639**
Accounting fees	65,000	37,917	58,075	(20,158)
Bank fees	400	275	1	274
Insurance	5,300	5,300	5,169	131
State Auditor fees	15,000	15,000	10,989	4,011
2. Contracts	**85,700**	**58,492**	**74,234**	**(15,742)**
Agency IT costs	4,000	4,000	3,753	247
Legal fees	63,000	36,750	4,467	32,283
License and membership fees	1,000	300	300	-
Meals and entertainment	1,000	583	189	394
Office and operating supplies	1,000	800	1,402	(602)
Travel expense	1,700	992	-	992
3. Overhead	**71,700**	**43,425**	**10,111**	**33,314**
Platform replacement	250,000	-	-	-
Project management	100,000	50,000	-	50,000
SAAS fees	1,155,000	673,750	673,750	-
Software development	-	-	1,035	(1,035)
Software development recovery	-	-	-	-
Web security	15,000	8,750	17,488	(8,738)
4. Technology costs	**1,520,000**	**732,500**	**692,273**	**40,227**
Interest income	-	-	58,444	58,444
Investment expense	-	-	(137)	(137)
5. Investment income	**-**	**-**	**58,307**	**58,307**
Reimbursable costs - Auburn	10,124	10,124	10,124	-
Reimbursable costs - Bellevue	149,637	149,637	149,637	-
Reimbursable costs - Des Moines	20,142	20,142	20,142	-
Reimbursable costs - Everett	93,546	93,546	93,546	-
Reimbursable costs - Kent	11,516	11,516	11,516	-
Reimbursable costs - Lake Forest Park	16,848	16,848	16,848	-
Reimbursable costs - Poulsbo	5,230	5,230	5,230	-
Reimbursable costs - Renton	69,003	69,003	69,003	-
Reimbursable costs - Seattle	620,935	620,935	620,935	-
Reimbursable costs - Shoreline	21,304	21,304	21,304	-
Reimbursable costs - Tacoma	180,037	180,037	180,037	-
6. Reimbursable costs	**1,198,322**	**1,198,322**	**1,198,322**	**-**
Capital cost collected	(28,000)	(28,000)	(28,000)	-
Capital cost paid	28,000	28,000	28,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	-	(22,831)	-	(22,831)
Fund carryover adjustment	(173,454)	386,121	486,236	(100,115)
Operating reserve adjustment	199,255	199,255	199,255	-
Platform replacement adjustment	(250,000)	-	-	-
8. Net reserve adjustment	**$ (224,199)**	**$ 562,545**	**$ 685,491**	**$ (122,946)**

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FileLocal
Statement of Cash Flow
July 31, 2025

OPERATING ACTIVITIES	
Change in Net Assets	(46,688)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	(15,680)
Due from other governments	(8,290)
Accounts Payable	21,640
Accrued Expenses	21,049
Credit card payable	-
Net cash provided by operating activities	**(27,969)**
Net cash increase for period	(27,969)
Cash at beginning of period	2,558,250
Cash at end of period	**2,530,281**

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Financial Statements – June 2025

FileLocal

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FileLocal
Financial Statements
June 30, 2025

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FileLocal
Statements of Financial Position
June 30, 2025

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 261,126	$ 479,767	$ (218,641)
Short term investments	2,297,123	2,451,671	(154,548)
Accounts receivable	10,668	11,124	(456)
Due from other governments	-	-	-
Prepaid	-	-	-
Total current assets	2,568,917	2,942,562	(373,645)
TOTAL ASSETS	**2,568,917**	**2,942,562**	**(373,645)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	76,222	216,102	(139,880)
Accrued expenses	195,550	295,383	(99,833)
Credit card payable	-	-	-
Total current liabilities	271,772	511,485	(239,713)
TOTAL LIABILITIES	**271,772**	**511,485**	**(239,713)**
NET ASSETS			
Capital reserve	250,000	250,000	-
Fund carryover reserve	854,739	988,671	(133,932)
Operating reserve	491,080	491,080	-
Platform replacement reserve	701,326	701,326	-
TOTAL NET ASSETS	**2,297,145**	**2,431,077**	**(133,932)**
TOTAL LIABILITIES AND NET ASSETS	**$2,568,917**	**$2,942,562**	**$ (373,645)**
	-	-	-

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FileLocal
Statements of Activities
June 30, 2025

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 15,947	$ 18,308	$ 113,929
Total revenues		**15,947**	**18,308**	**113,929**
OPERATING EXPENSES				
Contract labor	1	33,273	44,927	40,673
Contracts	2	5,417	5,417	17,780
Overhead	3	1,792	455	1,723
Technology costs	4	117,955	96,250	97,285
Total operating expenses		**158,437**	**147,049**	**157,461**
NET OPERATING SURPLUS/DEFICIT		**(142,490)**	**(128,741)**	**(43,532)**
OTHER REVENUE				
Investment income	5	8,558	9,651	9,518
Reimbursable costs	6	-	-	-
Total Other Revenue		**8,558**	**9,651**	**9,518**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(133,932)	(119,090)	(34,014)
Total Other Expenditures		**(133,932)**	**(119,090)**	**(34,014)**
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
June 30, 2025

	Sch	Budget 2025	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,799	$ 419,467	$ 398,745	$ (20,722)
Total revenues		**791,799**	**419,467**	**398,745**	**(20,722)**
OPERATING EXPENSES					
Contract labor	1	536,920	268,460	254,145	14,315
Contracts	2	85,700	53,050	50,432	2,618
Overhead	3	71,700	37,910	9,953	27,957
Technology costs	4	1,520,000	625,000	600,240	24,760
Total operating expenses		**2,214,320**	**984,420**	**914,770**	**69,650**
NET OPERATING SURPLUS/DEFICIT		**(1,422,521)**	**(564,953)**	**(516,025)**	**48,928**
OTHER REVENUE					
Investment income	5	-	-	49,883	49,883
Reimbursable costs	6	1,198,322	1,198,322	1,198,322	-
Total Other Revenue		**1,198,322**	**1,198,322**	**1,248,205**	**49,883**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(224,199)	633,369	732,180	(98,811)
Total Other Expenditures		**(224,199)**	**633,369**	**732,180**	**(98,811)**
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 - Supporting Schedule
June 30, 2025

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 228,800	$ 114,400	$ 110,546	$ 3,854
Contract labor - Seattle	308,120	154,060	143,599	10,461
1. Contract labor	**536,920**	**268,460**	**254,145**	**14,315**
Accounting fees	65,000	32,500	37,723	(5,223)
Bank fees	400	250	1	249
Insurance	5,300	5,300	5,169	131
State Auditor fees	15,000	15,000	7,539	7,461
2. Contracts	**85,700**	**53,050**	**50,432**	**2,618**
Agency IT costs	4,000	4,000	3,753	247
Legal fees	63,000	31,500	4,467	27,033
License and membership fees	1,000	300	300	-
Meals and entertainment	1,000	500	189	311
Office and operating supplies	1,000	760	1,244	(484)
Travel expense	1,700	850	-	850
3. Overhead	**71,700**	**37,910**	**9,953**	**27,957**
Platform replacement	250,000	-	-	-
Project management	100,000	40,000	-	40,000
SAAS fees	1,155,000	577,500	577,500	-
Software development	-	-	-	-
Software development recovery	-	-	14,415	(14,415)
Web security	15,000	7,500	8,325	(825)
4. Technology costs	**1,520,000**	**625,000**	**600,240**	**24,760**
Interest income	-	-	50,008	50,008
Investment expense	-	-	(125)	(125)
5. Investment income	**-**	**-**	**49,883**	**49,883**
Reimbursable costs - Auburn	10,124	10,124	10,124	-
Reimbursable costs - Bellevue	149,637	149,637	149,637	-
Reimbursable costs - Des Moines	20,142	20,142	20,142	-
Reimbursable costs - Everett	93,546	93,546	93,546	-
Reimbursable costs - Kent	11,516	11,516	11,516	-
Reimbursable costs - Lake Forest Park	16,848	16,848	16,848	-
Reimbursable costs - Poulsbo	5,230	5,230	5,230	-
Reimbursable costs - Renton	69,003	69,003	69,003	-
Reimbursable costs - Seattle	620,935	620,935	620,935	-
Reimbursable costs - Shoreline	21,304	21,304	21,304	-
Reimbursable costs - Tacoma	180,037	180,037	180,037	-
6. Reimbursable costs	**1,198,322**	**1,198,322**	**1,198,322**	**-**
Capital cost collected	(28,000)	(28,000)	(28,000)	-
Capital cost paid	28,000	28,000	28,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	-	(19,569)	-	(19,569)
Fund carryover adjustment	(173,454)	453,683	532,925	(79,242)
Operating reserve adjustment	199,255	199,255	199,255	-
Platform replacement adjustment	(250,000)	-	-	-
8. Net reserve adjustment	**$ (224,199)**	**$ 633,369**	**$ 732,180**	**$ (98,811)**

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
June 30, 2025

OPERATING ACTIVITIES	
Change in Net Assets	(133,932)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	456
Due from other governments	-
Accounts Payable	(139,880)
Accrued Expenses	(99,833)
Credit card payable	-
Net cash provided by operating activities	**(373,189)**
Net cash increase for period	(373,189)
Cash at beginning of period	2,931,438
Cash at end of period	**2,558,249**

-

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.

Financial Statements – May 2025

FileLocal

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

FileLocal
Financial Statements
May 31, 2025

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STATEMENT OF CASH FLOW	5
STATEMENT OF BUDGET AND ACTUAL - SUPPORTING SCHEDULE	6

FileLocal
Statements of Financial Position
May 31, 2025

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 479,767	$ 276,843	$ 202,924
Short term investments	2,451,671	2,614,939	(163,268)
Accounts receivable	11,124	31,224	(20,100)
Due from other governments	-	15,350	(15,350)
Prepaid	-	-	-
Total current assets	2,942,562	2,938,356	4,206
TOTAL ASSETS	**2,942,562**	**2,938,356**	**4,206**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	216,103	27,649	188,454
Accrued expenses	295,383	360,540	(65,157)
Credit card payable	-	-	-
Total current liabilities	511,486	388,189	123,297
TOTAL LIABILITIES	**511,486**	**388,189**	**123,297**
NET ASSETS			
Capital reserve	250,000	250,000	-
Fund carryover reserve	988,670	1,107,761	(119,091)
Operating reserve	491,080	491,080	-
Platform replacement reserve	701,326	701,326	-
TOTAL NET ASSETS	**2,431,076**	**2,550,167**	**(119,091)**
TOTAL LIABILITIES AND NET ASSETS	**$2,942,562**	**$2,938,356**	**$ 4,206**
	-	-	-

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
May 31, 2025

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 18,308	$ 113,929	$ 30,020
Total revenues		**18,308**	**113,929**	**30,020**
OPERATING EXPENSES				
Contract labor	1	44,927	40,673	44,743
Contracts	2	5,417	17,780	5,417
Overhead	3	455	1,723	139
Technology costs	4	96,250	97,285	96,250
Total operating expenses		**147,049**	**157,461**	**146,549**
NET OPERATING SURPLUS/DEFICIT		**(128,741)**	**(43,532)**	**(116,529)**
OTHER REVENUE				
Investment income	5	9,651	9,518	10,143
Reimbursable costs	6	-	-	-
Total Other Revenue		**9,651**	**9,518**	**10,143**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(119,090)	(34,014)	(106,386)
Total Other Expenditures		**(119,090)**	**(34,014)**	**(106,386)**
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
May 31, 2025

	Sch	Budget 2025	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,799	$ 401,591	$ 382,798	$ (18,793)
Total revenues		**791,799**	**401,591**	**382,798**	**(18,793)**
OPERATING EXPENSES					
Contract labor	1	536,920	223,716	220,872	2,844
Contracts	2	85,700	47,608	45,016	2,592
Overhead	3	71,700	32,395	8,161	24,234
Technology costs	4	1,520,000	517,500	482,285	35,215
Total operating expenses		**2,214,320**	**821,219**	**756,334**	**64,885**
NET OPERATING SURPLUS/DEFICIT		**(1,422,521)**	**(419,628)**	**(373,536)**	**46,092**
OTHER REVENUE					
Investment income	5	-	-	41,325	41,325
Reimbursable costs	6	1,198,322	1,198,322	1,198,322	-
Total Other Revenue		**1,198,322**	**1,198,322**	**1,239,647**	**41,325**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(224,199)	778,694	866,111	(87,417)
Total Other Expenditures		**(224,199)**	**778,694**	**866,111**	**(87,417)**
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 - Supporting Schedule
May 31, 2025

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 228,800	$ 95,333	$ 92,946	$ 2,387
Contract labor - Seattle	308,120	128,383	127,926	457
1. Contract labor	**536,920**	**223,716**	**220,872**	**2,844**
Accounting fees	65,000	27,083	32,307	(5,224)
Bank fees	400	225	1	224
Insurance	5,300	5,300	5,169	131
State Auditor fees	15,000	15,000	7,539	7,461
2. Contracts	**85,700**	**47,608**	**45,016**	**2,592**
Agency IT costs	4,000	4,000	3,753	247
Legal fees	63,000	26,250	3,382	22,868
License and membership fees	1,000	300	300	-
Meals and entertainment	1,000	417	189	228
Office and operating supplies	1,000	720	537	183
Travel expense	1,700	708	-	708
3. Overhead	**71,700**	**32,395**	**8,161**	**24,234**
Platform replacement	250,000	-	-	-
Project management	100,000	30,000	-	30,000
SAAS fees	1,155,000	481,250	481,250	-
Software development	-	-	-	-
Software development recovery	-	-	1,035	(1,035)
Web security	15,000	6,250	-	6,250
4. Technology costs	**1,520,000**	**517,500**	**482,285**	**35,215**
Interest income	-	-	41,439	41,439
Investment expense	-	-	(114)	(114)
5. Investment income	**-**	**-**	**41,325**	**41,325**
Reimbursable costs - Auburn	10,124	10,124	10,124	-
Reimbursable costs - Bellevue	149,637	149,637	149,637	-
Reimbursable costs - Des Moines	20,142	20,142	20,142	-
Reimbursable costs - Everett	93,546	93,546	93,546	-
Reimbursable costs - Kent	11,516	11,516	11,516	-
Reimbursable costs - Lake Forest Park	16,848	16,848	16,848	-
Reimbursable costs - Poulsbo	5,230	5,230	5,230	-
Reimbursable costs - Renton	69,003	69,003	69,003	-
Reimbursable costs - Seattle	620,935	620,935	620,935	-
Reimbursable costs - Shoreline	21,304	21,304	21,304	-
Reimbursable costs - Tacoma	180,037	180,037	180,037	-
6. Reimbursable costs	**1,198,322**	**1,198,322**	**1,198,322**	**-**
Capital cost collected	(28,000)	(28,000)	(28,000)	-
Capital cost paid	28,000	28,000	28,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	-	(16,308)	-	(16,308)
Fund carryover adjustment	(173,454)	595,747	666,856	(71,109)
Operating reserve adjustment	199,255	199,255	199,255	-
Platform replacement adjustment	(250,000)	-	-	-
8. Net reserve adjustment	**$ (224,199)**	**$ 778,694**	**$ 866,111**	**$ (87,417)**

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
May 31, 2025

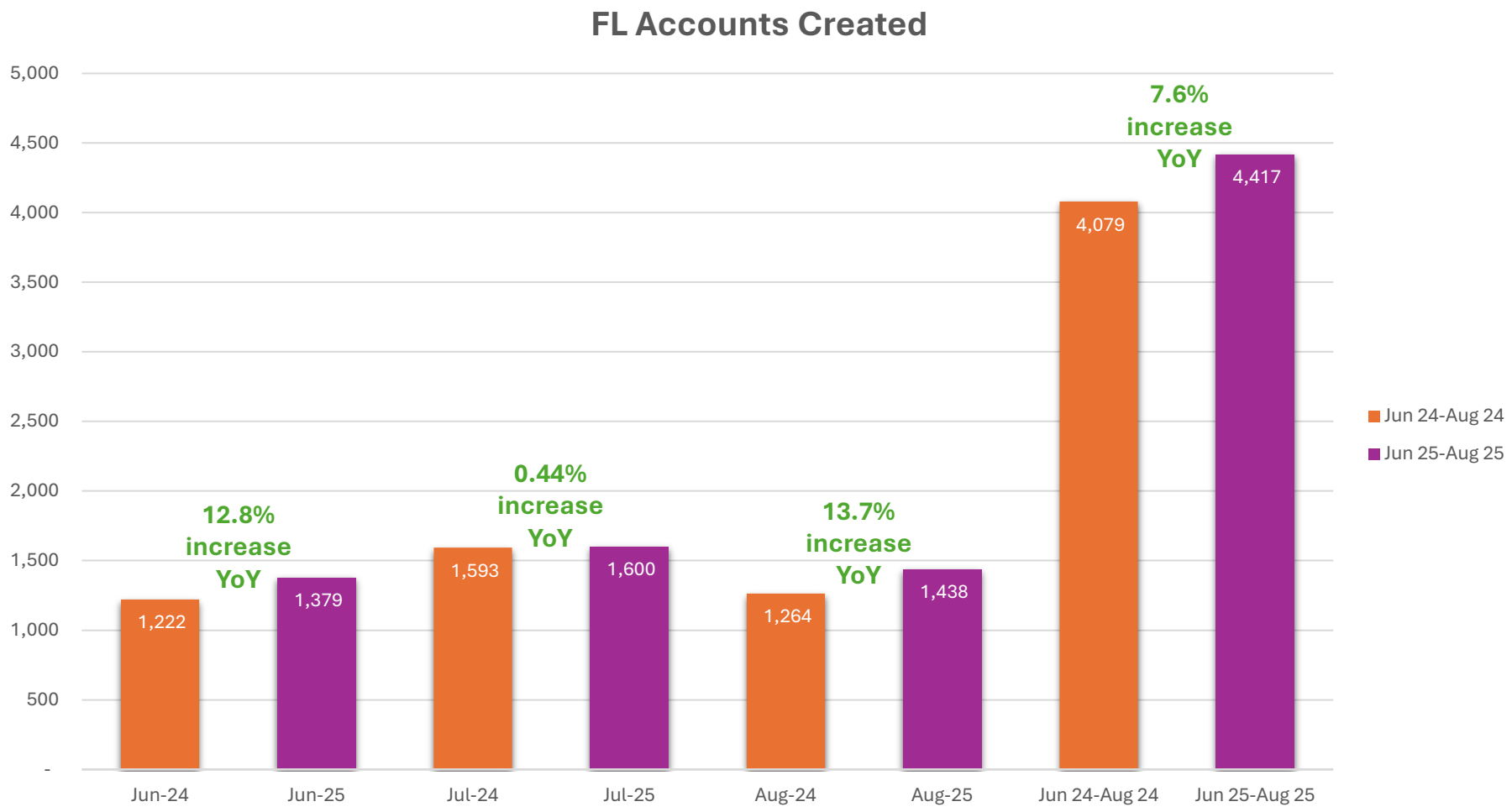
OPERATING ACTIVITIES	
Change in Net Assets	(119,090)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	20,100
Due from other governments	15,350
Accounts Payable	188,453
Accrued Expenses	(65,157)
Credit card payable	-
Net cash provided by operating activities	**39,656**
Net cash increase for period	39,656
Cash at beginning of period	2,891,782
Cash at end of period	**2,931,438**

-

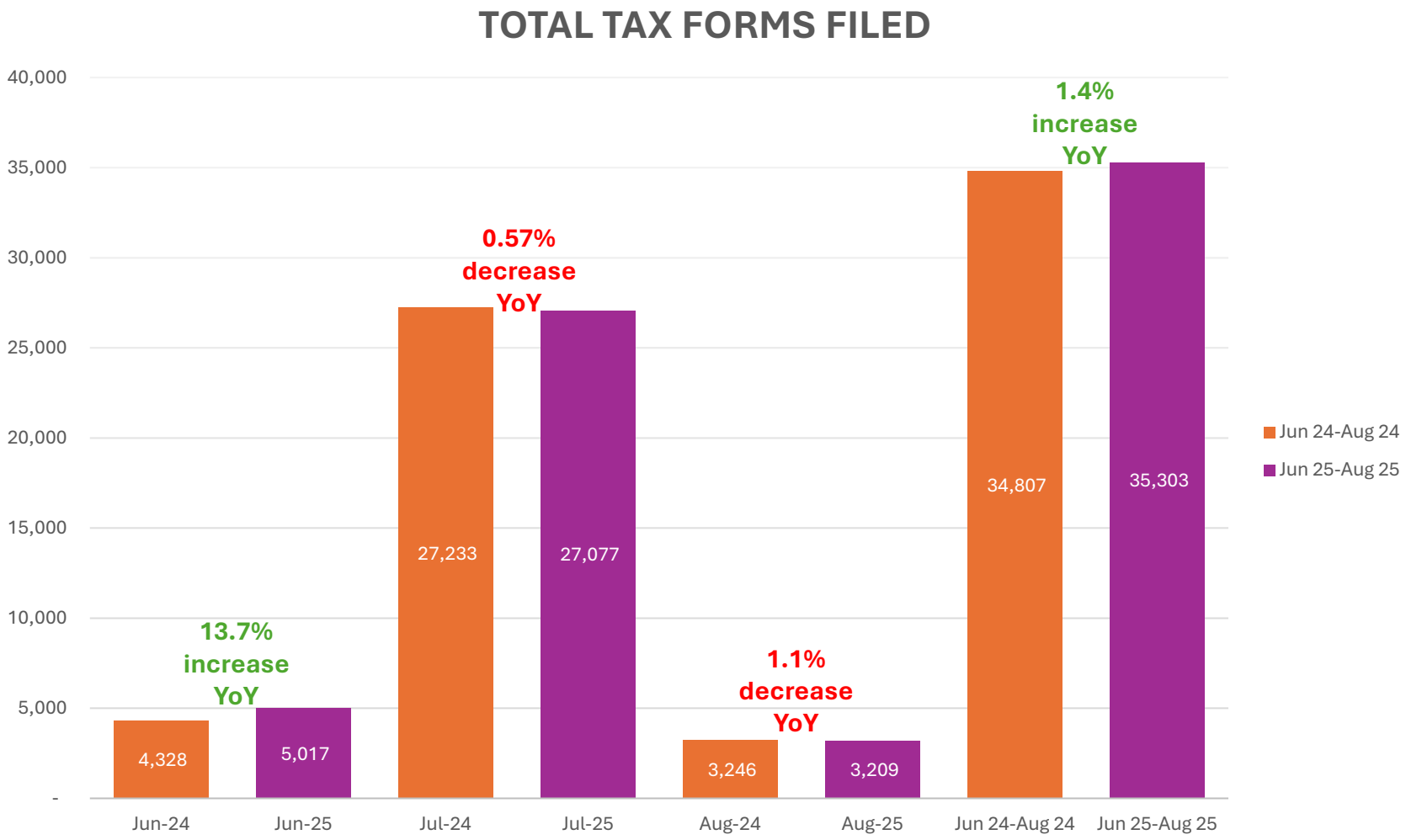
These financial statements have not been subjected to an audit or review or compilation engagement and no assurance is provided on them. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Operational Performance Report

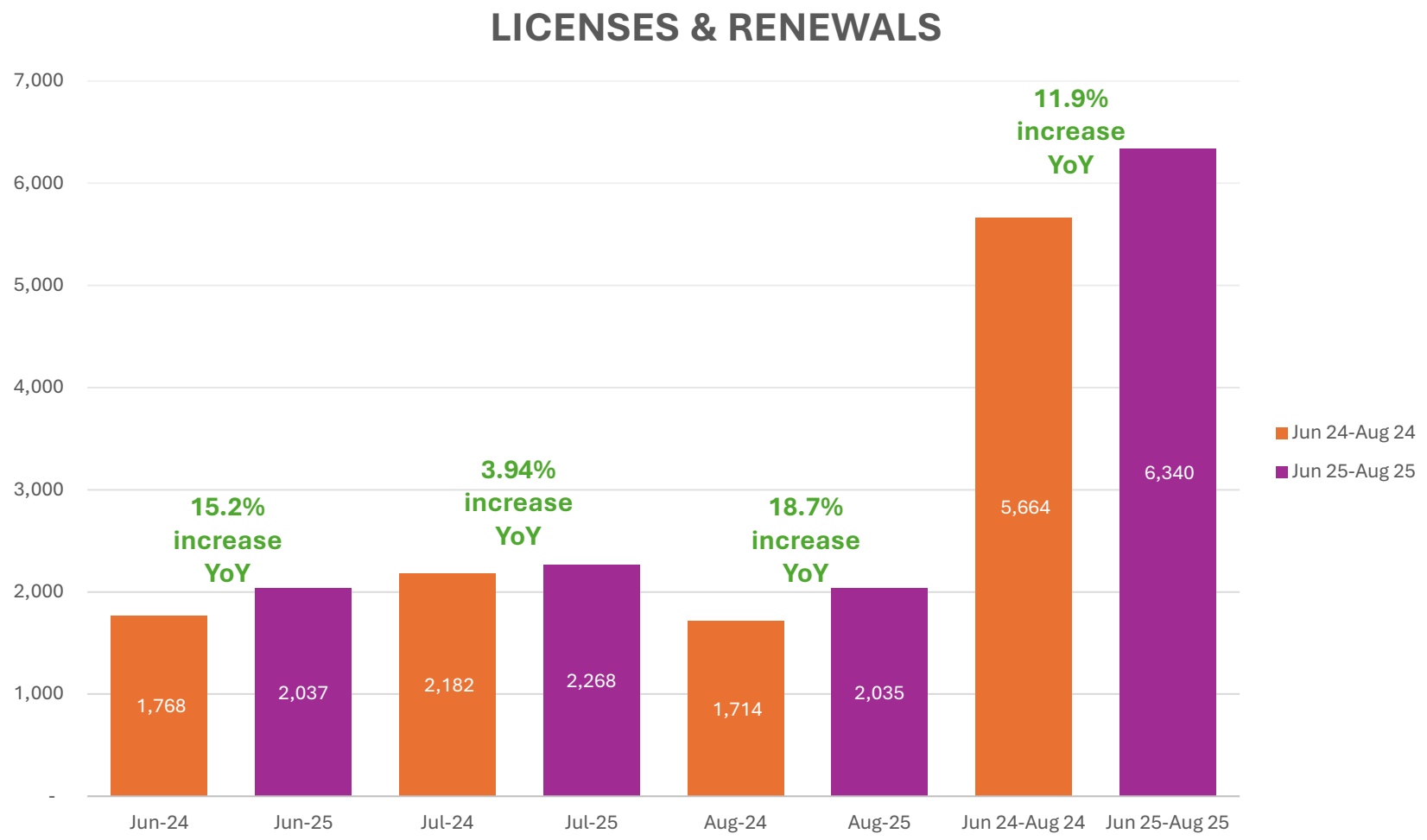
Accounts Created



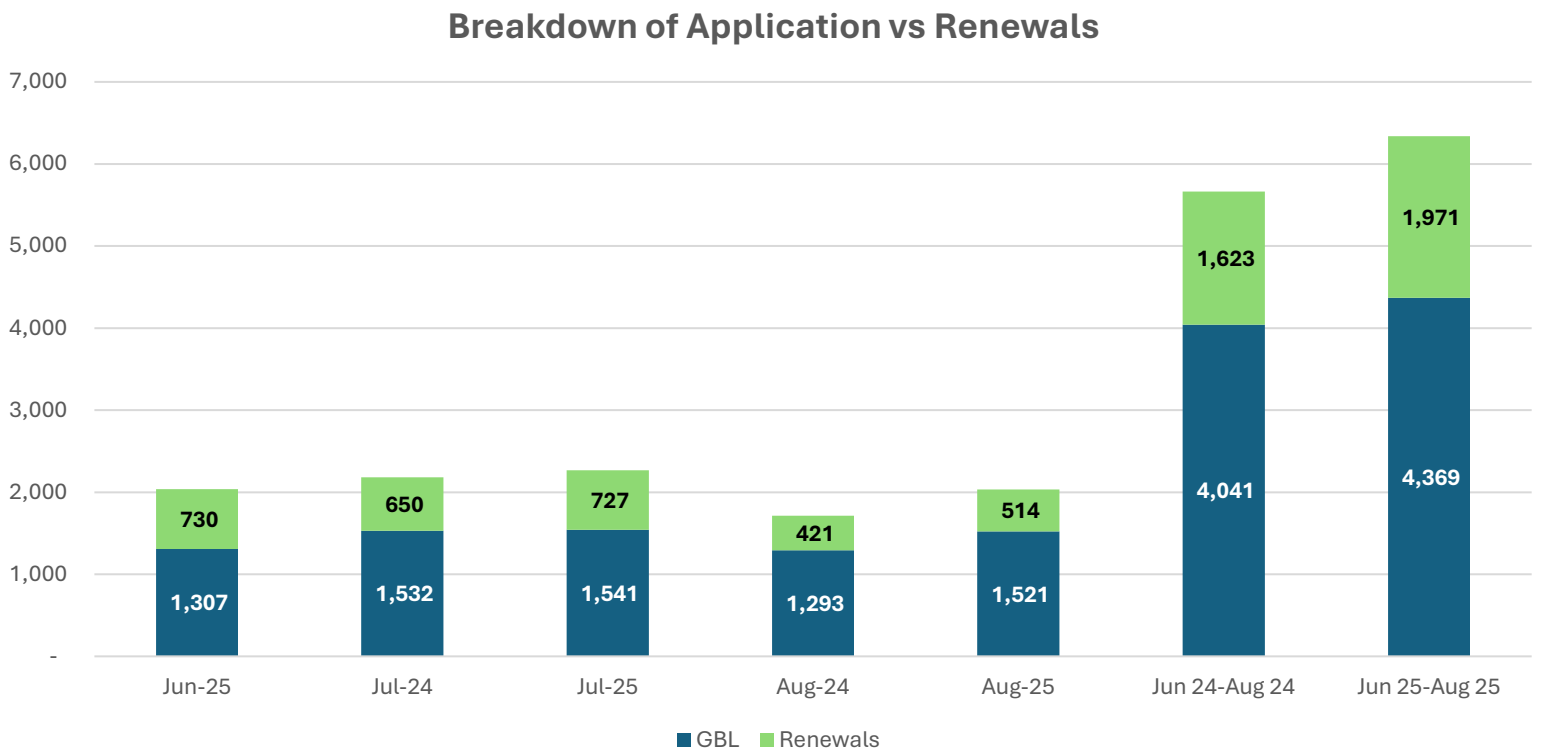
Tax Forms Filed



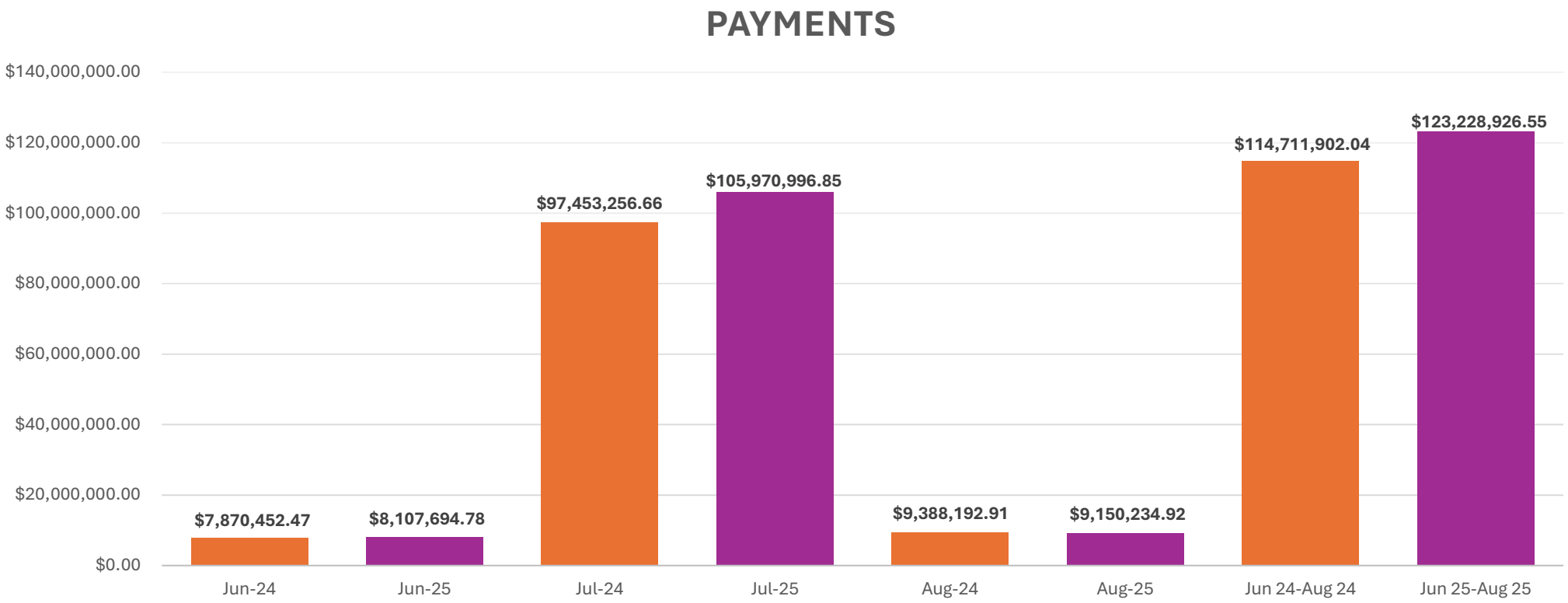
Licenses and Renewals



Licenses and Renewals



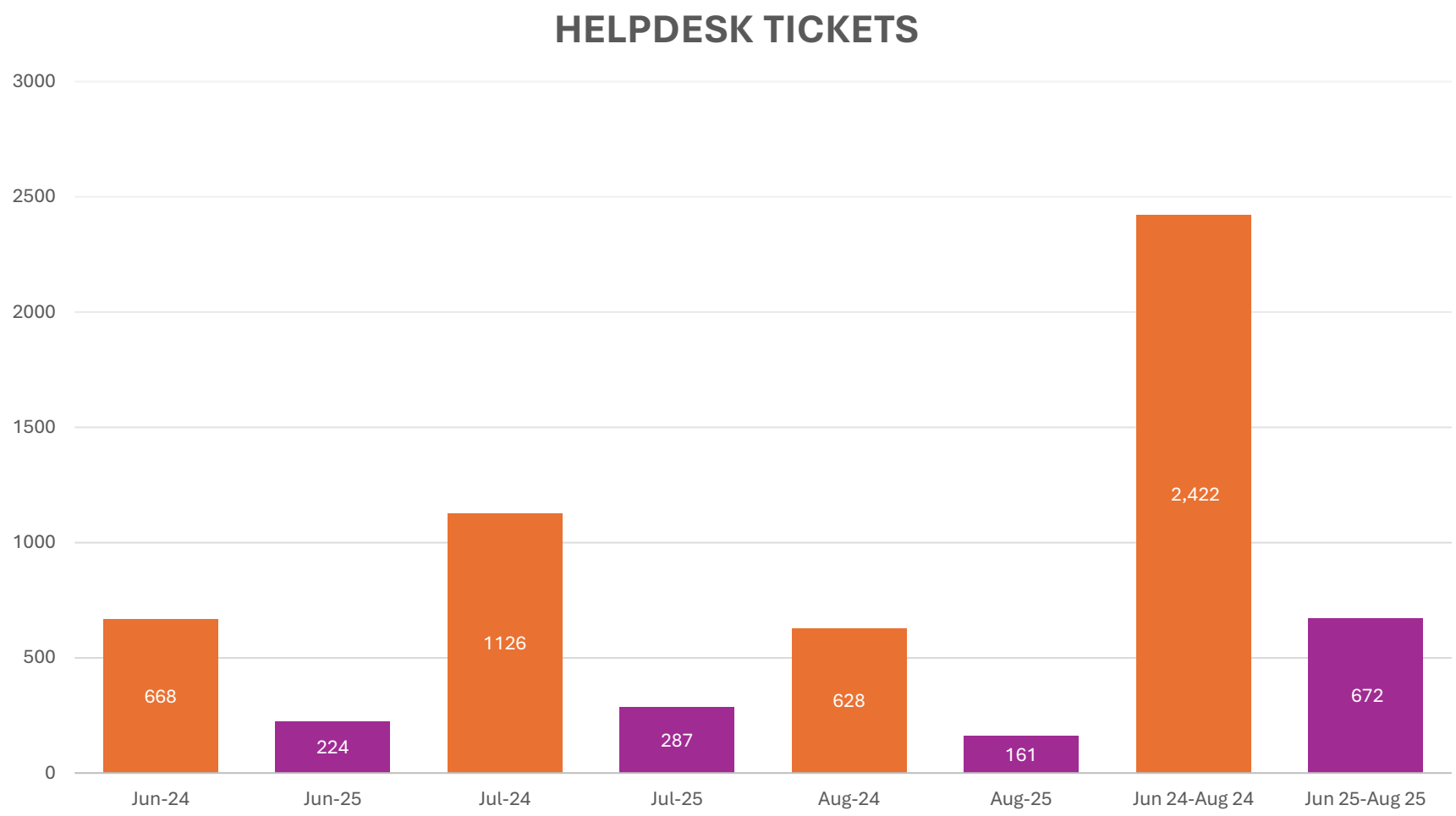
Payments


PAYMENTS
$140,000,000.00
$120,000,000.00
$100,000,000.00
$80,000,000.00
$60,000,000.00
$40,000,000.00
$20,000,000.00
$0.00
$7,870,452.47
$8,107,694.78
$97,453,256.66
$105,970,996.85
$9,388,192.91
$9,150,234.92
$114,711,902.04
$123,228,926.55
Jun-24
Jun-25
Jul-24
Jul-25
Aug-24
Aug-25
Jun 24-Aug 24
Jun 25-Aug 25

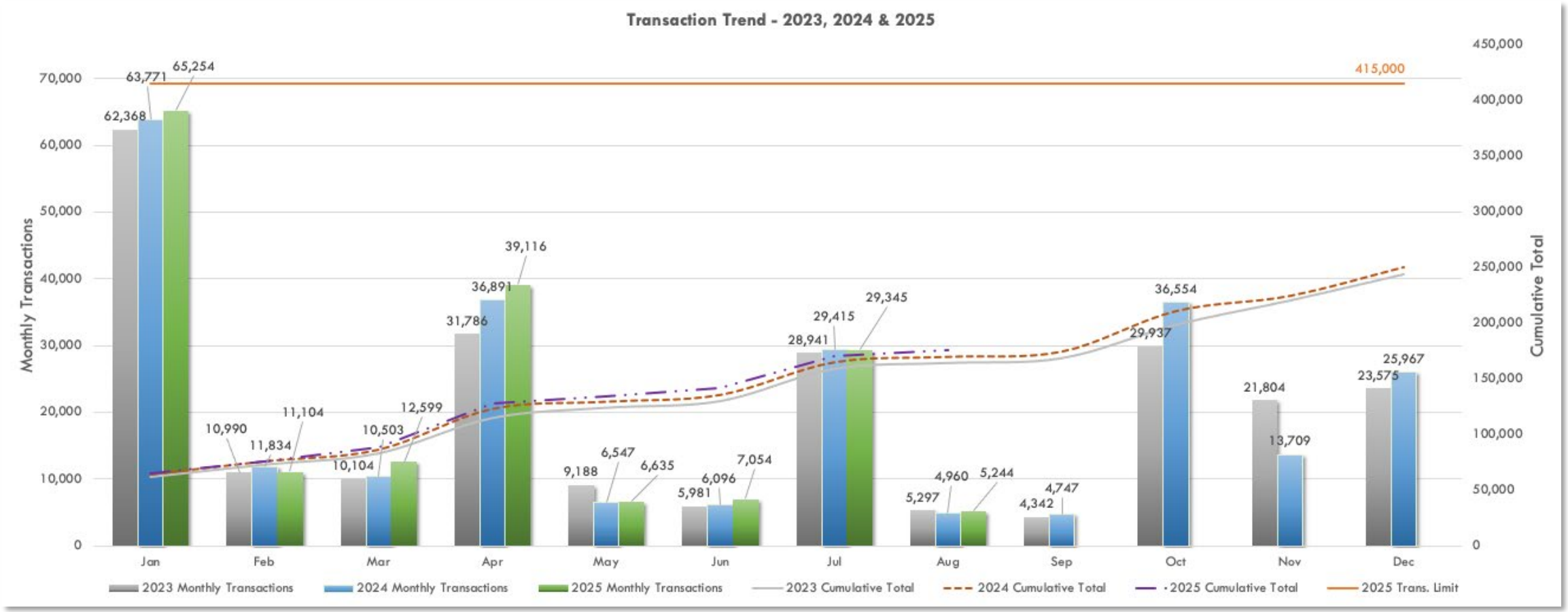
Help Desk Calls

Top 5 Categories (2025)

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



Transactions



Platform Replacement Update

FileLocal

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

Annual Financial Statements 2024

January 1, 2024 – December 31, 2024

FRANCIS & COMPANY PLLC

Washington Multi-City Business License and Tax Portal Agency

Financial Statements for the Year Ended December 31, 2024

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, 2024, 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 27, 2025

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WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION	4
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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, 2024. 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 representations 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 2020, the City of Des Moines joined FileLocal as a principal member
- In 2021, the City of Kent joined FileLocal as a principal member, and the City of Snoqualmie joined FileLocal as subscriber.
- In 2022, the City of Auburn joined FileLocal as a principal member, and the City of Bremerton dropped its subscription.
- In 2023, the City of Snoqualmie dropped its subscription.
- In 2024, the City of Poulsbo joined Filelocal as a subscriber.

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 the 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 2024, FileLocal had a net deficit of $209,607 (2023 $ 20,783 surplus). This was primarily due to higher technology costs which summed to $1,251,005 of total expenses for the year, $1,929,370. As of December 31, 2024, FileLocal reported a total net position of $1,359,762 (2023 $ 1,569,369). Of this amount $1,273,140 was temporarily restricted by the Executive Board and the remaining balance of $ 86,622 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	**2024**	**2023**
Assets	$ 3,955,824	$ 5,040,819
Deferred outflows of resources	-	-
Liabilities	(2,596,062)	(3,471,450)
Deferred inflows of resources	-	-
Total net position	**$ 1,359,762**	**$ 1,569,369**

User fees increased by $12,676 (1.65%) to $780,264 and cost reimbursement increased by $41,118 (5.14%) to $841,793 during the current year ended December 31, 2024. Total expenses increased by $293,519 (17.94%) to $1,929,370, which was primarily driven by an increase in 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

In 2024 transaction fee is charged on a fixed cost basis as part of technology costs.

	2024	**2023**
User fees	$ 780,264	$ 767,588
Reimbursable costs	841,793	800,675
Investment income	97,706	88,371
Total revenue	**1,719,763**	**1,656,634**
Technology costs	1,251,005	738,503
Contract labor costs	529,181	532,687
Transaction fees	-	246,983
Professional fees	112,702	85,313
Capital recovery payment	29,000	22,500
Insurance	5,169	5,165
State auditor fees	-	1,608
Other operating costs	2,313	3,092
Total expenses	**$ 1,929,370**	**$ 1,635,851**
Change in net position	(209,607)	20,783
Beginning net position	1,569,369	1,548,586
Ending net position	**$ 1,359,762**	**$ 1,569,369**

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, 2024

ASSETS		
CURRENT ASSETS		
Cash	$	357,948
Short-term investments		1,391,969
Accounts receivable		20,016
Due from other governments		66,011
Subscription asset		1,036,835
Total current assets		2,872,779
NON-CURRENT ASSET		
Subscription asset	$	1,083,045
Total non-current asset		1,083,045
TOTAL ASSETS	**$**	**3,955,824**
DEFERRED OUTFLOWS OF RESOURCES	**$**	**0**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$	125,931
Accrued liabilities		145,050
Subscription liability		1,081,685
Total current liabilities		1,352,666
NON-CURRENT LIABILITY		
Subscription liability		1,243,396
Total non-current liability		1,243,396
TOTAL LIABILITIES	**$**	**2,596,062**
DEFERRED INFLOWS OF RESOURCES	**$**	**0**
NET POSITION		
Temporarily restricted	$	1,273,140
Unrestricted		86,622
TOTAL NET POSITION	**$**	**1,359,762**

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, 2024

OPERATING REVENUE		
User fees	$	780,264
Total operating revenue		**780,264**
OPERATING EXPENSES		
Technology costs		1,251,005
Contract labor costs		529,181
Professional fees		112,702
Capital recovery payment		29,000
Insurance		5,169
Other operating costs		2,313
Total operating expenses		**1,929,370**
Total operating surplus (deficit)		**$ (1,149,106)**
NONOPERATING REVENUES		
Reimbursable costs		812,793
Capital cost recovery charges		29,000
Investment income, net of investment expenses		97,706
Total non-operating surplus	**$**	**939,499**
CHANGE IN NET POSITION	**$**	**(209,607)**
NET POSITION - BEGINNING OF YEAR		1,569,369
NET POSITION - ENDING OF YEAR	**$**	**1,359,762**

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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers	$ (1,752,541)
Cash receipts from customers	775,552
Net cash used in operating activities	**(976,989)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITES	
Reimbursable costs	812,793
Capital cost recovery charges	29,000
Net cash provided by non-capital financing activities	**841,793**
CASH FLOWS FROM INVESTING ACTITIVITES	
Investment income, net of investment expenses	97,706
Net cash provided by investing activities	**97,706**
NET DECREASE IN CASH	**(37,490)**
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,787,407
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**$ 1,749,917**

Reconciliation of Operating Loss to Net Cash Flows Used In Operating Activities

Operating loss	$ (1,149,106)
Adjustments to reconcile operating loss to net cash provided used in operating activities:	
Changes in assets and liabilities	
Increase in account receivables	(4,712)
Decrease in subscription assets	996,730
Decrease in due from other governments	55,486
Increase in accounts payable	5,618
Increase in accrued liabilities	55,575
Decrease in subscription liabilities	(936,580)
Net cash used in operating activities	**$ (976,989)**

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 founding 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 subscription. In 2023, the City of Snoqualmie dropped its subscription. During 2024, 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, 2024.

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. The 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 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

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 6.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires the government to assess whether a concentration or constraint makes the primary reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to 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 applications are encouraged. FileLocal is currently evaluating the impact of this new GASB statement.

GASB Statement No. 103, Financial reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier applications are encouraged. FileLocal is currently evaluating the impact of this new GASB statement.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier applications are 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, 2024, the bank statement balance was $357,948.

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.

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

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 consists of amounts owed from individuals or organizations for tax portal services, including amounts paid in transit from merchant service companies. As of December 31, 2024, the accounts receivable balance was $20,016.

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). 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. As of December 31, 2024, WCIA had a total of 168 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, automobiles, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $16 million in limits above the self-insured layer is provided by reinsurance. Total limits are $20 million per occurrence subject to aggregates and sublimit. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to $1 million and subject to member deductibles, sublimit, and a $5 million pool aggregate. Premises pollution liability provides Members with a $2 million incident limit and $10 million pool aggregate subject to a $100,000 per incident Member deductible.

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 coverage is self-funded from the members' deductible to $1,000,000, for all perils other than flood and earthquake, and insured above that to $400 million per occurrence subject to aggregates and sublimit. Automobile physical damage coverage is self-funded from the members' deductible to $250,000 and insured above that to $100 million per occurrence subject to aggregates and sublimit.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess 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 directions 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 2024, 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 $812,793 was made by these participating cities in 2024. 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 $66,011 due from the cities as of December 31, 2024.

The City of Seattle provides labor and technology services to FileLocal, and these costs are billed to FileLocal for reimbursement. During 2024, the City of Seattle charged total contract labor cost and technology services of $317,681 and $3,589 to FileLocal.

NOTE 6 - SUBSCRIPTION LIABILITIES

FileLocal entered 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, 2024, the principal and interest requirements to maturity are as follows:

Year ended December 31	Principal	Interest
2025	$1,081,685	$73,315
2026	$1,243,396	$27,105
	$ 2,325,081	**$ 100,420**

The following is a summary of the long-term liability for the year ended December 31, 2024

Year ended December 31	Beginning Balance 1/1/2024	Increase	Decrease	Ending Balance 13/31/2024	Due Within One Year
Subscription liability	$3,261,661	-	$(936,580)	$2,325,081	$1,081,685
	$ 3261,661	**-**	**$(936,580)**	**$2,325,081**	**$1,081,685**

NOTE 7 - SUBSEQUENT EVENTS

The Management evaluated all activities of the FileLocal through 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.

FileLocal

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Warrant List 2nd Quarter 2025

FileLocal
Quarterly Warrant List
6/30/2025

Vendor Name	Payments for Current Quarter	Payments Year-To-Date
Association of Washington Cities	-	300.00
Avenu	403,252.50	610,761.25
Doodle AG	-	537.00
Francis & Company	25,956.20	42,298.70
Leviathan	8,325.00	8,325.00
Madrona Law Group, PLLC	1,989.00	3,243.00
Seattle	88,503.14	174,301.19
Tamazari, Inc.	72,380.00	106,439.30
Washington Cities Insurance Authority	-	5,169.00
Washington State Auditor's Office	7,539.22	7,539.22
Wells Fargo	932.36	1,160.75
	608,877.42	960,374.41