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

Marista Jorve
City of Everett

Paula Painter, Chair
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Dwight Dively, Vice Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Agenda

September 24, 2026

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

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

2. **PUBLIC COMMENT***

3. **APPROVAL OF 06-04-26 MEETING SUMMARY**
   a. 06-04-26 Meeting Summary

4. **REVIEW OF AUGUST 2026, JULY 2026, JUNE 2026, AND MAY 2026 FINANCIAL STATEMENTS**
   a. August 2026 Financial Statements
   b. July 2026 Financial Statements
   c. June 2026 Financial Statements
   d. May 2026 Financial Statements

5. **ACTION ITEMS**
   a. None

6. **DISCUSSION ITEMS**
   a. Annual Financial Statements 2025
   b. Operational Performance Report (OPR)
   c. 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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Dwight Dively, Vice Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Summary

June 04, 2026

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

June 4, 2026, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:01 a.m. and conducted by Teams meeting.

2. ROLL CALL

Board Members Present: Natalia Smigina for Jamie Thomas (phone) Michael Chandler (phone), Damarina Lee for Jeff Friend (phone), Marista Jorve (phone), Paula Painter (phone), Kari Roller (phone), Joseph Cunha for Dwight Dively (phone), Andy Cherullo (phone)

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

3. PUBLIC COMMENT

There were no public comments.

4. APPROVAL OF MEETING SUMMARY

On a motion made by Andy Cherello and seconded by Joseph Cunha the board approved the 03-19-26 meeting summary.

5. REVIEW OF FINANCIAL STATEMENTS

Horace Francis summarized the April 2026 financial statements and cash status. There were no questions or comments.

*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. ACTION ITEMS

A. Resolution FL2026-03 Adding a New Factor to the Cost Allocation Method.

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

i. Motion to accept: Andy Cherullo
ii. Motion second: Michael Chandler
iii. Supermajority vote passed

VOTE FL2026-03	City	Member
YES	Auburn	Natalia Smagina for Jamie Thomas
YES	Bellevue	Michael Chandler
YES	Des Moines	Damarina Lee for Jeff Friend
YES	Everett	Marista Jorve
YES	Kent	Paula Painter
YES	Lake Forest Park	Lindsey Vaughn
YES	Renton	Kari Roller
YES	Seattle	Joseph Cunha for Dwight Dively
YES	Tacoma	Andy Cherullo

B. Resolution FL2026-04 Draft Budget 2027-2031

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

i. Motion to accept: Andy Cherullo
ii. Motion seconded: Joseph Cunha
iii. Supermajority vote: passed

VOTE FL2026-04	City	Member
YES	Auburn	Natalia Smagina for Jamie Thomas
YES	Bellevue	Michael Chandler
YES	Des Moines	Damarina Lee for Jeff Friend
YES	Everett	Marista Jorve
YES	Kent	Paula Painter
YES	Lake Forest Park	Lindsey Vaughn
YES	Renton	Kari Roller
YES	Seattle	Joseph Cunha for Dwight Dively
YES	Tacoma	Andy Cherullo

7. DISCUSSION ITEMS:

A. Contract Updates

Scott Hitchcock provided the following contract updates:

Tamazari, Amendment – extends Project Manager services to 2028.

Seattle Information Technology Services, Amendment - extends Email, Messaging, and SharePoint 2026-2031.

B. Operational Performance Report (OPR)

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

C. Vendor Warrant List

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

8. ADJOURNMENT

On a motion by Andy Cherullo and seconded by Kari Roller the meeting was adjourned at 11:23a.m.

Respectfully submitted,

Julie Panick
Secretary, FileLocal

Financial Statements – August 2026

FileLocal

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

FileLocal
Financial Statements
August 31, 2026

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FileLocal
Statements of Financial Position
August 31, 2026

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 260,881	$ 280,948	$ (20,067)
Short term investments	2,387,822	2,380,266	7,556
Accounts receivable	8,028	14,992	(6,964)
Due from other governments	34,175	103,190	(69,015)
Prepaid	-	-	-
Total current assets	2,690,906	2,779,396	(88,490)
TOTAL ASSETS	**2,690,906**	**2,779,396**	**(88,490)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	107,376	15,985	91,391
Accrued expenses	280,905	326,105	(45,200)
Credit card payable	138	138	-
Total current liabilities	388,419	342,228	46,191
TOTAL LIABILITIES	**388,419**	**342,228**	**46,191**
NET ASSETS			
Capital reserve	-	-	-
Fund carryover reserve	288,919	288,919	-
Operating reserve	514,305	514,305	-
Platform replacement reserve	951,326	951,326	-
Net Revenue	547,937	682,618	(134,681)
TOTAL NET ASSETS	**2,302,487**	**2,437,168**	**(134,681)**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,690,906**	**$ 2,779,396**	**$ (88,490)**
	-	-	-

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, 2026

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 12,628	$ 56,124	$ 16,860
Total revenues		**12,628**	**56,124**	**16,860**
OPERATING EXPENSES				
Contract labor	1	47,435	40,035	39,100
Contracts	2	1,416	1,702	10,053
Overhead	3	138	5,112	3,602
Technology costs	4	105,875	107,563	95,288
Total operating expenses		**154,864**	**154,412**	**148,043**
NET OPERATING SURPLUS/DEFICIT		**(142,236)**	**(98,288)**	**(131,183)**
OTHER REVENUE				
Investment income	5	7,556	7,472	7,888
Reimbursable costs	6	-	-	-
Total Other Revenue		**7,556**	**7,472**	**7,888**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net Fund Carryover Adjustment	8	-	-	-
Net Operating Reserve Adjustment	9	-	-	-
Total Other Expenditures		**-**	**-**	**-**
CHANGE IN NET ASSETS		**$ (134,680)**	**$ (90,816)**	**$ (123,295)**

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FileLocal
Statement of Budget and Actual
August 31, 2026

	Sch	Budget 2026	YTD Budget	YTD Actual	Variance
REVENUES					
Total User Fees		$ 599,278	$ 404,056	$ 424,580	$ 20,524
Total revenues		**599,278**	**404,056**	**424,580**	**20,524**
OPERATING EXPENSES					
Contract labor	1	564,045	328,040	326,633	1,407
Contracts	2	72,400	50,200	51,915	(1,715)
Overhead	3	32,375	23,260	20,438	2,822
Technology costs	4	1,388,400	925,600	851,643	73,957
Total operating expenses		**2,057,220**	**1,327,100**	**1,250,629**	**76,471**
NET OPERATING SURPLUS/DEFICIT		**(1,457,942)**	**(923,044)**	**(826,049)**	**96,995**
OTHER REVENUE					
Investment income	5	-	-	58,127	58,127
Reimbursable costs	6	1,151,582	1,151,582	1,151,582	-
Total Other Revenue		**1,151,582**	**1,151,582**	**1,209,709**	**58,127**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net Fund Carryover Adjustment	8	(187,500)	(187,500)	(187,500)	-
Net Operating Reserve Adjustment	9	(118,860)	23,225	23,225	-
Net Platform Replacement Adjustment	10	-	-	-	-
Total Other Expenditures		**(306,360)**	**(164,275)**	**(164,275)**	**-**
CHANGE IN NET ASSETS		**$ -**	**$ 392,813**	**$ 547,935**	**$ 155,122**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
August 31, 2026

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 220,860	$ 147,240	$ 144,685	$ 2,555
Contract labor - Seattle	343,185	180,800	181,948	(1,148)
1. Contract labor	**564,045**	**328,040**	**326,633**	**1,407**
Accounting fees	66,600	44,400	46,633	(2,233)
Bank fees	400	400	110	290
Insurance	5,400	5,400	5,172	228
State Auditor fees	-	-	-	-
2. Contracts	**72,400**	**50,200**	**51,915**	**(1,715)**
Agency IT costs	4,100	4,100	3,892	208
Legal fees	23,575	15,720	14,572	1,148
License and membership fees	1,000	1,000	300	700
Meals and entertainment	1,000	660	186	474
Office and operating supplies	1,000	660	1,488	(828)
Travel expense	1,700	1,120	-	1,120
3. Overhead	**32,375**	**23,260**	**20,438**	**2,822**
Project management	52,500	35,000	-	35,000
SAAS fees	1,270,500	847,000	836,413	10,587
Software development	-	-	2,863	(2,863)
Software development recovery	-	-	1,820	(1,820)
Web security	65,400	43,600	10,547	33,053
4. Technology costs	**1,388,400**	**925,600**	**851,643**	**73,957**
Interest income	-	-	58,209	58,209
Investment expense	-	-	(82)	(82)
5. Investment income	**-**	**-**	**58,127**	**58,127**
Reimbursable costs - Auburn	10,948	10,948	10,948	-
Reimbursable costs - Bellevue	123,745	123,745	123,745	-
Reimbursable costs - Bremerton	-	-	-	-
Reimbursable costs - Des Moines	23,033	23,033	23,033	-
Reimbursable costs - Everett	92,154	92,154	92,154	-
Reimbursable costs - Kent	19,264	19,264	19,264	-
Reimbursable costs - Lake Forest Park	16,384	16,384	16,384	-
Reimbursable costs - Poulsbo	5,391	5,391	5,391	-
Reimbursable costs - Renton	74,970	74,970	74,970	-
Reimbursable costs - Seattle	582,476	582,476	582,476	-
Reimbursable costs - Shoreline	26,330	26,330	26,330	-
Reimbursable costs - Snoqualmie	-	-	-	-
Reimbursable costs - Tacoma	176,887	176,887	176,887	-
6. Reimbursable costs	**1,151,582**	**1,151,582**	**1,151,582**	**-**
Capital cost collected	(18,000)	(18,000)	(18,000)	-
Capital cost paid	18,000	18,000	18,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Fund carryover adjustment	(187,500)	(187,500)	(187,500)	-
8. Net Fund Carryover Adjustment	**$ (187,500)**	**$ (187,500)**	**$ (187,500)**	**$ -**
Capital reserve adjustment	-	-	-	-
Operating reserve adjustment	(118,860)	23,225	23,225	-
9. Net Operating Reserve Adjustment	**$ (118,860)**	**$ 23,225**	**$ 23,225**	**$ -**
Platform replacement adjustment	(912,914)	(659,262)	-	(659,262)
Platform replacement expense	912,914	659,262	-	659,262
10. Net Platform Replacement Adjustment	**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Cash Flow
August 31, 2026

OPERATING ACTIVITIES	
Net Revenue	(134,681)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	6,964
Due from other governments	69,015
Accounts Payable	91,391
Accrued Expenses	(45,200)
Credit card payable	-
Net cash provided/(used) by operating activities	**(12,511)**
Net cash increase/(decrease) for period	(12,511)
Cash at beginning of period	2,661,214
Cash at end of period	**2,648,703**

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Financial Statements – July 2026

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FileLocal
Financial Statements
July 31, 2026

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FileLocal
Statements of Financial Position
July 31, 2026

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 280,948	$ 452,170	$ (171,222)
Short term investments	2,380,266	2,372,793	7,473
Accounts receivable	14,992	8,084	6,908
Due from other governments	103,190	103,190	-
Prepaid	-	-	-
Total current assets	2,779,396	2,936,237	(156,841)
TOTAL ASSETS	**2,779,396**	**2,936,237**	**(156,841)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	15,985	210,486	(194,501)
Accrued expenses	326,155	197,630	128,525
Credit card payable	138	138	-
Total current liabilities	342,278	408,254	(65,976)
TOTAL LIABILITIES	**342,278**	**408,254**	**(65,976)**
NET ASSETS			
Capital reserve	-	-	-
Fund carryover reserve	288,919	288,919	-
Operating reserve	514,305	514,305	-
Platform replacement reserve	951,326	951,326	-
Net Revenue	682,568	773,433	(90,865)
TOTAL NET ASSETS	**2,437,118**	**2,527,983**	**(90,865)**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,779,396**	**$ 2,936,237**	**$ (156,841)**
	-	-	-

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FileLocal
Statements of Activities
July 31, 2026

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 56,124	$ 16,860	$ 16,864
Total revenues		**56,124**	**16,860**	**16,864**
OPERATING EXPENSES				
Contract labor	1	40,035	39,100	42,475
Contracts	2	1,752	10,053	5,550
Overhead	3	5,112	3,602	1,380
Technology costs	4	107,563	95,288	107,478
Total operating expenses		**154,462**	**148,043**	**156,883**
NET OPERATING SURPLUS/DEFICIT		**(98,338)**	**(131,183)**	**(140,019)**
OTHER REVENUE				
Investment income	5	7,472	7,888	8,288
Reimbursable costs	6	-	-	-
Total Other Revenue		**7,472**	**7,888**	**8,288**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net Fund Carryover Adjustment	8	-	-	-
Net Operating Reserve Adjustment	9	-	-	-
Total Other Expenditures		**-**	**-**	**-**
CHANGE IN NET ASSETS		**$ (90,866)**	**$ (123,295)**	**$ (131,731)**

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FileLocal
Statement of Budget and Actual
July 31, 2026

	Sch	Budget 2026	YTD Budget	YTD Actual	Variance
REVENUES					
Total User Fees		$ 599,278	$ 389,424	$ 411,952	$ 22,528
Total revenues		**599,278**	**389,424**	**411,952**	**22,528**
OPERATING EXPENSES					
Contract labor	1	564,045	287,035	279,198	7,837
Contracts	2	72,400	44,650	50,548	(5,898)
Overhead	3	32,375	20,985	20,300	685
Technology costs	4	1,388,400	809,900	745,768	64,132
Total operating expenses		**2,057,220**	**1,162,570**	**1,095,814**	**66,756**
NET OPERATING SURPLUS/DEFICIT		**(1,457,942)**	**(773,146)**	**(683,862)**	**89,284**
OTHER REVENUE					
Investment income	5	-	-	50,571	50,571
Reimbursable costs	6	1,151,582	1,151,582	1,151,582	-
Total Other Revenue		**1,151,582**	**1,151,582**	**1,202,153**	**50,571**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net Fund Carryover Adjustment	8	(187,500)	(187,500)	(187,500)	-
Net Operating Reserve Adjustment	9	(118,860)	23,225	23,225	-
Net Platform Replacement Adjustment	10	-	-	-	-
Total Other Expenditures		**(306,360)**	**(164,275)**	**(164,275)**	**-**
CHANGE IN NET ASSETS		**$ -**	**$ 542,711**	**$ 682,566**	**$ 139,855**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
July 31, 2026

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 220,860	$ 128,835	$ 125,325	$ 3,510
Contract labor - Seattle	343,185	158,200	153,873	4,327
1. Contract labor	**564,045**	**287,035**	**279,198**	**7,837**
Accounting fees	66,600	38,850	45,266	(6,416)
Bank fees	400	400	110	290
Insurance	5,400	5,400	5,172	228
State Auditor fees	-	-	-	-
2. Contracts	**72,400**	**44,650**	**50,548**	**(5,898)**
Agency IT costs	4,100	4,100	3,892	208
Legal fees	23,575	13,755	14,572	(817)
License and membership fees	1,000	1,000	300	700
Meals and entertainment	1,000	575	186	389
Office and operating supplies	1,000	575	1,350	(775)
Travel expense	1,700	980	-	980
3. Overhead	**32,375**	**20,985**	**20,300**	**685**
Project management	52,500	30,625	-	30,625
SAAS fees	1,270,500	741,125	730,538	10,587
Software development	-	-	2,863	(2,863)
Software development recovery	-	-	1,820	(1,820)
Web security	65,400	38,150	10,547	27,603
4. Technology costs	**1,388,400**	**809,900**	**745,768**	**64,132**
Interest income	-	-	50,640	50,640
Investment expense	-	-	(69)	(69)
5. Investment income	**-**	**-**	**50,571**	**50,571**
Reimbursable costs - Auburn	10,948	10,948	10,948	-
Reimbursable costs - Bellevue	123,745	123,745	123,745	-
Reimbursable costs - Bremerton	-	-	-	-
Reimbursable costs - Des Moines	23,033	23,033	23,033	-
Reimbursable costs - Everett	92,154	92,154	92,154	-
Reimbursable costs - Kent	19,264	19,264	19,264	-
Reimbursable costs - Lake Forest Park	16,384	16,384	16,384	-
Reimbursable costs - Poulsbo	5,391	5,391	5,391	-
Reimbursable costs - Renton	74,970	74,970	74,970	-
Reimbursable costs - Seattle	582,476	582,476	582,476	-
Reimbursable costs - Shoreline	26,330	26,330	26,330	-
Reimbursable costs - Snoqualmie	-	-	-	-
Reimbursable costs - Tacoma	176,887	176,887	176,887	-
6. Reimbursable costs	**1,151,582**	**1,151,582**	**1,151,582**	**-**
Capital cost collected	(18,000)	(18,000)	(18,000)	-
Capital cost paid	18,000	18,000	18,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Fund carryover adjustment	(187,500)	(187,500)	(187,500)	-
8. Net Fund Carryover Adjustment	**$ (187,500)**	**$ (187,500)**	**$ (187,500)**	**$ -**
Capital reserve adjustment	-	-	-	-
Operating reserve adjustment	(118,860)	23,225	23,225	-
9. Net Operating Reserve Adjustment	**$ (118,860)**	**$ 23,225**	**$ 23,225**	**$ -**
Platform replacement adjustment	(912,914)	(405,700)	-	(405,700)
Platform replacement expense	912,914	405,700	-	405,700
10. Net Platform Replacement Adjustment	**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Cash Flow
July 31, 2026

OPERATING ACTIVITIES	
Net Revenue	(90,865)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	(6,908)
Due from other governments	-
Accounts Payable	(194,502)
Accrued Expenses	128,525
Credit card payable	-
Net cash provided/(used) by operating activities	**(163,750)**
Net cash increase/(decrease) for period	(163,750)
Cash at beginning of period	2,824,964
Cash at end of period	**2,661,214**

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Financial Statements – June 2026

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Financial Statements
June 30, 2026

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FileLocal
Statements of Financial Position
June 30, 2026

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 452,170	$ 260,966	$ 191,204
Short term investments	2,372,793	2,649,250	(276,457)
Accounts receivable	8,084	7,844	240
Due from other governments	103,190	34,685	68,505
Prepaid	-	-	-
Total current assets	2,936,237	2,952,745	(16,508)
TOTAL ASSETS	**2,936,237**	**2,952,745**	**(16,508)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	210,486	9,325	201,161
Accrued expenses	197,630	292,005	(94,375)
Credit card payable	148	138	10
Total current liabilities	408,264	301,468	106,796
TOTAL LIABILITIES	**408,264**	**301,468**	**106,796**
NET ASSETS			
Capital reserve	-	-	-
Fund carryover reserve	288,919	288,919	-
Operating reserve	514,305	514,305	-
Platform replacement reserve	951,326	951,326	-
Net Revenue	773,423	896,727	(123,304)
TOTAL NET ASSETS	**2,527,973**	**2,651,277**	**(123,304)**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,936,237**	**$ 2,952,745**	**$ (16,508)**
	-	-	-

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
June 30, 2026

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 16,860	$ 16,864	$ 71,296
Total revenues		**16,860**	**16,864**	**71,296**
OPERATING EXPENSES				
Contract labor	1	39,100	42,475	35,873
Contracts	2	10,063	5,550	5,550
Overhead	3	3,602	1,380	992
Technology costs	4	95,288	107,478	110,558
Total operating expenses		**148,053**	**156,883**	**152,973**
NET OPERATING SURPLUS/DEFICIT		**(131,193)**	**(140,019)**	**(81,677)**
OTHER REVENUE				
Investment income	5	7,888	8,288	8,105
Reimbursable costs	6	-	-	-
Total Other Revenue		**7,888**	**8,288**	**8,105**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net Fund Carryover Adjustment	8	-	-	-
Net Operating Reserve Adjustment	9	-	-	-
Total Other Expenditures		**-**	**-**	**-**
CHANGE IN NET ASSETS		**$ (123,305)**	**$ (131,731)**	**$ (73,572)**

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, 2026

	Sch	Budget 2026	YTD Budget	YTD Actual	Variance
REVENUES					
Total User Fees		$ 599,278	$ 319,476	$ 355,828	$ 36,352
Total revenues		**599,278**	**319,476**	**355,828**	**36,352**
OPERATING EXPENSES					
Contract labor	1	564,045	246,030	239,163	6,867
Contracts	2	72,400	39,100	48,806	(9,706)
Overhead	3	32,375	18,710	15,188	3,522
Technology costs	4	1,388,400	694,200	638,205	55,995
Total operating expenses		**2,057,220**	**998,040**	**941,362**	**56,678**
NET OPERATING SURPLUS/DEFICIT		**(1,457,942)**	**(678,564)**	**(585,534)**	**93,030**
OTHER REVENUE					
Investment income	5	-	-	43,099	43,099
Reimbursable costs	6	1,151,582	1,151,582	1,151,582	-
Total Other Revenue		**1,151,582**	**1,151,582**	**1,194,681**	**43,099**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net Fund Carryover Adjustment	8	(187,500)	(187,500)	(187,500)	-
Net Operating Reserve Adjustment	9	(118,860)	23,225	23,225	-
Net Platform Replacement Adjustment	10	-	-	-	-
Total Other Expenditures		**(306,360)**	**(164,275)**	**(164,275)**	**-**
CHANGE IN NET ASSETS		**$ -**	**$ 637,293**	**$ 773,422**	**$ 136,129**

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, 2026

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 220,860	$ 110,430	$ 107,890	$ 2,540
Contract labor - Seattle	343,185	135,600	131,273	4,327
1. Contract labor	**564,045**	**246,030**	**239,163**	**6,867**
Accounting fees	66,600	33,300	43,530	(10,230)
Bank fees	400	400	104	296
Insurance	5,400	5,400	5,172	228
State Auditor fees	-	-	-	-
2. Contracts	**72,400**	**39,100**	**48,806**	**(9,706)**
Agency IT costs	4,100	4,100	3,892	208
Legal fees	23,575	11,790	9,598	2,192
License and membership fees	1,000	1,000	300	700
Meals and entertainment	1,000	490	186	304
Office and operating supplies	1,000	490	1,212	(722)
Travel expense	1,700	840	-	840
3. Overhead	**32,375**	**18,710**	**15,188**	**3,522**
Project management	52,500	26,250	-	26,250
SAAS fees	1,270,500	635,250	624,663	10,587
Software development	-	-	2,863	(2,863)
Software development recovery	-	-	1,820	(1,820)
Web security	65,400	32,700	8,859	23,841
4. Technology costs	**1,388,400**	**694,200**	**638,205**	**55,995**
Interest income	-	-	43,156	43,156
Investment expense	-	-	(57)	(57)
5. Investment income	**-**	**-**	**43,099**	**43,099**
Reimbursable costs - Auburn	10,948	10,948	10,948	-
Reimbursable costs - Bellevue	123,745	123,745	123,745	-
Reimbursable costs - Bremerton	-	-	-	-
Reimbursable costs - Des Moines	23,033	23,033	23,033	-
Reimbursable costs - Everett	92,154	92,154	92,154	-
Reimbursable costs - Kent	19,264	19,264	19,264	-
Reimbursable costs - Lake Forest Park	16,384	16,384	16,384	-
Reimbursable costs - Poulsbo	5,391	5,391	5,391	-
Reimbursable costs - Renton	74,970	74,970	74,970	-
Reimbursable costs - Seattle	582,476	582,476	582,476	-
Reimbursable costs - Shoreline	26,330	26,330	26,330	-
Reimbursable costs - Snoqualmie	-	-	-	-
Reimbursable costs - Tacoma	176,887	176,887	176,887	-
6. Reimbursable costs	**1,151,582**	**1,151,582**	**1,151,582**	**-**
Capital cost collected	(18,000)	(18,000)	(18,000)	-
Capital cost paid	18,000	18,000	18,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Fund carryover adjustment	(187,500)	(187,500)	(187,500)	-
8. Net Fund Carryover Adjustment	**$ (187,500)**	**$ (187,500)**	**$ (187,500)**	**$ -**
Capital reserve adjustment	-	-	-	-
Operating reserve adjustment	(118,860)	23,225	23,225	-
9. Net Operating Reserve Adjustment	**$ (118,860)**	**$ 23,225**	**$ 23,225**	**$ -**
Platform replacement adjustment	(912,914)	(405,700)	-	(405,700)
Platform replacement expense	912,914	405,700	-	405,700
10. Net Platform Replacement Adjustment	**$ -**	**$ -**	**$ -**	**$ -**

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, 2026

OPERATING ACTIVITIES	
Net Revenue	(123,304)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	(240)
Due from other governments	(68,505)
Accounts Payable	201,162
Accrued Expenses	(94,375)
Credit card payable	10
Net cash provided/(used) by operating activities	**(85,252)**
Net cash increase/(decrease) for period	(85,252)
Cash at beginning of period	2,910,215
Cash at end of period	**2,824,963**

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 2026

FileLocal

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

FileLocal
Financial Statements
May 31, 2026

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FileLocal
Statements of Financial Position
May 31, 2026

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 260,966	$ 414,219	$ (153,253)
Short term investments	2,649,250	2,673,732	(24,482)
Accounts receivable	7,844	19,952	(12,108)
Due from other governments	34,685	44,000	(9,315)
Prepaid	-	-	-
Total current assets	2,952,745	3,151,903	(199,158)
TOTAL ASSETS	**2,952,745**	**3,151,903**	**(199,158)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	9,325	192,466	(183,141)
Accrued expenses	292,005	176,385	115,620
Credit card payable	138	44	94
Total current liabilities	301,468	368,895	(67,427)
TOTAL LIABILITIES	**301,468**	**368,895**	**(67,427)**
NET ASSETS			
Capital reserve	-	-	-
Fund carryover reserve	288,919	288,919	-
Operating reserve	514,305	514,305	-
Platform replacement reserve	951,326	951,326	-
Net Revenue	896,727	1,028,458	(131,731)
TOTAL NET ASSETS	**2,651,277**	**2,783,008**	**(131,731)**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,952,745**	**$ 3,151,903**	**$ (199,158)**
	-	-	-

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, 2026

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 16,864	$ 71,296	$ 32,304
Total revenues		**16,864**	**71,296**	**32,304**
OPERATING EXPENSES				
Contract labor	1	42,475	35,873	41,005
Contracts	2	5,550	5,550	11,378
Overhead	3	1,380	992	1,455
Technology costs	4	107,478	110,558	108,491
Total operating expenses		**156,883**	**152,973**	**162,329**
NET OPERATING SURPLUS/DEFICIT		**(140,019)**	**(81,677)**	**(130,025)**
OTHER REVENUE				
Investment income	5	8,288	8,105	7,670
Reimbursable costs	6	-	-	-
Total Other Revenue		**8,288**	**8,105**	**7,670**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net Fund Carryover Adjustment	8	-	-	-
Net Operating Reserve Adjustment	9	-	-	-
Total Other Expenditures		**-**	**-**	**-**
CHANGE IN NET ASSETS		**$ (131,731)**	**$ (73,572)**	**$ (122,355)**

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FileLocal
Statement of Budget and Actual
May 31, 2026

	Sch	Budget 2026	YTD Budget	YTD Actual	Variance
REVENUES					
Total User Fees		$ 599,278	$ 305,196	$ 338,968	$ 33,772
Total revenues		**599,278**	**305,196**	**338,968**	**33,772**
OPERATING EXPENSES					
Contract labor	1	564,045	205,025	200,063	4,962
Contracts	2	72,400	33,550	38,744	(5,194)
Overhead	3	32,375	16,435	11,585	4,850
Technology costs	4	1,388,400	578,500	542,917	35,583
Total operating expenses		**2,057,220**	**833,510**	**793,309**	**40,201**
NET OPERATING SURPLUS/DEFICIT		**(1,457,942)**	**(528,314)**	**(454,341)**	**73,973**
OTHER REVENUE					
Investment income	5	-	-	35,211	35,211
Reimbursable costs	6	1,151,582	1,151,582	1,151,582	-
Total Other Revenue		**1,151,582**	**1,151,582**	**1,186,793**	**35,211**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net Fund Carryover Adjustment	8	(187,500)	(187,500)	(187,500)	-
Net Operating Reserve Adjustment	9	(118,860)	23,225	23,225	-
Net Platform Replacement Adjustment	10	-	-	-	-
Total Other Expenditures		**(306,360)**	**(164,275)**	**(164,275)**	**-**
CHANGE IN NET ASSETS		**$ -**	**$ 787,543**	**$ 896,727**	**$ 109,184**

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, 2026

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 220,860	$ 92,025	$ 91,390	$ 635
Contract labor - Seattle	343,185	113,000	108,673	4,327
1. Contract labor	**564,045**	**205,025**	**200,063**	**4,962**
Accounting fees	66,600	27,750	33,587	(5,837)
Bank fees	400	400	(15)	415
Insurance	5,400	5,400	5,172	228
State Auditor fees	-	-	-	-
2. Contracts	**72,400**	**33,550**	**38,744**	**(5,194)**
Agency IT costs	4,100	4,100	3,892	208
Legal fees	23,575	9,825	6,134	3,691
License and membership fees	1,000	1,000	300	700
Meals and entertainment	1,000	405	186	219
Office and operating supplies	1,000	405	1,073	(668)
Travel expense	1,700	700	-	700
3. Overhead	**32,375**	**16,435**	**11,585**	**4,850**
Project management	52,500	21,875	-	21,875
SAAS fees	1,270,500	529,375	529,375	-
Software development	-	-	2,863	(2,863)
Software development recovery	-	-	1,820	(1,820)
Web security	65,400	27,250	8,859	18,391
4. Technology costs	**1,388,400**	**578,500**	**542,917**	**35,583**
Interest income	-	-	35,262	35,262
Investment expense	-	-	(51)	(51)
5. Investment income	**-**	**-**	**35,211**	**35,211**
Reimbursable costs - Auburn	10,948	10,948	10,948	-
Reimbursable costs - Bellevue	123,745	123,745	123,745	-
Reimbursable costs - Bremerton	-	-	-	-
Reimbursable costs - Des Moines	23,033	23,033	23,033	-
Reimbursable costs - Everett	92,154	92,154	92,154	-
Reimbursable costs - Kent	19,264	19,264	19,264	-
Reimbursable costs - Lake Forest Park	16,384	16,384	16,384	-
Reimbursable costs - Poulsbo	5,391	5,391	5,391	-
Reimbursable costs - Renton	74,970	74,970	74,970	-
Reimbursable costs - Seattle	582,476	582,476	582,476	-
Reimbursable costs - Shoreline	26,330	26,330	26,330	-
Reimbursable costs - Snoqualmie	-	-	-	-
Reimbursable costs - Tacoma	176,887	176,887	176,887	-
6. Reimbursable costs	**1,151,582**	**1,151,582**	**1,151,582**	**-**
Capital cost collected	(18,000)	(18,000)	(18,000)	-
Capital cost paid	18,000	18,000	18,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Fund carryover adjustment	(187,500)	(187,500)	(187,500)	-
8. Net Fund Carryover Adjustment	**$ (187,500)**	**$ (187,500)**	**$ (187,500)**	**$ -**
Capital reserve adjustment	-	-	-	-
Operating reserve adjustment	(118,860)	23,225	23,225	-
9. Net Operating Reserve Adjustment	**$ (118,860)**	**$ 23,225**	**$ 23,225**	**$ -**
Platform replacement adjustment	(912,914)	(405,700)	-	(405,700)
Platform replacement expense	912,914	405,700	-	405,700
10. Net Platform Replacement Adjustment	**$ -**	**$ -**	**$ -**	**$ -**

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, 2026

OPERATING ACTIVITIES	
Net Revenue	(131,731)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	12,108
Due from other governments	9,315
Accounts Payable	(183,141)
Accrued Expenses	115,620
Credit card payable	94
Net cash provided/(used) by operating activities	**(177,735)**
Net cash increase/(decrease) for period	(177,735)
Cash at beginning of period	3,087,951
Cash at end of period	**2,910,216**

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

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

Annual Financial Statements 2025

January 1, 2025 – December 31, 2025

FRANCIS & COMPANY PLLC

Washington Multi-City Business License and Tax Portal Agency

Financial Statements for the Year Ended December 31, 2025

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, 2025, 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.

Francis & Company

Seattle, Washington
May 20, 2026

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Seattle, WA 98119
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WASHINGTON MULTI-CITY BUSINESS LICENSES AND TAX PORTAL AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) present 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, 2025. 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. File Local'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 the 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 2025, FileLocal had a net surplus of $398,712 (2024 $ 209,607 deficit). This was primarily due to higher recovery of reimbursable costs which increased by $ 385,529 or 47% in 2025. Also, the total expenses reduced by $ 200,170, 10% in 2025.

As of December 31, 2025, FileLocal reported a total net position of $1,758,474 (2024 $ 1,359,762). The entire amount was temporarily restricted by the Executive Board. 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	**2025**	**2024**
Assets	$ 3,190,731	$ 3,955,824
Deferred outflows of resources	-	-
Liabilities	(1,432,257)	(2,596,062)
Deferred inflows of resources	-	-
Total net position	**$ 1,758,474**	**$ 1,359,762**

User fees increased by $27,564 (3.5%) to $807,828 and cost reimbursement increased by $385,529 (47%) to $1,198,322 during the current year ended December 31, 2025. Total expenses decreased by $200,170 (10%) to $1,729,200, which was primarily driven by a decrease in technology costs and contract labor 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 2025, transaction fee is charged on a fixed cost basis as part of technology costs.

	2025	**2024**
User fees	807,828	780,264
Reimbursable costs	1,198,322	812,793
Capital Cost Recovery charges	28,000	29,000
Investment income	93,762	97,706
Total revenue	**2,127,912**	**1,719,763**
Technology costs	1,164,488	1,251,005
Contract labor costs	429,879	529,181
Professional fees	99,345	112,702
Capital recovery payment	28,000	29,000
Insurance	5,169	5,169
Other operating costs	2,319	2,313
Total expenses	**1,729,200**	**1,929,370**
Change in net position	398,712	(209,607)
Beginning net position	1,359,762	1,569,369
Ending net position	**1,758,474**	**1,359,762**

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, 2025

ASSETS	
CURRENT ASSETS	
Cash	$ 278,924
Short-term investments	1,778,500
Accounts receivable	23,196
Due from other governments	27,066
Subscription asset	1,083,045
TOTAL ASSETS	**$ 3,190,731**
DEFERRED OUTFLOWS OF RESOURCES	**$ -**
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 188,861
Subscription liability	1,243,396
TOTAL LIABILITIES	**$ 1,432,257**
DEFERRED INFLOWS OF RESOURCES	**$ -**
NET POSITION	
Temporarily restricted	$ 1,758,474
Unrestricted	-
TOTAL NET POSITION	**$ 1,758,474**

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, 2025

OPERATING REVENUE		
User fees	$	807,828
Total operating revenue		**807,828**
OPERATING EXPENSES		
Technology costs		1,164,488
Contract labor costs		429,879
Professional fees		99,345
Capital recovery payment		28,000
Insurance		5,169
Other operating costs		2,319
Total operating expenses		**1,729,200**
Total operating surplus (deficit)		**$ (921,372)**
NONOPERATING REVENUES		
Reimbursable costs		1,198,322
Capital cost recovery charges		28,000
Investment income, net of investment expenses		93,762
Total non-operating revenue	**$**	**1,320,084**
CHANGE IN NET POSITION	**$**	**398,712**
NET POSITION - BEGINNING OF YEAR		1,359,762
NET POSITION - ENDING OF YEAR	**$**	**1,758,474**

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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers	$ (1,817,226)
Cash receipts from customers	804,649
Net cash used in operating activities	**(1,012,577)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Reimbursable costs	1,198,322
Capital cost recovery charges	28,000
Net cash provided by non-capital financing activities	**1,226,322**
CASH FLOWS FROM INVESTING ACTITIVITIES	
Investment income, net of investment expenses	93,762
Net cash provided by investing activities	**93,762**
NET INCREASE IN CASH	**307,507**
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,749,917
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**$ 2,057,424**

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

Operating loss	$ (921,372)
Adjustments to reconcile operating loss to net cash provided used in operating activities:	
Changes in assets and liabilities	
Increase in account receivables	(3,180)
Decrease in subscription assets	1,036,835
Decrease in due from other governments	38,945
Increase in accounts payable	62,930
Decrease in accrued liabilities	(145,050)
Decrease in subscription liabilities	(1,081,685)
Net cash used in operating activities	**$ (1,012,577)**

Reconciliation of Cash and Cash Equivalents at the end of the year

Cash	278,924
Short term investments	1,778,500
Total	**$ 2,057,424**

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) were 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 2020, the cities of Des Moines joined FileLocal as a member. In 2021, the cities of Snoqualmie and Kent 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. In 2024, the City of Poulsbo joined FileLocal as a subscriber. During 2025, 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, 2025.

Basis of Accounting and Reporting

FileLocal is considered a single enterprise fund which is accounted for on an economic resource 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 in 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

File Local'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.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

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.

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 has determined no impact of this GASB statement for the fiscal year 2025.

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.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

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.

GASB Statement No. 105, Subsequent Events, establishes accounting and financial reporting requirements for events and transactions that occur after the financial statement date but before the financial statements are issued or available to be issued. This Statement requires governments to evaluate whether subsequent events provide additional evidence about conditions that existed at the financial statement date and therefore require recognition in the financial statements, or whether such events relate to conditions that arose after the financial statement date and therefore require disclosure if material. In addition, this Statement requires disclosure of the date through which subsequent events were evaluated and whether the financial statements were issued or available to be issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier applications are encouraged. FileLocal is currently evaluating the impact of this new GASB statement on its financial reporting and related disclosures.

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, 2025, the bank statement balance was $278,924.

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 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, 2025, the accounts receivable balance was $23,196.

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.

NOTE 4 - RISK MANAGEMENT (CONTINUATION)

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, 2025, 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, automobile, 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 sublimits. 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, sublimits, 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.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage 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 sublimits. 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 sublimits.

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 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 2025, 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 $1,198,322 was made by these participating cities in 2025. 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 27,066 due from the cities as of December 31, 2025.

The City of Seattle provides labor and technology services to FileLocal, and these costs are billed to FileLocal for reimbursement. During 2025, the City of Seattle charged total contract labor cost and technology services of $215,200 and $3,753 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, 2025, the principal and interest requirements to maturity are as follows:

Year ended December 31	Principal	Interest
2026	$1,243,396	$27,105

The following is a summary of the liability for the year ended December 31, 2025

Year ended December 31	Beginning Balance 1/1/2025	Increase	Decrease	Ending Balance 12/31/2025	Due Within One Year
Subscription liability	$ 2,325,081	-	$(1,081,685)	$1,243,396	$1,243,396
	$ 2,325,081	**-**	**$(1,081,685)**	**$1,243,396**	**$1,243,396**

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

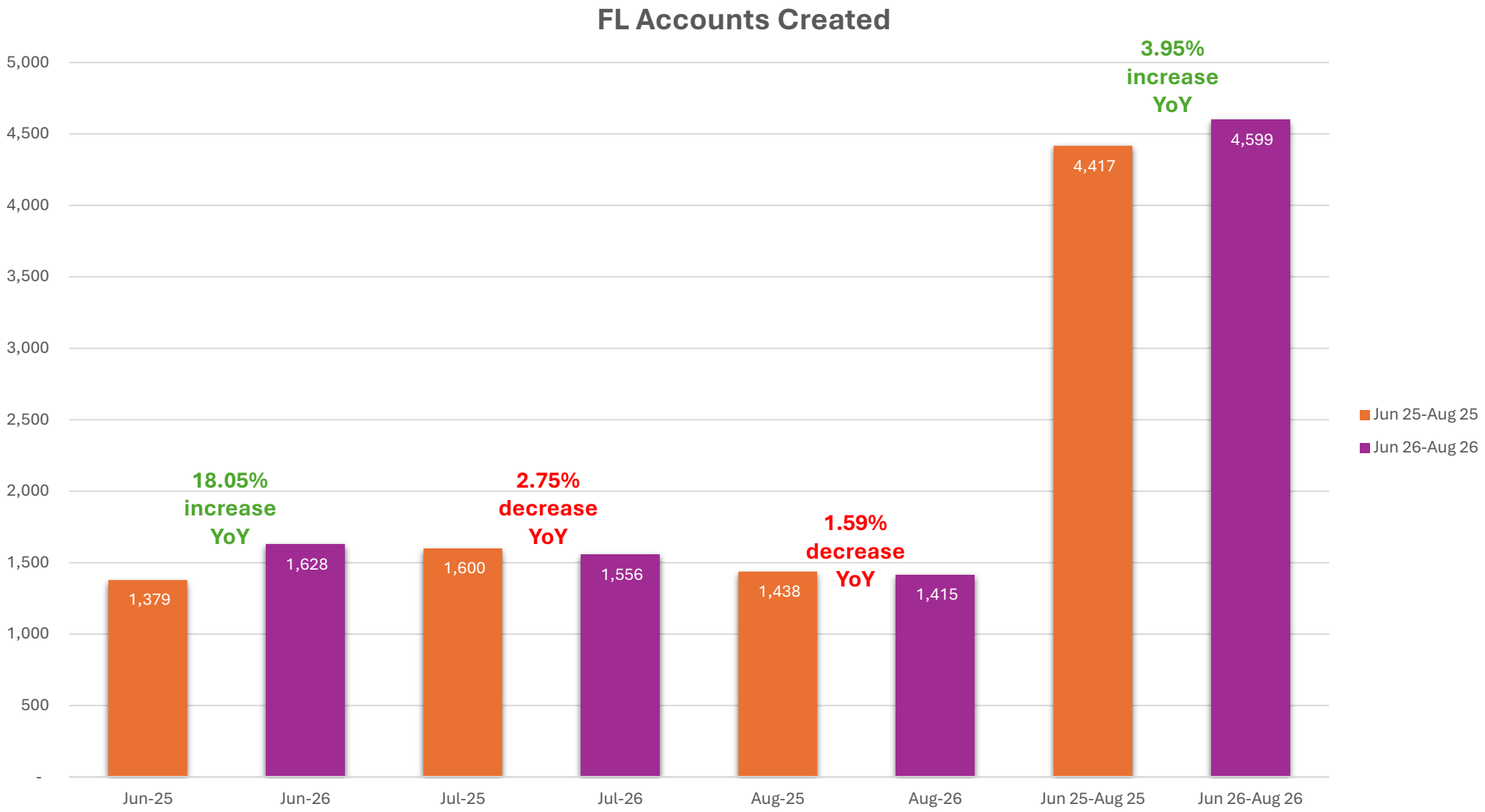
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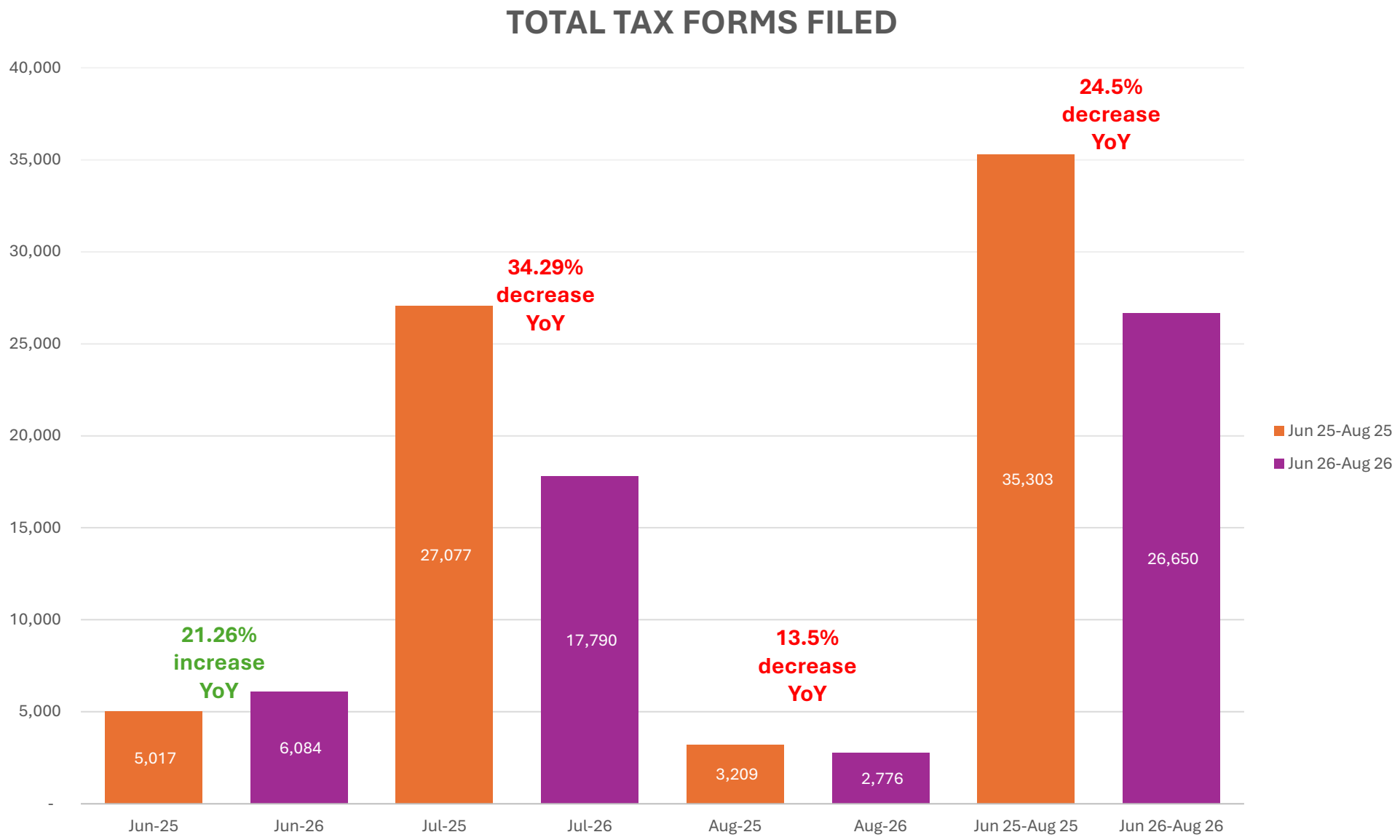
Operational Performance Report

July 2026

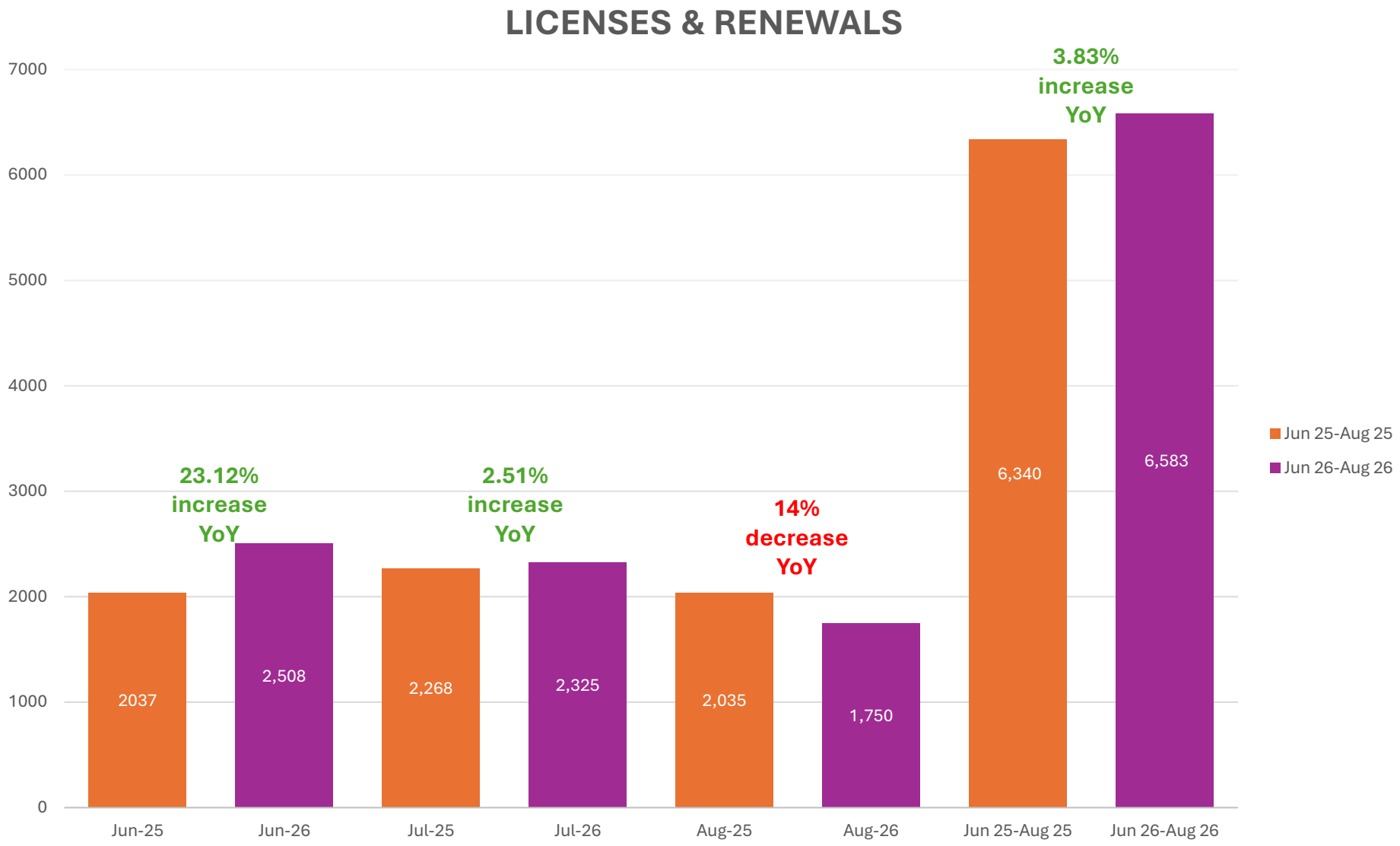
Accounts Created



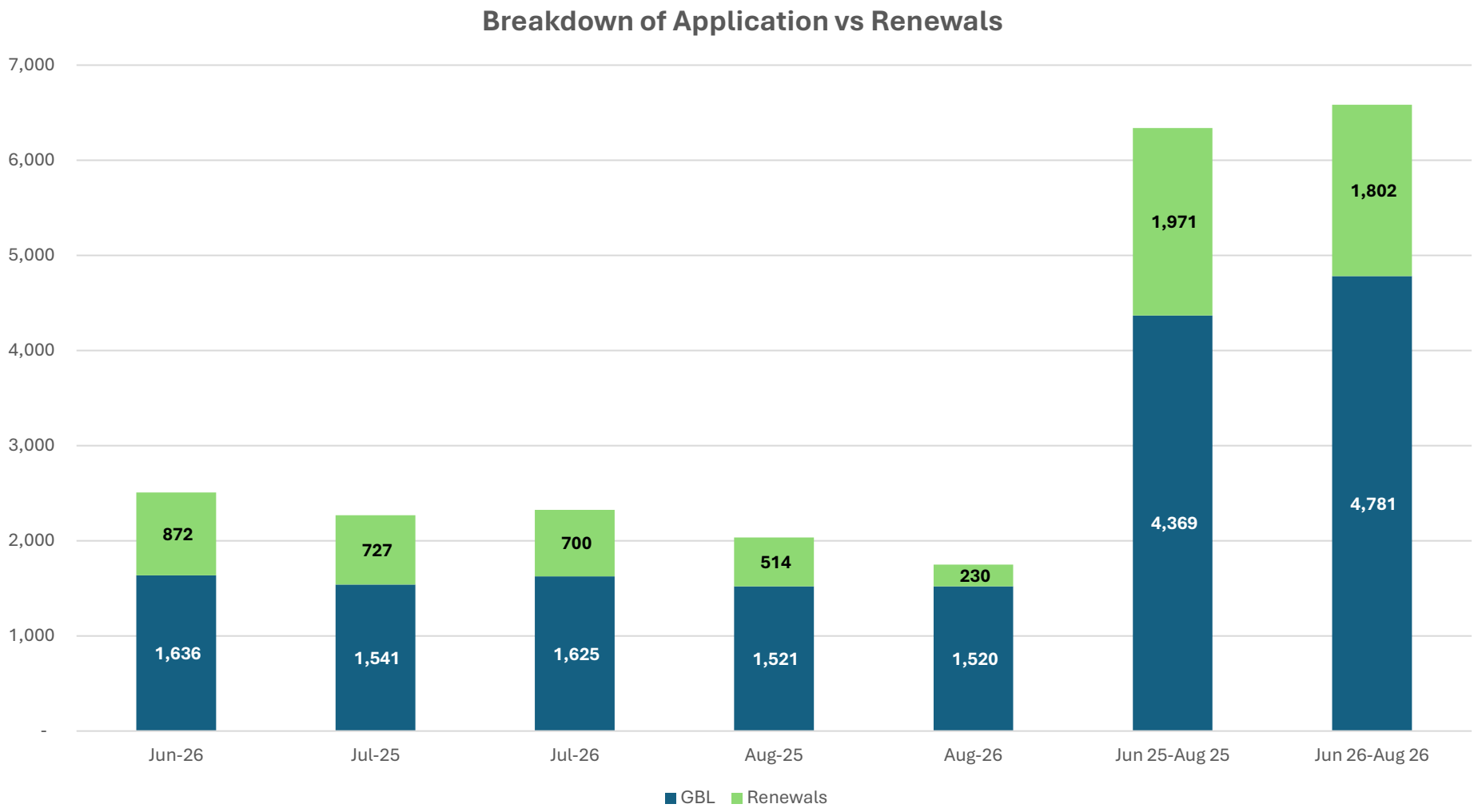
Tax Forms Filed



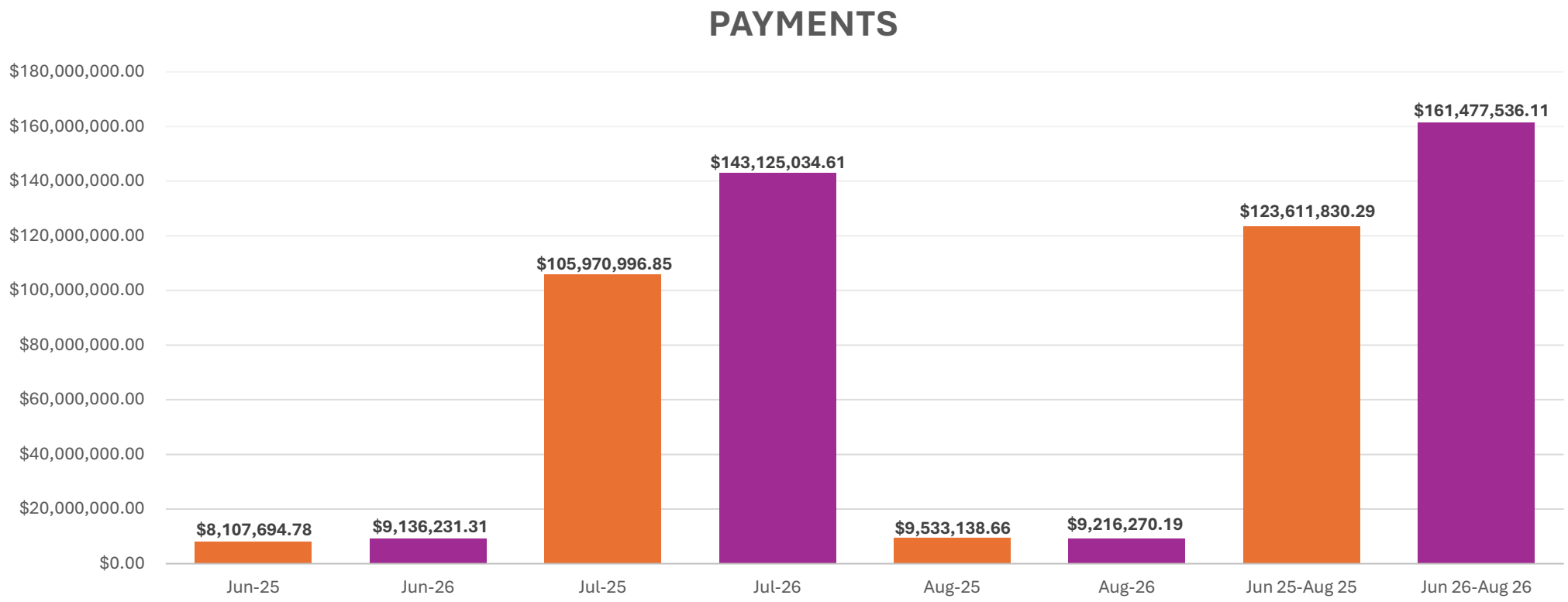
Licenses and Renewals



Licenses and Renewals



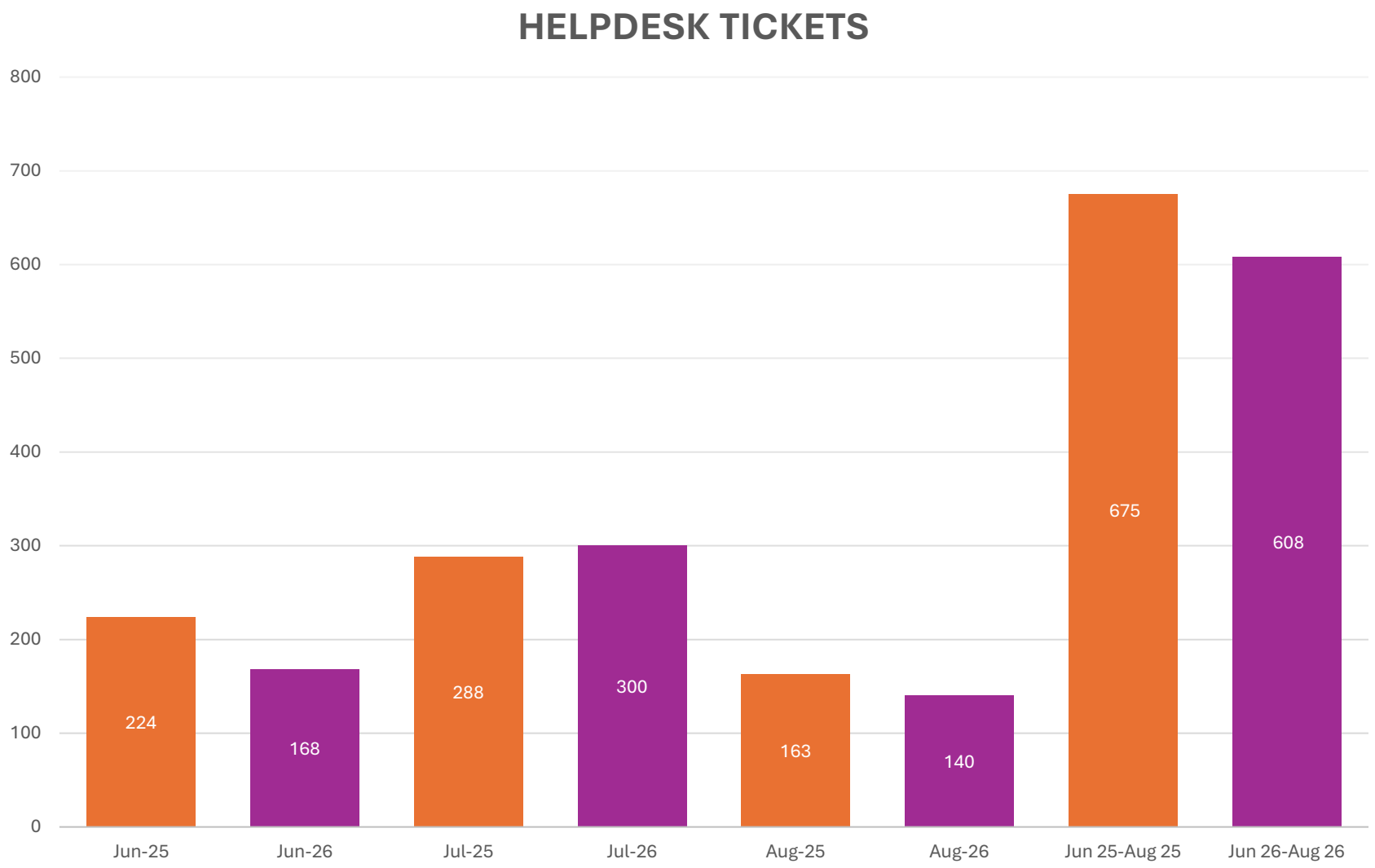
Payments


PAYMENTS
$180,000,000.00
$160,000,000.00
$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
$8,107,694.78
$9,136,231.31
$105,970,996.85
$143,125,034.61
$9,533,138.66
$9,216,270.19
$123,611,830.29
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Jun-25
Jun-26
Jul-25
Jul-26
Aug-25
Aug-26
Jun 25-Aug 25
Jun 26-Aug 26

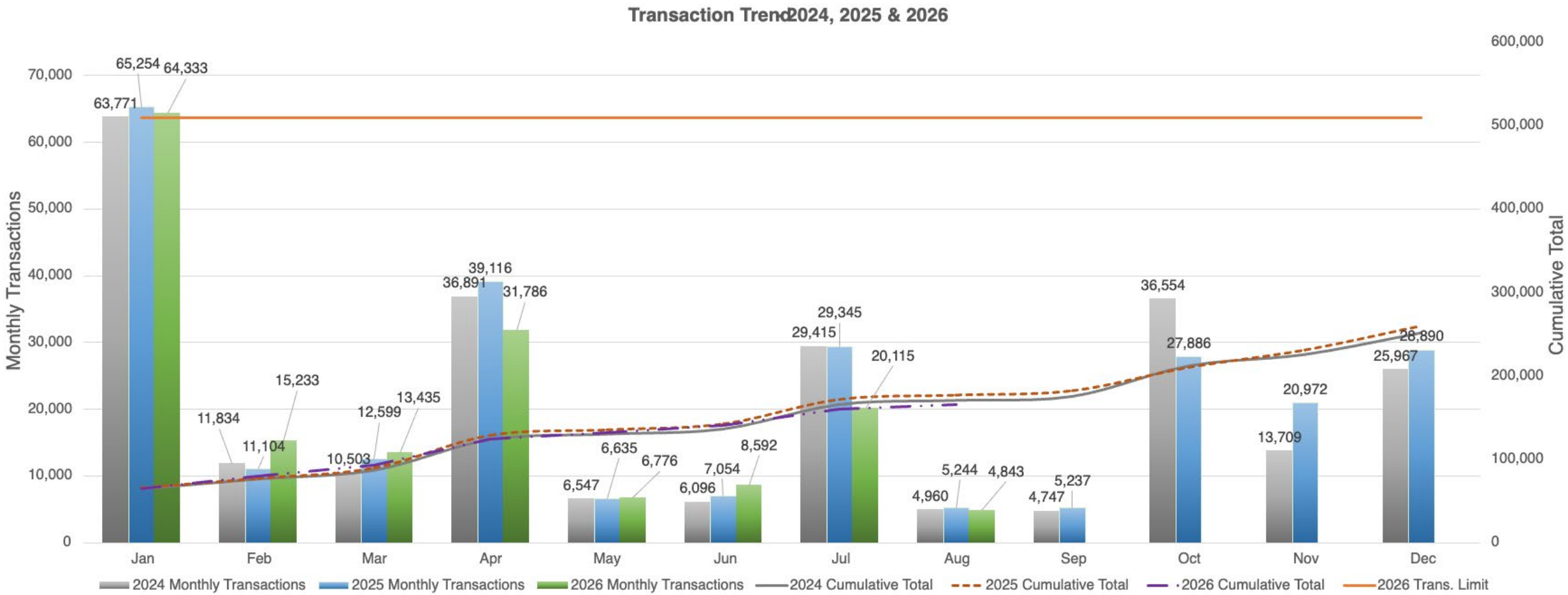
Help Desk Calls

Top 5 Categories (2026)

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



Transactions



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Vendor Warrant List – 2nd Quarter 2026

June 2026

FileLocal
Quarterly Warrant List
6/30/2026

Vendor Name	Payments for Current Quarter	Payments Year-To-Date
Anthropic	647	647
Association of Washington Cities		300
Avenu	191,563	499,563
Doodle AG		587
Francis & Company	36,042	40,088
Leviathan	1,603	8,859
Madrona Law Group, PLLC	5,654	9,598
Seattle	81,973	156,602
Tamazari, Inc.	72,380	107,250
Washington cities insurance authority		5,172
Wells Fargo	146	177
	390,008	828,843